

The example of financial markets is too narrow to illustrate fully the breadth of interrelationship inherent in the services issue. For the most part the growth of service trade to its present share of more than one-fifth of total world trade has reflected the expansion of trade in goods and the growth of international investment and financial markets as a whole.

But if we look to the future, services should be considered in the radically different context of the information revolution. The revolution began in the manufacturing sector in a cluster of technological advances (micro electronics, fibre optics, communications and computer technology). But the main trend of the transformation is rapidly turning to services, as the shift from "hard" to "soft" technologies accelerates. Moreover, the trend to increasing international integration which is inherent in the information revolution is likely, at least for a time, to enhance the role of the multinational enterprise as a carrier of leading-edge technology. Access to this new generic technology and the flows of capital by which it will in considerable part be transferred will become a prime determinant of growth and development around the world. For this reason an "infant industry" approach to strategic