
Many services are exported via telecommunications networks, such as computer services, data processing, technical engineering data and architectural plans. Other services, including many professional services such as consulting, require the movement of people to the client in the other country, and in the case of tourism, the movement of the consumer to the country producing the service. Still other services can only be sold if there is direct and continuing contact between seller and buyer, with some or all of the production of the service taking place in the country where it is purchased. To provide this type of service, the supplier must establish close to the client.

Finally, many services are incorporated in or related to trade in goods. Some services are inside goods, for example on computer tapes or disks, and are traded as goods. Other services are sold together with goods, as is the case with set-up, training and after-sales service for computer installations. And services such as transportation, insurance and financing and other services are essential to the sale of goods.

Barriers to Trade in Services

With the variety of ways of trading services, there are many ways in which trade in services can be restricted, intentionally or not. Immigration restrictions on business travel or the absence of accreditation of professional standards inhibit services trade through people. Denial or restrictions on access to domestic telecommunications networks can

preclude trade in services such as computer services and data processing. Investment restrictions can prevent producers of services from establishing and operating businesses in foreign markets. And trade barriers limit both trade in those goods which embody services (e.g., computer disks) and trade in those services which facilitate trade in goods (e.g., shipping and insurance).

Barriers to trade could also arise from the domestic regulation of service sectors. Services are regulated for a variety of reasons, including consumer protection, prudential business practices, health and safety and other domestic policy objectives. There are also many forms of regulation, such as licensing arrangements, entry and performance requirements, professional standards and direct public ownership or control.

The degree and method of regulation in service industries vary greatly. Some are "self-regulated", either independently through industry associations or as the result of government delegation to professional associations (e.g., engineers and lawyers). Certain service industries, such as recreation facilities, are relatively free of regulation. Others are closely regulated by government for consumer protection, such as life insurance. Limited regulatory control exists for services such as tourism.