



Trade & ICT: A Services View

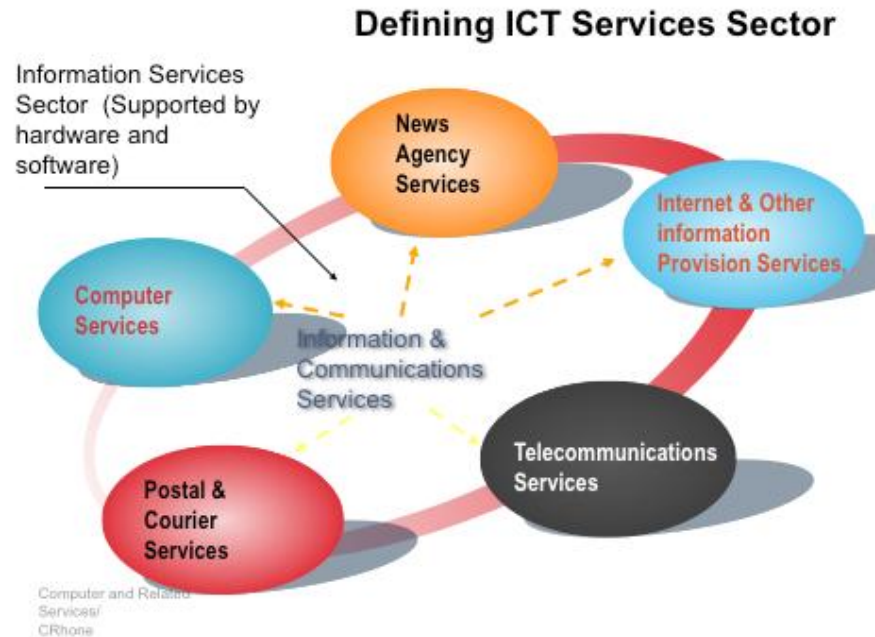
A Presentation by the Ministry of
Trade, Industry & Investment

Winston O'Young
Senior Trade Specialist – Services
COTE 2012
12 October 2012

ECONOMICS OF ICT

- World exports of IT products - US\$ 1.4 trillion in 2010.
- ICT trade as 12.5% (2008) of World merchandise trade from 18% (2000)
- Global Forecast (2010-2015) predicts Global cloud computing market to grow from \$37.8 billion in 2010 to \$121.1 billion in 2015

ICT Services Sector



GATS Classification

GATS – General Agreement on Trade in Services

- Multilateral framework of principles & rules for trade in services

Computer Services a sub-sector of Business and Professional services.

<u>1. BUSINESS SERVICES</u>	<u>Section B</u>
<u>B. Computer and Related Services</u>	
a. Consultancy services related to the installation of computer hardware	841
b. Software implementation services	842
c. Data processing services	843
d. Data base services	844
e. Other	845+849

Telecommunication services

2. COMMUNICATION SERVICES

C. Telecommunication services

a. Voice telephone services	7521
b. Packet-switched data transmission services	7523
c. Circuit-switched data transmission services	7523
d. Telex services	7523
e. Telegraph services	7522
f. Facsimile services	7521 + 7529
g. Private leased circuit services	7522 + 7523
h. Electronic mail	7523
i. Voice mail	7523
j. On-line information and data base retrieval	7523

WTO: Computer Services

- Very dynamic area at the WTO
- Friends of Computer Services evolved into a plurilateral negotiating group Friends+ eg Canada, Costa Rica, India
- Develop joint request documents and a list of countries to which these requests will be submitted. Huge multinational service businesses work with each group.
- Ministerial Declaration on Trade in Information Products (ITA) - No CARICOM participants (design or oversight?/policy reluctance?)

Friends of Computer Services



- Computer & Related Services (CRS) as “tool for economic development”
- Statement calls for full liberalization of CRS
“by making full market access and national treatment commitments for the sector as a whole (CPC 84)”

Ministerial Declaration - Trade in Information Products (ITA)



- December 1996
- 70 participants - 97% of world trade in IT products
- Duties completely eliminated
- Developing country participants have been granted extended periods for some products
- No CARICOM participants (design or oversight?/policy reluctance?)

How ICTs benefit business

- Extends reach of business services
- Reduces transaction costs

OECD

- *ICT contributes to economic performance through production...*
- *Investment in technology adds to capital stock & raises labour productivity*
- *Use of ICT to enhance efficiency & innovation.*

ICT & Sectoral Development

Use of ICT in consumer services such as

- Tourism (on-line travel)
- Health (telemedicine, electronic records)
- Education (distance learning)
- Financial services (on-line banking) &
- Entertainment (Music/Visual Art/Carnival
e.g ICT³M project)

Case: ICT & Creative Industries

- ICT – Enormous potential to revolutionize the production and marketing of goods & services of Creative Economy
- On-line bookings /information accessibility
- On-line art auctions and internet sale of art
- Mobile applications (Music/Ringtones)
- Digitization assures reproduction quality

ICT In Trade Agreements: EPA



- EPA – 2007 CARIFORUM/EU Trade Agreement
- Title II “Investment, Trade in Services and E-commerce”
 - Section on Computer Services: Article on Understanding on Computer Services (governs trade liberalisation)
- Chap on E-Commerce - cooperation

ICT In Trade Agreements: EPA/CARICOM-Canada



Title IV “Trade Related Issues”

Protection of Personal Data:

- Legal regimes & administrative capacity to implement data protection principles & enforcement mechanisms
- Negotiations for **CARICOM – Canada Trade & Development Agreement** covers ICT (incl Telecommunications) & E-commerce

National Framework on Sustainable Development



Pillar 4 – Information and Communication Technology
Three (3) stages for National Development:

1. Substituting old technology for new
2. Increase in applications facilitated by new technology e.g. TTBizLink
3. Generation of new technology-related businesses and societal change

Policy Framework

- 2nd National ICT Strategy (underway)
- eTeck 15-year Strategic Plan
- Universality Framework for Telecommunication Services in Trinidad and Tobago

T&T IT-BPO Target Segments



Segment	Service Lines
Data Processing	<ul style="list-style-type: none">• Data Digitization• Graphics Editing• Data Mining• Web Content Production
Hosting	<ul style="list-style-type: none">• Application Services• Application Hosting• Optical Scanning• Computer Time-Sharing
Disaster Recovery	<ul style="list-style-type: none">• Online Data Back-up• E-mail/Mobile/Data Recovery• Emergency Transport Management
Systems Design	<ul style="list-style-type: none">• Enterprise Software Solutions• Information Management and Business Intelligence Solutions• Communications and Media Solutions
Animation	<ul style="list-style-type: none">• Pre-production• Production

Source: InvestTT 2011

Telecommunications Statistics: TATT 2012

7. Appendix I: Domestic Telecommunications Statistics

Table 8: Domestic Telecommunications Statistics

		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General	Population (millions)	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
	GDP per capita (US \$) ⁶¹	5,950	6,891	7,166	8,246	8,470	11,560	14,576	16,683	21,408	15,067	15,924	17,042
	Telecom revenue (US \$ million)	243.5	298.9	326.0	346.3	357.0	379.3	497.9	521.3	775.3	685.2	713.1	737.0
	Total telephone subscriptions ('000s)	413.2	453.3	592.2	683.3	849.3	1,246.4	1,844.3	1,817.1	2,120.9	2,150.0	2815.1	2117.7
	Total telephone penetration	31.9	34.9	45.5	52.4	65.0	95.2	140.8	138.7	163.1	165.3	167.2	160.7
	Average revenue per user ⁶² (ARPU) US \$		659.4	550.4	506.8	420.3	304.3	239.5	286.9	365.6	318.7	322.5	348.0
Fixed Voice	Fixed Voice subscriptions('000s)	271.6	293.2	308.3	317.3	318.9	322.3	325.5	307.3	314.8	303.2	293.3	292.0
	Fixed Voice penetration	21.0	22.6	23.7	24.4	24.4	24.6	24.9	23.5	24.1	23.2	22.3	22.0
	Fixed Voice household penetration	-	-	-	-	-	-	77.4	71.5	73.3	70.1	67.5	67.1
	Average revenue per user (ARPU) US \$		349.1	362.1	267.9	254.8	272.1	277.9	422.4	486.5	403.5	411.5	417.3
	Fixed Voice Subscription growth (%)	-2.6	8.0	5.2	2.9	0.5	1.1	1.0	-5.6	2.4	-3.7	-3.3	-0.4
Mobile	Mobile subscriptions ('000s)	141.6	160.1	283.9	366.0	530.4	924.1	1,518.8	1,509.8	1,806.1	1,846.3	1,894.2	1,826.2

⁶¹ GDP per capita is recorded at current market prices

⁶² ARPU is calculated as the total revenues generated from the service divided by the total number of subscriptions to the service