



EXPORT PROMOTION
AND
INVESTMENT
ATTRACTION

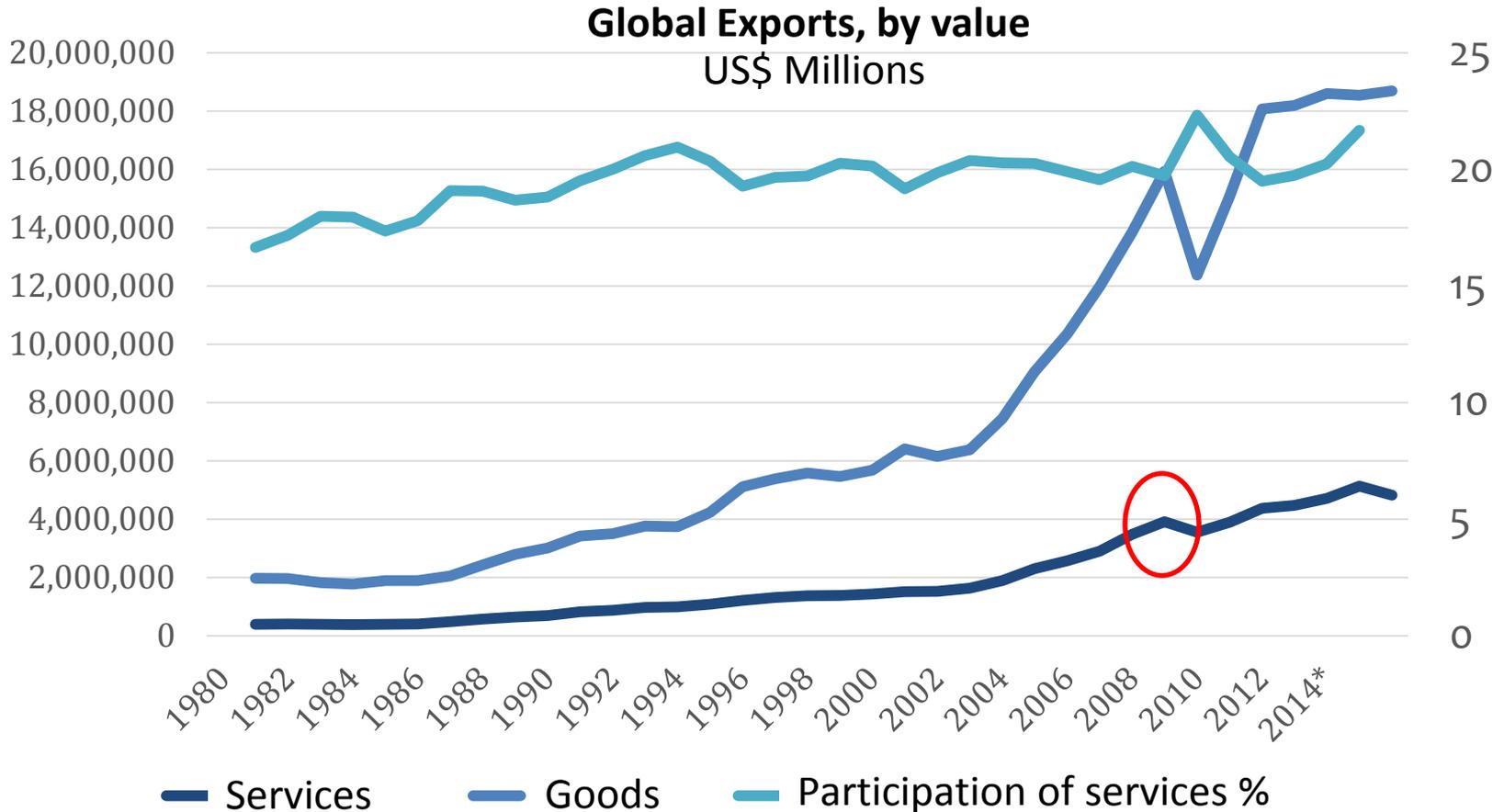
IN THE GLOBAL SERVICES
OUTSOURCING SECTOR

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Trends in Global Services Exports

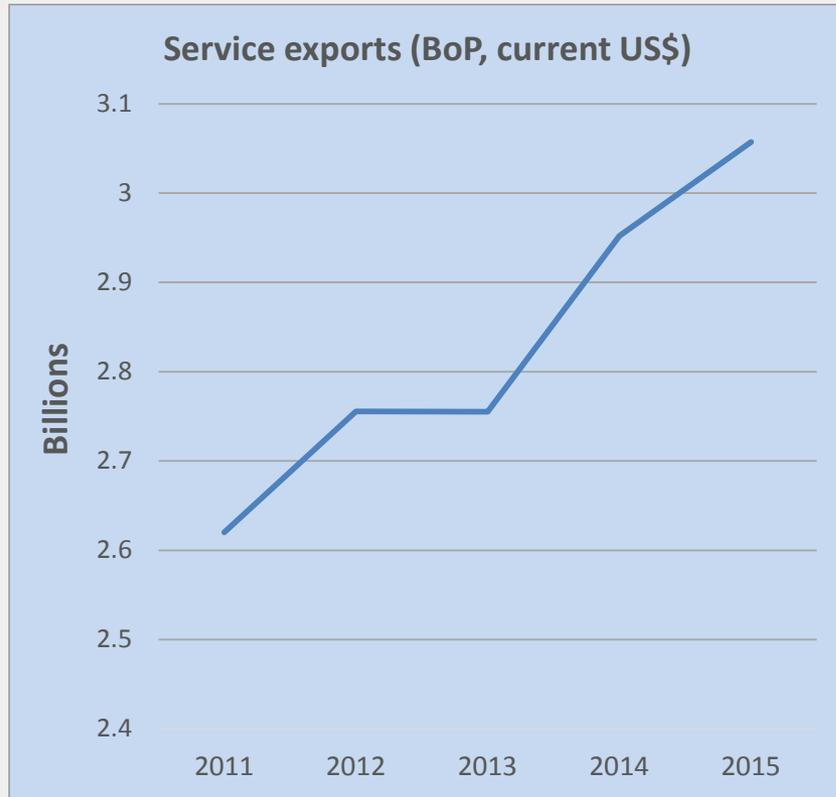
Services sector is dynamic and growing rapidly, and more resilient to shocks



Source: UNCTADstat and IMF

Services contribute to 70% of world GDP but make up less than 25% of global exports.

Jamaica's Services Sector – Growing in emerging areas



- ❑ Services represented 66% of total exports in 2015
- ❑ Jamaican services **exports have increased by 17%** in 5 years
- ❑ Chiefly concentrated in travel services (78%), ICT (10.5%) and transport (6%)
- ❑ **ICT share has grown** from 7.6% in 2006 to 10.5% in 2015
- ❑ Outsourcing industry earns over **\$240 million annually**



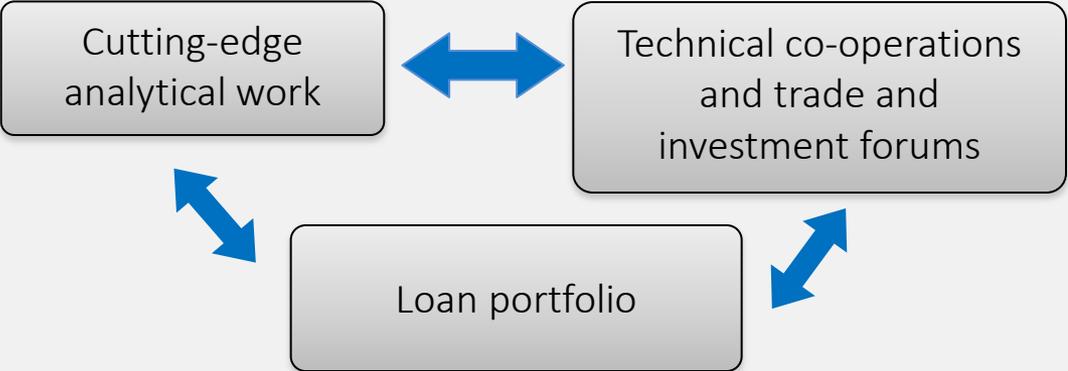
Competition is fierce but Jamaica has natural advantages, which if complemented by an enabling environment and investment, can raise its prospects significantly

Investment Lending to Support the Global Services Outsourcing Sector

Experience of the IDB

The Trade and Investment Division (TIN)

TIN manages the operational program of the Integration and Trade Sector and acts as the focal point for collaboration with other IDB sectors in the origination and implementation of operations

<p>Work Program</p>	 <p>The diagram illustrates the operational program of the Trade and Investment Division (TIN). It features three interconnected components: 'Cutting-edge analytical work' (top left), 'Technical co-operations and trade and investment forums' (top right), and 'Loan portfolio' (bottom center). Double-headed blue arrows connect 'Cutting-edge analytical work' to 'Technical co-operations and trade and investment forums', and 'Cutting-edge analytical work' to 'Loan portfolio'. Similarly, double-headed blue arrows connect 'Technical co-operations and trade and investment forums' to 'Loan portfolio', indicating a bidirectional relationship between all three elements.</p>
<p>Operational Strategy</p>	<p><u>“Boutique Lending”</u> Financial resources accompanied by technical assistance and transference of best practices</p>
<p>Priority Focus</p>	<p>Improve the performance of the operational portfolio, in particular, monitoring/supervision and evaluation</p>

TIN's current portfolio in supporting services exports



The Trade and Investment Division has:

- ✓ **Extensive experience** in supporting sector (active and closed operations)
- ✓ Significant **network of experts**, both within the Bank and outside of it
- ✓ Strong reputation for creating **opportunities for business and networking** (Outsource2LAC, ConnectAmericas.com)
- ✓ Essential experience in **export promotion and investment attraction**, critical to growth in the sector

Key objectives of TIN services outsourcing operations

A

Implement actions leading to tangible results:

- ✓ Increase in services exports
- ✓ Growth in FDI in services sector
- ✓ Creation of quality and sustainable employment

B

Focus on niches in areas where countries have a competitive advantage

- ✓ Capitalizing on location, language, education-level

C

Create a collaboration scheme for increasing capacity

- ✓ Local universities and training academies

D

Strengthen institutional capacity, investment attraction and export promotion

- ✓ JAMPRO
- ✓ BPIAJ

Targeted approach to growing the services outsourcing sector



1

Regulatory Framework

- ❑ Update regulations in areas of key importance to industry
- ❑ Create regulatory incentives to attract new players
- ❑ Create a level-playing field by supporting competition



2

Human Resources

- ❑ Increase aptitude, attitude and retention of human resources
- ❑ Develop versatile (*soft skills*, customer service) and specialized (*coding*) capacities
- ❑ Create alliances between universities & firms to align the sector with the market (*finishing schools*)



3

Entrepreneurial Ecosystem

- ❑ Strengthen local providers (SME and supply chain programs)
- ❑ Attract foreign investment
- ❑ Promote the country as a provider of IT, BPO and KPO
- ❑ Consolidate institutional support

Uruguay – Program to Support Global Export Services

The country offered a mix of important sectoral incentives (Free zone law, Investment regime, Software law, etc.) and high-quality infrastructure.

Despite establishing the conditions to become an important player in this industry, Uruguay had to confront two principle challenges:

- *Improve the **international perception** of the country as an excellent destination for FDI in the sector*
- *Improve the **quantity and quality of human talent** available to work in the sector.*

Objective of IDB Operation: Increase growth, employment and investment in the global services export sector.

Expected Results: Growth of 55 percent in services exports, 66 percent in investment and 28.4 percent in employment.

Priority Services Sectors: Pharmaceutical and Life Sciences; BPO; ITES; and Logistics

Amount: US\$13 million (IDB Financing \$10 million)

Uruguay Smart Services - Structure of the Program



 **BUSINESS SERVICES**
PRIME LOCATION

 **IT INDUSTRY**
LIVING TECHNOLOGY

 **PHARMA & HEALTH**
SCIENCE FOR LIFE

 **ARCHITECTURE & ENGINEERING**
ALLIED PROFESSIONALS



Uruguay Smart Services - Dedicated website

The screenshot shows the homepage of the Uruguay Smart Services website. At the top left is the logo for "Uruguay smart Services". To the right are social media icons for Facebook, LinkedIn, Twitter, YouTube, and a search bar. A language selector shows "Español". Below the header is a navigation bar with icons and labels for "Why Uruguay", "BUSINESS SERVICES", "IT INDUSTRY", "PHARMA & HEALTH", "ARCHITECTURE & ENGINEERING", "smart talent", and "finishing schools". The main banner features a night-time aerial view of a large stadium with a curved roof, with the text "Uruguay A SMART DECISION FOR GLOBAL OFFSHORE SERVICES" overlaid. A small flag icon is in the top right corner of the banner. Below the banner is a "News" section with a pagination control showing "1", "2", and "3". Two news items are visible: "Youth pushing forward at Formatec Program" and "Uruguay landed at the Outsource2LAC 2014".

Trinidad and Tobago – Global Services Promotion Program

Trinidad and Tobago has good potential to position itself as a vibrant ITeS location due to the quality of its human capital, ICT infrastructure, and the presence of global IT providers.

Objective of IDB program: Advance Trinidad and Tobago's positioning as a renowned location for the global provision of ITES.

Expected Results: Growth of 75 percent in services exports, 50 percent in investment and 82 percent in employment.

Key Deliverables: Global Services Internationalization Hub; Finishing Schools; Sector Promotion and Branding; and Regulatory Framework update

Amount: US\$18 million

 *In Nov 2016, GoTT launched its internationalization hub and offered a Google Launchpad training for the ITeS sector!*

Developing a program to support services in Jamaica

- ✓ Internationalization of SMEs
- ✓ Export Promotion and Investment Attraction
- ✓ Strengthening capacity and developing human capital
- ✓ Strengthened competition and trade policy
- ✓ Reforms to the regulatory and institutional frameworks
- ✓ Innovation
- ✓ Connectivity
- ✓ Training (Finishing Schools)

Finishing Schools – Providing tailored training programs

Objectives of Finishing Schools:

- ❑ Contribute to the increase of global services exports by addressing the immediate needs of firms (to establish operations, grow, gain new clients or adapt to new market conditions)
- ❑ Develop specific (technical or administrative) or generic competencies.

In Uruguay, the program successfully developed finishing schools by **partnering with several different institutions** and training providers based on demand. In Trinidad and Tobago, the program recently held a **call for proposals and offered training from the best provider** (e.g. Google Launchpad) based on expressed need.

Finishing Schools: Modalities

New Firms/ Operations

- Incentivize and facilitate the establishment of new firms as well as the expansion or development of new operations in existing firms
- Incentive: up to 70% of costs

Established Firms

- Incentivize established firms to scale up their operations by improving the efficiency of their existing human resources in order to maintain or expand their exports
- Incentive: up to 50% of costs

Training provider

- Strengthen capacity and design curricula in line with the demands of the industry
- Incentive: up to 40% of costs

Outsource2LAC & ConnectAmericas.com

Innovative Forums and Social Media Platforms for SMEs



Outsource2LAC

O2LAC is the most popular and influential Outsourcing and Offshoring forum in the region, with participation from prominent actors in the global services sector.

Objectives of the event

The objective of the forum is to provide an opportunity for participants to exchange the latest trends in the global services sector and identify business opportunities in Latin America and the Caribbean. We expect the participation of over 500 companies in the services sector, including representatives of major companies in Latin America and the Caribbean, Asia, Europe and North America.



Optimization

Changes in market dynamics: implications and opportunities for the region.



Globalization

Externalization of processes and the power of information in the service sector.



Diversification

Diversification and specialization outsourcing process.

Some numbers of our past events

3028

TOTAL PARTICIPANTS

3419

BUSINESS MEETINGS

32

CONFERENCES

133

SPEAKERS



Outsource2LAC

Costa Rica

15-16 March, 2017
San José, Costa Rica



- ✓ 6th edition
- ✓ Over 600 firms expected
- ✓ Event is free



- ConnectAmericas.com is a **free, online platform designed to help SMEs** strengthen and grow their business.
- Registered users can:
 - Browse through hundreds of purchasing announcements from Governments and Corporations and submit bids through the platform
 - Get in touch with more than 95,000 registered businesses
 - Apply to receive support from IDB funded programs in their countries
 - Request financing from commercial banks in their countries
 - Enroll in free massive online open courses and attend webinars
- Since launching in 2014, ConnectAmericas has nearly **100k registered users, reporting US\$152 million in transactions.**



Jamaican Entities Engaged in 2016



JAMPRO
TRADE & INVESTMENT JAMAICA



JEA
Jamaica Exporters' Association
LET'S THINK BIGGER. TOGETHER.

