

ASSOCIATION OF CARIBBEAN STATES

DIRECTORATE OF TRADE DEVELOPMENT AND EXTERNAL ECONOMIC RELATIONS

REPORT OF ACTIVITIES

INTRODUCTION

The Directorate of Trade Development and External Economic Affairs is charged with the responsibility of fostering cooperation and integration by uniting the efforts of Association of Caribbean States (ACS) Member States and Associate Members to build and consolidate an enhanced economic space for trade and investment in the Greater Caribbean.

Within the parameters of this mandate the Directorate of Trade has executed a series of programmes throughout 2011 towards fulfilling its objectives, and creating this enhanced economic space and increased trade and investment among Members. The following represents a detailed report of activities undertaken since the last report presented to the XXVI meeting of the Special Committee on Trade held on the June 23 and 24, 2011:

XXVI Special Committee Meeting on Trade

The XXVI Special Committee Meeting on Trade was held in Panama City, in the Republic of Panama on June 23-24, 2011. This meeting saw the participation of twelve (12) Members and Associate members of the ACS.

The major outcome of this meeting was the Approved 2011-2013 Work Programme approved by the Special Committee for the Directorate of Trade, Development and External Economic Relations. This work programme has at its core the specific goal areas of:

- Gradual Reduction and Elimination of Obstacles to trade and investment in the Greater Caribbean.
- Promote and facilitate the Special and Differential Treatment for Small Economies in the Greater Caribbean.

- Promote and encourage trade relations in the Greater Caribbean and develop initiatives to integrate the ACS Region into other regional initiatives for trade convergence.
- Promote and encourage international trade negotiations and training on trade issues.

The Committee through the work programme has charged the Trade Directorate with the responsibility for the execution of a series of tasks:

- The compiling and dissemination of various pieces of data related to the facilitation of trade and investment processes.
- The ACS Secretariat through the Trade Directorate, to request the collaboration of the ECLAC (Economic Commission for Latin America and the Caribbean) for the analysis (mapping) of the real and potential flow of trade in the ACS member countries and associate members and to propose a plan for the concession of preferential tariffs among these countries.
- Request from UNCTAD (United Nations Conference on Trade and Development) information on E-Regulations Programmes, and work towards urging ACS member countries to incorporate in their transparency agenda the tools necessary to promote transparency, and accelerate business procedures and paper work.

DETAILED UPDATE OF ACTIVITIES

The Trade Development and External Economic Relations Directorate has been working steadily to address the tasks and activities arising from the Approved Work Programme emerging from the XXVI Special Committee Meeting of Trade, and would like to indicate that it has advanced in a number of areas.

1. REQUESTS FOR INFORMATION

The compiling and distribution of information is a vital component of the 2011-2013 Work Programme. Across goal areas and projects, the gathering of information is a salient feature. In this regard, requests were sent to all members and associate members for information required within the programme. The response was very positive from the member Countries, where twenty-one (21) countries to date have sent information and/or data to the Trade Directorate.

This data has been compiled in a booklet which was forwarded to the then Chair of the Special Committee of Trade –Panama and to Member States and Associate Members.

We present today for the information of the Meeting the compiled booklet of the information requested and received from Member States and Associate Members.

2. ACS/ECLAC COLLABORATION - TRADE FLOW STUDY

Work was undertaken in collaboration with ECLAC in the preparation of a study to map the flow of Trade between Member States and Associates of the ACS. A working group of ACS/ECLAC officials was constituted; meetings were held and research and analysis carried out.

The study called for an examination of the real trade existing among countries and the identification of new avenues and opportunities for increased trade.

The study is three-dimensional and examines:

1. The real flow and value of trade between ACS Member States.
2. The possible areas and schemes through which concessions and preferential arrangements can be offered.
3. The potential for enhanced trade and investment and new opportunities.

The study was completed and the first draft was sent to previous Chair of the Special Committee of Trade – The Republic of Panama and to Member States and Associate Members.

The preliminary findings of this study will be presented to the Meeting, and it is hoped that with the knowledge gained from this study the Member States of the Greater Caribbean will take advantage of the information presented towards the enhancing of trade and investment within the Region.

3. UNCTAD E-REGULATIONS PROGRAMME

Among the most fundamental obstacles to trade, experienced by economic entities of Member States is the lack of knowledge regarding regulations and processes to achieve their commercial purposes. The access or non-access to information determines their effective participation in the trade environment.

In the long run, everything hinges on the level of transparency offered by each country to facilitate and / or promote economic activities linked to international trade. The lack of, or limited information then makes simple activities sluggish, and therefore costly, increasing transaction costs for those who conduct the transactions, for the end consumers, and for the economy in general.

In this regard, the Trade Directorate was mandated; and contacted; and held discussions with officials within the United Nations Centre for Trade and Development (UNCTAD) in charge of E-Regulations, to discuss the E-Regulations Programme and structure plans for presentation and collaboration on e-regulations, in order to have the knowledge of this programme transferred to Member States.

To support this effort the UNCTAD is here today to provide a presentation to Member and Associate Member States on the E-Regulations Programme. The Directorate continues to build this ACS/UNCTAD partnership with the intent of executing future projects and activities.

4. RESEARCH ON THE SMALL AND MEDIUM ENTERPRISES (SMEs) OF THE REGION

The Trade Directorate understands the role played by SMEs in the economic and social development of countries, the need to identify their limitations and the obstacles that they encounter in their development and in carrying out successful operations with their partners, and as a result, the Association of Caribbean States has been conducting research on the SMEs of the region.

Small and medium-sized enterprises (SMEs) are seen as the engine of economic growth and employment creation throughout the world. These enterprises are at the nucleus of economic activity throughout the Greater Caribbean, they represent the central pillars for Caribbean success. It therefore necessitates that the relevant research and support to be given to properly harness and enhance the latent possibilities existing in SMEs throughout the Greater Caribbean, with a notion that this thrust will see the redounding of benefits to all partners.

In order to support the growth and potential of micro and small enterprises in the Greater Caribbean, improved knowledge on their functioning in different settings, and the constraints they face is needed. In order to achieve this, it requires the undertaking of appropriate analysis of the sector in a cross section of Caribbean countries and to propose solutions for addressing some of the limitations of the systems.

Following on from preliminary research presented at the XXVI Meeting of the Special Committee on Trade, the Directorate has continued this research effort,

with the objective of developing and proposing measures that would help reduce the difficulties being faced by the Small and Medium Enterprises of the Greater Caribbean and can be implemented towards the realization of economic growth for Members and Associate Members of the ACS.

The research also extends to examining the impact of the SME sector on women in society, especially as it relates to access to finance, and their overall contribution to economic development in the Region. A brief presentation of initial findings related to women entrepreneurs and microfinance will be provided to the meeting.

This research offers a springboard upon which further actions can be taken towards the advancing the development of the SMEs sector in the Region.

5. TECHNICAL COOPERATION EFFORTS

The Trade Directorate has also been pursuing avenues for increased collaboration with other organizations to further advance the work programme to the benefit of the member states. The Directorate has held discussions with agencies on areas of convergence for all parties. Meetings thus far have been held with:

- The United Nations Economic Commission for Latin America and the Caribbean (UNECLAC).
- The International Finance Corporation (IFC) (World Bank Group)

Officials of this organization have expressed interest in working along in a project areas of the work programme. One specific area highlighted is that of Trade Facilitation, and addressing the obstacles and challenges presently existing within the Region

- United Nations Conference on Trade and Development (UNCTAD).
- SELA

The Directorate of Trade in collaboration with SELA, and the Trinidad and Tobago International Finance Centre hosted a training seminar on SMEs Guarantee Support Systems. (The report for this seminar will be provided during the XXVII SCT Meeting.)

- Caribbean Export Development Agency

The Association of Caribbean States (ACS) through the Directorates of Trade Development and External Economic Relations, and Sustainable Tourism on 17th May 2012 held meetings with representatives from Caribbean Export Development Agency (Caribbean Export) to discuss areas for collaboration and partnership between both organizations.

CONCLUSION

The Directorate of Trade Development and External Economic Relations wishes to convey its gratitude to the Republic of Haiti, for its leadership thus far in the Special Committee on Trade, the Trade Directorate also thanks all members states and associate members for your cooperation and support.

The Trade Directorate is fully committed to the consolidation of an enhanced economic space for trade and investment within the Greater Caribbean. As such, the Directorate continues to work in the interest of member states and associate members for the realization of projects and activities which will further strengthen external economic relations, and redound great benefits for our Greater Caribbean Region.

We believe that in order to help create an enhanced economic space, it is necessary to continue promoting the participation of the business community; the importance of transport in developing trade ties; offering incentives and deepening intra-regional trade among ACS member countries. It is vital to create trade support mechanisms aimed at enhancing the strategic position of private enterprise, as well as a suitable mechanism for the exchange of information among the members of the Association in the different countries belonging to the Greater Caribbean with the intent of improving their ability to penetrate the various regional markets.

The opportunities ahead are numerous, let us take hold of them, and continue to build the trade and investment environment within the Greater Caribbean Region.