

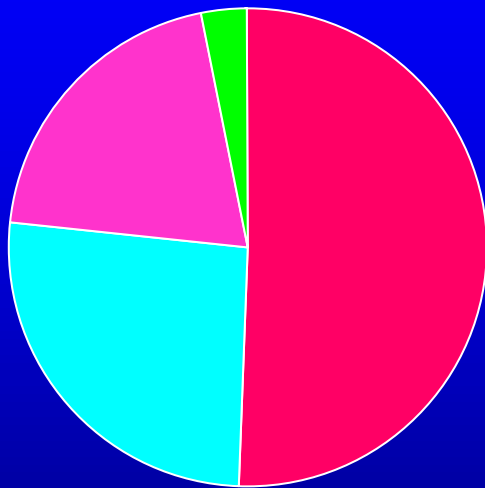
Exporting Business & Professional Services

Dr. Dorothy Riddle, CMC
driddle@compuserve.com

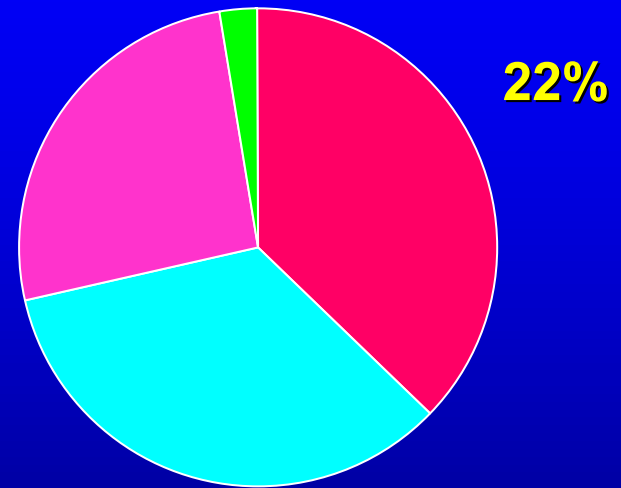
Executive Forum 2005

Composition of Service Exports: 2003

Developed Economies

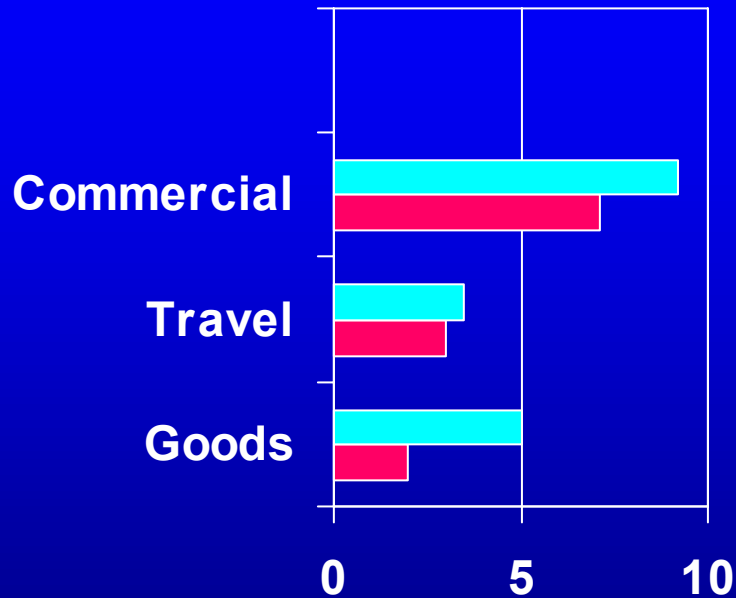


Developing/Transitional



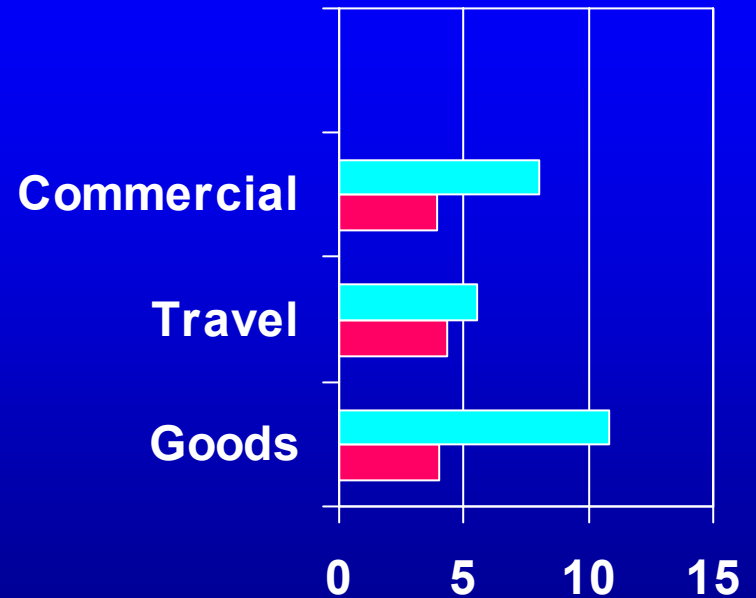
Growth in Exports

Developed Economies



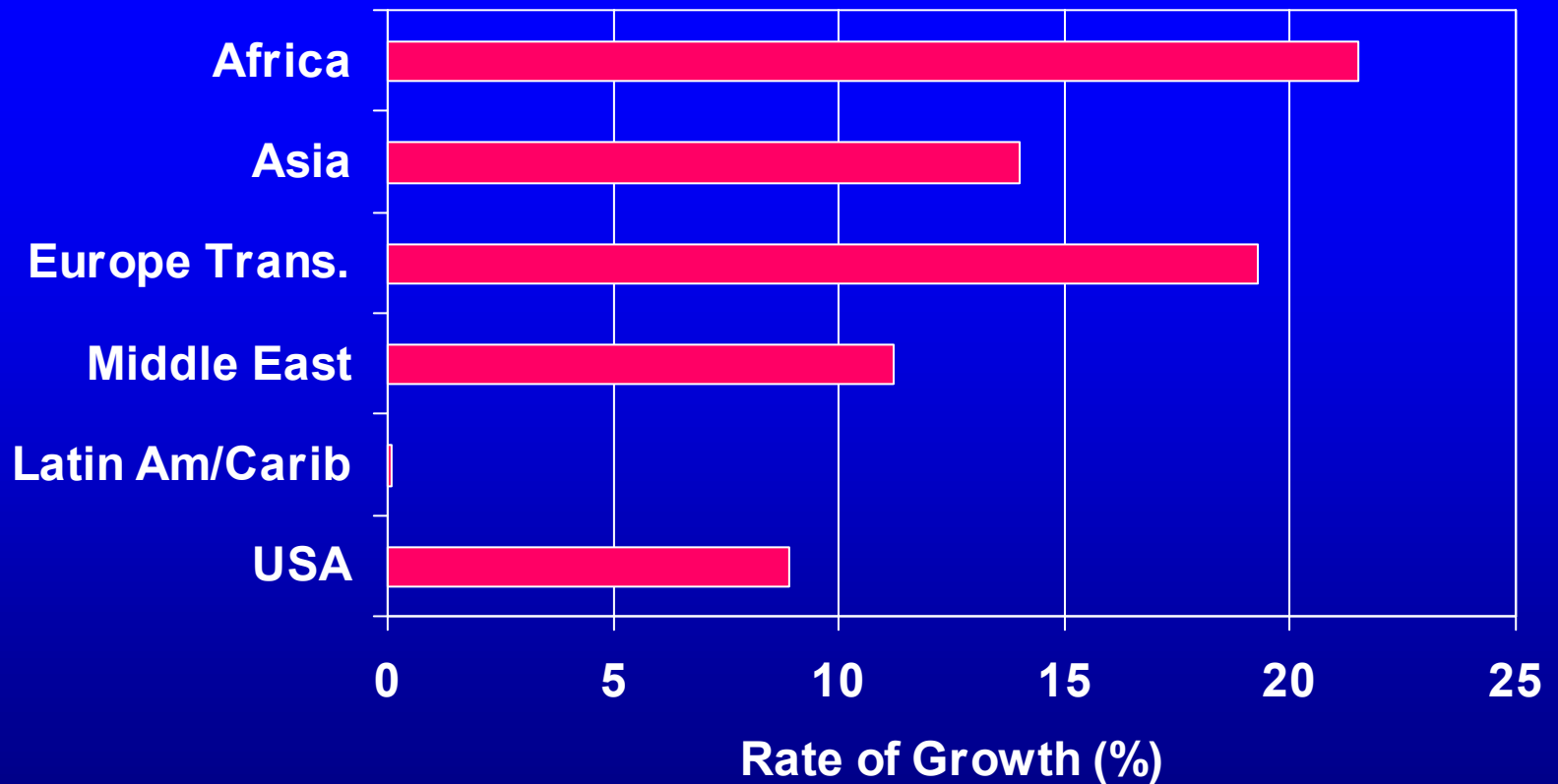
■ 1995-99 ■ 1999-03

Developing/Transitional



■ 1995-99 ■ 1999-03

Growth in Commercial Services: 2002-2003



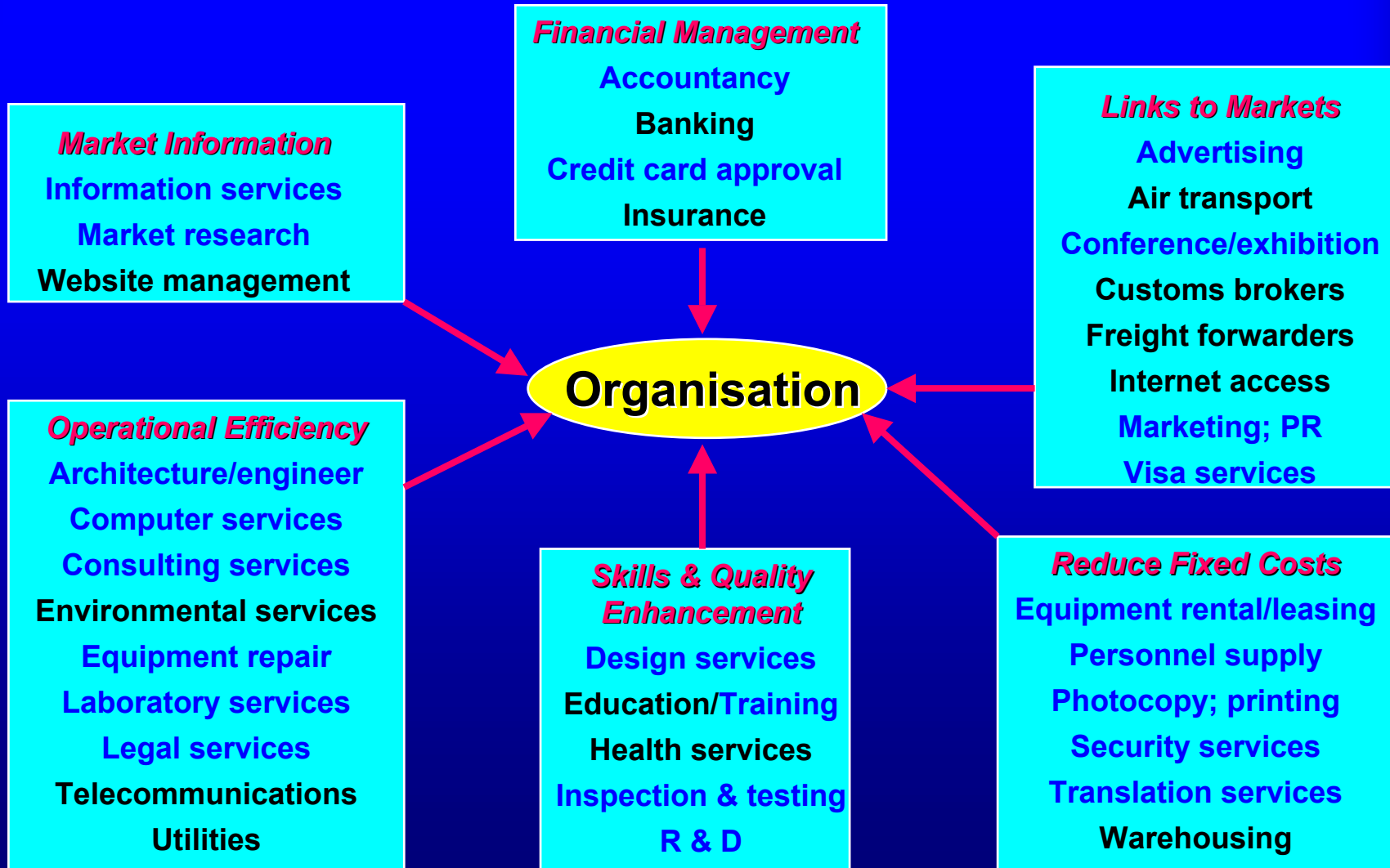
Examples of Business Services

- **Computer services**
- **Research & development**
- **Real estate services & property management**
- **Equipment leasing & rental**
- **Other business services:**
 - » **Building / office cleaning & maintenance**
 - » **Consultancy**
 - » **Equipment maintenance & repair**
 - » **Market research**
 - » **Technical testing**
 - » **Translation**

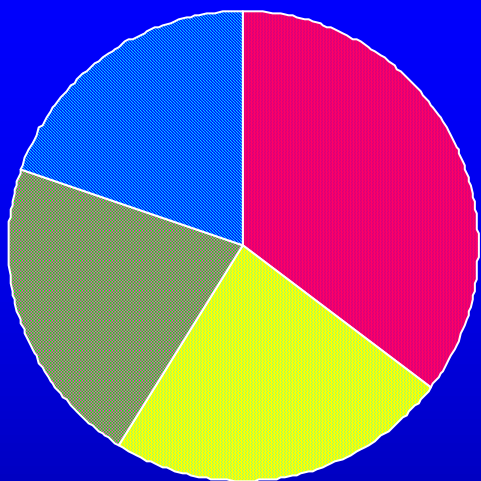
Examples of Professional Services

- **Accountancy services**
- **Architectural services**
- **Engineering services**
- **Legal services**
- **Medical & dental services**
- **Nursing & midwifery service**
- **Urban planning & landscape architecture**
- **Veterinary services**

Functions Played by Business-to-Business Services



How Services Are Exported



For developing/transition economies: Modes 2 & 4

33+ export markets

67% South-South trade

- Mode 1: Cross-border**
- Mode 2: In-country**
- Mode 3: Office abroad**
- Mode 4: Temporary business travel**

Main Constraints to Profitable Service Exporting

- **Lack of credibility in the global market**
- **Barriers to temporary business travel**
- **Lack of awareness by own govt.**
- **Lack of competitive ICT**
- **Lack of recognition of credentials**
- **Lack of skilled workers to hire**
- **Lack of awareness of export activity**

Main Challenge

**Get a foreigner to
take a chance on a
new service supplier**

*because the sale is a
“promise to perform”*

Strategic Choices: Existing Service Exporters

Advocacy:

- » **Promote success stories**

Neutral position:

- » **Recognise, but don't promote**

Sabotage:

- » **Government agencies compete**
- » **No visibility on national website**

Strategic Choices: Service Industry Associations

Advocacy:

- » **Build capacity; consult with**

Neutral position:

- » **Provide legal structure only**

Sabotage:

- » **Don't consult (go directly to firms)**
- » **Don't recognize codes of conduct**

Strategic Choices: Investment Attraction

Advocacy:

- » **Promote local service suppliers**

Neutral position:

- » **No local content requirements**

Sabotage:

- » **Provide special terms only to foreign service suppliers**