

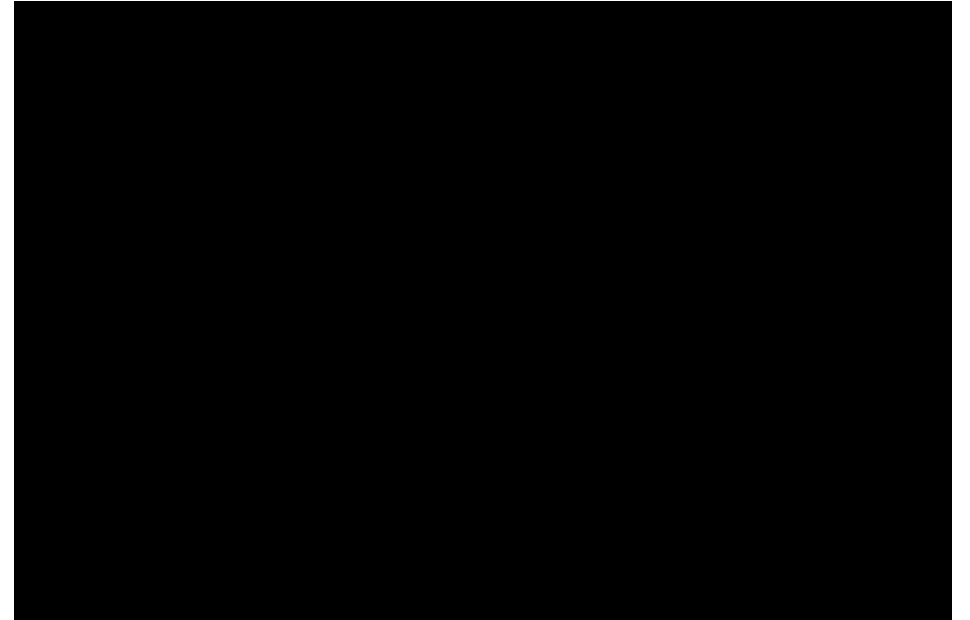
Mode 4 export: commitment in action

The case of the Caribbean



Many challenges with statistics

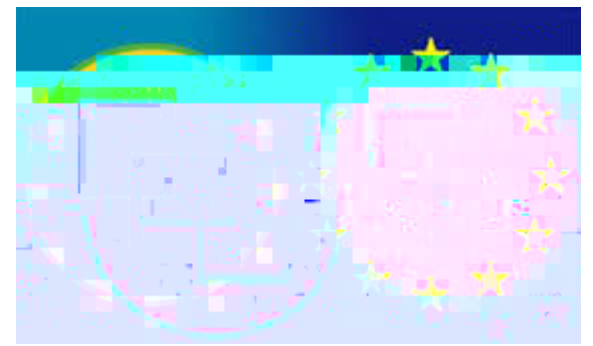
- Although LAC region is over 60% services, it has very limited data per subsector. It varies by country. Caribbean is more restricted.
- LAC services exports are 3.1% of the world. Mostly tourism. Only 1.8% are in other services (mostly outsourcing)
- Almost no data on mode 1 and 4 exports.
- Estimates around 4%, mostly to the region for mode 4



Intra Caricom movement of skill nationals

- Skills graduates
- Media persons
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Subsectors included in EPA



- The EU has made commitments in more than 90% of the sectors
- In Mode 4, the EU granted market access for Caribbean professionals in 29 sectors for employees of Caribbean firms (CSS) to be able to enter the EU with stays of maximum six months in per calendar year. The EU has liberalized 11 sectors, for temporary entry by Independent Professionals (IPs).
- CARIFORUM Contractual Service Suppliers (CSS) access includes legal, accounting, architectural, engineering, medical and dental, midwives, nursing and computer, entertainment, culinary and fashion model;
- CARIFORUM Independent Professionals (IP) access includes legal advisory, architectural, engineering and translation services.

Preferential
Access EPA-
mode 4
natural
persons

However...once signed

- Most professional services need MRAs
- Several subsectors are subject to economic need tests
- Other elements are on the built in agenda like implementation of the cultural protocol
- Difficulties to facilitated preferential provision for CSS
- Visas, except on some countries' waivers, have become more difficult and more expensive
- Market standards and lack of certification processes locally
- Service providers are seen as "workers" or "migrants" and treated as such



Challenges

- Given the multitude of challenges, access negotiated for mode 4 is an intention, not an actual agreement
- Very limited influence in the decision making process of other government entities, especially in developed countries
- Migration issues make it more complex
- How to get recognition for a service provider that is a potential exporter?
- Heavy regulated subsectors in developed countries and underregulated in others such as the Caribbean



What can policy makers do?

- MRA are decided at professional and regulatory level. Accreditation have a different set of rules

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We need more mode 4 exports

- It enables the other export modes
- Over 80% of potential clients make decisions based on referrals and track records. How to establish them?
- Higher value services require better understanding of the markets
- As freelancing expands, how to move accordingly without a new global framework?
- If we don't rely on degrees and certifications, how do we

Caribbean perspective on way forward

- Service trade commitments need to address implementation triggers
- The limited mode 4 exports were triggered by third parties: international companies located in the region, donor agencies, regional and cross regional programmes, international partnership into the local market
- Incentives for formalization of services export are needed
- In market support is essential, but need to be sustained
- Start up vs internationalization. Limited innovation
- Creative industries need intermediary businesses
- What are the consequences of non compliance for services?

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