

## **Report on Caribbean Service Exports under the CARIFORUM-EU Economic Partnership Agreement (EPA)**

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UWI, Cave Hill Campus and the Shridath Ramphal Centre (see below info) co-sponsored the symposium in Barbados March 10-11 and invited various members from the private sector.

CARIFORUM (CARICOM nations + the Dominican Republic) have initialled an agreement with the EU on trade of products and for the first time in history, services. The service sectors affected included Architecture, Engineering, Accounting, Music, Film, Tourism, and Cultural products (i.e. Carnival) and a few others. The EPA refers to 4 modes of service areas. The one relating to most architectural firms have to do with providing services to the EU as a firm while based locally. The other three modes are as follows: researching or marketing directly in the EU, working as an individual in the EU and establishing a business in the EU.

I had to speak a little bit about what the challenges, opportunities, weaknesses and strengths of the Architectural sector will face in exporting services. I put forward the following:

### **Challenges**

- Competition (large international firms and developers)
- Scale (small local firms with limited capacity)
- Cohesiveness as a region (separate institutes with varying levels of establishment)
- Communication (travel and language barriers both within the region and with the EU)
- Limited pool of trained professionals or technical staff
- Changing procurement trends (PPP, Design Build, BOT, etc)
- Gaining support from policymakers through lobbying groups

### **Opportunities**

- Increase the region's export of services and access to foreign investment

- Increase our international competitiveness not only with the EU, but also within the region and beyond
- Technical support from the EU means funding of regional institutional strengthening projects and training opportunities (CPD – to keep on the cutting edge of global trends)

### **Weaknesses**

- Regional lack of common building codes, rules of conduct, conditions of engagement, scale of fees, admission requirements, etc.
- Internal protection of title issues
- Quality standards and lack of ability (or desire) by some firms to operate at a level of international best practice
- Lack of government support of the sector in terms of valuing and supporting local content

### **Strengths**

- Expertise in building in this region
- Some firms have already been doing joint ventures or have networks of companies
- Many architects trained overseas and have international experience

### **Summary**

Two important recommendations relating specifically to professionals came from one speaker, a former minister and ambassador of Venezuela, Mr. Corrales, who is a mechanical engineer by training. He stated that for professionals, exporting services into the EU is not likely, however, local companies should consider joint-venture relationships with larger European practices that get work in the Caribbean under the UJA recommendations. He suggested that we use that relationship to try to get work in their region or other regions that they have work. Also, he suggested that we consider a network of companies in order to compete on size and capacity. When asked what he felt the minimal size of firms that competed at an international level in Latin America, he stated that in his opinion, a minimum of at least 15 professionals.

Some other important recommendations came from one of the members of CARIFORUM's negotiating team, saying that local

companies could consider work in the French departments (Guadeloupe, Martinique, and French Guiana), which for the purposes of the agreement are considered as Europe.

Dr. Keith Nurse, head of the Shridath Ramphal Centre, also suggested that local companies consider patenting ideas in the US as protection when faced with global competition.

Generally it is a call for the region to step up. Some work was done when Mark Raymond was president of TTIA. He sourced EU funds through Proinvest to do an institutional strengthening project where the first part included surveying the regional institutes of Architects and identifying the issues and specific recommendations. It was a good step but needs to be advanced. The outcome I feel should be a standard (with minor variations if required) for all of the regional institutes and registering bodies (code of conduct, membership admission, work stages, services, scale of fees (possibly), recommended forms of contract and CPD). If the institutes support this, funds can be sourced through local coalition of services (Trinidad has a chapter), which have been set up by governments of the CARIFORUM countries to facilitate these types of projects.

I asked if local governments would do what is necessary to support and strengthen the capacity of regional sectors to compete with the EU. It was stated by one of the key negotiators from the Caribbean team that the local governments will support us, but that the work had to come from each sector in relation to specifying what technical support was needed and formulating specific projects for funding. They suggest we stay in contact with our local Minister's of Trade on the matter.

A member of the CARICOM secretariat was there, but had nothing to offer other than the fact that they want to plan a roadmap for the path to readiness for the region. The conference sponsors and the T&T and Barbados coalition of services groups are the only ones so far that have effectively gained input from the private sector. I was the only architect there. There were bandleaders, tourism professionals, management consultants, filmmakers and students present.

An excerpt from the Shridath Ramphal Centre's website:

#### **Vision**

The vision of the Centre is to be the functional mechanism within the Caribbean region building trade and trade-related legal, institutional and negotiating capacity to enable the region to more effectively address the changing requirements of global trade, take advantage of the opportunities presented by globalization and increase the regions competitiveness in the international trading arena. The Centre wishes to develop the level of expertise in the region to manage all trade disputes affecting the region and undertake the necessary research to inform the positions taken at the negotiating table which would be in the best interests of the region. Additionally the Centre is to be at the vanguard in the exploration of new areas and sectors, such as ICT technologies and non-traditional service industries vital to the continued economic competitiveness of the region. In sum, the vision of the centre is to enhance the ability of CARICOM states to forcefully and confidently engage the complex and continuously evolving world of international trade.

#### **Mission**

The Mission of the Centre is to empower the countries of the Caribbean region through the building of institutionalized trade capacity at the national, regional and multinational levels to effectively interface with the transformed global economy. The Centre will build the capacity of countries to effectively interact with the institutions that negotiate on their behalf such as the Caribbean Regional Negotiating Machinery; participate in the process of trade policy formulation; actively promote and defend their national economic interests and realize the benefits from the negotiated agreements. In sum, the mission of the Centre is to contribute to the enhanced competitiveness of the Caribbean region.

#### **Objectives**

The primary objective of the Centre will be to create the institutional capacity within the region to effectively prepare for negotiations, represent those interests at the negotiating table and in the final analysis implement the changes necessary to enhance the region's competitiveness in the international marketplace with the ultimate goal of enhancing development and alleviating poverty.