

**ADDRESS BY  
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PRIME MINISTER OF JAMAICA  
AT THE LAUNCH OF NEGOTIATIONS FOR THE CARIBBEAN/EU ECONOMIC  
PARTNERSHIP AGREEMENT  
AT  
THE JAMAICA CONFERENCE CENTRE, KINGSTON  
FRIDAY, 16 APRIL 2004**

- Mr. Chairman
- Secretaries General
- Commissioners
- Honourable Ministers
- Excellencies, Members of the Diplomatic Corps and International Organisations
- Distinguished Guests
- Ladies and Gentlemen

It is a historic privilege to address so distinguished an audience this morning as we enter this new phase of negotiations in the longstanding and highly valued relationship between the Caribbean Region and the European Union.

May I also take this opportunity to join in extending a warm Jamaican welcome to the European Commissioners, Representatives of the EU and ACP Group who hail from outside the Region, who have traveled to the Caribbean for this Launch.

On an occasion such as this, it is difficult to resist the temptation for nostalgia – having been personally engaged from the start in the negotiations between our two groups, which led to the eventual signature of the first Lomé Convention.

Indeed it was here in Kingston that we made the historic breakthrough in 1974 which resulted in one of the most enduring models of North-South cooperation based on partnership and collective solidarity. In those pioneering days, we negotiated as a single bloc. That constituted our greatest strength. Although we are now obliged to negotiate separate EPAs, we must preserve ACP solidarity beyond these encounters.

There is no doubt that the four Lomé Conventions have brought tangible benefits to ACP countries in general, and to the Caribbean region in particular.

Sugar, Banana, Rice and Rum exports from the region to the EU account for a large portion of the Region's export earnings annually. These sectors have also contributed tremendously to employment, both directly and indirectly. Our agricultural sector and rural communities rely heavily on these industries for their livelihood. We have also

benefited from comprehensive aid packages which provide financial assistance by way of projects and Budget support under the National Indicative Programme (NIP) and the Caribbean Regional Indicative Programme (CRIP).

At the same time, we must acknowledge that the contribution of the Lomé Conventions as vehicles for stimulating growth and development and boosting new exports have not completely met our earlier expectations. Admittedly, preferences may have contributed to the commercial success of some countries, but the overall share of ACP countries' exports to the markets of the European Union has fallen. Where there were successes, the use of preferences was limited to some sectors and few countries.

The Lomé Conventions have not proven adequate to assist ACP countries in meeting the new challenges of globalization and the more intense competition in an open world market. Indeed, there is some disappointment at the lack of a deep transformative effect that was envisaged from this unique instrument.

It is clear, however, that the Lomé Conventions between the EU and the ACP countries have been an enduring element of global development cooperation, a model for developed-developing country partnership that has stood the test of time. All its promises may not have been fulfilled but it has been a Partnership that has survived for nearly 30 years.

The relationship has faced its share of challenges, precipitated at times by outside forces. The strengthening of global trade rules, through the establishment of the World Trade Organization (WTO) and adherence to the principle of non-discrimination has led to a growing resistance to the continuation of non-reciprocal preferences to the ACP Group by the European Union.

The WTO ruling on bananas is one such example, exposing the agricultural economies of very small islands and their farmers in the Caribbean so as to favour unlimited access for large transnational producers. The same is true of the current challenge in the WTO against the EC's sugar regime which threatens to erode the benefits derived by the Region from another very important commodity.

Four (4) years ago, a new twenty-year Partnership Agreement was signed in Cotonou, Benin. The Cotonou Agreement was concluded after lengthy negotiations. From Lomé to Cotonou reflects more than a change of name.

The new Agreement is designed to address the inadequacies of the Lomé Conventions through the inclusion of a wide range of innovative provisions for expanded cooperation, political dialogue and in the areas of trade and economic cooperation, including direct assistance to the productive sectors. It was also agreed that new WTO compatible arrangements governing trade between the ACP Group and the EU would be put in place by 2008.

So today's launch represents the enhancement of our longstanding friendship, political cooperation, shared history and economic partnership. This renewal is intended to consolidate an enduring economic relationship as we embark on a new dimension of our interaction, embracing the full range of economic activities and trans-border transactions.

The mutually agreed goals and principles, which will guide the design of this new phase of our partnership, recognize the fundamental differences in size, economic structure and level of development. They also envision an expanded trade regime that promotes sustainable economic development in the CARIFORUM region.

Such a trade-driven development strategy will enable the small developing economies of the region to successfully mediate the encounter with globalisation in a manner that enhances their productive capacity. Simultaneously, these economies will continue their proactive approach to structural transformation, which will re-orient them towards involvement in the most rapidly growing sectors of the global economy.

The launch of negotiations for EPA takes place in the current global geopolitical context, characterized by social turmoil, ethnic conflict, virulent terrorism and disrupted multilateralism. These conditions, among other factors, have contributed to the breakdown of negotiations in the multilateral trading system, most notably the WTO ministerial in Cancun last September.

Despite the many efforts, including those by our European partners, the prospect for a successful conclusion of the Doha Development Agenda remains uncertain, given entrenched positions on a range of substantive matters. Despite reiterated commitments to break the deadlock, a re-launch of negotiations has so far eluded WTO members.

The EPA, which will be the outcome of negotiations between now and 2007, will blend elements of continuity and elements of change. The continuation of special and differential treatment, including preferential marketing arrangements, must be the basis which provides stability and brings vitality that will facilitate a diversification of exports, production structures and institutional reform. Change must embrace dynamic sectors in which the region has a demonstrated comparative advantage and induce the volumes and character of private foreign investment that will complement natural endowments, human resources, inventive entrepreneurship and unique creativity.

Our deliberations involve two of the longest continuously operating integration movements – the European and CARICOM. Both partners therefore understand that the foundation for external relations must be the internal process of integration.

This tenet of our philosophical approach to economic integration and functional cooperation is fully recognized by the emphasis in the Cotonou Agreement on strengthening the integration process in the CARIFORUM Region.

The CARICOM Single Market and Economy (CSME) is scheduled for completion in 2005 and will contribute to the region's preparation for the new relationship, which will be engendered by the implementation of the CARIFORUM-EU EPA. The CSME has an integral role as the platform for negotiating positions in external trade agreements and is an essential preparatory experience for firms and entrepreneurs in the region.

The CARIFORUM countries will continue to pursue positions which are consistent and coherent across negotiating arenas. We will not be pressured or induced into agreeing to positions in the WTO or the FTAA which are not consistent with the principles that inform our negotiations with the European Union.

The Caribbean is therefore approaching these negotiations focused on the

opportunities that this new arrangement will be able to provide in support of sustainable economic development and poverty alleviation.

The Lomé Conventions broke new ground in establishing structured development-oriented agreements between developing and developed countries. Any new economic partnership agreements must seek to establish asymmetrical trade arrangements which recognize the differences in development and size of economies.

The Region will therefore be seeking to obtain provisions that recognize the special situation of our small economies and their peculiar trade and development needs. It will involve issues such as specific provisions for special treatment of sensitive products and sectors, and for accelerated implementation of free access for CARICOM's exports of services into Europe. The results of the negotiations should provide time to allow the countries of the Caribbean to take advantage of the enlarged markets promised by the economic partnership agreement.

In the past, our encounters have provided a platform for political and economic deliberations. Let us resolve to create a framework which will permit a much broader and multifaceted interaction among our peoples. Our respective private sectors have now to be brought on centre stage. In an increasingly market-driven global economy it is the private sector which must be the engine of growth. Of equally importance, we must involve our workforce, the producers of the goods and services, as active participants in the partnership which we seek.

Let us also remember that cultural interaction is of primary importance if people of our respective countries are to develop closer bonds of friendship and understanding. This must be emphasised in light of the addition to the European Community of new member countries with little or no historical ties to the Region. I urge that in your future deliberations you seek to establish a framework by which we can introduce this new dimension of people to people contact as an integral part of the objectives of the ACP - EC partnership.

We are embarking on a challenging process. In re-defining our relationship, we build on a foundation of shared values and aspirations and a tradition of partnership. It is this tradition which will allow us to confront these negotiations with confidence and with the conviction that we can craft a mutually beneficial future.

The world today is entirely different from that which existed when we first came together three decades ago. The challenges were no less daunting then, but we overcame them. As we launch these negotiations, let us resolve to overcome the challenges of today's

world. I am confident that we are equal to the task.