

OPENING REMARKS BY SEN. THE HON. MAXINE MCCLEAN,
MINISTER OF FOREIGN AFFAIRS AND FOREIGN TRADE ON
THE OCCASION OF THE OPENING OF THE BUSINESS
DIALOGUE “TRADE AGREEMENTS 101”

Madam Chair, Dr. Natasha ward,

Mr. Carl Greenidge, Deputy Senior Director, OTN

Officials of the Barbados Private Sector Trade Team

Officials of the CARICOM Office of Trade Negotiations

Participants

Specially Invited Guests

Members of the Media

Ladies and Gentlemen

I welcome the opportunity to participate in the official opening of your Business Dialogue. I wish to express my appreciation to the organisers for inviting me to address you. Let me also congratulate the Private Sector Trade Team, the Office of Trade Negotiations in the CARICOM Secretariat, and the Inter-American Development Bank for agreeing to organise and facilitate this Dialogue.

Your Workshop is a timely one. The members of CARICOM are currently involved in negotiations with Canada for an enhanced trade and economic relationship. At the same time we continue to play an active role in the Doha Round of Multilateral Trade Negotiations which is being conducted under the aegis of the World Trade Organization (WTO). In addition we are also actively involved in the process of implementing the Economic Partnership Agreement which we negotiated with the European Union.

Given all of these developments and, the associated challenges, this dialogue is indeed a welcomed activity. I would hope that, at the opportune time in the future, a more advanced workshop could be facilitated as well.

It is my intention today to give my perspective on *the **Government's Role in Maximising Benefits from Trade Negotiations***. I see this topic from two perspectives:

- First within the context of how we seek to derive maximum benefits from trade negotiations and,

- Secondly how we go about exploiting the benefits from these negotiated trade agreements.

I therefore will examine briefly both aspects of trade agreements. I wish to state upfront that we in Barbados recognise the invaluable role which business plays in the economic development process of the country. That role cannot be assumed by the Government. Indeed, it is not the intention of the Government of Barbados to seek to do so. The business sector is involved in international trading activities, and is indeed the primary beneficiary of such trade.

Of course, Governments in this region greatly depend on this sector to earn valuable foreign exchange. The business sector is responsible for forging critical commercial and business linkages with other business entities the world over. Individually and collectively entities in the commercial sectors are responsible for the export of goods and services which we produce for the international market.

I believe that all governments in the Caribbean recognise the important role that businesses play in their respective economies.

Such recognition leads governments – and certainly the Government of Barbados – to seek to provide that enabling environment in which businesses can successfully operate.

It is therefore the role of governments to provide the necessary domestic incentives for businesses and to seek to negotiate the best terms and conditions for market access for the goods and services which these businesses produce for export. International trade negotiations thus become a major part of Governments' activity in both developed and developing countries. In fact I categorically state that the trade and economic interests of a country are what largely constitute or shape the foreign policy of a country.

The countries of the Caribbean, therefore, must involve themselves in trade negotiations at all levels, bilateral, regional and multilateral. In these deliberations, negotiators must ensure that the national interests of the in country are fully projected, articulated and defended. They must also recognize that negotiations are typically difficult, given their complexity. As part of this process, Government must negotiate the best conditions under which trade will take place.

We in the Caribbean are painfully aware that there is no level playing field with respect to global trade. The rules that are designed to govern such are illustrative of this reality. It is in this context that our countries, at all times, are forced to bring to the negotiating table, the special and peculiar circumstances that we face as small, open, and vulnerable economies, which are also characterised by very narrow resource bases. We must at all times seek to ensure that the international trade rules which the World Trade Organisation, (WTO) crafts are not detrimental to our trade and economic interests. We have to ensure that we are not marginalised by the seemingly irreversible processes of trade liberalization and globalization.

As a member of the WTO, Barbados, like all CARICOM countries, fully subscribes to the principle of special and differential treatment for developing countries. But we do not consider that this is enough, as this status applies to a very long list of such countries. We strongly believe that there is a further case to be made for countries like ours – small vulnerable economies. It is in this context that we have been working actively in the grouping which is labelled the Group of Small Vulnerable Economies (SVEs).

Together with other like-minded countries, we have worked hard to bring to the attention of the rest of the WTO membership our special characteristics and plight. This has been done in an effort to gain their understanding and recognition of the need for special treatment in the Organization and all multilateral trade negotiations, including the current Doha Round.

We have begun to achieve some success in this area. A number of special provisions for small economies have been taken into consideration in the various draft documents on which agreement is very slowly being reached in the current multilateral negotiations within the WTO.

We are acutely aware that, while we are achieving some success, there are a number of challenges ahead. Even though it is unlikely that our progress to date will be reversed, we are ever mindful that in these negotiations, nothing is agreed until everything is agreed. Our efforts will therefore continue.

As a founding member of the WTO, it has been our experience that it is more advantageous to be in a position to help to influence the rules to which we will have to be bound than to be on the outside looking in. This is so especially in those areas which are of particular importance to us, for example in the trade of manufactured and agricultural goods, as well as services. Like all countries, both developed and developing, we seek to gain freer trade in those areas where we consider that we are competitive while protecting our vulnerable sectors.

In the regional context, you are aware that Barbados does not negotiate trading arrangements on its own, but rather as part of CARICOM or CARIFORUM. In October 2008, CARIFORUM, which is comprised of CARICOM and the Dominican Republic, signed an Economic Partnership Agreement with the European Community. This promises much in the realm of trade development and technical and financial assistance. Of course it is the private sector that must make these promises a reality.

The region recognised that we were negotiating with a group of developed countries whose share of world trade is far greater than that of the Caribbean. We knew our strengths and weaknesses. We spared no effort in ensuring that our negotiating partners clearly understood that special and differential treatment for our countries was necessary and that it had to be enshrined in any agreement that we concluded with them. We also made it abundantly clear that in order for the Caribbean to meaningfully benefit from the agreement to be negotiated, there must be clearly enunciated provisions that speak to assisting the region in developing a sustained capacity to exploit the benefits which the Agreement would seek to provide.

Of course, we in the Caribbean clearly recognise that the building of the requisite national and regional capacity to benefit from the arrangement with Europe, or for that matter, with any other country with which we may negotiate a trade agreement, is our own responsibility. We cannot afford to avoid it.

The Government of Barbados sees itself as having a major role to play in guiding this process. In this regard, we will seek to provide

the necessary incentives and assistance to our manufacturers of both goods and services to permit them to become competitive both at home and abroad. We will continue to encourage and promote the adoption of and strict adherence to, proper national and regional standards. We also will continue to encourage our businesses to observe internationally recognised standards both in production and the importation and distribution of goods and services.

Through our EPA Implementation Unit which we have recently established, and other existing national institutions, the Government will seek to provide the necessary services and assistance to our manufacturers so that they can exploit the benefits under the various trade and economic agreements to which Barbados is a party.

It is also essential that Government continues to take the lead in educating our business community and the public at large concerning the provisions of the various agreements which we have negotiated on their behalf. This will take various forms, including seminars, workshops and timely publications.

The Government also will continue to pursue the strategy of consultations with all stakeholders, including the Trade Unions, with a view to ensuring that all are on board in this national effort to obtain the best for Barbados in the area of international trade agreements.

I believe that this effort is not confined to Barbados, but is reflected in the strategies which our countries in the Caribbean pursue. We have no choice but to be proactive in a world of unequals; in a world where only the fittest will survive. It is a task from which we cannot afford to retreat. Let us therefore keep our hands firmly on the throttle and our eyes focused on the goal ahead.

If I might comment on a concern raised by Dr, Ward in her opening remarks, she expressed concern about the inability of stakeholders to convert signed trade agreements from market access to market penetration. As you no doubt know, the Ministry of foreign affairs and Foreign trade is centrally involved in the negotiation of such agreements. My assessment on assuming the portfolio of Foreign Affairs and Foreign trade was that there is a “vacuum” which seems to develop between the negotiation and implementation stages. I have therefore requested a comprehensive report of the status of all

previously signed trade agreements. It is my intention to use this data to inform a new approach to the process of converting agreements to actual business or in the words of Dr. Ward, “market penetration”. It is envisaged that ownership of this process of facilitating conversion will be shared by clearly identified parties from both the public and more importantly the private sector. More will be said on this on another occasion.

Ladies and Gentlemen, I wish you a productive session.

Thank you.