

24 May 2012

Business advocacy wins markets in Barbados

Tourism services liberalization under the Caribbean-European Union Economic Partnership Agreement

Part 2*

• Business Advocacy groups Get Organized

Prior to 2003, various business support organizations maintained a limited research capacity in trade and related government policies. The private sector business support organizations initiated a rationalization process. This entailed carving out research capabilities from existing business support organizations and grouping them under a new entity – the Barbados Private Sector Trade Team (PSTT). The PSTT was mandated to research, document and promote private sector interests likely to be affected in international trade negotiations.

The main pillars of the PSTT's work include:

- Evaluating the competitiveness of Barbadian businesses;
- Assessing the impact of trade agreements;
- Identifying new opportunities arising from a progressively more liberal international trading environment.

The Barbados Hotel & Tourism Association (BHTA) represents the interests of the private sector's tourism stakeholders. It played a limited role in the overall EPA negotiations, providing support to the PSTT and the regional industry association, the CHTA. The BHTA served as a key link between the PSTT, the CHTA and tourism stakeholders.

The BHTA participated in PSTT tourism initiatives and

attended meetings of the CRNMs Technical Working Group on Services. The BHTA also used opportunities such as the Commonwealth-sponsored private-public sector consultations in 2004 to make presentations aimed at sensitizing policymakers about the peculiarities of the tourism industry and to articulate specific market access demands for the EPA, the WTO and the now-abandoned Free Trade of the Americas Agreement.

The PSTT clearly viewed the EPA negotiations as an opportunity for its members to secure new access opportunities for its members in the European market. In its 2006 Information Paper, the PSTT stated:

"Tourism stakeholders in Barbados and the region have requested that CARIFORUM negotiators in their formal discussions with the EU stress the importance of the tourism sector to the economies of the region. Tourism stakeholders in the private sector will be looking to the EPA to address some of the difficulties currently being experienced in the tourism sector."

CARIFORUM countries expect the EPA to provide significant economic benefits to the Caribbean in terms of market access and trade facilitation to enable mainly the small service suppliers in the region to export for the first time and/or increase exports to the EU."

The PSTT's activities included encouraging tourism stakeholders to lobby for their interests and formulating positions and engaging in consultations with the Ministry of Foreign Trade.

Engaging in stakeholder advocacy

The PSTT encouraged tourism stakeholders to engage in advocacy to secure their interests. It elaborated a three-phase strategy to heighten the profile of tourism issues.

- The first phase entailed coordinating public and private sectors at the national level. This called for increased private sector involvement in the decision-making process on trade liberalization

* A case study developed by ITC

issues. It placed the onus on the private sector to understand the issues and convey its needs to policymakers and national negotiators.

- The second phase involved organizing the public and private sectors at the regional level by creating opportunities for dialogue at major regional tourism conferences.
- The third phase was organizing regional stakeholders and negotiators at the international level and lobbying for the tourism industry in the multi-lateral arena.

Collaborating and formulating positions

The PSTT was an important player in formulating positions for the tourism industry. Together with BHTA, the PSTT facilitated the process of identifying the tourism sector's offensive and defensive interests through a number of focus groups in late 2004. Focus group participants included key tourism stakeholders and a representative from the Ministry of Foreign Trade.

The focus groups aimed at formulating private sector positions on tourism issues for the negotiations with the EU, as well as for upcoming negotiations with Canada and the United States. Sub-sectors that were the subject of these exercises included tour operators, tour guides and travel agents; attraction and recreation services; aircraft catering services; car and coach rental services; and duty-free retail services. The stakeholders took an expansive view of the tourism industry. Their focus groups and subsequent requests included services not classified as tourism services under Central Product Classification (CPC), the worldwide product classification system of goods and services published by the United Nations.

The focus group discussions provided the basis for the national tourism stakeholders' market access requests to the EU. These requests were formally submitted by the PSTT to the Ministry of Foreign Trade to incorporate into Barbados' collective requests and offers (see box 1). The PSTT submission highlighted areas in which Barbadian service providers expressed interest in gaining enhanced access to the European market and requested removal of specific barriers to tourism services exports. PSTT sought market access to the EU in the above-mentioned sectors.

The Government reacts favourably

The Foreign Trade Division of the Ministry of Foreign Affairs and Foreign Trade appeared to be satisfied with the private sector's initiatives on tourism trade issues. The Ministry found that the business support organizations representing the interests of tourism stakeholders were well informed and had a clear idea of the industry's defensive and offensive interests.

The PSTT's devotion of significant time and resources was reflected in well-researched and structured submissions. As a preliminary step, the Foreign Trade Division in the context of Barbados' EPA initial offers examined the PSTT's submission. CARIFORUM's EPA offer was prepared on the basis of the CARIFORUM states' WTO offers (see table 1 and box 1).

While the PSTT's requests listed in box 1 appear somewhat different from those of CARIFORUM described in table 1, there is actually a high level of consonance between the two. The PSTT's request to remove all limitations to the establishment of commercial presence is equivalent to CARIFORUM's request for the Czech Republic and Poland to remove their restrictions as these were the only two European countries that remained unbound in the EU's conditional revised offer at the WTO. One difference, however, is that CARIFORUM's request did not heed the PSTT's request for the removal of restrictions on the establishment of commercial presence for tour guides services.

Table 1: Main elements of the CARIFORUM access requests on tourism

Sector	Request to EU Member States by
Hotels and restaurants including catering services CPC 641-643	Mode 3: Remove limitations for Czech Republic and Poland for CPC 643 Remove national treatment restriction for the Economic Needs Test in Italy for CARIFORUM providers Mode 4: Remove limitations for all
Travel agencies and tour operators services CPC	Modes 1, 3, 4: Remove limitations for all Member States
Tourist guides services	Mode 4: Remove limitations for all

Box 1: HIGHLIGHTS OF THE PRIVATE SECTOR TRADE TEAM'S MARKET ACCESS REQUESTS ON TOURISM**Travel agents, tour guides and tour operators**

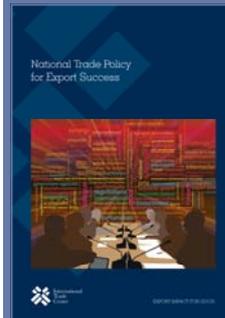
- *Travel agents*
 - Removal of all restrictions on cross-border supply
 - Removal of all restrictions on the establishment of commercial presence
 - Removal of restrictions on the movement of managers and key personnel of CARIFORUM operations as well as independent self-employed travel agents
- *Tour operators*
 - Removal of all restrictions on cross-border supply
 - Removal of all restrictions on the establishment of commercial presence
 - Removal of restrictions on the movement of managers and key personnel of CARIFORUM operations as well as independent self-employed tour operator professionals
- *Tour guides*
 - Removal of all restrictions on the establishment of commercial presence
 - Removal of restrictions on the movement of managers and key personnel of CARIFORUM operations and provide for movement of CARIFORUM tour guides

Lodging, food and beverage services

- *Lodging services*
 - Removal of all restrictions on the establishment of commercial presence
 - Removal of restrictions on the movement of managers and key personnel
- *Food serving services*
 - Removal of all restrictions on the cross-border supply of catering services, including aircraft catering operations
 - Removal of all restrictions on the establishment of commercial presence, including aircraft catering operations
 - Removal of restrictions on the movement of managers and key personnel

Publication release

ITC announces the publication of **National Trade Policy for Export Success**.



The book considers how trade policy influences enterprise competitiveness. It considers how the export potential of an enterprise may best be advanced through trade policy reform along the value chain aimed at reducing the cost of production, logistics, creating a sound business environment and attaining enhanced market access. Entrepreneurs and private sector organizations will be able to use this book to assess the impact of trade policy and regulations on the competitiveness of their businesses. The book can be downloaded from www.intracen.org/National-Trade-Policy-for-Export-Success/

Should you require a paper copy, please send us your request at email: jouve@intracen.org