

Tic Tac...

Shaping a Services Policy, Strategy and Action Plan for Saint Lucia



Enhancing Competitiveness in the Global Marketplace

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Genesis of the Services Sector Policy, Strategy and Action Plan

The Saint Lucia Coalition of Service Industries (SLCSI) is the umbrella body for services on the island. Since its establishment in 2009, SLCSI has played a lead role in development of the services sector in Saint Lucia. Like its counterpart National Coalitions throughout the region, the SLCSI has its genesis in the drive of Caribbean governments to diversify their respective economies with a view to achieving their goals of increasing foreign exchange, generating employment and achieving sustainable economic development and wealth creation. In October of 2011, the Coalition was awarded grant funding from

the Caribbean Aid for Trade Regional Integration Trust Fund (CARTFund) for the execution of a 21-month project entitled "Developing Saint Lucia's Services Sector". CARTFund was established by the United Kingdom (UK) government and administered by the Caribbean Development Bank. CARTFund is intended to generate momentum on the implementation of the CARIFORUM EU Economic Partnership Agreement (EPA) and the CARICOM Single Market. A core initiative under the CARTFund Project was a 2012 Study which resulted in the preparation of a White Paper for the Services Sector. The CDB funded

gender responsive and results-based Services Policy, Strategy and Action Plan for St. Lucia is a follow-up to that Study. The Consultancy is intended to achieve increased alignment of the efforts of the multiple industry stakeholders, towards achieving measurable development and expansion of the services sector. The proposed policy framework is expected to promote greater convergence in key areas of trade and investment in services. It will be designed to promote investments, develop targeted service industries, and leverage St. Lucia as a model export-oriented service economy in the OECS.

Policy Formulation in Action - meetings, consultations, focus groups

Stakeholder consultations towards developing a gender responsive and results-based Services Policy, Strategy and Action Plan for Saint Lucia shifted into high-gear in April. During the week of Monday April 20 – Friday April 24, the Gender and Business Development Specialists met with key stakeholders. The Consultants held Focus Group Meetings and In-depth Interviews with service providers in the key targeted sectors of Health and Wellness IT Professionals, Professional Services Creative Industries and Higher Education Services. These are the key service sectors being targeted, with a view to developing a policy framework for the growth and development of these sectors, towards achieving increased employment, exports,

income/revenue, value-added, and gender equity. The major issues for services providers in these key sectors were: lack of access to finance for start-up, growth and expansion; poor regulation of service sectors; variations in service standards and quality; limited access to overseas mar-



Focus Group Session underway

kets; limitations of size and scale of operations of local service firms; high import duties and taxes on raw materials and equipment; and the lack of sector specific incentives to facilitate business development. Permanent Secretary in the Ministry of Commerce, Dr. Alison Gajadhar, described the process of developing a Services Policy as "a very important initiative for St. Lucia, as we are transitioning into a service-based economy." She notes that such an initiative is "long overdue" and said she was optimistic that the process will yield the desired results of growing and developing the island's service industries while making them more competitive, export ready and export oriented.

Services employ 3.3 billion people around the world and contributes 70 percent of total gross domestic product (GDP). According to the International Trade Centre, Least Developed Countries commercial services exports more than doubled to US \$22 billion in the 6 years leading up to 2011, growing at an average annual rate of 15%, much faster than the world average of 9%.

In keeping with the global trends, services account for over 70 percent of business activity in St. Lucia's economy. With the decline of the banana industry, the services sector – led by tourism – has become the lead sector of St. Lucia's economy in terms of employment, revenue generation, foreign exchange earnings, and contribution to GDP. It is against this background that the process of developing a gender responsive and results-based Services Sector Policy, Strategy and Action Plan for St. Lucia is currently underway.

In terms of 'best practice' in developing services policy, Singapore is a good model. At the turn of the Century, Singapore developed a vision to become Asia's leading provider of world-class services. A number of service clusters were identified and strategies developed to grow each one. Singapore realized that these strategies will only be as effective as how they are executed. For effective implementation, sector champions were identified to work closely with the industry to implement strategies and realize the vision. Singapore also saw the need to realign agency mandates and improve its existing services promotion framework. Coordination among government agencies was tightened, and incentive programmes streamlined.

As per the Terms of Reference for the Services Sector Policy, Strategy and

Action Plan, the Technical Advisory Committee (TAC) serves as an information resource to the consultants, and assists the Ministry of Commerce with the review and provision of feedback on the consultants' outputs.



TAC Meeting - April 23, 2015

In addition, the TAC is expected to assist SLCSI with managing development of the Services Sector Policy, Strategy and Action Plan. The TAC is chaired by the Permanent Secretary of the Ministry of Commerce (or his/her designate) and comprises senior officials with significant public policy management experience from key government ministries as follows: Ministry of Commerce, Business Development, Investment and Consumer Affairs; Ministry of Finance and Economic Affairs; Ministry of Health, Wellness, Human Services and Gender Affairs; Ministry of Tourism Heritage and the Creative Industries; Ministry of Education, Human Resource and Labour; Ministry of Public Service Sustainable Development, Science and Technology; Ministry of External Affairs, International Trade and Civil Aviation. The Executive Director of SLCSI represents the interest of the private sector on the TAC.

The TAC is designed to build consensus on a framework for the execution, as well as increase stakeholders ownership of and commitment to implement the policy, strategy and action plan. The TAC is also expected to create greater networking and synergies be-

tween ministries while ensuring that their focus on services is aligned with the impending Policy, thus ensuring synchronized implementation of the Strategy and Action Plan.

The Consultancy and the policy formulation process is also a good model of public private partnership for the benefit of all. Facilitating the Consultancy to develop a Services Policy, Strategy and Action Plan for St. Lucia, is a signal of Government's commitment to continue to take steps to create the enabling environment for the growth of the services sector, and by extension, trade in services. The Ministry of Commerce has a key leadership role in the policy formulation process, as the lead ministry with oversight of SLCSI, as well as the TAC.

The formulation of a National Services Policy, Strategy and Action Plan is perhaps the single most significant undertaking for the services sector in St. Lucia. It has far-reaching implications for the viability, growth and development of service industries on the island. It could also serve as a catalyst for a more robust and export-oriented services sector, and better position Saint Lucia to take advantage of opportunities for trade in services within the OECS, CARICOM and the EU, under the EPA.



Consultants at TAC Meeting