Statement

Senator, the Honourable Arnold J. Nicholson, QC
Minister of Foreign Affairs and Foreign Trade
At Working Lunch
Global Services Forum - Beijing Summit - 29 May 2013

National Services Policies - the Jamaican situation (7 minutes)

Mr. Chairman,

Let me take this opportunity to thank the organizers of this very important event, for allowing me the opportunity to make a brief presentation on the work which is being undertaken by my country, Jamaica, on the formulation of services policies. Services contribute 76% of GDP and Jamaica’s main export earnings over the last 30 years have come from a service sector, tourism. Other service sectors include culture, entertainment, finance, health, telecommunications, science and technology, construction and education. All have their own policies or are developing policies.

For Jamaica, a small, open economy, international trade, in goods and services, is the foundation of economic prosperity. In Jamaica, the ratio of total trade in goods and services to GDP is estimated, today, at over 75% of GDP. Therefore, Jamaica’s foreign trade policy has to be an active, evolving one reflecting and
responding to the dynamics of global change while seeking, where possible, to influence its nature, pace and direction.

Jamaica’s trade policy was last reviewed in 2001. The Policy was focussed mainly on the trade in goods, specifically the need to increase exports overall and diversify the markets for which they were destined. However, taking account of the General Agreement on Trade in Services and the CARICOM Rules, it also recognized the need to address the growing role of services in the Jamaican economy and the importance of trade in services in the regional and global economies.

Jamaica’s first long term development plan, Vision 2030 Jamaica, which was completed in 2010, identified priorities for development to include Internationally Competitive Industry Structures and recognized the importance of services in this regard.

The National Export Strategy, developed in 2008 also recognized the importance of trade in services as did the National Aid for Trade Strategy launched in November 2011.

Other service sectors have also developed or are developing their own policies and plans such as the Tourism Master Plan, the Cultural Policy, the Sports Policy and the ICT Policy. However there was no overarching Foreign Trade Services Policy.
Mr. Chairman,

It is against that background that, in 2011, the Government of Jamaica approved the review of Jamaica’s foreign trade policy recognizing that the trade policy environment had changed significantly in the last 10 years. The updating of Jamaica’s foreign trade policy was, therefore, deemed necessary in order to achieve the following:

(i) Greater policy coherence between Jamaica’s foreign trade policy and the national development Plan and other domestic policies designed to address Jamaica’s development challenges.

(ii) A comprehensive approach to foreign trade policy, reflecting the role of both imports and exports in our economic growth, and strongly emphasizing the role of services in increasing Jamaica’s overall economic prosperity.

In undertaking the review of the trade policy, the Government of Jamaica utilized a two-pronged approach:

(i) An EU funded team of Consultants working with my Ministry and all Stakeholders.

(ii) A desk study undertaken by the Trade Negotiations and Commercial Diplomacy Branch of UNCTAD towards Developing a Trade Policy Framework for Jamaica
The UNCTAD study reviewed the treatment of services in Jamaica looking at the sector policies and recommended the development of an overall Strategy for services to bring together the various industry specific policies in a coherent and synergistic manner.

The Draft Revised Foreign Trade Policy attempts to provide this general approach to trade in services. One of the four (4) stated goals of the Draft Revised Trade Policy with respect to services is increased exports in trade-able services.

In that regard, key Policy Issues identified are:

(i) Support for the development and promotion of tradeable services which are globally competitive.
(ii) The increased collection and disaggregation of trade in services statistics.

The draft policy seeks to commit the Government of Jamaica, acting through all relevant service related Ministries, Department and Agencies, to support the development of the services sector; support the effective implementation of all service sector policies; to expand and diversify trade in services, to promote the certification of service providers; to protect the rights of Jamaican service providers; support the negotiation of mutual recognition agreements; and encourage the collection of services data.
The Government also commits itself to continuing the development of cultural and creative industries as priority sectors for trade in services as is recognized in the National Development Plan and the National Export Strategy. According priority in trade negotiations to cultural and creative industries, the strengthening of the related IP regime and supporting the development of a national policy on traditional knowledge and traditional cultural expression.

We are working to complete the Revised Foreign Trade Policy and to have it presented to the Cabinet as quickly as possible.

Mr. Chairman,

Under the revised Treaty of Chaguaramas, Jamaica is committed to the effective establishment of the CARICOM regional services regime. In this process, Jamaica has established the Jamaica Coalition of Service Industries (JCSI) in partnership with the private sector. The new trade policy will prioritise and strengthen the Jamaica Coalition of Service Industries, including the implementation of the Services Sectors Strategy and Expansion Plan, which has been developed by Jamaica Promotions (JAMPRO) where the Jamaica Coalition of Service Industries (JCSI) is housed.

The Strategy identifies practical action matrices for each sector, key steps that need to be taken for growth. These range from development of policy and
legislation to regulatory reform, human capital development, strengthening of support institutions for each of the sectors, investment (local and foreign), export promotion, and adoption of international standards.

Mr. Chairman,

In concluding, as I mentioned previously, the second prong which was used in concretizing the services component of the Draft Revised Foreign Trade Policy, was the result of a valuable contribution by UNCTAD.

We owe a debt of gratitude to UNCTAD for the very valuable review it has undertaken, and the advice it has given and has presented in its Paper entitled “Developing a Trade Policy Framework for Jamaica”.

As in all areas, the implementation process is the most important. It is, for us, essential that Jamaica is able to organize and develop its services sectors and is able to expand its trade in services to achieve sustained and positive economic growth at this critical time in our history.