

## Remarks

### Inaugural Services Roundtable

September 14, 2022

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### TRINIDAD AND TOBAGO COALITION OF SERVICES INDUSTRIES

Good morning, colleagues, we are here today to discuss, brainstorm and more importantly develop an action plan for accelerating the growth of services in Trinidad and Tobago. Over the past two weeks, I held discussions with colleagues at the CNSC and CPSO and whilst we disagree on several issues, everyone agreed that we have run out of time to get services on the front burner. Ian John pointed to us yesterday that a new economic order is here. Hence the urgency for us to be organized.

The services sector can play a major role in diversification efforts. Yesterday, Senator the honourable Paula Gopee-Scoon reiterated that the private sector is responsible for diversification, however, for us in the private sector to achieve this, we must commit to working with each other, we must attempt to create synergies amongst agencies and associations. Today is a step in this direction. A whole of government approach is necessary to develop the enabling environment for services exporters to thrive. The sector employed over 85% of the labour force in 2017 and contributed 58% to real GDP in 2018 but only accounted for an estimated 8% of export earnings in 2017.

The services sector therefore, has significant scope for growth in terms of export generation. You all know better than me that, developments in Information and Communication Technology (ICT) have made it much easier to perform services for clients anywhere in the world. However, as the data shows, **T&T has not been able to maximize service exports.**

Some of the challenges to increasing service exports include:

1. Crafting policies to facilitate the expansion of services exports is difficult as the lack of current disaggregated data prevents a thorough analysis of the current status of services exports, therefore making it difficult to develop suitable policies.
2. Export promotion agencies do not have enough information to properly promote service providers and prepare them to exploit suitable markets.
3. Many service providers do not have a platform to showcase their work.

The National Services Exporters Portal that was publicly launched yesterday will go a long way in tracking the performance of the firms registered on the portal.

One of the objectives of today's session is for us to develop road maps for four sub sectors that we have a comparative advantage in – these are the sectors that cohort 1 of the Gateway to Trade Programme belong to. The sectors are

- Business and Events Tourism, when we secure funding for G2T, Cohort 2 we will include Yacht Services
- Business and Professional Services
- Energy Services

- ICT Services inclusive of animation

Let's shift focus now on the potential of these markets globally.

B&P Services - The global professional services market reached a value of nearly US\$5 billion in 2020, having increased at a compound annual growth rate (CAGR) of 2.8% since 2015. The market is expected to grow at a CAGR of 7.0% from 2020 to reach US\$7 billion in 2025. The global professional services market is expected to reach US\$9,371.1 million in 2030, at a CAGR of 5.8%. The slide illustrates the top players in consulting services globally. This sector includes architects, content creators, accountants, and other skilled professionals, where we have a substantial pool of talent.

Imagine if we concentrated our efforts on grabbing 2% of the global market share over the next three years.

Let's shift to Energy Services. According to Facts and Factors market research report, the Global Energy-as-a-Service Market size and share revenue is expected to grow from US\$57.6 billion in 2020 to reach US\$106.6 billion by 2026, a 10.8% annual compound annual growth rate (CAGR) during the forecast period of 2021-2026.

We have the right players in the room today to gain traction for energy services. What must be done to propel the seven firms that successfully completed G2T?

With respect to ICT, a new forecast from International Data Corporation (IDC) predicted that worldwide spending on information, and communications technology (ICT) was US\$4.3 trillion in 2020, an increase of 3.6% over 2019. Commercial and public sector spending on information technology (hardware, software, and IT services), telecommunications services, and business services will account for nearly US\$2.7 trillion of the total in 2020 with consumer spending making up the remainder.

As indicated earlier, under ISIC rev. 4, animation services are categorised under ICT. Jason

Lindsay of Full Circle shared with us some research he conducted. With a global market value projected reach of USD\$391 million for the year 2022 – which represented a 5% increase from the year prior, the digital animation industry presents a significant global service export opportunity and increased employment for people aged 18-35 locally. However, the increased foreign exchange earnings and economic diversity that stems from potential may be lost if (what has proven to be) one of the most resilient industries worldwide during the recent pandemic is not institutionally supported in its own development locally according to Jason.

The Animation industry is technology driven, encompasses borderless trade and is youth-driven. With that in mind, it presents perhaps one of the best opportunities for us to navigate challenging economic times ahead and build a future-forward digital industry locally. But how can the Government and institutional support agencies help realise the potential of this industry which is part of the digital economy globally **proven to be flexible, resilient, and profitable in otherwise difficult times?**

Jason proposed four priority areas of focus, I will share these later.

Last but by no means least, Business and Events Tourism. The events industry size was valued at US\$1.2 trillion in 2019 and is expected to reach US\$1.5 trillion by 2028, registering a compound annual growth rate (CAGR) of 11.2% from 2021 to 2028.

TTCSI in early 2020 developed a cluster development plan for B&E Tourism. We shared this Plan with the Ministry of Tourism as well as TTL. Additionally we worked on a cluster development for sports tourism. We were engaged with SporTT to track the economic contribution of sports to the economy.

Ladies and Gentlemen, in a nutshell, we have the relevant research and market intelligence.

- We need now to strategize on the way forward.
- What steps must be taken for us to grab 2 percent of each global market share by 2026?
- What type of institutional support is required to achieve this?
- How do we strengthen the TTCSI to work with all key players to achieve this goal?

- How do we ensure sustainability for cohort 1 of G2T firms?
- TTCSI with the right resources is capable in ensuring firms are export ready, but there must be an ecosystem to ensure that these firms have the necessary financing and importantly are able to connect to buyers and markets.
- What role does each agency must adopt to enable us to achieve these goals in the short term?

These are just some of the questions that we must address today.