



Permanent Mission of Pakistan to the UN

Geneva

Statement by Pakistan

Multi-Year Expert Meeting on Trade, Services and Development

(23 September 2020)

Mr. Chairman,
Deputy Secretary General,
Excellencies,
Distinguished panellists,
Ladies and gentlemen,

1. Let me begin by congratulating Ambassador Alfredo Suescum of Panama on his election as the Chair and Ms. Nicola Hughes of UK on her election as Vice-Chair cum Rapporteur. My delegation assures you of its support to the successful conclusion of this meeting. My delegation also thanks Ms. Isabelle Durrant, Deputy Secretary General and Ms. Pamela Coke Hamilton, Director of Division of International Trade and Commodities for their insightful presentations. The useful background note prepared by the Division of International Trade and Commodities for this meeting is also worth appreciating.

Mr. Chairman,

2. COVID-19 lays bare economic vulnerabilities, more visibly in developing countries. Lack of economic diversity increases a country's vulnerability to external shocks, whether natural or anthropogenic. Economic diversification is cornerstone of economic resilience. Mostly developing countries which are dependent upon the export of a few commodities can diversify their economy through realizing the potential of services sector as part of their post-COVID-19 recovery program.

3. The services sector has been increasing in importance across countries, as measured by its share in total output, cross border trade, employment and FDI. Services are a valuable source of economic activity in themselves, as well as offering inputs to other sectors of economy like agriculture and manufacturing through value added processes.

Mr. Chairman,

4. In case of Pakistan, the growth rate of services sector is higher than the growth rate of agriculture and industrial sector, increasing its share in all sectors of economy over the period. Services sector accounts for 54 percent of GDP and little over one-third of total employment. Services sector has strong linkages with other sectors of economy; it provides essential inputs to agriculture sector and manufacturing sector. The sector is also important sources of revenues as 26 percent of revenues are received from taxes of

services sector as compared to 1 percent from agriculture sector. The share of services in exports is increasing and FDI in services sector is also registering a positive trend.

5. Pakistan is making efforts to further diversify its economy including through promotion of construction, information, telecommunications and technology (ICT) services and thereby building resilience to economic vulnerabilities. We see the services sector complementary to other sectors of economy, not as a replacement.

Mr. Chairman,

6. We are pleased to note that UNCTAD is assisting developing countries in the development of the services sector through services policy reviews. These reviews systematically analyse the economic, regulatory and institutional frameworks that impact on the services sector of a given country, besides providing recommendations to policymakers to improve policies as well as regulatory and institutional frameworks. Feedback from beneficiary countries has confirmed that evidence-based policy analysis remains crucial to assist countries in identifying options for leveraging the services sector for economic growth and social welfare.

7. We encourage UNCTAD to continue such assistance to developing countries. Cross-cutting lessons from UNCTAD's service policy reviews, as well as deliberations at previous sessions of the Multi-year Expert Meeting on Trade, Services and Development, underscores the necessity of sound regulatory and institutional frameworks based on effective coordination between the services sector and other sectors, including industrial policy and trade and investment policy.

8. Finally, we look forward to continuing our close cooperation with UNCTAD and encourage it to continue assisting developing countries to seize the opportunities offered by a services-driven development strategy.

I thank you.
