

**ASSOCIATION OF CARIBBEAN STATES (ACS)
XXVI MEETING OF THE SPECIAL COMMITTEE ON
TRADE DEVELOPMENT AND EXTERNAL ECONOMIC RELATIONS**

PANAMA, REPUBLIC OF PANAMA , JUNE 23 and 24 2011

**RAPPORTEUR REPORT XXVI MEETING OF THE SPECIAL COMMITTEE ON
TRADE DEVELOPMENT AND EXTERNAL ECONOMICA RELATIONS**

The XXVI Meeting of the Special Committee on Trade Development and External Economic Relations of the Association of Caribbean States (ACS) was led by Mr. Alexis Pineda in capacity of Chairman, representing the Republic of Panama, Mr Mario Rodriguez, Vice Chairman representing Guatemala and Mrs. Indiana Trejos, Vice Chairman, representing Costa Rica. Dr. Alfredo Ramos, Director of Economic Integration of the Ministry Trade, Industry and Tourism of the Republic of Colombia was Rapporteur. In representation of the Association of Caribbean States was Mrs. Ariadna Perez, Director of Trade.

The list of participants is attached as Annex 1

1. APPROVAL OF THE AGENDA

The welcome remark was delivered by Mr. Alexis Pineda, representing the Republic of Panama.

The Agenda was presented for the consideration of the members of the Table, making the additions and modifications suggested by members, which are reflected in the Agenda attached to this Rapporteur's Report.

Within this space, the members of the table took the opportunity to clarify existing doubts regarding the mechanism or procedures of the meeting, in which respect, the ACS Director indicated that it would proceed as follows:

- Approval of the Agenda

- Reading of the items established on the Agenda

The welcoming remarks by Mr. Alexis Pineda is attached as Annex II.
The Agenda of the Meeting is attached as Annex III.

II. PRESENTATION OF THE REPORT OF THE DIRECTORATE OF TRADE

The Trade Director presented her work report, highlighting the significant activities undertaken for the region, such as the II Textile and Fashion Forum of the Greater Caribbean, The Conference: Connecting the Caribbean with Central America, Steps Associated with the Integrated System of the Greater Caribbean Project, the Business Forum of the Greater Caribbean and the Research on SME's.

During the course of the presentation, she indicated that it is important to not only continue promoting the creation of development mechanisms involving private enterprises, the importance of transport and a suitable information exchange mechanism, but to also identify business and investment opportunities and develop an information platform.

As a final point, the Director expressed that the ACS main obstacle is obtaining quantitative and qualitative information. We must develop an appropriate information tool that is of top quality and accessible that will support the promoting of trade in the region.

At the close of the presentation, countries took the floor to make comments on the report delivered. Countries like Colombia stated that in the ACS, the objectives defined will be achieved provided that countries participate effectively in meetings.

The Report of the Directorate of Trade Development and External Economic Relations is attached as Annex IV and its respective annexes.

III. PRESENTATION BY THE ASSOCIATION OF THE COLÓN FREE ZONE USERS

Proceeding with the Meeting, the **Colón Free Zone Users Association (CFZ)** delivered a brief presentation to the members in attendance, highlighting the

international trade data managed by the CFZ, the interest shown towards the countries of the Caribbean, the competitive advantages and the opportunities that this important commercial mechanism of the Republic of Panama represents for the World.

Mexico expressed great interest in the handling of issues related to the origin of products in the CFZ, in response to which, the Association of users called attention to the Certificate of Re-export or Origin, a novelty in Panamanian legislation and which has been included in several trade agreements.

The Presentation of the Association of Colon Free Zone Users is attached as Annex V, which can be accessed via el link:
http://www.acs-aec.org/Trade/XXVI_special_committee/EN/index.htm

IV. PROPOSAL PRESENTATION BY THE CHAIR FOR THE PERIOD 2011-2013

The programme continued with the presentation by Panama as Chairman of the Committee, regarding the focus of work, actions and the results expected during the next term of the Chair of this trade meeting. Highlighted among them was the promotion of actions requiring the effective participation of members, especially the island countries of the Greater Caribbean.

The Countries, among them Venezuela, Costa Rica and Colombia, applauded Panama on the work programme presented and also indicated that when the time is right, they will analyse and suggest improvements to said programme.

As a change in the course of the meeting, explanations were presented concerning the procedure for approving the Work Programme, specifically in the case of the countries that were not present at the meeting, in which regard; the Director of Trade proceeded to read the ACS regulations governing the approval of documents at meetings.

Finally, it was agreed based on the ACS mechanism, that the Work Programme will be approved by the members attending the meeting, which assembled the minimum required for this decision to be made, by approving the Rapporteur's Report of this meeting and as decided by those very members, the ACS Secretariat will circulate it to the countries not attending within a period of two

calendar weeks, so as to obtain their feedback and comments on the work programme.

The Chair considered that the goal of the meeting was to reach clear consensus regarding the approval of the document and further expressed that we must proceed on solid ground, which requires commitment from member countries. Along that vein, Colombia agreed to circulate the Rapporteur's Report of this meeting on the Tuesday of the following week.

Continuing the discussion of the work programme, work was done on document WP.002 Work Programme of the Chairman of the Special Committee on Trade Development and External Economic Relations for the period 2011-2013.

With respect to the aforementioned document, countries expressed concern over the management of the Budget, in response to which, the Chair indicated that it is a prudent plan in terms of resources required, stating that the management of much of the resources will be the responsibility of the Chair, while others will fall under the charge of the members themselves, if we really want to fulfil the objectives.

Having reached consensus on the mechanism for approving and circulating the Rapporteur's Report of the meeting, the meeting paused for lunch.

The Work Programme is attached as Annex VI WP.001 and WP.002.

V. DISCUSSION OF THE WORK PROGRAMME POINT BY POINT

The revision and discussion continued of the working document WP.002. The Chair proceeded to present the points of the Work Programme, addressing the next main items on the Agenda and continuing with the Specific Objectives by area.

Under the point on objectives, the meeting discussed in detail 3.2.1 Reduction and Gradual Elimination of Obstacles to Trade and Investment in the Greater Caribbean, making specific corrections to the format and wording of the components of this objective.

The respective corrections are reflected in document WP.002, which was modified and will be forwarded to all members.

The countries at the table made valuable contributions regarding the convening of Technical Meetings of the authorities involved in customs procedures, the promotion of the E-Regulations programme of UNCTAD and the need for technical support between member countries and international organisations.

During the course of the discussion, consideration was given to concepts such as infrastructure, in such a manner that it would not be limited in the work programme to only physical or technological structure but instead, it could include in the future, the legal framework required to achieve the objectives of the programme.

In accordance with the agenda of the meeting, it proceeded to make corrections to the format and wording of document WP.002 on the projected screen.

The session was concluded at 5:30 p.m. and the participants were invited to attend a cocktail reception.

VI. COMMENCEMENT OF SECOND SESSION JUNE 24: REMARKS BY H.E. FRANCISCO ÁLVAREZ DE SOTO

The Vice Minister of International Trade Negotiations of the Republic of Panama, H. E. Francisco Álvarez De Soto, commenced the second day of the Meeting of the ACS Special Committee on Trade, conveying his thanks in advance for countries' attendance. He indicated that the work undertaken thus far in the previous session shows a solid work programme that is moving towards a balanced plan, significant and realisable, whose execution will favour greater integration and deeper trade in the Greater Caribbean.

The Vice Minister noted that Panama, as Chairman of the ACS Trade Committee, reiterated its firm commitment to move forward with the execution of the Work Programme of the ACS Special Committee on Trade Development and External Economic Relations for the period 2011-2013, on which we finally reached consensus.

He also expressed the conviction that the establishment of unilateral tariff preferences in favour of those countries whose percentage of trade with the region requires as such, will serve as motivation to promote the participation of those members in intraregional trade.

Along that same vein, Vice Minister Álvarez De Soto outlined the importance of deepening transparency, communication with co-operating international organisations and assuming a firm commitment to execute this Work Programme.

Special emphasis was placed on boosting members' participation in all meetings and activities organised and thus, an appeal was made to the ACS Secretariat, to the members in attendance and those not represented at this ordinary meeting, to heed the call of the Chair of the Special Committee on Trade.

The Vice Minister closed by indicating that Panama has considered the possibility of suggesting a meeting of Ministers responsible for International Trade in the member states of the Association, with a view to sending everyone a clear message, with their presence and leadership, regarding the economic potential of this tremendous market of the Greater Caribbean.

The Remarks of H.E. Vice Minister Francisco Alvarez de Soto is attached as Annex VII

VII. CONTINUATION OF THE DISCUSSION ON THE 2011-2013 WORK PROGRAMME

The Chair began by recapping the salient points of the discussion held the previous day and invited the table to undertake the issues pertaining to tariff reductions.

In that regard, countries voiced their reaction to the work programme expressing the intention to work along that path. Considering that the 2012 date planned in the programme is rather close, in view of the internal legal procedures required of member countries in order to implement tariff reductions, they also called on the Chair to prepare a diagram showing the way in which the tariff reductions will be carried out.

The Chair clarified that what is needed is to achieve flexibility and not restrict the actions of countries. This will depend on the situation in each country in particular and their capacity to implement initiatives. Providing the countries with the flexibility to select the instrument through which they will grant preferences to other member countries.

Mention was then made of the intention to contribute to Haiti's trade in light of its special situation to which there was a consensus.

The Chair proposed that a Trade Flow Map be elaborated of the actual trade in the Greater Caribbean, with the support of the ECLAC, in identifying for example, the tariff lines in which trade is conducted among the countries of the region. Thereby determining as well, the instrument through which such trade is conducted, if there is a Trade Agreement or preference, and what is the tariff level used in those tariff lines.

In accordance with the foregoing, those who could grant preferences based on that real trade would be determined. It is proposed that work be undertaken on said Trade Flow Map in the coming months.

The countries in attendance expressed positive sentiments regarding the proposal put forward by Panama and also called on the Chair, in conjunction with the ACS Secretariat, to draft a concept document to define the parameters that must be followed by countries in implementing said project.

Panama concluded the matter indicating that the identification of parameters will be the product of the evaluation of the market flow planned.

It was agreed to maintain the concept envisaged in which those countries interested in tariff reductions would present their requests for lists by products to countries that want them to grant such preferences.

Continuing with the agenda of the meeting, the participants proceeded with the corrections to the format and wording of document WP.002, on the projected screen.

Following a short break, the Chair proposed a slight change in the meeting's agenda and an overall presentation was delivered on the TRANSACS – LOGISTIC projects, in which regard it was suggested that a subsequent document be dispatched so as to clarify any doubts that may arise among members.

A brief description was presented on the other projects contained in the programme, such as:

- Business Forum of the Greater Caribbean.
- Trade Transparency Forum.
- Meeting of MSME's.

- Meeting of Maritime Authorities and Shipping Companies servicing the Caribbean.
- Integration of the ACS Region in activities developed in other Forums that create spaces for convergence and infrastructure.
- Promote and develop international trade negotiations and training in trade matters.
- ACS Meetings.

The members called on Panama to provide clarification on the holding of Business Forums, in which respect El Salvador expressed its desire to take on this activity in 2011. In that regard, the Chair explained that Panama's focus is to complement the traditional Business Forum of the ACS convening the relevant Chambers of Commerce in the region.

Moving on to consider the "Trade Transparency Forum" project, the delegate from Costa Rica suggested that each member country forward to the Secretariat the websites on which the lists of Sanitary and Phyto-sanitary requirements are published, as well as include the name of the Directors of the corresponding entities in each country, for the purpose of transparency and execution. This initiative was approved and included in the document.

Countries then proceeded to make corrections to the wording covering this and the next projects outlined in the Programme on the screen projected.

The Chair reiterated the call that will be made to Vice Ministers according to the Work Programme.

The Vice Minister Álvarez De Soto indicated that political will is necessary in order to execute the Work Programme, which will in turn require the presence of the Vice Ministers.

VIII. ESTABLISHMENT OF THE WORKING GROUP OF THE TRADE COMMITTEE

The members established the Working Group of the Trade Committee and are authorised to assemble their customs authorities so as to commence the corresponding efforts, in accordance with the terms of reference that will be subsequently circulated.

IX. DISCUSSION OF THE DATE OF THE NEXT MEETING

The Chair proposed August 25, 2011 as the date for the next meeting of the Special committee on Trade Development and External Economic Relations, taking into consideration Mexico's concerns regarding a date following the submission of information requested on the Work Programme.

Having approved the Wok Programme for 2011-2013 and exhausted all the points on the agenda the Chair proceeded to formally close the meeting.

X. CLOSING REMARKS: H.E. ÁLVARO ALEMÁN

The Vice Minister of Foreign Affairs of the Republic of Panama proceeded to close the XXVI Special Committee Meeting on Trade Development and External Economic Relations of the ACS, indicating that this Special Committee is called to play a pivotal role in the execution of development programmes and in the implementation of trade among the member countries of the Association.

H.E. Álvaro Alemán concluded the meeting by expressing his thanks for the effort made by the participating delegations and further stated that the programme to promote the trade relations outlined in the Work Programme will require the commitment and effective participation of all member countries.

The closing remarks of His Excellency Vice Minister Álvaro Alemán are attached as Annex VIII.