

## ISSUES FOR DISCUSSIONS IN TRADE AGREEMENTS

The proposed FTA will be one of several bilateral FTAs which Canada is negotiating with other countries. Accordingly, the Canadians expect that it will not only provide for reciprocal free trade in goods, but will also cover 'customs procedures, trade facilitation, non-tariff barriers, cross-border trade in services, temporary entry, investment, government procurement, dispute settlement and institutional provisions'

- ❖ Indigenous service firms (apart from the banking and insurance sector) in Saint Lucia are small and lack the capital base to expand and invest in international marketing in order to develop into exporters. Small service suppliers typically have limited human resources to build referral networks, find local partners, and identify market opportunities and research regulations overseas. They therefore need to network to succeed.
- ❖ The small service firms in Saint Lucia also have market development constraints since they have low brand name recognition outside the domestic market. This makes it difficult for them to compete with larger well-known international service companies. As a result they cannot market their services based simply on reputation. They have to find some means of demonstrating their capabilities to potential clients overseas which usually means business trips to the target markets. It is therefore not surprising that temporary entry or presence of natural persons is the mode of supply in which Saint Lucian firms are the most competitive. They are generally too small to invest overseas or establish a commercial presence.
- ❖ The Canadian market for professional services is very well developed and competitive.
- ❖ What types of market opportunities do we desire in the Canadian market
- ❖ We need to build the capacity to supply the Canadian market, improve the business environment; and facilitate market entry
- ❖ Which aspects of the sectors are to be protected
- ❖ Are MRAs essential to facilitate recognition by Canadian Authorities of professional qualifications granted by CARICOM institutions
- ❖ What are the regulatory barriers, such as qualification and certification requirements, to accessing these markets?
- ❖ Relative high costs of inputs – finance, electricity, telecommunications – these are impediments to competitiveness
- ❖ need to look at how the professional services sectors were treated in the FTAs between Canada and Costa Rica and Peru