**THE EXPANSION OF THE PANAMA CANAL AND THE CHALLENGE FOR THE CARIBBEAN**




THE CARIBBEAN REGION IS THE MOST IMPORTANT FOR WORLD TRADE. THE INCREASE IN CARGO VOLUMES THAT IS EXPECTED AFTER THE EXPANSION OF THE PANAMA CANAL, REPRESENTS A REAL POSSIBILITY FOR CAPTURING A GREATER PART OF THE MARKET

There is not a single place in the Caribbean where the main topic at the moment is not the expansion of the Panama Canal. That is to say, the remarkable work of engineering that is the construction of the third set of locks. In Trinidad and Tobago, several symposiums and conferences have been held on its significance and impact on the future wellbeing of the region.

But, why is it so important for the people of the Greater Caribbean? For the same reasons, it could be said, to some extent, as a century ago when it was built: it was a formidable tool for expanding world trade and it transformed the Caribbean into a strategic place in the global economy. It must be added, that this time around, the Caribbean Region is more aware of what is to come, is better prepared and has a greater capacity of autonomy to carve out its own future.

However, it would be interesting to know whether the average Caribbean person knows the role that the Panama Canal has played in our history? A brief reflection is necessary at this juncture in order to create a better understanding of the degree of transformation that can result from the opening of the new locks. Firstly, it must be understood that during the first four centuries of our history, everything reached us after navigating the waters of the Caribbean. It was our natural highway: food, work tools, human beings, books and ideas, they all made that journey across those seas. In reality, this changed over the last century, when new global arrangements and the development of aviation brought about a radical change in the old routes that had dominated communication and trade among the peoples of the world.

In the early centuries, Panama was already established as the great intersection point: since the

famous Fair of the Galleons (Feria de los Galeones) during the 16th and 17th centuries, this small portion of elongated land that served as the hinge for uniting the peoples that inhabited the two seas, had been a pivotal factor in our progress. The dream of possibly connecting the Atlantic with the Pacific began during the early years of the colonisation.

Today, with the expansion of the Panama Canal, we are about to witness a new and profound trade revolution in the Caribbean. Based on all analyses, the changes will be extreme and will have an extraordinary impact on Caribbean societies. The new locks will yield several results: trade in the region will grow with tremendous dynamism, driven above all, by the new cargo capacity of up to 18,000 containers of the Post-Panamax mega ships, which have more than double the capacity of those currently on the route. Pacific-Atlantic trade will reach unprecedented proportions: it will increase by more than 50 percent within the next ten years, in addition to which, all its ports will benefit from a higher concentration of goods, the reduction of costs and faster circulation. The better prepared ports will assume the leadership and they will also infuse greater dynamism into the lighter traffic of the feeders, which cover the minor intraregional routes.

In container trade, the Caribbean has three ports among the 100 that move a sizeable volume of cargo in the World. It is small when compared with the Asian, European and North American ports, but it is a significant figure with respect to the rest of Central and South America. Cartagena is the best ranked, in position 68, and on six occasions over the last eight years, it has been named the best Caribbean port by the Caribbean Shipping Association.

## THE GREAT LEAP FORWARD

I am of the impression that many people are beginning to understand what will be at play in the Caribbean in the coming years, and the strategic role of our ports in the challenges of the contemporary world. I believe that one of our strengths will be development, in terms of adjusting services and logistical platforms, and also our capacity to support and absorb the enormous increase that is anticipated in the mobilisation of containers as a result of the rise in both foreign trade and trade flows in the hemisphere. This capacity to receive the Post-Panamax vessels will afford the peoples of the Caribbean magnificent developments in terms of higher volume of trade and greater economic prosperity.

The Association of Caribbean States has among its primary objectives, co-operation among the countries of the region so as to strengthen and increase transport and trade. It is necessary to move forward toward building a maritime strategy for the Caribbean as a whole, which would enjoy maximum benefits from the expansion of the Panama Canal. In the coming days, and with the support of the French Development Agency, we will assemble experts to work on formulating said strategy. The governments of the Greater Caribbean must work together to strengthen their ports for the great leap forward, that is to say, the opening of the Canal’s third lock, whose execution is just around the corner.

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