

Focus On Services

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Focus on Services

SLCSI's E-Newsletter

Trade in Services: *Our Focus*

Trade in services records the value of services exchanged between residents and non-residents of an economy, including services provided through foreign affiliates established abroad. This indicator is measured in million USD and percentage of GDP for exports, imports and net trade. Services include transport (both freight and passengers), travel, communications services (postal, telephone, satellite, etc.), construction services, insurance and financial services, computer and information services, royalties and license fees, other business services (operational leasing, technical and professional services, etc.), cultural and recreational services, and government services not included in the list above. Trade in services drives the exchange of ideas, know-how and technology, although it is often restricted by barriers such as domestic regulations. (OECD (2019), 2019)

The Four Modes of Supply of the General Agreement on Trade in Services (GATS) have historically defined international trade in services.

- **(Mode 1) Cross-Border Trade** -
- **(Mode 2) Consumption Abroad**
- **(Mode 3) Commercial Presence**
- **(Mode 4) Presence of Natural Persons** -

FOUR MODES OF SUPPLY



Modes	Criteria	Supplier Presence
Mode 1: Cross-border supply	Service delivered within the territory of the Member, from the territory of another Member	
Mode 2: Consumption abroad	Service delivered outside the territory of the Member, in the territory of another Member, to a service consumer of the Member	Service supplier not present within the territory of the member
Mode 3: Commercial presence	Service delivered within the territory of the Member, through the commercial presence of the supplier	
Mode 4: Presence of a natural person	Service delivered within the territory of the Member, with supplier present as a natural person.	Service supplier present within the territory of the Member

Services are an increasingly important part of the global economy and play a central role in St. Lucia as well as in each of the EU Member States. Services contributes considerably more to the gross domestic product (GDP) and employment than the industrial economy,

accounting for approximately three quarters or more of total economic activity. However, the global value of international trade in goods is still higher than that of trade in services. This imbalance may be attributed to the intangible nature of services,

for example:

- Some services are non-transportable and can only be consumed at their point-of-sale requiring either producer or consumer to cross a border ;
- Many countries regulate areas like professional services;

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- There are a range of services which are largely supplied by the public sector, for example, health or education services;
- Services cover a heterogeneous range of products/activities that are difficult to encapsulate within a simple definition, often these are tailored specifically to a client’s needs. They have a tendency not to be homogeneous, mass-produced items. (EuroStat, 2019)

This is why the SLCSI is focused on facilitating the growth and development of the Saint Lucia Services Sector, through the adoption of high service standards, fostering activism and education on trade in services issues, and challenges by promoting the pursuit of strategies to sustain and bolster our service providers’ competitiveness in the global marketplace.

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SLCSI in collaboration with EU, Caribbean Export and NYC St. Lucia conducts Business and Export Plan Development sessions with Services Go Global Training

November was coined as the annual recognition of “Business Month” in Saint Lucia under the theme: **“All in Our Journey, Our Future— Propelling growth through entrepreneurship”**. The event highlighted the importance of small businesses to the economic ecosystem of the country, as well as the continued growth of small businesses on island. The 30 day celebration



focused on various aspects of entrepreneurship including Business Law, Financing, and ICT. New entrepreneurs were introduced to elements of starting a small businesses and what it takes to succeed in the domestic and international business environment. The many activities facilitated by the Non-Governmental Organizations as well as Business Support Organizations and Public sector ministries demonstrated the continued support for MSME development in Saint Lucia. As part of its mandate in promoting and supporting small businesses and entrepreneurs in the Services Sector, the SLCSI collaborated with the National Youth Council with funding from Caribbean Export Development Agency to host the **Services Go Global Programme**.



SLCSI in Collaboration with EU, CARIBBEAN EXPORT & NYC St. Lucia Hosts: BUSINESS AND EXPORT PLAN DEVELOPMENT with SERVICES GO GLOBAL Training

The Services Go Global (SGG) programme has been developed to optimize the CARIFORUM region's export of services by building the capacity of service providers to capitalize on opportunities under the Economic Partnership Agreement (EPA), CARICOM Single Market (CSM) and other existing 3rd party Trade Agreements; and to establish a cadre of certified Trainers for the SGG platform geared to assist SME's in the services sector.

Export-readiness is the ultimate objective, as participants are guided through a 4-stage Roadmap, which covers 4 key areas:

- "Stage 1, Preparing Your Business",
- "Stage 2, Conducting Market Research"
- "Stage 3, Developing a Marketing Strategy"
- "Stage 4, Entering the Market"

Roadmap for Exporting Services

The 4 Stages of Export Preparation



SLCSI in Collaboration with EU, CARIBBEAN EXPORT & NYC St. Lucia Hosts: BUSINESS AND EXPORT PLAN DEVELOPMENT with SERVICES GO GLOBAL Training

The sessions drew entrepreneurs and businesses from three of the main service sectors namely the ICT Sector, the Creative Industries or Orange Sector, and the Spa, Health and Wellness Sector all with export potential or have already been exporting their services.

The participants received training from the SLCSI's certified SGG Trainer, as well as Mentorship and coaching from a number of successful professionals in the various fields. From defining your



brand, vision and mission to attaining and strategizing financing to Marketing and Accessing International Markets. It was truly an enlightening, informative and educational four days, where our entrepreneurs were reenergized in pursuing their endeavors for success of their businesses through proper planning, strategy and support. With the training they will be well on their way to start exporting and expanding their current markets.

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SLCSI, ITC, CARIBBEAN EXPORT host online Webinar for Entrepreneurs

SLCSI's Boot Camp 2019 was an online webinar geared towards entrepreneurs, government organizations and ancillary services within our business community. Our aim this year was to sensitize entrepreneurs of the opportunities and assistance available to them in our thriving small business eco-system within the global market.

Online attendees heard from panelists with expertise in Trade in Services, Financing, and Online Marketing. Ms. Taiana Mora of Nex Consulting (Dominican Republic), Mr. William Rodriguez, and Mr. Quan Zhao from International Trade Center (ITC) along with local small business owner Mr. Rankin Morgan and SME Manager of sales at 1st National Bank St. Lucia, Mr. Lester Wilson.

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Ms. Mora and Mr. Zhao both spoke to the technical assistance available to entrepreneurs through ITC with regards to service trade in the region and internationally. Some of the services mentioned include:

- Trade and Market Intelligence;
- Enabling Policy Environment;
- SMEs Competitiveness;
- Strengthening Trade support institutions;
- Mainstreaming Inclusiveness and sustainability;



Ms. Mora, whose work primarily involves Export development in the region discussed challenges faced by entrepreneurs with regards to tapping into various export opportunities and integrating themselves into international markets. In addition to highlighting these challenges she provided insight and strategies to mitigate the aforementioned challenges through the use of her “Two triangle” method:

- The golden triangle of export which includes: Knowledge, Market, Passion;
- The success triangle which entails: Agility, Network and Talent.

Along with other success factors and some words of motivation and inspiration to our entrepreneurs.



Entrepreneurs also heard from Mr. Rankin Morgan of 123 Digital, a firm based in Saint Lucia providing digital brand image creation and social media marketing as well as authors of Dazzle Magazine. Mr. Morgan provided attendees with invaluable insight in brand visibility, marketing and research, with the ultimate goal of raising brand awareness and gaining a larger clientele to attain success and profitability.

He was followed by Mr. Lester Wilson, SME Manager, Sales at 1st National Bank St. Lucia, who shed some light on the challenges MSMEs face in accessing financing and provided insights into the different forms of financing available to them. He also spoke of the strategies and plans that the banking sector is implementing to enhance their relationship with MSMEs and entrepreneurs in terms of financing facilities to assist them in the successful startup, operation and expansion of their businesses.

Overall, SLCSI startup boot camp 2019 was a success and the SLCSI extends much appreciation to our panelists in this event as well as the participants and we look forward to more of these activities.

Hope for Entrepreneurs yet: Secure Transaction Technical Workshop

It has been long realized that the financial sector has been very stringent and risk averse when it comes to the lending of funds to fuel startups or startup expansions. The reason for this is because in most cases, startups are usually small companies with not many assets, and don't have much to borrow against, which most times lead to them not attaining any funds.

Small businesses account for majority of employment numbers on the island, however, many of these businesses do not have sufficient startup capital nor have easily accessible funds to run optimally from day to day. As we have noticed St. Lucia has a non-venture capitalistic culture and lacks the presence of angel and investment funding, we primarily rely on waning disbursements, and purchase orders from the various local BSOs and NGOs and remain dependent on receiving grant funding.



The Secure transactions draft bill however, seeks to combat this financial conundrum by providing credit to individuals, and companies alike, the opportunity to use movable and fixed assets and/or securities as collateral to receiving loans.

The Secure Transaction Technical Workshop was jointly hosted on November 4th 2019, by the International Finance Corporation/World Bank Group (IFC/WBG) and the National Competitiveness Productivity Council (NCPC). Where they shared international best practices on secured transactions reforms as well as lending products and technology which can be leveraged to offer credit to MSMEs using moveable assets. The Framework calls for a determination of a few main steps:

- Legal frame work
- Collateral Registry
- Enforcement systems
- Bank Regulation
- Secondary Markets
- Fintech and finally to receive the Credit Product.



The workshop also included a demo of the Jamaican Collateral Registry to illustrate the functionalities of a collateral registry for moveable assets.



The Bill is in draft form, it will be reviewed further, continued engagements with stakeholders will be essential to modification and completion. The final draft will then be submitted to Parliament, where it will be

debated and hopefully gets passed by March 2020.

Hope for Entrepreneurs yet!
Secure Transaction Technical
Workshop

Team work makes the Dream Work

Team work makes the Dream Work

The phrase “A single leaf working alone provides no shade” quoted by US politician Chuck Page could not have rang truer words and to further solidify the point Best- selling author John C. Maxwell also stated “One is too small a number to achieve greatness. No accomplishment of real value has ever been achieved by a human being working alone.” This is why the SLCSI is constantly forging new partnerships and collaborations with other NGO and Business Support Organizations to widen the scope and deepen the reach of intended initiatives and projects to strengthen the competitiveness of firms within the Services Sector.



During the year the SLCSI has partnered with a number of entities such as Ministry of Commerce, Export Saint Lucia, Caribbean Export, and Compete Caribbean.

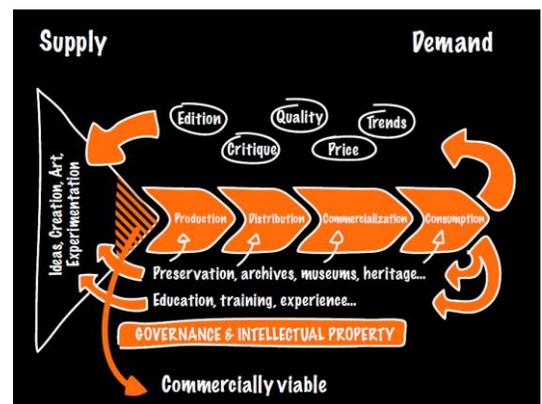
The most recent is with the International Trade Center (ITC) to enhance the Orange Economy or Creative Industries within the Caribbean.



International
Trade
Centre

The SLCSI along with ITC, under the United Kingdom Trade Partnerships Programme (UKTP) is launching a two (2) year project in Saint Lucia geared towards increasing export flows from the African, Caribbean and Pacific (ACP) countries to the EU and UK under the Economic partnership agreement (EPA)

The project is geared towards allotting resources and industry linkages to Filmmakers, Animators, Musicians, Producers, Event and Artist Managers. The project also seeks to provide technical assistance and capacity building to improve and enhance their products and knowledge of industry as well as provide ease of access to foreign markets.



Team work makes the
Dream Work



SLCSI has also partnered with City, University of London to undertake a research project on the examination into the opportunities that new patterns of service industry internationalization and industry 4.0 present for emerging economies. The project will

focus on the four priority Service sectors (ICT, Creative Industries, Professional Services, Health and Wellness) outlined in the national services policy strategy and action plan.

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Saint Lucia Coalition of Service Industries

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Enhancing Competitiveness in the Global Marketplace