

# Coalition of Services Industries

By: Gibriel Bah

Trade Policy Analyst attached to the Trade Department

## Background

The initiative to form National Coalition of Services Industries in each CARICOM Member State emanated from a decision of the CARICOM Council for Trade and Economic Development (COTED) in 2001. (Source: report prepared by the CARICOM Secretariat in 2005 (initial consultations conducted with stakeholders in St. Vincent and the Grenadines). The main underlying reasons for their creation stem from the dismantling of preferential access for African Caribbean Pacific (ACP) goods in the European market and in particular, the recognition that all CARICOM countries (with the exception of Trinidad and Tobago, Suriname and Guyana) have virtually become services based economies. Therefore, in keeping with the COTED mandate, the National Coalition of Services Industries of St. Vincent and the Grenadines (SVGCSI) was launched in June 2008 through collaboration of the Ministry of Foreign Affairs, Commerce and Trade and the Chamber of Industry and Commerce. As a registered non-profit private sector services organization, the SVGCSI is expected to strengthen the competitiveness of the services component of the private sector. The SVGCSI is also a party to the regional Working Group on Services and could play a pivotal role in services trade negotiations.

However, there are several compelling reasons why the role of SVGCSI is so critical to the socio-economic growth and development of St. Vincent and the Grenadines. Firstly, St. Vincent and the Grenadines has diversified significantly its economic base from agriculture to predominantly services. For example, the contribution of bananas to GDP declined from 10.94 percent in 1990 to About 0.79 percent in 2008, whereas services has become a dominant economic

services has become a dominant economic sector accounting for 71% of GDP in 2000 up from 61.7% in 1990. However, tourism and travel related activity, construction and financial services contribute over 60% of all foreign exchange earnings. To reduce concentration and over dependence on a small number of sectors, the SVGCSI is expected to play a leading role to strengthen other services sectors like the cultural industries, business services such as management consulting, accounting and auditing, packaging, professional services like architectural services, engineering, medical and dental services including nursing, data processing, hotel development and services, maritime and sports services among many others.

Secondly, despite the significant contribution of the services sector to socio-economic growth and development, it is still relatively very small and unorganized. For instance, apart from the Legal



Association, Architects, Medical and Nurses associations there are virtually no vibrant service sector organizations in St. Vincent and the Grenadines. Incidentally, most service sectors do not have the relevant standards and regulations to govern their activities. It follows therefore, that one of the most urgent tasks of the SVGCSI is to help service providers organize themselves into effective sector associations.

Thirdly, the Government, through its external trade policies facilitates the integration of St. Vincent and the Grenadines into

regional and global markets. For example the Government is a party to various bilateral, regional and multilaterals trade agreements that consequently create trading opportunities for services exports. However, due to lack of knowledge and understanding of the opportunities or conceivably the limited capacity of service providers, trading opportunities in these agreements have not been considerably exploited. In this regard, the SVGCSI has a mammoth task to sensitize service providers not only about trading opportunities but also how to actually conduct business in these markets.

## Role and Functions

Among other things, the main goals of the SVGCSI include:

**Strengthening the Domestic Regulatory Framework of Services to benefit Service Suppliers:** by promoting the development of professional service standards, licenses and regulations, as well as lobbying government to ensure that appropriate incentives are extended to service suppliers;

**Strengthening Local Service Export Capacity to exploit Market Openings:** to increase service suppliers' knowledge and awareness of export opportunities in the CSME, the Economic Partnership Agreement with the European Community, and the CARICOM -Canada trade and development agreement being negotiated; and the facilitation of service suppliers to engage in trade fairs and missions through local, regional and international collaboration;

**Promoting Strategic Policy Development:** to ensure that incentives offered to Foreign Service suppliers are equally extended to domestic service suppliers and advise government on market conditions/trends with a view to implement/relax policies to protect local practitioners. The next issue will address Institutional framework and Membership.

**"The world is my country, all mankind are my brethren,  
and to do good is my religion."**

*By: Thomas Paine*