

**ADDRESS PRESENTED ON THE
OCCASION OF THE NINTH ANNUAL
DEVELOPMENT CONFERENCE
HOSTED BY THE EASTERN
CARIBBEAN CENTRAL BANK**

Presented by
Hon. Dr. Denzil Douglas
Prime Minister

*Sir Cecil Jacobs Auditorium
ECCB // December 1, 2005*

Thank you Ambassador Lawrence, Deputy Prime Minister Hon Sam Condor, distinguished minister of government, Sir Dwight Venner Governor of the Eastern Caribbean Central Bank, distinguished officials of the bank at the head table, permanent secretaries, delegates and ministers.

I wish, first of all, to add my words of welcome to all participants and facilitators of the Ninth Annual Development Conference, and to express on your behalf our thanks to the ECCB for its role in making this event possible.

As is usual, I extend special welcome to our overseas participants, and take this opportunity to alert you of and invite you to our coming Carnival - December 26 to January 3rd of next year. It is going to be an experience of your life.

May I begin to challenge your thoughts today by referring to a comment that was made by one called C.P. Snow. He says: 'The sense of the future is behind all good policies. Unless we have it, we can give nothing either wise or decent to the world.'

For the most part the future circumstances of our Caribbean nations drive our thoughts and our actions in various ways, and this Conference is indicative of the serious attention we pay to the future well being of our Caribbean people.

The theme of this Conference is “Trade, Integration and Competitiveness: The Policy Agenda of the 21st Century.” This theme reflects this aspect of our work, and speaks pointedly to the long-term focus we must have as we face each challenge that comes before us as a people. Indeed, the winds of change have always blown across the Caribbean, bringing with them new challenges that have reshaped our economic, social and political landscapes. Today, those challenges are collectively referred to as globalisation and trade liberalisation, and international geo-political disturbances have also stamped their own presence in the Caribbean environment.

As small developing countries, we do face a substantial struggle to maintain and build upon the socio-economic gains that we have made. Global circumstances are determined to test our resolve as a region to turn the present aspirations of our people into reality. But I am confident in saying to you that this region’s traditions in political and socio-economic leadership remain strong and focused, and it is such strength, supported by the masses of the region that shall serve to empower each of us to face the challenges with confidence.

We are here this morning, therefore together, as a part of this process of empowering the region to secure our future as we ride the waves of globalisation. From my vantage point, I perceive that the future of the Caribbean lies in its ability to effectively integrate in such manner as to effect workable strategies that inform our own trade policies and overall development strategies in an increasingly competitive world. The issue for us, ultimately, is one about sustainable development especially in recognition of our size and limitations in natural resources. Issues of market size, capacity weaknesses, shortcomings in institutional structures and systems and our own productivity problems all play a role in shaping our new agenda.

Certainly, the Caribbean Single Market and Economy (CSME) has been our most advanced mechanism to date that could further assist Caribbean companies to become more internationally competitive, by providing a base environment in regard to standards, efficiencies and productivity. It would seem to me that the development of Caribbean companies as competitive entities, even within the region itself, necessitates some essential elements.

Firstly, we believe that there is the essential element of establishing of standards across the board. Secondly, there is the effective use of human resources by way of free movement of labour. Thirdly, the element of consistent training of human resources and fourthly, attention to energy usage and energy conservation. Fifthly, the element of the free movement of capital, as well as availability of competitive financing. Sixthly, the enhancement of leadership and appropriate management teams, and seventhly, the improved, regular and meaningful collaboration between the Public Sector and the Private Sector, commonly known as the engine of growth.

At the same time, critical attention has to be placed upon addressing the human resource constraints and our human resource needs.

For many of us here in the Caribbean, our Ministries of Trade are not in a position to engage significantly in trade negotiations, nor the implementation of trade agreements and commitments. The small Ministries simply cannot cope with such large demands. Further, there is the issue of having the relevant professional skills available to deal with many of the technical aspects of trade negotiations, and also, the lack of research data upon which decisions could be based. Certainly, such circumstances have implications for our own ability to develop highly functional and efficient trade institutions within the Public Sector. What is evident, also, is the acute need to enhance inter-ministerial coordination in all areas that facilitate trade and business activities – telecommunications, transportation, insurance, ports services and sector regulators.

Part of the response to such a scenario has been the establishment of the Regional Negotiating Machinery (RNM) that has served to develop a coordinated regional response in global trade negotiations. So far, the system has served us well, vis-à-vis our own common front, but the fact remains that there exists significant structural weaknesses, throughout the Caribbean, that support the presence of the RNM.

These deficiencies will have to be addressed, sooner rather than later, as it is expected that the challenges of international trade negotiations will become even more demanding, and it is imperative that the region protects its own interest. Certainly, negotiations with the World Trade Organization (WTO) are not easy and will not be easy in the future. Our Trade Negotiators are planning within the next few weeks to be involved in the Hong Kong Ministerial discussions of the Global Development Agenda on Global Multilateral Trade sponsored by the WTO. Yes, our own negotiators recognise our own inability to reverse the trend of trade liberalisation characterized by loss of preferences, open markets, the removal of quotas, the removal of subsidies especially in agriculture from the developed markets, but what about our own stated position that there must be fairness in terms of appropriate transitional support for those countries, especially the small developing countries that are becoming increasingly marginalised by international trade. This morning we must maintain our view, that development must be placed at the core of any trade arrangement, and we shall resist attempts to marginalise the quest for differential treatment of small developing states.

Indeed, the discussions in Hong Kong will proceed based particularly on two basic and implicit underlying assumptions.

First, that wealthy nations can materially shape development in the world and secondly, that the efforts to do so should consist largely of providing resources for training opportunities for poor countries.

I believe that I can say this morning in support of an article that I read in the July/August edition of Foreign Affairs, I believe that the assumptions that I have just mentioned will draw key lessons over the last four decades; and the lessons are that development is something largely determined by poor countries themselves and outsiders can play only a limited role in determining our development.

Today, Developing Countries are aware of this, but I am afraid that the Developing World continue to forget this very important fact. And that is why as we move our negotiators into Hong Kong over the next weeks, it becomes increasingly difficult for them because they are stacked against the odds of those who believe they understand better than us what our own development agenda should be in this region.

As I indicated earlier, the CSME now provides the basis for the region's business to begin looking outwards in a more substantial manner. The legislative and legal frameworks have been established to make the prospects of intra and extra-regional trade even more workable. While there have been mixed reactions to the establishment of the Caribbean Court of Justice, this institution is absolutely necessary, if we are to forge ahead with the CSME to any meaningful extent. Obviously, this kind of integration still has to account for the need for differential treatment, which in my view applies within the region as it does externally to the region. Finding the right mix, therefore, is an important challenge, and it is one that needs to be addressed expeditiously.

I am very pleased that within the next seven days, the Heads of Government of the Caribbean will be meeting in Jamaica to establish what will be known as the Development Fund which will provide the necessary support for countries, sectors and companies, that may become disadvantaged within the context of Chapter Seven of the Revised Treaty of Chaguaramas.

For most Caribbean countries the great challenge in stimulating economic growth and competitiveness of our industries and service providers is the parallel reduction in tariffs which for some time have been key sources of revenue for the Caribbean Governments. The expected loss of revenue from import duties would have to be addressed elsewhere in the economies.

In St. Kitts and Nevis, my Government has taken the very strong strategic decision to strengthen our trade in services regime. This move is particularly important given our recent closure of our sugar industry. Diversification has become critical for the survival of the economy, and outside of tourism, we are developing financial services, and placing increasing attention to information and telecommunications technology and research and development. It could only be assumed that each Caribbean nation will be endeavouring to strengthen domestic gains through the emerging CSME.

When all factors are taken into consideration, one can only conclude that the way forward for countries of the Caribbean lies in the effectiveness of our own integration, the efficiencies and relevance of our own regional institutions, upon increased access to tertiary level education, greater exposure to specialised training, the effective implementation and operation of CSME.

It is confirmed, therefore, that our own future agenda will indeed be shaped by our own desire to economically strive within a globalised economy.

Ladies and gentlemen, in closing I say to you that our only course of action is to work much more diligently to ensure that our gains are not eroded. It is for this reason that we are here – that our contribution at this forum contributes to the collective wisdom of the region in forging a path forward towards sustainable prosperity.

Finally, I again welcome you and wish you a very pleasant and successful Conference.

I thank you.