

Services Trade of the Global South

**Development Trends
and Competitiveness**



全球南方研究中心
Global South Research Center



Authors

Zhao Zhongxiu University of International Business
and Economics

Zheng Xiuxiu University of International Business
and Economics

Please cite the report as follows: Zhao, Z. and Zheng, X. (2025). Services Trade of the Global South: Development Trends and Competitiveness. Beijing: Global South Research Center.

The views expressed in the report are the author's own and do not necessarily reflect the position of GSRC.

Summary

The Global South is gaining momentum, and its services trade has seen significant growth. Service exports from the Global South in 2024 increased to 5.3 times of that in 2005, and its share of total exports rose from 13.59% to 19.71%. This sector has become an increasingly important engine of economic growth in Global South countries. Despite the shocks of the global financial crisis and the COVID-19 pandemic, services trade of the Global South displayed an overall upward trend during this period, demonstrating remarkable resilience. As a key member of Global South countries, China has become a major growth engine in services trade of the Global South, with its development trends in accordance with those of other Global South countries.

The Global South has become a major driver of growth in global services trade. From 2005 to 2024, its share of global service exports grew from 15.58% to 24.72%. Asian economies (such as China and India) consistently take the lead, making Asia the core engine for services trade of the Global South. The primary sectors of service exports of the Global South include transportation, business services, tourism, and telecommunications, computer, and information services.

This report uses the Revealed Comparative Advantage (RCA) index to evaluate the export competitiveness of service sectors in Global South economies. The RCA analysis reveals a distinct pattern of specialization: some countries leverage traditional strengths, natural resources, or geographical advantages to maintain high international competitiveness, while others develop significant comparative advantages in specific areas of modern producer services.

The development of services trade of the Global South draws strength from its profound cultural diversity and commitment to fair and inclusive multilateralism. It has forged a unique development path that integrates local characteristics with a global vision. To further deepen services trade cooperation among Global South countries, this report proposes four recommendations: (i) strengthen policy dialogue and improve cooperation mechanisms to reduce trade barriers; (ii) build on cultural diversity and successful case studies to develop creative and cultural products; (iii) accelerate the integration of digital infrastructure and promote the development of emerging sectors such as telemedicine and online education through collaboration and resource sharing; and (iv) expand technical assistance and talent development to enhance the capacity of Global South countries to provide services.

CONTENTS

1. Current Landscape of Services Trade of the Global South	1
1.1 Service exports: scale and growth trends	1
1.2 The share of services trade in foreign trade	4
1.3 The Global South's share in global services trade	5
1.4 Services trade rankings in the Global South	6
1.5 Sectoral composition of the Global South's service exports	8
2. Export Competitiveness of Service Sectors	13
3. Characteristics of Services Trade of the Global South	14
4. Policy Recommendations	15
Appendix: Export Competitiveness of Service Sectors in Global South Economies	16

Acronyms and Abbreviations

BOP	Balance of Payments
BRICS	Brazil, Russia, India, China, and South Africa
G77	Group of 77
GSRC	Global South Research Center
ICT	Information and Communication Technology
IP	Intellectual Property
RCA	Revealed Comparative Advantage
SIDS	Small Island Developing States
UAE	United Arab Emirates
UNDP	United Nations Development Programme
WTO	World Trade Organization

Services Trade of the Global South: Development Trends and Competitiveness

The Global South is playing an increasingly active role in today's global landscape and has emerged as a pivotal force in the restructuring of the world order. In his address to the BRICS Plus Dialogue on October 24, 2024, President Xi Jinping said: "The collective rise of the Global South is a distinctive feature of the great transformation across the world." The Global South represents a dynamic coalition of emerging markets and developing economies whose influence in the international community is growing. Development and revitalization are its historical mission, and fairness and justice are its common pursuit.

This report analyzes the development trends and competitiveness of Global South countries in services trade and provides recommendations to enhance cooperation in this area. Part One offers an overview of the current landscape of services trade of the Global South. Part Two employs the RCA index to evaluate the export competitiveness of service sectors in Global South economies. Part Three examines the characteristics of services trade of the Global South. Part Four provides recommendations for promoting services trade and fostering cooperation among Global South countries.

1.

CURRENT LANDSCAPE OF SERVICES TRADE OF THE GLOBAL SOUTH

The United Nations Development Programme (UNDP) uses the term “Global South” to refer to the Group of 77 (G77) and China¹. As the world’s largest developing country, China plays a unique and central role in the Global South, acting as a primary engine of its development and revitalization. To provide a more in-depth and accurate analysis of the characteristics of services trade of the Global South and reveal its development trends, this report presents a comparative study of China and other Global South countries and regions².

1.1

Service exports: scale and growth trends

Overall, service exports from the Global South

have demonstrated an upward trajectory. Figure 1 illustrates the total value and annual growth rates of service exports from the Global South from 2005 to 2024. According to Balance of Payments (BOP) statistics³, the total value of service exports from the Global South grew from USD411.47 billion in 2005 to USD2.17 trillion in 2024, 5.3 times its 2005 level. During this period, annual growth experienced contraction in just two years: 2009, following the global financial crisis, and 2020, due to the COVID-19 pandemic. In both instances, however, the sector rebounded swiftly, with growth reaching 25.38% in 2021. This rapid recovery underscores the resilience of the Global South’s services trade.

Figure 2 illustrates the total value and annual growth rates of service exports from China and other Global South countries and regions from

1 http://www.fc-ssc.org/en/partnership_program/south_south_countries

2 For the purposes of this report, the “Global South” is defined in accordance with the UNDP’s approach, specifically as the G77 and China. This group currently includes 134 members, representing more than two-thirds of all UN member states. This report categorizes the countries and regions into three groups according to the availability of services trade data: (i) Group 1 includes 108 members with complete datasets; (ii) Group 2 includes 24 members with partial or missing data; and (iii) Group 3 includes two members with no available data (Democratic People’s Republic of Korea and Palestine). The value of services exported by Group 1 accounts for nearly 98% of the combined total of Groups 1 and 2 (specifically 97.81% in 2018). Furthermore, in alignment with the statistical methodologies of most international organizations, this report treats the Chinese mainland separately from Hong Kong, Macao, and Taiwan of China. To ensure year-over-year comparability and consistency, the analysis focuses exclusively on Group 1, temporarily excluding Groups 2 and 3. To verify that this selection does not compromise sample representativeness, the author compared the value of services exported by Group 1 with that of the 112 countries and regions that reported the data in 2024. The results show that Group 1, consistently included in the analysis, accounted for 99.90% of the total value of the 112 countries and regions (99.94% based on 2018 data). This indicates that the sample structure remains stable over time, confirming the statistical validity of the selection criteria used in this study.

3 BOP statistics commonly used by international organizations cover several key modes of services trade, including cross-border trade, consumption abroad, and presence of natural persons. However, they do not account for services supplied through commercial presence.

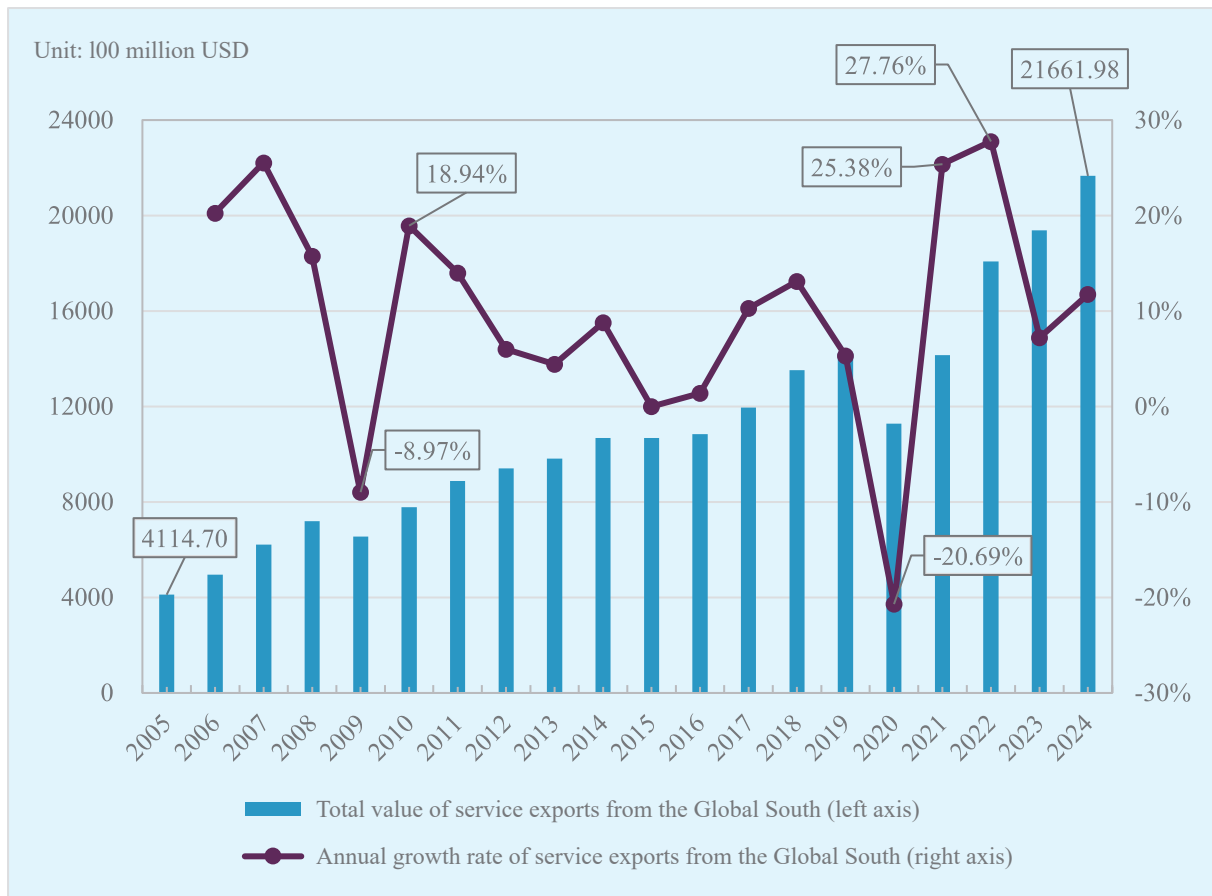


FIGURE 1

Total value and annual growth rates of service exports from the Global South, 2005-2024

Data source: Calculations based on indicators from the WTO database.

2005 to 2024¹. Analysis of the trends of these indicators reveals that China has generally progressed in step with other Global South countries and regions in services trade. While the total value of China’s service exports has grown significantly, the ratio of China’s exports to the total exports of other Global South countries has remained stable at approximately 0.3 in value terms. This shows that China’s service exports, a

key driver of services trade of the Global South, is in step with other Global South countries.

China’s service exports have followed a fluctuating but distinctly upward trajectory. Between 2005 and 2024, China’s service exports grew from USD77.974 billion to USD444.384 billion, representing a 5.7-fold increase. While the overall trend remained stable, China’s service exports

1 The WTO database follows the convention of reporting the Chinese mainland separately from China’s Hong Kong, Macao, and Taiwan regions. Taiwan and Macao regions do not disclose the relevant sector-level indicators for trade in services. Accordingly, when using WTO data to estimate China’s services export, this report adopts the definition commonly used by international organizations. The same applies hereafter.

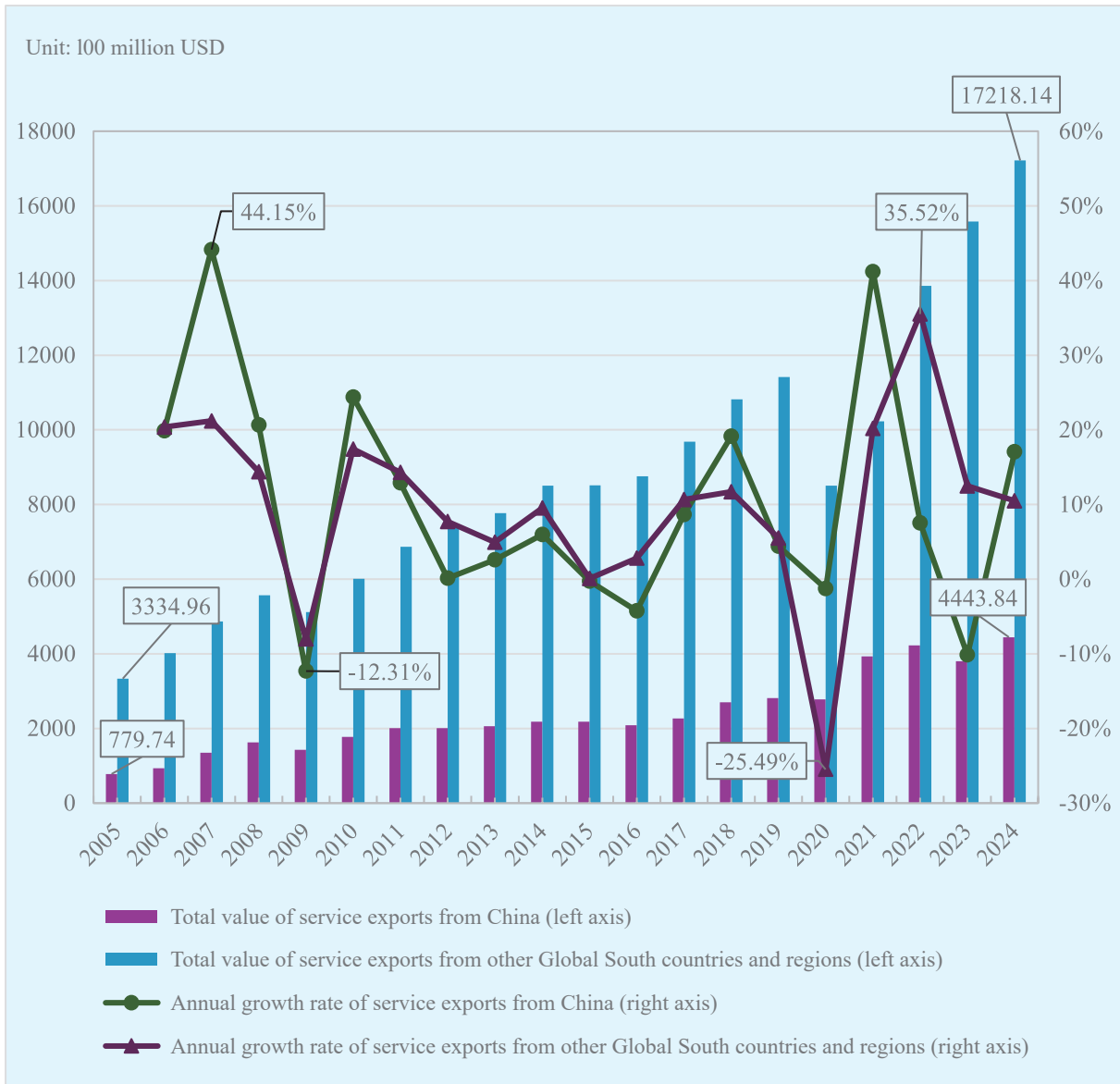


FIGURE 2

Total value and annual growth rates of service exports from China and other Global South countries and regions, 2005–2024 (BOP statistics)

Data source: Calculations based on indicators from the WTO database.

had contractions of over 10% in 2009 and 2023, alongside minor dips in 2015, 2016, and 2020. All other years recorded growth. From 2005 to 2008, its service exports increased from USD77.974 billion to USD162.647 billion. Growth was particularly strong in 2007, with export value rising by 44.15%. However, global financial crisis led to a sharp decline in 2009, with the annual growth

rate dropping to -12.31%. The period from 2010 to 2019 recorded a growth trend, despite marginal declines of 0.24% in 2015 and 4.25% in 2016. By 2019, export value had risen to USD281.651 billion, up from USD177.384 billion in 2010. In 2020, the COVID-19 pandemic and related factors caused a slight decline of 1.27%. This was followed by a massive rebound in 2021,

with China's export value growing by 41.21% to reach USD392.688 billion. The momentum continued through 2022. After a temporary setback in 2023, marked by a 10.12% decrease, growth resumed in 2024. China's export value recovered to USD444.384 billion, underscoring the sector's strong resilience and potential for recovery.

The value of service exports from other Global South countries and regions has followed a generally upward, though fluctuating, trajectory. Between 2005 and 2024, this figure rose from USD333.496 billion to USD1.72 trillion, representing a 5.2-fold increase. Annual growth rates during this period ranged from -25.49% to 35.52%, with negative growth observed only in 2009 and 2020. From 2005 to 2008, exports steadily grew from USD333.496 billion to USD556.366 billion. Throughout this period, the annual growth rate remained robust at approximately 20%. In 2009, the global financial crisis triggered a short downturn. Exports declined by 8%, falling to USD511.889 billion. From 2010 to 2019, the sector experienced sustained expansion, reaching USD1.14 trillion by 2019. The COVID-19 pandemic triggered a sharp 25.49% contraction in 2020, bringing the export value down to USD850.716 billion. However, it quickly rebounded in 2021, surpassing USD1 trillion. This positive trend persisted through 2022 to 2024.

A comparison of the scale and growth rates of service exports from China and other Global South countries and regions reveals highly similar trajectories. Both have weathered periodic fluctuations triggered by external shocks such as the global financial crisis and the COVID-19 pandemic. They have also demonstrated synchronized recovery and expansion in most of the other years.

1.2

The share of services trade in foreign trade

The share of service exports in the total exports of the Global South¹ has risen steadily, signaling that services are increasingly becoming a vital engine of economic growth and foreign trade for these economies. Figure 3 illustrates this trend from 2005 to 2024. Over this period, the share of service exports of the Global South's total exports increased steadily from 13.59% to 19.71%. The share of service exports in China's total exports has remained broadly stable. Between 2005 and 2024, it fluctuated around 10% with only minor variation, reflecting the structure of China's foreign trade, in which merchandise exports continue to dominate. At the same time, it suggests that China still has considerable untapped potential for expanding its services trade.

By contrast, the share of services trade in the total exports of other Global South countries and regions (excluding China) has increased steadily. From 2005 to 2012, this figure stayed around 15%. It rose steadily between 2013 and 2019, reaching 22.94% in 2019. Despite a brief contraction in 2020 and 2021, the share rebounded quickly, climbing to 24.70% by 2024. This trajectory points to a clear structural shift toward services in these economies.

In summary, while the Global South's services account for a growing share of its trade composition, China's services trade remains relatively small within its overall foreign trade. This disparity underscores the considerable potential for China to further expand its services trade.

¹ Total exports are calculated as the sum of goods exports and service exports.



FIGURE 3

Share of service exports of the Global South's total exports in value terms, 2005–2024 (BOP statistics)

Data source: Calculations based on indicators from the WTO database.

1.3 The Global South's share in global services trade

The growing presence of the Global South in global services trade reflects its increasing prominence in and expanding share of the global services market. It has emerged as an important driver of growth in global services trade. Figure 4 illustrates changes in the Global South's share of global service exports from 2005 to 2024. Over this period, the share rose steadily

from 15.58% to 24.72%, representing an increase of nearly 10 percentage points. Among them, China's share of global service exports increased from 2.95% in 2005 to 5.07% in 2024. Despite this growth, China's share of the global total remains relatively modest. By contrast, the combined share of other Global South countries and regions rose significantly from 12.63% to 19.65% over the same period, making them the important drivers of the Global South's expanding presence in global services trade.

A notable divergence between China and other Global South countries and regions occurred between 2020 and 2022. While the market share of other Global South countries and regions declined sharply due to the COVID-19 pandemic, China's share moved in the opposite direction, peaking at 6.20% in 2021. This growth was largely driven by the pandemic-induced acceleration of global digital transformation. It also reflects China's continuous efforts to optimize the structure of its service exports.

1.4 Services trade rankings in the Global South

Asian economies such as China, India, and Singapore, consistently lead the Global South's service exports. Table 1 shows the top ten service exporters in the Global South in 2005, 2015, and 2024, based on BOP statistics. In 2005, the top ten exporters were China, India, Singapore, Thailand, Malaysia, Egypt, Brazil, Indonesia,

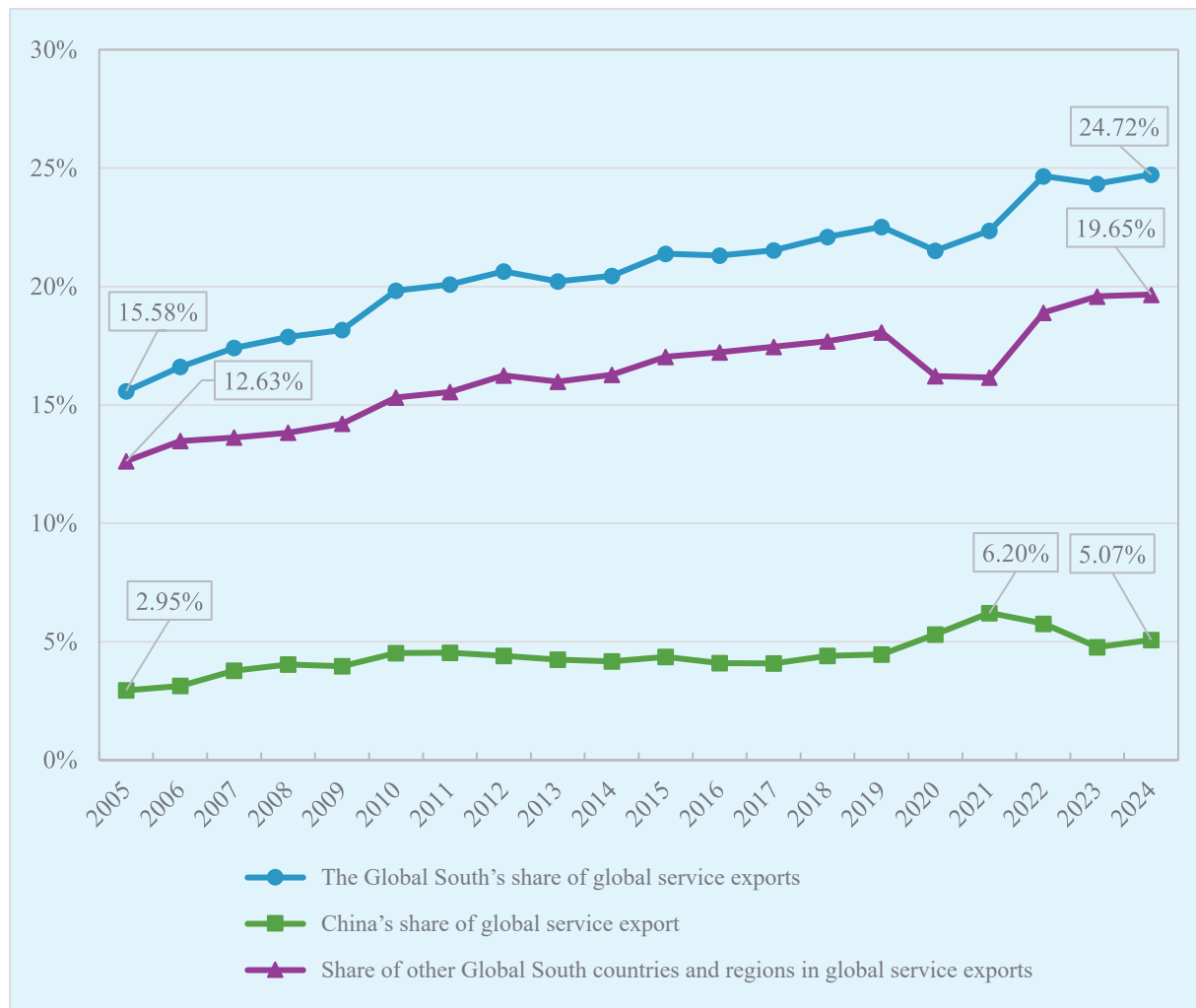


FIGURE 4

The Global South's share of global service exports in value terms, 2005–2024 (BOP statistics)

Data source: Calculations based on indicators from the WTO database.

1. Current Landscape of Services Trade of the Global South

South Africa, and Saudi Arabia. In 2015, the top ten were China, India, Singapore, the United Arab Emirates, Thailand, Malaysia, Brazil, the Philippines, Indonesia, and Egypt. In 2024, the list consisted of China, Singapore, India, the United Arab Emirates, Thailand, Malaysia, Saudi

Arabia, the Philippines, Brazil, and Indonesia. China has consistently maintained the top position, while India and Singapore have remained firmly within the top three, demonstrating strong international competitiveness. The rankings of the United Arab Emirates, Saudi Arabia, and the

TABLE 1

Top 10 service exporters in the Global South and the value of their service exports in 2005, 2015, and 2024 (BOP statistics)

Year	2005		2015		2024	
Ranking	Economy	Export value (million US dollars)	Economy	Export value (million US dollars)	Economy	Export value (million US dollars)
1	China	77,974	China	217,570	China	444,384
2	India	51,851	India	155,717	Singapore	395,209
3	Singapore	45,421	Singapore	152,911	India	374,275
4	Thailand	19,773	United Arab Emirates	59,905	United Arab Emirates	175,694
5	Malaysia	19,637	Thailand	57,718	Thailand	71,356
6	Egypt	14,449	Malaysia	34,842	Malaysia	53,326
7	Brazil	13,571	Brazil	32,886	Saudi Arabia	52,898
8	Indonesia	12,642	Philippines	29,047	Philippines	51,949
9	South Africa	11,570	Indonesia	21,589	Brazil	47,708
10	Saudi Arabia	11,170	Egypt	18,092	Indonesia	38,764

Data source: Calculations based on indicators from the WTO database.

Philippines have climbed significantly, reflecting the growing prominence of the Middle East and some Southeast Asian economies in the global services sector. Thailand, Malaysia, Brazil, and Indonesia have consistently appeared in the top ten. Notably, Asian economies occupy the vast majority of the top ten positions. This highlights the regional concentration in the Global South's services trade, with Asia increasingly acting as the core driver of the growth.

1.5

Sectoral composition of the Global South's service exports

The sectoral composition of service exports of the Global South has remained largely stable, with transportation, other business services, tourism, and information services, computer, and telecommunications (ICT) consistently being the top four contributors to service exports. Table 2 shows the sectoral composition of service exports of the Global South in 2005, 2015, and 2022¹, based on BOP statistics. In 2005, tourism was the dominant export sector of the Global South, accounting for over 35% of total service exports. It was followed by transportation (24.01%), other business services (18.92%), and ICT services (9.07%). Together, these four sectors accounted for nearly 90% of total service exports, while all other industries held only marginal shares. In 2015, tourism retained its lead but saw its share decline to 30.17%. It was followed by other business services (22.69%), transportation (19.45%), and ICT services (11.64%). During this decade, several changes in rankings occurred. Other business services, insurance and

pension services, and intellectual property (IP) royalties, not elsewhere classified, each climbed one position, while transportation, construction, and personal, cultural, and recreational services each slipped one position. The rankings of all other industries remained unchanged. In 2022, transportation overtook tourism to become the largest service export sector of the Global South, accounting for 27.08%. Although the top four service exports remained the same, their internal rankings shifted: transportation and financial services rose, while tourism and trade-related services declined. All other industry rankings remained unchanged. **While the overall structure of service exports remains stable, the Global South's services trade is shifting away from its traditional reliance on tourism toward a more diversified portfolio that includes transportation, knowledge-intensive sectors, and other emerging service industries.**

The sectoral composition of China's service exports has remained relatively stable. Other business services, transportation, ICT, tourism, construction, and goods-related services have consistently ranked as the top six by export value. Notably, the ICT sector has shown strong development momentum, characterized by a continuous rise in its ranking. Table 3 shows the sectoral composition of China's service exports for 2005, 2015, and 2024, based on BOP statistics. In 2005, tourism dominated China's service exports, serving as the sector's primary pillar with a share of nearly 38%. This was followed by transportation (19.79%), other business services (18%), and goods-related services (17.07%). At the time, construction and ICT services accounted for only 3.33% and 2.98%, respectively, while all remaining industries contributed less than 0.7%

¹ As some economies have yet to report sector-specific service export data for 2023 and 2024, this report uses 2022 as the representative year for analyzing the sectoral composition of the Global South's services trade, due to its more complete and comprehensive data.

each. In 2015, other business services surpassed tourism to become the largest export category, increasing its share to 26.84%. Tourism and transportation moved to second and third place, with shares of 20.67% and 17.74%, respectively. During this decade, ICT and financial services rose in the rankings, while the relative positions of goods-related services and construction declined. In 2024, other business services maintained its lead at 25.36%, closely followed by the transportation industry, which rose to 25.31%. The ICT sector grew rapidly, which surged to a 22.56% share, becoming the third-largest export industry. **These changes reflect a shift in China's economic landscape. Its services trade is gradually upgrading, moving away from a reliance on traditional tourism and goods-related services toward high-value-added, knowledge-intensive fields.**

The sectoral structure of service exports in other Global South countries and regions has remained largely stable, similar to that of the Global South as a whole. Table 4 shows the sectoral composition of service exports in other Global South

countries and regions in 2005, 2015, and 2022 based on BOP statistics. In 2005, tourism was the dominant force in service exports for these economies, accounting for nearly 36% of the total. This was followed by transportation (25%), other business services (19.13%), and ICT at 10.50%. All remaining sectors held shares of less than 3% each. In 2015, although tourism remained in the lead, its share contracted to 32.60%, followed by other business services (21.63%), transportation (19.89%), and ICT services (11.59%). During this decade, the rankings for financial services, insurance and pension services, and IP royalties, not elsewhere classified, climbed. Conversely, the relative standing of goods-related services, construction, and personal, cultural, and recreational services declined. By 2022, transportation surpassed tourism to become the largest service export sector, representing approximately 25% of the total. Other business services, tourism, and ICT services remained among the top four industries. During this period, personal, cultural, and recreational services saw a rise in ranking, while construction continued its downward trend.

TABLE 2
Sectoral composition of the Global South's service exports in 2005, 2015, and 2022 (BOP statistics)

Year	2005			2015			2022		
Ranking	Sector	Export value (million US dollars)	Share of Export value	Sector	Export value (million US dollars)	Share of service exports	Sector	Export value (million US dollars)	Share of service exports
1	Tourism	146,884	35.75%	Tourism	322,199	30.17%	Transportation	489,272	27.08%
2	Transportation	98,657	24.01%	Other business services	242,339	22.69%	Other business services	441,588	24.44%
3	Other business services	77,723	18.92%	Transportation	207,691	19.45%	Tourism	309,728	17.14%
4	ICT	37,283	9.07%	ICT	124,306	11.64%	ICT	271,063	15.00%
5	Goods-related services	23,237	5.66%	Goods-related services	42,407	3.97%	Financial services	68,864	3.81%
6	Financial services	9,001	2.19%	Financial services	40,889	3.83%	Goods-related services	66,575	3.68%
7	Construction	7,774	1.89%	Insurance and pension services	31,505	2.95%	Insurance and pension services	54,456	3.01%
8	Insurance and pension services	5,592	1.36%	Construction	28,457	2.66%	Construction	43,956	2.43%
9	Personal, cultural, and recreational services	2,680	0.65%	IP royalties, not elsewhere classified	15,218	1.42%	IP royalties not elsewhere classified	33,731	1.87%
10	IP royalties, not elsewhere classified	1,876	0.46%	Personal, cultural, and recreational services	8,177	0.77%	Personal, cultural, and recreational services	17,960	0.99%
11	Other services and adjustments, not elsewhere classified	164	0.04%	Other services and adjustments, not elsewhere classified	4,755	0.45%	Other services and adjustments, not elsewhere classified	9,806	0.54%

Data source: Calculations based on indicators from the WTO database.

TABLE 3

Sectoral composition of China's service exports in 2005, 2015, and 2024 (BOP statistics)

Year	2005			2015			2024		
Ranking	Sector	Export value (million US dollars)	Share of service exports	Sector	Export value (million US dollars)	Share of service exports	Sector	Export value (million US dollars)	Share of service exports
1	Tourism	29,296	37.57%	Other business services	58,403	26.84%	Other business services	112,710	25.36%
2	Transportation	15,427	19.79%	Tourism	44,969	20.67%	Transportation	112,484	25.31%
3	Other business services	14,036	18.00%	Transportation	38,594	17.74%	ICT	100,282	22.56%
4	Goods-related services	13,311	17.07%	ICT	25,784	11.85%	Tourism	37,015	8.33%
5	Construction	2,593	3.33%	Goods-related services	24,041	11.05%	Construction	33,571	7.55%
6	ICT	2,325	2.98%	Construction	16,652	7.65%	Goods-related services	28,654	6.45%
7	Insurance and pension services	549	0.70%	Insurance and pension services	4,976	2.29%	IP royalties, not elsewhere classified	10,283	2.31%
8	IP royalties, not elsewhere classified	157	0.20%	Financial services	2,334	1.07%	Financial services	4,168	0.94%
9	Financial services	145	0.19%	IP royalties, not elsewhere classified	1,085	0.50%	Insurance and pension services	2,770	0.62%
10	Personal, cultural, and recreational services	134	0.17%	Personal, cultural, and recreational services	731	0.34%	Personal, cultural, and recreational services	2,499	0.56%

Data source: Calculations based on indicators from the WTO database.

Note: China did not report export figures for the "Other services and adjustments, not elsewhere classified" sector in 2005, 2015, and 2024.

TABLE 4
Sectoral composition of service exports of other Global South countries and regions in 2005, 2015, and 2022 (BOP statistics)

Year	2005			2015			2022		
Ranking	Sector	Export value (million US dollars)	Share of service exports	Sector	Export value (million US dollars)	Share of service exports	Sector	Export value (million US dollars)	Share of service exports
1	Tourism	117,588	35.32%	Tourism	277,230	32.60%	Transportation	344,388	24.87%
2	Transportation	83,230	25.00%	Other business services	183,936	21.63%	Other business services	341,806	24.69%
3	Other business services	63,687	19.13%	Transportation	169,097	19.89%	Tourism	300,145	21.68%
4	ICT	34,958	10.50%	ICT	98,522	11.59%	ICT	184,911	13.35%
5	Goods-related services	9,926	2.98%	Financial services	38,555	4.53%	Financial services	63,782	4.61%
6	Financial services	8,856	2.66%	Insurance and pension services	26,529	3.12%	Insurance and pension services	49,997	3.61%
7	Construction	5,181	1.56%	Goods-related services	18,366	2.16%	Goods-related services	37,429	2.70%
8	Insurance and pension services	5,043	1.51%	IP royalties, not elsewhere classified	14,133	1.66%	IP royalties, not elsewhere classified	20,459	1.48%
9	Personal, cultural, and recreational services	2,546	0.76%	Construction	11,805	1.39%	Personal, cultural, and recreational services	16,177	1.17%
10	IP royalties, not elsewhere classified	1,719	0.52%	Personal, cultural, and recreational services	7,446	0.88%	Construction	15,726	1.14%
11	Other services and adjustments, not elsewhere classified	164	0.05%	Other services and adjustments, not elsewhere classified	4,755	0.56%	Other services and adjustments, not elsewhere classified	9,806	0.71%

Data source: Calculations based on indicators from the WTO database.

2.

EXPORT COMPETITIVENESS OF SERVICE SECTORS

This report uses the RCA index to evaluate the export competitiveness of service sectors in Global South economies. A higher RCA index signifies stronger international competitiveness in a specific sector. The index is calculated as follows:

$$RCA_{ij} = \frac{(X_{ij} / X_j)}{(X_{iw} / X_w)} \quad \text{Formula (1)}$$

Where: X_{ij} represents the export value of service sector i in economy j ; X_j represents the total value of service exports of economy j ; X_{iw} represents the global export value of service sector i ; X_w represents the value of total global service exports. While this index is adapted from the methodology used in goods trade, there is currently no universally accepted threshold for what constitutes “high” or “low” RCA levels in service sectors¹. Nevertheless, the principle remains the same: higher values indicate stronger competitiveness. The Appendix lists the top 20 Global South economies in export competitiveness across the various service sectors in 2022, based on BOP statistics.

Global South economies exhibit a distinct pattern of specialization across service sectors: some economies leverage traditional strengths,

or geographical advantages to maintain high international competitiveness, while others develop significant comparative advantages in specific areas of modern producer services. In the transportation sector, countries like Djibouti, Mozambique, Brunei, and Tajikistan, which either have significant ports or are situated on key routes, are highly competitive internationally, with RCA indices above 3.5. Small Island Developing States (SIDS), including the Maldives, Saint Lucia, and the Bahamas, are exceptionally competitive in tourism, with RCA indices surpassing 5.8. These economies successfully capitalize on their unique geographic and natural resource endowments to build competitiveness in tourism and transportation. Burkina Faso leads in construction (RCA: 16.67), Bahrain in insurance and pension services (RCA: 13.73), Bhutan in financial services (RCA: 7.37), Grenada in personal, cultural, and recreational services (RCA: 11.37), and Honduras in goods-related services (RCA: 18.21). These economies exhibit strong export competitiveness in their respective sectors. China exhibits a strong competitive profile in construction, ICT, and goods-related services.

¹ Note: The RCA index is widely used in studies of competitiveness in goods trade. An RCA value exceeding 2.5 indicates extremely strong competitiveness, values between 1.25 and 2.5 indicate strong competitiveness, values from 0.8 to 1.25 indicate average competitiveness, and values below 0.8 indicate a relatively weak competitive position.

3.

CHARACTERISTICS OF SERVICES TRADE OF THE GLOBAL SOUTH

The development of services trade of the Global South draws strength from its profound cultural diversity and commitment to fair and inclusive multilateralism. It has forged a unique development path that integrates local characteristics with a global vision.

Cultural diversity has emerged as a core competitive advantage. The civilizations of the Global South are diverse and vibrant, from Southeast Asian nations where multiple civilizations blend, to ancient African civilizations such as Egypt and Kongo, and onward to the dynamic cultures of Latin America. Their unique and rich cultural heritage provides fertile ground for services trade, particularly exports in cultural and creative industries. As noted in the Global Report on South-South and Triangular Cooperation 2025, published by the United Nations Office for South-South Cooperation: “Culturally, the Global South is emerging as a vibrant exporter of ideas, art and traditions. From the global popularity of K-pop and Bollywood to the widespread influence of African music, literature and fashion, the cultural products of the Global South are gaining unprecedented recognition and appeal. This cultural

exchange enriches the global landscape, fostering greater understanding and appreciation between regions.” The growth of trade in creative goods and services among Global South economies demonstrates that cultural diversity is becoming a key driver of services trade.

Multilateralism is driving governance reform. The Global South’s advocacy of an open, inclusive, fair, and just approach to multilateralism helps developing economies unite in response to the protectionism and unilateral actions of certain developed economies. In September 2023, the Summit of Heads of State and Government of the G77 and China adopted the Havana Declaration. This document called for a comprehensive overhaul of the international financial architecture and the adoption of a more inclusive and coordinated approach to global economic governance. The declaration represents a collective effort by developing countries to safeguard their fundamental interests, demand a more equitable international economic order, oppose unilateral sanctions, and advocate fair access to technological advancement¹.

¹ Source: “Summit of Heads of State and Government of G77 and China adopted Havana Declaration,” People’s Daily, September 18, 2023, <https://world.people.com.cn/gb/n1/2023/0918/c1002-40079571.html>.

4.

POLICY RECOMMENDATIONS

Based on the development trends in the Global South's services trade, this report proposes the following four policy recommendations:

Strengthen Policy Dialogue and Optimize Cooperation Mechanisms: Global South economies could actively engage in multilateral, bilateral, and regional policy dialogue to harmonize rules governing services trade. This includes exploring negative list approaches for cross-border services that are tailored to local conditions and reducing trade barriers. They could also implement differentiated cooperation strategies that leverage their own strengths. For example, policy attention could be placed on strengthening port and logistics partnerships with transportation hubs such as Djibouti (a vital East African oil and gas transit point) and Mozambique (a key freight hub for minerals and agriculture), as well as on deepening collaboration along the tourism value chain with economies such as the Maldives. At the same time, Global South economies should promote the harmonization of cross-border service rules and standards with partners that excel in professional services, including the establishment of mutual recognition mechanisms for professional qualifications to facilitate the mobility of talent.

Respect and Leverage Cultural Diversity and Expand Cooperation in Creative Industries: This includes recognizing the significant export potential of the diverse civilizations of the Global South. Greater emphasis could be placed on cultural industries and unique creative products within existing cooperation frameworks. Drawing inspiration from the global success of K-pop and

Bollywood, Global South economies could support the joint development of cultural and creative products to foster mutual cultural understanding and recognition. Furthermore, pilot projects for co-operation in cultural and creative services could be established to effectively transform cultural diversity into a new engine for services trade growth.

Enhance Digital Infrastructure Interconnectivity and Cultivate New Service Models: This includes (i) accelerating the development of global digital networks and enhancing the efficiency and security of cross-border data flows to provide a robust foundation for trade digitalization; (ii) encouraging joint investment in digital infrastructure among Global South economies and promoting adoption of digital service platforms, cross-border e-commerce, and remote services; and (iii) promoting cooperation in new service models adapted to local context, such as telemedicine, online education, and sharing platforms, and helping the Global South lay a solid foundation for developing digital service value chains.

Promote Capacity Building and Facilitate Knowledge and Experience Sharing: This includes providing targeted technical aid, vocational training, and knowledge- and experience-sharing opportunities to help Global South economies enhance their service capacity and international competitiveness. For example, capacity building programs can target areas of urgent need in the Global South, including food crop cultivation, healthcare, maternal and child health, vocational skills development, and related fields.

APPENDIX:

EXPORT COMPETITIVENESS OF SERVICE SECTORS IN GLOBAL SOUTH ECONOMIES

Top 20 Economies

Sector	Ranking	Economy	RCA Index
Transportation	1	Djibouti	3.8653
	2	Mozambique	3.7247
	3	Brunei Darussalam	3.5682
	4	Tajikistan	3.5549
	5	Qatar	3.0800
	6	Azerbaijan	2.6194
	7	Panama	2.6124
	8	Mongolia	2.5080
	9	Mauritania	2.4884
	10	Chile	2.2480
	11	Solomon Islands	2.1866
	12	Nigeria	2.1862
	13	Kenya	2.0627
	14	Vietnam	1.9988
	15	Egypt	1.9851
	16	Côte d'Ivoire	1.9328
	17	Singapore	1.9314
	18	Kiribati	1.9054
	19	United Republic of Tanzania	1.8812
	20	Fiji	1.8469

Appendix: Export Competitiveness of Service Sectors in Global South Economies

Continuation Table

Sector	Ranking	Economy	RCA Index
Tourism	1	Maldives	6.1113
	2	Saint Lucia	5.9906
	3	The Bahamas	5.8883
	4	São Tomé and Príncipe	5.6593
	5	Zambia	5.6209
	6	Sierra Leone	5.5363
	7	Saint Kitts and Nevis	5.4467
	8	Jamaica	5.1333
	9	Antigua and Barbuda	5.1330
	10	Saint Vincent and the Grenadines	5.0934
	11	Comoros	5.0934
	12	Barbados	5.0749
	13	Saudi Arabia	4.8365
	14	Dominican Republic	4.8139
	15	Cabo Verde	4.7780
	16	Jordan	4.7160
	17	Belize	4.7065
	18	Lesotho	4.6689
	19	Nepal	4.6070
	20	The Gambia	4.5392
Construction	1	Burkina Faso	16.6716
	2	Kiribati	14.0171
	3	Iraq	13.4236
	4	Papua New Guinea	11.9804
	5	Bangladesh	11.7903
	6	Gabon	9.6670
	7	Brunei Darussalam	7.9946
	8	Solomon Islands	6.8937
	9	Algeria	5.3664
	10	Cameroon	4.9999
	11	China	4.6843

Continuation Table

Sector	Ranking	Economy	RCA Index
Construction	12	Kingdom of Eswatini	4.6724
	13	Kuwait	4.3638
	14	Samoa	4.1532
	15	Islamic Republic of Iran	4.0108
	16	Chad	3.7546
	17	Uganda	3.6274
	18	Cambodia	3.4637
	19	Ghana	3.4023
	20	Malaysia	3.0070
Insurance and pension services	1	Bahrain	13.7302
	2	Trinidad and Tobago	6.0650
	3	UAE	5.9844
	4	Kingdom of Eswatini	5.8635
	5	Kuwait	5.6376
	6	Bhutan	3.9090
	7	Gabon	2.6959
	8	Qatar	2.4097
	9	Antigua and Barbuda	2.3600
	10	Chile	1.7830
	11	Liberia	1.6370
	12	Burundi	1.6290
	13	Dominican Republic	1.3570
	14	Brazil	1.3060
	15	Suriname	1.1250
	16	Panama	1.0590
	17	Saint Vincent and the Grenadines	1.0420
	18	Peru	0.9790
	19	Nigeria	0.9750
	20	Algeria	0.9680
Financial services	1	Bhutan	7.3695
	2	Burkina Faso	2.2518

Appendix: Export Competitiveness of Service Sectors in Global South Economies

Continuation Table

Sector	Ranking	Economy	RCA Index	
Financial services	3	Nigeria	2.0654	
	4	Ghana	1.7963	
	5	Guinea-Bissau	1.6197	
	6	Sierra Leone	1.4788	
	7	Kenya	1.4765	
	8	Burundi	1.4172	
	9	Singapore	1.3594	
	10	South Africa	1.0524	
	11	Algeria	0.9269	
	12	Niger	0.6735	
	13	Panama	0.6636	
	14	Mauritius	0.5899	
	15	Samoa	0.5039	
	16	Uruguay	0.4902	
	17	Pakistan	0.4463	
	18	Indonesia	0.4334	
	19	Saint Kitts and Nevis	0.4260	
	20	Guatemala	0.4178	
	IP royalties, not elsewhere classified	1	Singapore	0.5760
		2	Gabon	0.5197
3		China	0.4736	
4		UAE	0.3445	
5		Brazil	0.2838	
6		Argentina	0.2702	
7		Chad	0.2691	
8		South Africa	0.2516	
9		Kenya	0.1992	
10		Uruguay	0.1958	
11		Colombia	0.1849	
12		Trinidad and Tobago	0.1707	
13		Uganda	0.1579	

Continuation Table

Sector	Ranking	Economy	RCA Index
IP royalties, not elsewhere classified	14	Indonesia	0.1406
	15	Malaysia	0.1334
	16	Peru	0.1237
	17	Cambodia	0.1208
	18	Malawi	0.1153
	19	Chile	0.1149
	20	Ecuador	0.1144
ICT	1	Mali	3.6015
	2	Kuwait	3.3193
	3	Pakistan	3.0089
	4	Malawi	2.7707
	5	Sri Lanka	2.6094
	6	Tonga	2.5258
	7	India	2.3148
	8	Angola	1.9426
	9	Guinea-Bissau	1.8619
	10	Niger	1.7684
	11	Uruguay	1.5778
	12	Madagascar	1.5465
	13	China	1.4769
	14	Nicaragua	1.4601
	15	Argentina	1.3821
	16	Kenya	1.3465
	17	Guatemala	1.1988
	18	Philippines	1.1756
	19	Vietnam	1.1703
	20	Senegal	1.1692
Other business services	1	Liberia	3.8227
	2	Papua New Guinea	3.0676
	3	Chad	2.4172
	4	Burundi	2.3928

Appendix: Export Competitiveness of Service Sectors in Global South Economies

Continuation Table

Sector	Ranking	Economy	RCA Index
Other business services	5	Algeria	2.1478
	6	Philippines	2.1413
	7	Brazil	1.8849
	8	Ghana	1.8610
	9	Kingdom of Eswatini	1.7775
	10	Costa Rica	1.7492
	11	Mauritius	1.7303
	12	India	1.6085
	13	Thailand	1.6070
	14	Dominican Republic	1.5952
	15	Suriname	1.5935
	16	Mauritania	1.4897
	17	Argentina	1.4056
	18	Seychelles	1.3230
	19	Uruguay	1.2815
20	Gabon	1.1316	
Personal, cultural, and recreational services	1	Grenada	11.3733
	2	Niger	3.1048
	3	South Africa	2.7204
	4	Ghana	2.3207
	5	Islamic Republic of Iran	2.0565
	6	Argentina	2.0361
	7	Samoa	1.9910
	8	UAE	1.8014
	9	Malaysia	1.6303
	10	Jamaica	1.5711
	11	Brazil	1.4370
	12	Kingdom of Eswatini	1.1199
	13	Jordan	1.0112
	14	India	0.8340
	15	Dominican Republic	0.8291

Continuation Table

Sector	Ranking	Economy	RCA Index
Personal, cultural, and recreational services	16	Mauritania	0.6690
	17	Qatar	0.6610
	18	Colombia	0.6210
	19	Mauritius	0.6100
	20	Bangladesh	0.6060
Other services and adjustments, not elsewhere classified	1	Chile	6.8759
	2	India	4.9851
	3	Vietnam	0.0000
Goods-related services	1	Honduras	18.2091
	2	Paraguay	14.7871
	3	Tunisia	12.2152
	4	Malawi	8.7205
	5	Nicaragua	8.2343
	6	El Salvador	6.1524
	7	Guatemala	4.5139
	8	Malaysia	4.4377
	9	Namibia	4.2804
	10	Philippines	3.7863
	11	Bangladesh	3.2481
	12	Gabon	2.8986
	13	Morocco	2.8595
	14	Ghana	2.6968
	15	Costa Rica	1.9588
	16	China	1.9335
	17	Kingdom of Eswatini	1.8680
	18	Niger	1.7570
	19	Tajikistan	1.4637
	20	Indonesia	1.3729



Introduction to the Global South Research Center

The Global South Research Center (GSRC) was announced by Chinese President Xi Jinping at the Conference Marking the 70th Anniversary of the Five Principles of Peaceful Coexistence in June 2024, and formally launched in March 2025.

The GSRC is an international research platform involving experts and scholars from South and North countries and international organizations. The GSRC's primary responsibilities are to consolidate research resources from around the world, particularly from Global South countries and relevant international and regional organizations, and to carry out research, consultation, and exchange activities concerning key and major issues related to the development and cooperation of the Global South.

The GSRC establishes a Council, chaired by the Minister of the Development Research Center of the State Council (DRC) Lu Hao. The Secretariat of the Council is hosted at the Center for International Knowledge on Development (CIKD).

Council of the GSRC

CHAIRMAN

Lu Hao

Minister of the Development Research Center of the State Council,
Chairman of the GSRC Council

VICE CHAIRPERSON

Zhang Qi

Vice Minister of the Development Research Center of the State Council,
Vice Chairperson of the GSRC Council

COUNCIL MEMBERS

Yose Damuri

Executive Director of Centre for Strategic and International Studies
(CSIS) Indonesia

Kishore Mahbubani	Former Singapore Ambassador to the United Nations
Assel Sarsenbayeva	Chairman of the Management Board, Economic Research Institute (ERI) of Kazakhstan
Osama El Gohary	Assistant to the Prime Minister of Egypt and Chairman of the Information and Decision Support Center (IDSC)
Arkebe Oqubay	Former Senior Minister and Special Adviser to the Prime Minister of Ethiopia; British Academy Global Professor at SOAS University of London
Elizabeth Sidiropoulos	Chief Executive of the South African Institute of International Affairs (SAIIA)
Luciana Servo	President of the Institute of Applied Economic Research (IPEA) of Brazil
Fyodor Voytolovsky	Director of the Primakov National Research Institute of World Economy and International Relations of the Russian Academy of Sciences (IMEMO)
Peter Nolan	Founding Director of the Center for Development Studies at the University of Cambridge
Carlos Oya	Head of the Department of Development Studies and Professor of Political Economy of Development at SOAS University of London
Dani Rodrik	Ford Foundation Professor of International Political Economy at the Harvard Kennedy School
Kaushik Basu	Former Senior Vice President and Chief Economist of the World Bank, Carl Marks Professor of International Studies at Cornell University
Kevin Gallagher	Director of the Center for Global Development Policy at Boston University
Carlos Correa	Executive Director of the South Center
Pedro Manuel Moreno	Deputy Secretary-General of UN Trade and Development (UNCTAD)
Zhou Qiangwu	Vice-President and Chief Administrative Officer of the New Development Bank (NDB)
Tetsuya Watanabe	President of the Economic Research Institute for ASEAN and East Asia (ERIA)
Clarems Endara	Permanent Secretary of Latin American and Caribbean Economic System (SELA)
Federico Bonaglia	Deputy Director of the OECD Development Center
Zhao Zhongxiu	President of the University of International Business and Economics (UIBE)
Ye Hailin	President of the China-Africa Institute (CAI)
Chai Yu	Director-General of the Institute of Latin American Studies in the Chinese Academy of Social Sciences (CASS)

SECRETARY GENERAL

Wang Jinzhao	Executive Vice President of Center for International Knowledge on Development, Secretary General of the GSRC Council
---------------------	--

Contact: Zhu Qingyi, zhu.qingyi@cikd.org



www.gsrg-web.net