



Services and Development

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Topics

- A high performing service sector is the 'good oil' of the economy
 - connectivity
 - inclusion
 - capacity
 - productivity
- Services themselves often big users of other services
 - illustration in tourism
- The services 'supply chain'
 - opens new business opportunities
- Challenges





Services and connectivity

- Air transport
- Logistics competence
- Telecommunications



<http://www.flightglobal.com/blogs/the-networker/2010/12/jakarta-now-south-east-asias-busiest-airport.html>



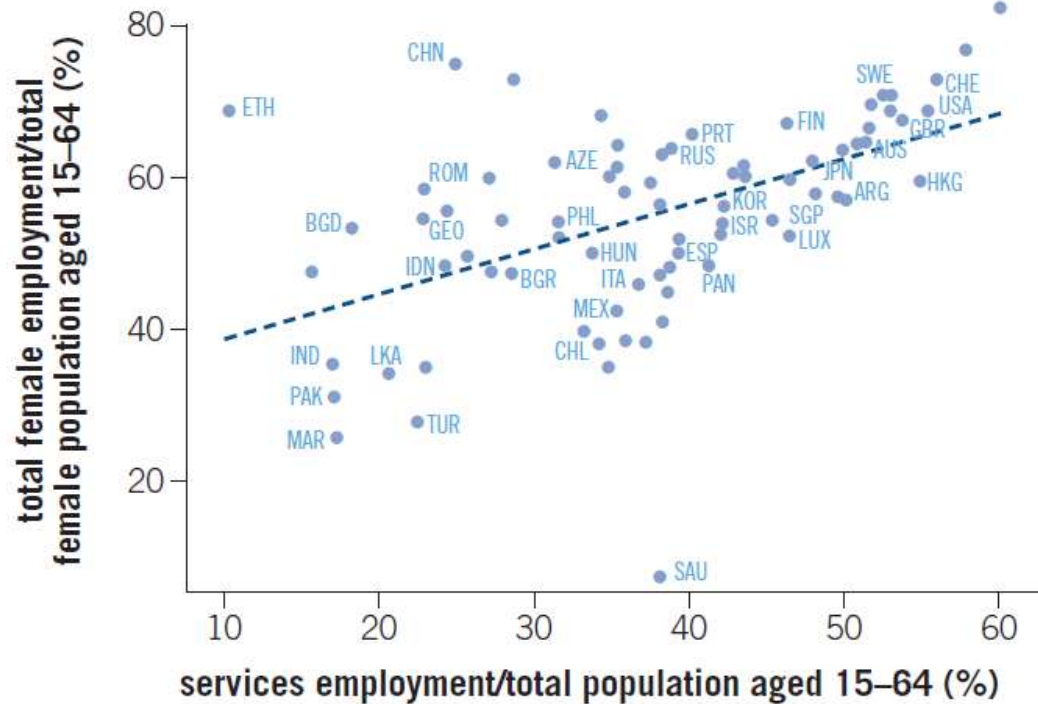
Services and inclusion

- Banking
- Electricity coverage





High service shares of employment are associated with high female participation rates



Source: Ghani and Kharas 2010.



Services and capacity

- Education and skills



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Services and productivity

- Service sector grows with rising income levels
 - ‘buy-in’ rather than make
 - households and businesses
- And can contribute to productivity growth!
- It is part of and a driver of a ‘new way of working (not business as usual)’



<http://www.gotranslogistics.com>
http://www.gotranslogistics.com/?page_id=27

Services using other services

- Tourism – air transport and airports



The supply chain offers new opportunities



- Ability to trade services across borders has increased
 - technological change & changes in FDI rules
- There are new models in services for international business
 - supply chains matter like they do in goods
 - outsourcing
 - 'network' structures
 - all 'modes of supply' used at the same time



Pathways

- Competition (can) work
 - Value of open skies for tourism
 - What about airports?
- Value of access to international providers
 - Ideas, capital, competition
- Openness, investment and jobs
 - Establishment leads to employment and a new supply chain
 - Plus spillovers to local firms

