CHAPTER 9

Landscape and Characteristics of Global Service Opening-Up

In today's world, a new wave of technological revolution and industrial transformation is deeply advancing, with service sector becoming an increasingly important pillar of the global economy and playing a vital role in global industrial division of labor and international trade. It is essential to deepen global cooperation in service sector, enhance regulatory alignment and coordination, promote innovation in services and service trade, and foster global economic development.

I. Global Services Sector Has Opened Up More Widely

Easing market access and reducing domestic regulatory barriers in service sector have become key aspects of global service trade liberalization, as well as important directions in the evolution of high-standard international economic and trade rules.

1. Service industry has become the most important pillar of the world economy

The world has entered an era of service economy. According to data from the UNCTAD,[1] in 2022, service sector accounted for an average of 66.6 percent to GDP, with developed economies averaging 75.2 percent and developing economies 54.0 percent. The US and the UK exceeded 80 percent, while South Africa was at 69.4 percent, Russia 59.5 percent, India 53.3 percent, and China 52.3 percent (see figure 9.1).

1 Source from UNCTAD Stat, https://unctadstat.unctad.org/datacentre/dataviewer/US.GDPComponent.

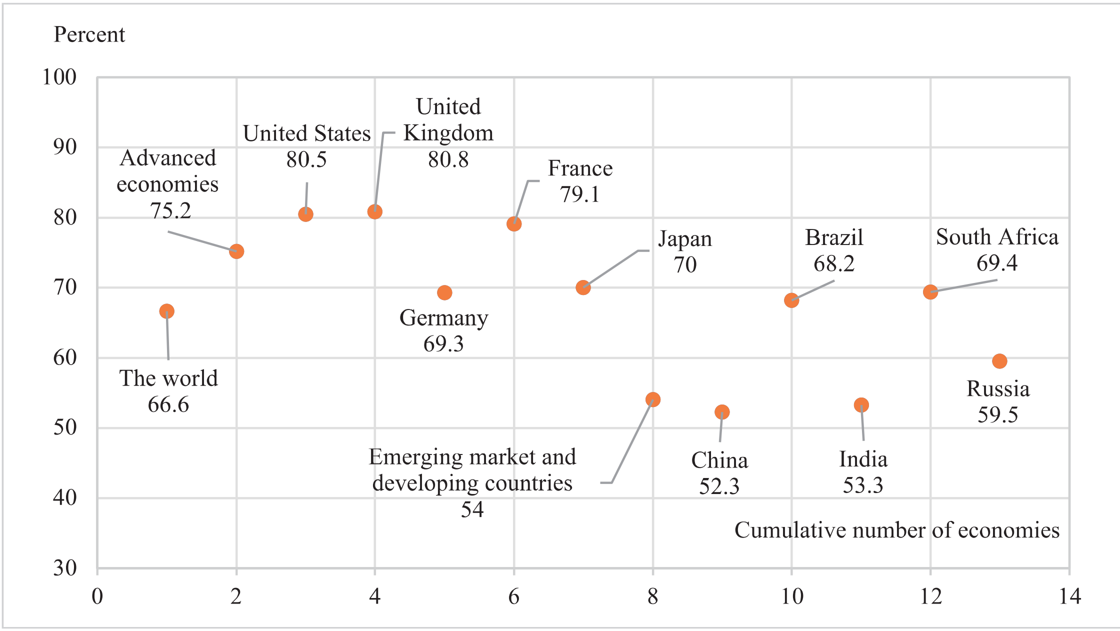

Figure 9.1 Share of service sector in GDP of selected economies: 2022

Source: UNCTAD Stats.

Service industry is gradually dominating global multinational investments. According to UNCTAD,[2] from 2019 to 2023, global FDI inflows into service industry through cross-border mergers and acquisitions and greenfield investments increased from $697.04 billion to $904.56 billion, with an averaging annual growth rate of 6.7 percent, 1.2 percentage points higher than the global FDI rate during the same period. Its share in global direct investment rose from 49.2 percent to 51.4 percent.

International trade in service has become the most dynamic part of global trade. Data from the WTO[3] indicates that in 2023, global service imports and exports totaled $15.25 trillion, a year-on-year increase of 8.8 percent, while global goods trade fell by 5.1 percent. By sector, transport service exports and imports amounted to $300.25 billion, a decline of 8.1 percent, while travel services saw exports and imports of $296.95 billion, a growth of 35.1 percent (see fig. 9.2).

2 Calculated based on UNCTAD Stat, https://unctad.org/topic/investment/world-investment-report.

3 Source from WTO Stats, https://stats.wto.org/.

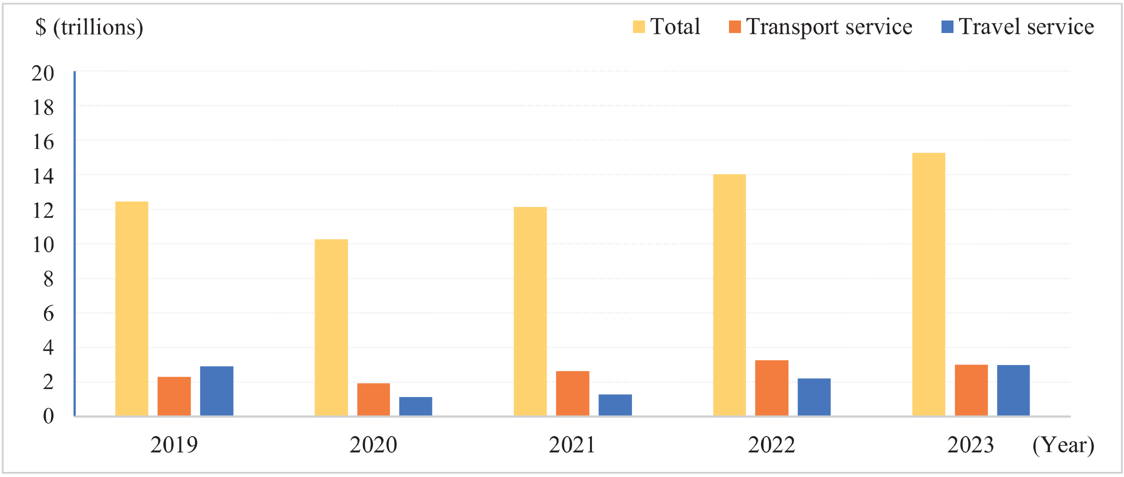

Figure 9.2 Global service trade: 2019–2023

Source: WTO Stats.

2. Opening-up of service industry has made progress despite challenges

In recent years, the overall level of service sector openness has experienced slight fluctuations due to the rise of protectionism and de-globalization. According to the Organization for Economic Cooperation and Development (OECD), the Services Trade Restrictiveness Index (STRI)[4] averaged 0.221 in 2014, increased to 0.226 in 2020, and then fell to 0.215 in 2023. From 2014 to 2023, the average STRI for OECD member countries was 0.196, indicating a higher level of openness among developed economies. And the average STRI for 11 developing countries, including China, Indonesia, Malaysia, South Africa, Thailand, and Vietnam, decreased from 0.317 in 2014 to 0.290 in 2023, reflecting an overall improvement in service sector openness in developing economies.

3. Opening-up of service industry within regions has accelerated

Recently, major economies have intensified efforts to open their service sectors at the regional level. Agreements like the CPTPP, the USMCA, the EU-Japan Economic Partnership Agreement, and the Regional Comprehensive Economic Partnership (RCEP) are all pushing for

4 STRI, developed by the OECD, measures the openness of service industries in various countries. STRI values range from 0 to 1, with 0 indicating complete openness, 1 representing a fully closed market to foreign service providers, reflecting the highest level of restrictions. Established in 2014, STRI now covers 50 countries, up from 40, and includes 22 industries, up from 18.

higher standards of service sector openness and liberalization of service trade. In 2023, the WTO received notifications of six RTAs that include the service industry, accounting for 75 percent[5] of the total new notifications for the year (eight in total). Since 2024,[6] the WTO has received seven such notifications, comprising 53.8 percent of the year's new agreements. These RTAs promote greater openness in more service sectors, facilitating the liberalization and simplification of service trade.

4. Negative List has become a marker of high-standard opening-up of service industry

The negative list significantly enhances openness, transparency, and predictability compared to the positive list. It introduces a "ratchet mechanism," requiring that once a service sector is committed to openness, the level of openness can only increase and cannot decrease. In recent years, high-standard RTAs, such as the CPTPP, USMCA, and EU-JEPA, have increasingly adopted the negative list model for openness in service sector. RCEP member countries have adopted or committed to adopting the negative list for service sector openness within a specified timeframe.

5. Focus of opening-up coordination is moving to behind-the-border

Service trade faces numerous regulatory barriers, with trade costs being twice that of goods trade. According to WTO statistics,[7] costs from regulatory barriers (such as lack of policy transparency and cumbersome approval processes) account for about 40 percent of total service trade costs. Therefore, expanding service sector openness requires not only easing market access but also addressing domestic regulatory issues. On the multilateral front, the WTO adopted the Reference Paper on Domestic Regulation in Services in 2021, aimed at enhancing policy transparency and improving the efficiency of licensing and qualification approvals. In 2023, the WTO reached a consensus on 13 topics, including electronic signatures and certification, online consumer protection, paperless trade, electronic transaction frameworks, and electronic contracts. At the regional level, agreements like RCEP, CPTPP, and USMCA emphasize the unification of standards, coordination of competition rules, and regulatory consistency, while also deepening discussions on post-border regulations related to e-commerce and intellectual property. Issues such as cross-border data flows, personal privacy protection, and source code have become focal points of concern.

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5 Source from WTO Regional Trade Agreement Database, https://rtais.wto.org/UI/PublicSearchByCr.aspx.

6 Data as of August 14, 2024.

7 Source from http://www.mofcom.gov.cn/article/zcjd/jddwmy/202307/20230703420579.shtml.

II. Diverse Opening-Up of Service Industry in Major Economies

Developed economies exhibit high levels of openness in their service sectors, making them strong advocates for global service sector liberalization. In contrast, developing economies are relatively behind in this regard but still hold significant potential.

The United States remains a global leader in foreign investment and service trade. According to UNCTAD, FDI reached $310.95 billion in 2023, with service sector alone attracting over $100 billion.[8] The scale of service trade and its surplus also rank first in the world. WTO data[9] shows that in 2023, service imports and exports totaled $1.71844 trillion, with exports amounting to $999.14 billion, representing 15.7 percent of global exports, resulting in a trade surplus of $279.84 billion. In recent years, US trade policy has shifted from emphasizing free trade to focusing on fairness, with an increased focus on reciprocal openness in service sector. As of 2023, the US had signed FTAs with 20 economies,[10] promoting new rules in areas such as digital trade, intellectual property, government procurement, state-owned enterprises, and regulatory consistency, while maintaining restrictions in more sensitive areas like audiovisual services, shipping, and maritime transport.

The United Kingdom shows a generally open trend in its service sector, with service trade rising to the second largest globally. In 2023, service imports and exports reached $978.16 billion, an 18.1 percent increase year-on-year, moving from fourth to second place globally, behind only the US, with both exports and surpluses ranking second worldwide. Following Brexit, the UK has aimed for a "Global Britain" strategy, actively joining high-standard FTAs and participating in the formulation of high-standard rules for service trade, officially joining the CPTPP in August 2023. The UK provides national treatment for foreign investors, intensifying regulatory reforms in service sector, reducing regulatory barriers, and enhancing its attractiveness to foreign capital. However, in key areas like construction, it implements protective measures through industry standards.

Japan has a relatively high level of openness in its service sector, with increased competitiveness in service trade. In 2023, service imports and exports totaled $432.14 billion, growing 13.3 percent year-on-year, ranking tenth globally. It recorded a deficit of $23.45 billion, down 44.6 percent from the previous year. Under the WTO's General Agreement on Trade in Services, Japan has committed to opening 123 service sectors. By 2023, it had signed or had in effect 21

8 According to data from the US Bureau of Economic Analysis, foreign investment in the service industry accounted for over 35 percent in 2023.

9 Source from WTO Stats, https://stats.wto.org/. Data for other economies, unless otherwise specified, are also sourced from the WTO Stats.

10 Data source from the *Guidelines for Foreign Investment and Cooperation: The US (2023 Edition)*, issued by the Ministry of Commerce of China.

FTAs,[11] including major agreements like the CPTPP and RCEP. To protect its domestic market, Japan sets up invisible barriers to foreign investment through industry regulations, technical standards, unique business practices and trading customs.

Hong Kong SAR, China ranks among the world's leaders in service sector openness and trade liberalization. Hong Kong SAR, China operates as a free-market economy, implementing free trade policies and an open investment system, treating all investors equally with no discriminatory or protective measures. Its financial, legal, and judicial systems align with international norms, establishing it as a major global financial, trade, shipping, and multinational operation hub. Hong Kong SAR, China employs a regulatory framework that combines government rules with industry self-discipline, ensuring fairness, transparency, and efficiency (see box 9.1).

Box 9.1 Opening-up of service industry in global free ports

Hong Kong SAR, China as well as Singapore and Dubai of the United Arab Emirates are typical global free ports, characterized by the principles of the "Six Freedoms" and the "Three Taxes."

The "Six Freedoms" refer to the free and convenient trade of goods, free and convenient trade of services, free and convenient investment, free movement of capital, free movement of people, and free flow of data. These freedoms fully highlight the openness of the service industry and a high degree of service trade liberalization in global free ports.

At the same time, free ports implement the "Three Taxes" principle of zero tariffs, low tax rates, and simplified tax systems, attracting a high concentration of global participants in the service industry and service trade. Hong Kong SAR, China as well as Singapore, and Dubai of the United Arab Emirates are all renowned international centers for financial, trade, and shipping.

Hainan is the first free trade port in the Chinese mainland, drawing on global free port development experiences. It actively establishes a policy and institutional framework that facilitates the five freedoms: trade, investment, cross-border capital flow, movement of people, and transportation, while ensuring the orderly flow of data. Moreover, it has increased openness in key service sectors such as tourism, transportation, exhibitions, healthcare, technology services, finance, and telecommunications.

By 2025, Hainan free trade port (FTP) will enter a new phase of comprehensive customs closure and operation across the island, fully aligning with high international standards for economic and trade rules and promoting a high level of institutional openness in the service trade sector.

China's service sector openness has become a key component of its overall openness. From 2012 to 2023, service imports and exports increased from \$482.9 billion to \$933.1 billion, with an average annual growth rate of 6.2 percent,[12] surpassing the 2.2 percent average growth of goods trade during the same period. Service sector attracted significant foreign investment, rising from

11 Data source from the *Guidelines for Foreign Investment and Cooperation: Japan (2023 Edition),* issued by the Ministry of Commerce of China.

12 Source from the Ministry of Commerce of China.

$60.27 billion in 2012 to $111.92 billion in 2023, with an average annual growth rate of 5.8 percent, outpacing the national average of 2.3 percent. The share of service sector in total foreign investment rose from 53.9 percent to 68.6 percent.[13] Positive progress has been made in opening key sectors such as finance. As of 2023, foreign banks established 41 legal entities, 116 branches of foreign banks, and 132 representative offices in China, totaling 888 operational entities with total assets amounting to RMB 3.86 trillion. Additionally, foreign insurance companies have established 67 operational entities and 70 representative offices, with total assets reaching RMB 2.4 trillion, accounting for 10 percent[14] of the insurance market share. International cooperation in service sector has deepened, with China having signed bilateral service trade cooperation agreements with 15 countries, digital economy investment cooperation memoranda with 13 countries, and bilateral e-commerce cooperation memoranda with 30 countries by 2022 (see box 9.2).[15]

Box 9.2 Comprehensive pilot demonstration for easing opening-up of China's service industry

The comprehensive pilot demonstration for expanding openness in the service industry is a significant initiative by China to promote the opening up of its service sector. The pilot demonstration focuses on "openness" as its theme and "industry" as its main line of development, launching seven rounds of 15 pilot plans and over 1,300 pilot tasks. This effort aims to establish a fundamental framework for expanding openness in the service industry that aligns with international rules and optimizing the ecological development of industries.

Optimizing and improving the open layout. The pilot demonstration began in 2015, with Beijing as the first city for comprehensive service industry openness. By the end of 2023, the pilot demonstration has undergone one upgrade and two expansions, now covering 11 provinces and municipalities, including four directly governed municipalities, Hainan Province, and six sub-provincial cities. This has effectively created an open layout that spans the southeast, northwest, and central regions, leading industrial development.

Continued easing of market access in service industry. The pilot demonstration has progressively promoted the opening of 13 key industry sectors, including technology, telecommunications, culture and tourism, and finance. It has fostered new models and business formats, such as the digital economy and green circular economy. A number of high-quality enterprises have established operations, including the country's first foreign-controlled aircraft maintenance company, foreign-controlled securities companies, wholly foreign-owned currency brokerage firms, and fully foreign-owned licensed payment institutions, as well as Sino-foreign joint venture insurance groups.

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13 Source from the Ministry of Commerce of China.

14 Data source from the press conference on "Financial Services for High-Quality Economic and Social Development" held by the State Council Information Office of China on January 25, 2024, http://www.scio.gov.cn/live/2024/33261/tw/index.html.

15 Source from the Ministry of Commerce of China.

Ongoing innovation in systems and mechanisms. The pilot demonstration has leveraged local pioneering spirit and engaged in differentiated exploration. For example, Beijing has focused on key core technology R&D, the digital economy, and financial services for the real economy, implementing over 90 policy innovations. Hainan has established the country's first outbound data transfer management system and launched cross-border medical insurance covering special medical services and medicines. Nanjing has introduced a series of policy measures to support industries such as integrated circuits and biomedicine. By the end of 2023, the pilot demonstration has distilled nine batches of over 190 innovative achievements, which have been promoted nationwide.

Brazil has achieved notable success in international cooperation within service sector. In 2023, the total value of service imports and exports reached $127.99 billion, marking a growth of 6.5 percent. The tourism sector is continually recovering, with data from the United Nations World Tourism Organization (UNWTO) indicating that Brazil welcomed approximately 6 million international tourists in 2023, a 62.7 percent increase, and international tourism revenue reached $6.9 billion, up 41 percent,[16] making Brazil the leading destination in South America. As a developing economy, Brazil has a relatively advanced service sector with a high level of openness, with the exception of a few areas such as postal and telegraph services, media, healthcare, and finance.

South Africa is continuously deepening its openness in service sector. In 2023, service imports and exports amounted to $32.61 billion, an increase of 6.1 percent. Africa serves as a strategic focus of South Africa's trade policy, which aims to regional integration through the Southern African Development Community and customs unions, while also signing agreements with the East and Southern African Common Market and East African Community. Economic partnership agreements with the EU and others promote cooperation between South Africa and other economies in service sector. South Africa actively encourages foreign investment in areas such as information and communication technology, business services, and transportation, but cautious openness in strategic sectors like banking, broadcasting, and telecommunications.

Vietnam actively aligns with international high-standard rules. In 2023, service imports and exports reached $48.65 billion, a year-on-year increase of 18.8 percent, exceeding the global average growth rate by 10 percentage points. Vietnam is proactive in signing high-standard FTAs with developed economies to deepen service sector openness. It has signed 15 FTAs,[17] including the CPTPP, RCEP, EU-Vietnam FTA, UK-Vietnam FTA, and Rep. of Korea-Vietnam FTA. Concurrently, Vietnam is accelerating domestic reforms and regulatory frameworks, revising laws such as the Insurance Law, amendments to the Insurance Law, the Intellectual

16 Source from Song Yiran, "Brazil Implements Multiple Measures to Boost Tourism," *People's Daily* (February 28, 2024): p. 15.

17 Data source from the *Guidelines for Foreign Investment and Cooperation: Vietnam (2023 Edition)*, issued by the Ministry of Commerce of China.

Property Law, the Education Law, and the Construction Law, while establishing the Law on International Treaties to facilitate the implementation of high-standard rules.

India is gradually and flexibly advancing the openness of its service sector. It is one of the only two developing economies among the world's top ten in service trade, alongside China. In 2023, service imports and exports totaled $592.86 billion, growing 6.1 percent and ranking ninth globally.[18] With the advancement of economic liberalization reforms, India has continuously deepened its openness in service sector. Since joining the WTO, India has revised its commitments to service sector openness several times. It has gradually relaxed foreign access in sectors where it has competitive advantages, such as software and telecommunications, although the breadth and depth of openness in areas like finance, healthcare, and distribution still require improvement.

III. Steady Progress of Cooperation on Opening-Up in Key Areas

In recent years, global cooperation in the service industry has focused primarily on tourism, transportation, finance, telecommunications, professional services, and culture.

Tourism services. First, there has been a significant increase in openness. The UNWTO's 2023 Tourism Visa Report[19] indicates that in 2023, the proportion of travelers requiring traditional visas dropped to 47 percent, down from 77 percent in 2008 and 59 percent in 2018. Additionally, 14 percent of the global population can now apply for visas on arrival, up from 6 percent in 2008, and the proportion of those eligible for e-visas has risen to 18 percent, compared to 7 percent in 2018. The Asia-Pacific region leads in international tourism openness; for instance, China has implemented several visa optimization measures, including a trial visa exemption policy for travelers from Switzerland, Ireland, Hungary, Austria, Belgium, and Luxembourg starting on March 14, 2024. Second, digital enhancements are improving travel convenience. New initiatives such as "digital nomad visas" cater specifically to remote workers and freelancers, allowing them to reside and work abroad for limited periods. Currently, over 60 countries have launched digital nomad visas, with the global population of digital nomads reaching 35 million.[20]

Transportation services. First, there are divergent developments in global ports. In 2023, the cargo throughput of major global ports increased by 4.6 percent, reflecting a 3.7 percentage point[21] improvement compared to 2022. However, port development varies significantly by region: while demand in developed economies has declined, developing economies have emerged as the primary drivers of global port throughput growth. The development of different product

18 Source from WTO Stats, https://stats.wto.org/.

19 UNWTO, https://www.unwto.org/news/un-tourism-reports-openness-is-back-to-pre-pandemic-levels.

20 Source from the UNWTO's 2023 Tourism Visa Report.

21 Source from Global Ports Development Report (2023), released by the Shanghai International Shipping Research Center, http://www.sisi-smu.org/2024/0523/c8807a234827/page.psp.

categories at ports also shows divergence, with container throughput stagnating at 861 million twenty-foot equivalent units (TEUs),[22] a slight decline of 0.2 percent, while bulk cargo surged to 5.508 billion tons, marking a 3.9 percent increase. Second, airline recovery has been driven by the restoration of routes. International air connectivity (global flight frequency) increased by 28 percent[23] in 2023. The industry saw a 41.5 percent growth in international passenger traffic, with the Asia-Pacific region experiencing the strongest growth at 126.1 percent.[24] Despite a 4.6 percent decline in global merchandise exports due to a sluggish economy and geopolitical tensions, air cargo ton-kilometers saw a modest decline of 1.9 percent, with month-to-month performance showing steady improvement. In January, there was a decline of 17.0 percent, while in December, there was an increase of 10.7 percent.

Financial services. First, there are significant disparities in openness among economies. According to the Chinn-Ito Index (KAOPEN),[25] the average KAOPEN value for developed economies was 1.36 in 2021, compared to -0.23 for emerging markets and -0.16 for developing economies. Within developed economies, there are notable differences, with the highest score at 2.30 and the lowest at −1.93, with the US, Germany, the UK, and Japan being the most open. Trends indicate a slight increase in financial openness among developed economies, rising from an average of 1.34 in 2019 to 1.36 in 2021, while the openness levels of emerging markets and developing economies remained unchanged. Notably, Algeria and Belarus experienced the fastest increases in openness, with their KAOPEN values rising by 1.08 in 2021. Second, high-level openness rules are extending into new financial domains. The use of digital technologies has given rise to new financial services, including digital currencies, digital banking, digital insurance, digital payments, and blockchain finance. Currently, over 110 countries are exploring the application of central bank digital currencies,[26] with China leading the world in digital payment adoption. International high-standard trade rules explicitly state that if domestic financial institutions are allowed to offer a new service, foreign institutions must also be permitted to do so.

22 TEU is the most commonly used unit for measuring container throughput, referring to the number of standard 20-foot-long containers.

23 Data source from Global Outlook for Air Transport, issued by the International Air Transport Association, https://www.iata.org/en/iata-repository/publications/economic-reports/global-outlook-for-air-transport-june-2024-report/.

24 Data source from the Annual Review 2024, issued by the International Air Transport Association, https://www.iata.org/en/publications/annual-review/.

25 Considering data availability, this chapter mainly analyzes global financial openness based on the degree of capital account openness. The Chinn-Ito index (KAOPEN) is an index used to measure a country's level of capital account openness, based on binary dummy variables and compiled from the IMF's list of restrictions on cross-border financial transactions. A higher KAOPEN index value indicates a higher degree of capital openness for a country. As of September 2024, the latest data has been updated to 2021.

26 Georgieva, K., "Central Bank Digital Currency: Emerging Good Practices," remarks by the IMF Managing Director at the IMF-Singapore Regional Training Institute (STI)'s 25th Anniversary Event (November 14, 2023), https://www.imf.org/en/News/Articles/2023/11/14/sp111423-mdremarks-sti25th.

Telecommunications services. First, developed economies generally have a higher level of openness than developing economies. Developed economies are gradually expanding foreign investment opportunities in the telecommunications sector, particularly in value-added services. While developing economies are also advancing telecommunications openness in line with global digital trends, they still lag behind developed economies in terms of competition barriers and foreign investment access. Second, new challenges arising from openness should be given more attention. While increased openness in telecommunications supports rapid global digital economic growth, it also raises new issues related to personal privacy, cybersecurity, and information safety. The digital divide is widening; in 2023, 5G coverage reached 40 percent of the global population, but distribution is uneven, with high-income countries covering 89 percent and low-income countries only about 10 percent.[27] These challenges require collaborative solutions from all nations.

Professional services. First, the fields of law and accounting have low levels of openness. According to the OECD's STRI, legal and accounting services rank second and third among 22 sectors in terms of restriction levels, just behind air transport. The most open countries in the legal field are Costa Rica, Latvia, and Chile, while Poland, India, and Indonesia have the highest restrictions, particularly Poland, which is fully closed to foreign investment in legal services. In accounting, the most open countries are Chile, the Czech Republic, and Latvia, whereas Thailand, Rep. of Korea, and India impose the highest restrictions, with Thailand and Rep. of Korea being nearly closed to foreign investment. Second, there should be an encouragement to enhance mutual recognition of professional qualifications. High-standard trade rules actively promote dialogue among economies regarding the recognition of professional qualifications, licenses, or registrations, facilitating the acceptance of foreign qualifications and simplifying licensing or registration for foreign professionals, such as mutual recognition of engineering and architectural design capabilities.

Cultural services. First, there are diverse attitudes toward cultural openness. The US treats cultural industries similarly to other sectors, advocating for free and open policies. In contrast, countries like Canada and France emphasize the ideological aspects of culture, prioritizing the protection of their cultural industries and restricting foreign investment in cultural industries. Developing economies tend to be more cautious about cultural openness, with countries like Vietnam, Mexico, and Russia imposing limitations on foreign investment in broadcasting, film, and recording. Second, there is a focus on protecting national culture. France prioritizes the protection of cultural heritage and values, prohibiting the use of cultural heritage for overt commercial activities. Germany has established a unified heritage management agency to enhance the protection of cultural heritage. India views cultural heritage as vital for national memory and identity, strengthening protection through funding and talent development initiatives.

27 International Telecommunication Union, "Measuring Digital Development: Facts and Figures 2023" (2023), https://www.itu.int/dms_pub/itu-d/opb/ind/d-ind-ict_mdd-2023-1-pdf-e.pdf.

IV. Deepening Cooperation on Opening-Up of Service Sector

Cooperation in service sector is becoming an essential force for driving global economic development and enhancing global governance. All parties should strengthen policy coordination, promote the integration of rules, regulations, management, and standards in service sector, advance cooperative mechanisms and platform construction, and effectively improve the environment and conditions for service trade development, thereby providing sustained momentum for global cooperation in the service industry.

1. Creating an open and inclusive environment for international cooperation

All parties should proactively expand openness in service sector based on their own advantages and needs. This includes optimizing the domestic service development environment, reducing entry barriers and removing post-entry obstacles. Efforts should be made to implement the WTO's Reference Paper on Services Domestic Regulations, streamline domestic approval processes for services and service trade, and enhance transparency and predictability. Facilitating cross-border flow of capital, technology, data, and talent, as well as increasing international investment in service sector, will help create an open, fair, just, and inclusive cooperative environment.

2. Cultivating new momentum for cooperation on opening-up of service sector

Strengthening international cooperation in the digital realm is crucial for closing the "digital divide" and enabling countries to share new opportunities for development in the digital age. Joint efforts should be made to promote emerging technologies such as AI, big data, and blockchain, thereby empowering service sector and service trade, and fostering the development of new models and business models. Grasping green development opportunities, service sector and service trade should advance toward low-carbon, environmentally friendly, and sustainable practices. Cooperation in energy conservation, environmental protection, and green finance should be reinforced to promote the development of green services trade.

3. Exploring new rules on opening-up of service trade

Enhancing multilateral and regional frameworks for service sector openness and trade rules is essential. At the multilateral level, support should be given to the WTO to advance service trade negotiations, accelerating the conclusion of key e-commerce discussions. At the regional level, strengthening discussions on labor mobility, mutual recognition of qualifications, and industry standard-setting is crucial. Joint efforts should focus on developing practical international rules in key areas such as government procurement, intellectual property, digital trade, sustainable trade, and finance.