LESSONS FROM JAMAICA’S SERVICES TRADE POLICY FRAMEWORK

SESSION 5

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LESSONS FROM JAMAICA’S SERVICES TRADE POLICY FRAMEWORK

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OUTLINE

• Background

• The Services Policy Environment

• Design and implementation of services assessments

• Lessons from conducting assessments of services

• Challenges and opportunities

• Follow-up actions
BACKGROUND

• **Structural and economic challenges**
  - SOE, SIDS, SWVE, High Debt, Slow Growth, Trade Dependent, undiversified markets.

• **Regional to national services policy environment**
  - Chapter 3 of RTC, regional strategic plans, BTAs, CSIs.

• **Contribution of services to the economy and trade**
  - 79.4% of total GDP, 32.9% of total trade, 72.5% value added to GDP.

• **Need for a new services policy**
  - High priority in policymaking, limited benefits from reforms and liberalization, fragmented domestic policy environment, slow regional implementation.
THE SERVICES POLICY ENVIRONMENT

• Multi-layered environment

• Foreign Trade Policy
  - 2001 FTP intended to develop capacity, increase capital formation, and broaden export base.
  - Draft FTP to reposition for economic prosperity, maximize gains from global trade, respond to perceived deficiencies in 2001 FTP.
  - Policy framework for trade’s contribution to development.

• Jamaica’s Services Sector Strategy and Expansion Plan
  - Main policy framework for services sector development.
  - Closely aligned to Vision 2030 and NES.
  - Development of high-quality standards, globally competitive services, increased investment, improved exports, greater contribution of services to GDP over 5-10 year period.
DESIGN AND IMPLEMENTATION OF SERVICES ASSESSMENTS

• How has the assessment been designed?
  - Identify the key sectors with greatest potential for growth.
  - Identify initiatives that would assist in developing sectors and improve performance.
  - Incorporate sector-specific plans and strategies.
  - Alignment with NDP and logistics-centred economy thrust.
  - Iterative consultations with 34 relevant stakeholder groups.
  - Working sessions centred on export priorities: ICT, Health and Wellness, Medical Tourism and Music.
  - Factors for consideration must meet the test of:
    • Immediacy
    • Capacity to get it done
    • Urgency in terms of sequencing of actions
    • Likely impact on investment and business landscape within implementation timeframe.
DESIGN AND IMPLEMENTATION OF SERVICES ASSESSMENTS

- **Best practices for designing the assessments:**
  - Identify the value proposition of targeted services sectors.
  - Build on existing national and international methodologies.
  - Utilize existing service sector priorities as baseline content.
  - Continued revision of the framework using iterative “strategy-to-work-plan” process tailored to each targeted sector.
  - Stakeholder driven formulation and validation of actionable activities.
  - Align methodology close to approaches used by implementing agencies.
LESSONS FROM CONDUCTING ASSESSMENTS OF SERVICES

• Both cross-cutting and sector-specific considerations.

• Develop comprehensive services sector strategy.

• Pursue greater policy coherence.

• Create sustainable macroeconomic and enabling environment.

• Build key financial, human and technological capabilities.

• Strengthen Institutional and regulatory capacities.
LESSONS FROM CONDUCTING ASSESSMENTS OF SERVICES

• Ensure initiatives are targeted at sectors with highest growth potential.

• Strengthen services SMEs through cluster strategies.

• Enhance role of informal services providers in VC's.

• Fully integrate informal providers into the economy.

• Improve services data collection, particularly with major partners

• Revisit services sector incentives
CHALLENGES AND OPPORTUNITIES

- **Challenges:**
  - Mainly size, geography and resource related and largely cross-cutting in nature.
  
  - Does not capture disaggregated services data.
    - Regional online platform, and BoJ and STATIN nationally.
  
  - Lack of national standards for the provision of services and standardization of services exports, and benchmarking.
    - Some work is being done on certification of Spas.
  
  - Services providers are largely in the informal sector.
    - Ongoing improvement to business environment and eliminating bureaucracy (Doing Business ranking, SIPP, Omnibus Act).
CHALLENGES AND OPPORTUNITIES

- Reliant on a few services exports and difficulties developing comparative advantages.
  - JBDC Business Development Incubator and J AMPRO B2B.

- Slow pace of implementing regional services regime.

- Limited capacity to handle services policy development and services negotiations.

- Issues related to accreditation and mutual recognition of standards and qualifications.
**Opportunities:**

- JAMPRO/JCSI has relatively structured system and processes to expand contribution of services to GDP.
- Competitive advantage due to relative size of key export categories (computer and information, personal, cultural and recreational services, and financial services).
- Strong ICT enabled environment, which is a platform for further development of services.
FOLLOW-UP ACTIONS

• **Ensuring policy and regulatory improvement:**

  • Determine medium to long term vision for services sector growth and development.

  • Create enabling environment that can influence policy and development outcomes for the sector.

  • Address issues that are relevant at the international level to improve market entry and competitiveness.

  • Address bottlenecks that can stifle sector growth.

  • Reinforce standards as an operational element for each sector.
FOLLOW-UP ACTIONS

• Making institutional reforms more effective:

• Need to improve agility in responding to policy challenges.

• Address disconnect between policy implementation and outcomes (SIPP).

• Revisit regulations periodically to refine objectives and scope, address inconsistencies or misunderstandings.
THANK YOU!!