

WHEN VIEWED IN THE CONTEXT OF THE INFORMATION TECHNOLOGY REVOLUTION THE FUTURE ROLE OF THE SERVICES SECTOR IN THE WORLD ECONOMY TAKES ON A RADICALLY DIFFERENT DIMENSION. THUS WHILE THE REVOLUTION BEGAN IN THE MANUFACTURING SECTOR IN A CLUSTER OF TECHNOLOGICAL ADVANCES (MICRO ELECTRONICS, FIBRE OPTICS, COMMUNICATIONS AND COMPUTER TECHNOLOGY) THE MAIN ENGINE OR MOTIVE BRANCH OF THE LEADING EDGE TRANSFORMATION IS FAST BECOMING THE SERVICE SECTOR ITSELF AS THE SHIFT FROM "HARD" TO "SOFT" TECHNOLOGIES ACCELERATES. MOREOVER, INHERENT IN A TECHNOLOGY CENTERED ON RAPID TRANSMISSION OF INFORMATION IS A TREND TO GREATER INTERNATIONAL INTEGRATION OF PRODUCTION, SERVICES AND MARKETS (ONE EFFECT OF WHICH, BY THE WAY, WILL MAKE THE DISTINCTION BETWEEN SECONDARY AND TERTIARY SECTORS INCREASINGLY MEANINGLESS.) THIS FACTOR WILL AMPLIFY THE ALREADY CLOSE RELATIONSHIP BETWEEN TRADE IN SERVICES AND INVESTMENT FLOWS. EVEN NOW, BECAUSE OF THE NON-STORABLE NATURE OF MOST SERVICES, FOREIGN DIRECT INVESTMENT HAS BEEN A MORE IMPORTANT MODE OF DELIVERING SERVICES TO FOREIGN MARKETS THAN HAS TRADE.⁽⁴⁾ BUT AN INCREASING TREND TO INTERNATIONAL INTEGRATION IS LIKELY, AT LEAST FOR A TIME, TO ENHANCE THE ROLE OF THE MULTINATIONAL ENTERPRISE AS A PRIME "CARRIER" OF LEADING EDGE TECHNOLOGY. WHAT RAY VERNON TERMS THE "MULTINATIONALISATION" OF THE WORLD ECONOMY CASTS A