

**ASSOCIATION OF CARIBBEAN STATES (ACS)
27th MEETING OF THE SPECIAL COMMITTEE ON
TRADE DEVELOPMENT AND EXTERNAL ECONOMIC RELATIONS**

PORT OF SPAIN, REPUBLIC OF TRINIDAD AND TOBAGO, JULY 11-12, 2012

**RAPPORTEUR'S REPORT OF THE 27th MEETING OF THE SPECIAL COMMITTEE
ON TRADE DEVELOPMENT AND EXTERNAL ECONOMIC RELATIONS**

The 27th Meeting of the Special Committee on Trade Development and External Economic Relations of the Association of Caribbean States (ACS) was led by: H.E Alfonso Múnera, Secretary General of the Association of Caribbean States; Mr. Wilson Laleau, Minister of Trade and Industry, representing the Republic of Haiti, serving as Chairman; H.E Guisela Atalida Godinez Sazo, Ambassador of the Republic of Guatemala, serving as Vice Chair; Mr. José Serulle Ramia, Ambassador of the Dominican Republic, serving as Rapporteur, while the Association of Caribbean States was represented by Ms. Ariadna Pérez, Director of Trade Development and External Economic Relations.

The list of participants is attached as Annex I.

I. OPENING CEREMONY

The meeting began with the remarks of the Chairman of the Committee, the Minister of Trade and Industry of the Republic of Haiti, Mr. Wilson Laleau, who presented a brief overview of the importance of free trade among the countries of the Greater Caribbean, and its influence on economic performance, as well as its link to investment. The Chairman also touched on the significance of negotiations and the establishment of agreements among the Member Countries of the ACS.

For his part, the Secretary General of the Association of Caribbean States, Mr. Alfonso Múnera, presented a few important reflections on the historical value of trade in the region and the boom experienced a few years ago in the trade in goods in the Region. The Secretary General indicated that today a vacuum has been created in intra-regional trade, facilitated to a large extent by the consolidation of metropolitan business centres which historically, have fractured

regional unity. In closing, the Secretary General appealed to Member Countries to take advantage of the space that is the ACS, in order to strengthen those co-operation ties and to continue building the bases to integrate and consolidate the Greater Caribbean as a Region.

II. APPROVAL OF THE AGENDA AND PROCEDURAL MATTERS

Ms. Ariadna Pérez, the Director of Trade Development and External Economic Relations, presented the Agenda for the consideration of the members of the Table.

She requested approval for the change in date to July 12 for the next item on the agenda, this was approved by all members.

VIII. Upcoming Activities. Regional Symposium on Tourism, SME development and entrepreneurial strengthening in the Greater Caribbean

III. REPORT OF THE DIRECTORATE OF TRADE DEVELOPMENT AND EXTERNAL ECONOMIC RELATIONS

The Trade Director delivered her report on the execution of the work programme approved during that Directorate's 26th Meeting, which was convened in Panama City in June 2011. The main points included in the last meeting referred to the following issues:

- Gradual reduction and elimination of obstacles to trade and investment in the Greater Caribbean
- Promotion and facilitation of special and differential treatment for the small economies of the region
- Promotion and stimulation of trade relations in the zone
- Development of initiatives to integrate the ACS region into other regional initiatives aimed at trade convergence; and
- Training in trade-related matters

Similarly, the Director presented the report on the activities entrusted to her Directorate, focussing on the gathering and distribution of the trade information needed by all Member Countries. The result was collaboration from 21 countries to dispatch their information on matters related to customs and work visas.

Another activity assigned to the Directorate was the conducting of a joint study with ECLAC on *Trade Flows*, with the purpose to determine the actual levels of trade in the Region, which would allow for the identification of the areas in which concessions or differential plans could be offered, as well as new opportunities for trade and investment. This task is still being developed.

Mr. Michael Hendrickson, the External Economic Affairs Officer of ECLAC who collaborated on the study, also indicated that decent jobs need to be created for the Greater Caribbean population, since the quality of such jobs is linked directly to the levels of specialisation and production systems, as part of the points to be underscored during this investigation.

Another activity in which the Directorate worked in conjunction with the United Nations Conference on Trade and Development (UNCTAD) was that pertaining to E-Regulations. The details of this matter were presented by the UNCTAD representative and will be revealed later on in this report.

Director Ariadna Pérez also called attention to a research effort on Small and Medium Enterprises with women as the focal point. The Directorate has gathered and compiled vital information on the integration of women into the formal economic sector as a tool for the economic progress of a country.

Lastly, the Director addressed the joint efforts undertaken with other organisations, such as the Latin American and Caribbean Economic System (SELA). A Training Course on the Guarantee Support Systems for SMEs was completed with SELA, and was held recently (9th and 10th July 2012) at the ACS Secretariat, in Port of Spain.

Included among the recommendations issued by the participants of the Republic of Haiti, Mexico, Dominican Republic and Colombia, was the suggestion to identify the advancements made by the study on Trade Flows and in that case, update the necessary information, since it (the study) is a useful tool for

facilitating decision making. It was also proposed that those sectors that could provide productive complementarity be included or identified with a view to detecting new markets.

IV. PRESENTATION BY MR. NELSON PÉREZ OF UNCTAD ON THE E-REGULATIONS PROGRAMMES

Continuing with the meeting, the UNCTAD representative, Mr. Nelson Pérez, presented an online tool referred to as E Regulations, created by this organisation, for the purpose of helping developing countries and those in transition to work toward the facilitation of business through transparency, simplification and automation of rules and procedures related to the creation of businesses and their operations. In that regard, the participants welcomed this proposal with great expectation since it facilitates access to information, and is simple and clear.

Various contributions from the Governments of Panama, Mexico, Haiti and SELA enhanced the session with the presentation of examples of tools that have already been implemented to facilitate trade in their countries or regions, while showing interest in the process to implement E Regulations in a new economy. They acknowledged the great advantage enjoyed by facilitating procedures related to the opening of businesses and the stimulation of interest among foreign players to invest directly in a specific country.

The Work Programme followed up through this presentation, point 3.2.1.4, which instructs the Trade Directorate to urge ACS Member Countries to incorporate into their transparency agenda the use of programmes such as E-Regulations (offered by UNCTAD).

V. TRADE FACILITATION IN THE GREATER CARIBBEAN

The meeting's programme continued with participation from Ms. Ariadna Pérez, who revisited the issue of the agreements established in the framework of the 26th Meeting of the Trade Committee convened in Panama in 2011, where it was

agreed that a Working Group on Trade Facilitation would be created, with a view to eliminating the obstacles in regional trade concerning customs facilitation and Business Visas. The terms of reference for the Working Group were presented so that feedback could be obtained from countries.

Contributions such as those presented by the Mexican representative, were in favour of splitting the issues (business visas and customs facilitation) for their development, the Committee proposed that activities be divided into two working groups: the first for Customs and the second for Business Visas. This was submitted for consideration and was approved by the participants, with September 2012 being fixed as the date for the establishment of the Customs working group.

With respect to these matters, several countries will subsequently forward their comments directly to the Trade Directorate.

VI. STRENGTHENING THE SME DEVELOPMENT IN THE GREATER CARIBBEAN

Continuing with the agenda established, there was participation from the Caribbean Export Development Agency, via video-conference. Under this item, it discussed the pressing need to deepen collaboration with the States and associations in the region. It also focussed on its relationship with the French speaking countries and collaboration with the INTERREG Agency to formulate projects.

Among the issues to be highlighted, emphasis should be placed on the invitation extended to the ACS Secretariat to participate in the Working Groups of the Caribbean Export Development Agency and CARIFORUM to discuss the elimination of obstacles to trade.

In that respect, the Republic of Haiti expressed its interest in being a beneficiary of the programmes and projects being carried out by this agency, since they involve issues of great interest for that nation.

Subsequently, the Trade Director continued with the presentation of the joint efforts that have been undertaken with organisations in order to develop the mandates of the work programme, as a concrete way of propelling the internal growth of countries through their small and medium enterprises.

In that context, the participants were provided with key information arising out of the Training Course on the Support Guarantee Systems for SMEs, which was held on July 9-10, 2012 at the offices of the ACS Secretariat, in conjunction with SELA. The event was attended by organisations such as REGAR, FOGAPI, FNG, CARICRIS, FOMIN, CARICOM, the Caribbean Development Bank and the Government of Trinidad and Tobago. The points that were highlighted during the course were presented, such as:

- Access to financing continues to be one of the main problems for SMEs
- Most countries in the region have a guarantee system that is scarcely developed. Wherever they are available, a lack of promotion of same has been identified
- It is imperative to train financial entities and the business community so that they could learn about and take advantage of the opportunities offered by guarantee systems
- The fostering and development of these tools are issues of public policies. The action taken by the State in light of this need can lead to positive results in other areas, such as the incorporation of more companies into the formal market
- The experts in guarantee systems, REGAR and FOGAPI, advised the participants to evaluate the creation of a regional guarantee system, taking into account their specific, economic and geographic needs, based on the experiences and information presented by their organisations.

The meeting was also presented with a compilation of information on the topic, Business Participation by Women in the Greater Caribbean. This work focussed on evaluating women's access to credit in the framework of their participation in Small and Medium Enterprises and the importance of their contributions to the Region's economy.

The salient points extracted from this report indicate that:

- Gender inequality still persists in countries around the world.
- There has been an increase in participation by women in the job market, due to the increase in their level of education.
- The Greater Caribbean Region has made significant strides in the phenomenon of equality. In 80% of countries, the rate of women with secondary education is equal to or higher than that of men.
- Women are playing pivotal roles in both the economic development process and in maintaining their own homes.
- The creation of a company and its growth process are more difficult for a woman than for a man.
- The SMEs of women focus on the services sector, since they seek to strike a balance between work and family.

In closing this item, presented under point 3.2.3.3, Micro, Small and Medium Enterprises in the Greater Caribbean, was the proposal for the execution of an activity entitled Empowering Women through Trade. Efforts are being undertaken toward holding a training seminar to strengthen business capabilities, which will provide the business women of small businesses with the tools necessary to not only address the problems associated with the challenges and obstacles that arise in the management of SMEs, but to also capitalise on the trade agreements in force and to boost competitiveness.

VII. DIALOGUE TO IDENTIFY EXISTING OPPORTUNITIES FOR TRADE AMONG THE MEMBER COUNTRIES OF THE GREATER CARIBBEAN

In the talks held among the ACS, CARICOM, SELA, OECS and ITC regarding the implementation of viable initiatives to promote trade and investment, emphasis was placed on the following aspects:

- New sectors and emerging markets.
- Promotion of innovation and new technologies.

- Cultural Co-operation (eg: maximise opportunities within the creative industry and the cultural industry).
- Inter-Secretariat Co-operation.
- Promotion of synergies and links

International Trade Centre (ITC)

Several critical points made by the ITC official, Mr. Anton Said, focused on ensuring the commitment of the private sector, as well as guaranteeing the existence of coherent approaches for business development in the region. Mr. Said also stressed the need to establish regional priorities that would be linked to the capabilities and resources available in the zone.

Latin American and Caribbean Economic System (SELA)

The SELA representative, Mr. Juan Acuña, outlined the work being developed in said organisation and touched on the positive impact of integrating countries into Forums to guarantee the dissemination of information and the use of the resources invested in said projects. Included among the main contributions pertaining to the issues on the agenda were the efforts carried out by SELA regarding Trade Facilitation and Single Windows, Courses on SMEs and Financing for Micro Business.

Caribbean Community (CARICOM)

CARICOM, represented by Mr. David Lord, contributed to the dialogue by identifying the principal focal areas, which should focus on, for example: assistance for industries to take advantage of trade and investment opportunities; promotion among individuals (business persons); collaboration by providing awareness programmes (eg. in trade agreements) and functional co-operation and cultural exchanges. Collaboration between the CARICOM Secretariat and other regional Secretariats to evaluate the possible opportunities that may be implemented around the CARIFORUM-EU EPA, was a topic of major discussion, in addition to inter-secretariat co-operation to promote and improve the trade in services among the countries of the Greater Caribbean.

The development of the Cultural Industry was also highlighted as an area in which there can be great exchanges of experiences and collaboration strategies to lead to partnerships that would strengthen the cultural industry in the Greater Caribbean region. *Specific areas of collaboration:* Exchange of best practices in the issues of cultural policy development, financing for culture, development of support services for solid companies and a cultural information system. Cultural exchange should be encouraged among ACS members. This could include young and experienced artists and cultural coordinators in both the public and private sectors.

Included among some of the new emerging sectors with viable opportunities for investment are: ICT, business support services, services for agri-business and agro-technology, registration of vessels, merchant shipping, medical tourism, culture, music, cinema and fashion.

Organisation of Eastern Caribbean States (OECS)

One critical point highlighted by the OECS representative, Ms. Virginia Paul, was the importance of the exchange of information and the exchange of programmes developed in regional organisations for the purpose of complementing and avoiding the duplication of regional efforts.

Recognition was also given to the crucial role played by the ACS Secretariat in promoting the creation of projects and proposals that would generate opportunities throughout the Caribbean. The importance of recapturing the identity as a region is essential in order for member countries to be able to carry out development actions, avoid the duplication of efforts and focus actions on common projects.

At the Work table, the Dominican Republic made an appeal for these meetings to be used as a framework of reference, while concrete actions are carried out so that all opinions and conclusions could have some tangible outcome in the region.

It was proposed that a meeting be convened in the framework of the 5th Summit of Heads of State and/or Government to be held in Haiti, where strategic issues

could be discussed, based on the experience already gained and that generated by these meetings.

In the capacity of Vice Chair, the representative of the Republic of Guatemala focussed her opinion on the importance of the proposed event being attended by representatives of the private sector and Chambers of Commerce, since they are key for the discussion of issues concerning the local industries.

VIII. COMMENCEMENT OF THE SECOND SESSION, JULY 12, 2012: OPENING CEREMONY

The Chairman of the Committee thanked all participants for their punctuality and enthusiasm and made reference to the valuable information provided during the course of the presentations delivered on the first day of the meeting on July 11, 2012.

The Chairman introduced the topics that would be addressed throughout the day, such as: the presentation by the Sustainable Tourism Director of the ACS, Gloria de Mees and a project proposal from the Government of Haiti.

The Chairman then gave the floor to the Director of Trade Development and External Economic Relations to proceed with the day's agenda.

IX. UPCOMING ACTIVITIES: REGIONAL SYMPOSIUM ON TOURISM, SME DEVELOPMENT AND ENTREPRENEURIAL STRENGTHENING IN THE GREATER CARIBBEAN

Ms. Ariadna Pérez recapped the activities assigned in the work programme of the Trade Directorate regarding the issue of Small and Medium Enterprises and business women, in addition to which, she also indicated that according to what was approved during the 2nd Meeting of Ministers of Tourism of the Greater Caribbean, convened in Barranquilla, Colombia in April 2009, countries deemed it important that the Trade and Tourism Directorates undertake projects together. As a result, the holding of a Regional Symposium on Tourism, SME Development and Entrepreneurial Strengthening in the Greater Caribbean was coordinated with the Sustainable Tourism Directorate. Director, Gloria de Mees, explained in

greater detail the regional project approved at the 23rd Sustainable Tourism Meeting, convened on June 28-29 in Managua, Nicaragua, which discussed the importance of Strengthening Business Trade in Cruise Ship Tourism.

For her part, the Sustainable Tourism Director of the ACS established that the project focuses on cruise ship tourism since it is a niche that has a high rate of generating foreign exchange. In this type of project, women have a higher chance of increasing their earnings, by providing services in this field. The objective of the symposium is to improve competitiveness and maximise women's opportunities in Cruise Ship Tourism.

The Chairman congratulated the Tourism Directorate. In like fashion, the representatives of the Republic of Panama and the Dominican Republic acknowledged the work of that Directorate. The representative of the Republic of Panama also mentioned that they will explore the possibility of being able to cooperate with said activity. The SELA representative also expressed their interest in making a contribution to the work being undertaken in relation to women in the Greater Caribbean zone and indicated that they will share information (study) with the Trade Directorate of the ACS regarding financing and policies for women in the region.

Of the comments made on this presentation, the following aspects were highlighted among others: the importance of carrying out Cruise Ship Tourism in the region and its proper regulation in order to render that activity sustainable; the social importance of coastal communities being organised and deriving benefits from this activity; and lastly, the creation of a specialised organisation to support the cultural and entrepreneurial development of women.

X. PRESENTATION BY THE REPUBLIC OF HAITI: FOSTERING AND STRENGTHENING TRADE RELATIONS IN THE GREATER CARIBBEAN

The representative of the Haitian Government presented a proposal to the Secretariat of Caribbean States to create a more extensive market. He further proposed to member countries the possibility of the free trade of "Champion Products", which are products representing the country, where each country should focus on a limited number of items to be traded.

The goal is for the countries of the region to be familiar with these items and to commit to their promotion within their local economies, thereby generating a free trade zone for a limited time and space, done voluntarily by the participating economies. Thus, they are seeking to reach consensus within the framework of the ACS for the approval of this project and will officially forward it to the ACS Secretariat in order to comply with the procedure established in Agreement 10/07 dated January 26, 2007 entitled Agreement on the procedures for the proposal and approval of activities, projects and programmes.

XI. THE ROAD TO THE 5th ACS SUMMIT

The Trade Directorate presented a Plan of Action for achieving success and advancing toward the consolidation of an enhanced economic space, based on the current work programme for the consideration of the participants and subsequently to be presented at the 1st Meeting, Committee to draft the Declaration of the V ACS Summit in Panama as an input for the 5th Summit of Heads of State and/or Government that is scheduled to take place in the Republic of Haiti.

An invitation to participate actively was extended to Member States and Associate Members, as well as experts and technicians in the area of trade, so that they could pool efforts that would yield viable projects, which would be evaluated by the relevant authorities. An appeal was made for the plan of action to include issues related to Small and Medium Enterprises and the empowerment of women through trade. Emphasis was placed on the importance of developing an economic and trade information network, as well as an electronic system that

would allow information to be obtained immediately in order to have a clear and concrete understanding of the current needs of the region.

Among the inputs received, the Mexican representative expressed the need to adequately present the focal points of the documents so that they could be studied and their proposals implemented in the proper context, according to the next meetings mentioned in this agenda.

The representatives of the Republic of Panama, Colombia and Guatemala congratulated the Directorate on the drafting of the document and it was agreed that an executive summary of this meeting would be dispatched, to serve as a reference at the next meeting, which is carded for July 18-19, 2012 in Panama City.

XII. PROCEDURAL MATTERS

Ms. Ariadna Pérez called for the date and venue of the next meeting of the Special Committee on Trade to be established. The meeting should be held at least once per year.

The representative of the Republic of Haiti expressed their interest to the Directorate of Trade Development and External Economic Relations in hosting this meeting in the second quarter of 2013.

Regarding the dispatching of the Rapporteur's Report of the meeting and in observing the procedures of the ACS, the report will be forwarded for review and approval to the Rapporteur, the Dominican Republic, under the terms set forth in the mandates of the Association.

XIII. CLOSING REMARKS

The Honourable Minister of Trade and Industry of the Republic of Haiti, Mr. Wilson Laleau, proceeded with the Closing of the 27th Meeting of the Special Committee on Trade Development and External Economic Relations of the ACS.

In his remarks, he applauded the entire Trade Directorate team on the work done toward the holding of this event.

For their part, the representatives of the countries and international organisations took the floor to underscore how productive the meeting was, conveying their appreciation for the work done by the Secretariat and by the entire organising team and to voice their last impressions on the meeting, stressing their willingness to continue collaborating with enthusiasm and confidence, the work represented by the Association of Caribbean States.

The event was closed at 12:45 on July 12, 2012.