Towards a higher value-added, globally integrated, services

‘Smiley Face’ - conceptual model

Source: Business Week International online extra, May 16, 2005, Stan Shih on Chinese Taipei and China

Developing countries struggle to exploit services export opportunities in global value chains

• Only a handful of countries, mostly in Asia, have services value-added in exports well above the global average, and continuing to trend upwards (India, Singapore, Hong Kong SAR, Malta, Latvia).
• With few exceptions, for example Philippines, Cambodia and Lithuania, most developing countries fall significantly below the global average.
• A number of developing countries (Saudi Arabia, Brunei Darussalam, Indonesia, Viet Nam, Thailand, Russian Federation, Argentina) show signs of a trend decline in services content of gross exports.
• Countries not included in the TIVA database (rest of the world), mainly developing and least developed countries, still face serious difficulties in exporting services value-added.