

Association of Caribbean States (ACS)

Seminar – Workshop

The Greater Caribbean in International Trade Negotiations Port of Spain, Trinidad and Tobago, July 14-15, 2003

**Remarks by
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During the past two decades most countries throughout the world, including those of Latin American and the Caribbean, have undergone a gradual process of trade liberalisation. Most countries are now members of the World Trade Organisation and as a result have announced their adherence, with different levels of commitment, to the discipline of multilateral rules. At the same time they have embarked on a gamut of trade negotiations involving bilateral or regional and sub-regional agreements.

This shift in countries' policy orientation has been one of the elements that jointly with income growth, technological change and cheaper transport costs have fostered the growth of trade. From a historical perspective, between 1950 and 2001, the volume of world merchandise exports increased at an average of 6.3% while output expanded at a rate of 3.8%. The main implication is that trade, measured by export volume growth, represents an increasingly higher share of world output. This trend is likely to continue in the future in spite of the projected slowdown in world growth and the rises in insurance and shipping costs that occurred in some part of the world as a result of the September 11th events.

The international trade negotiating agenda under GATT auspices went through several rounds and culminated in the Uruguay Round (1986-1994), which centred on trade liberalisation as an encompassing umbrella poised to include most economic sectors and productive activities. The Uruguay Round added agriculture and services to the negotiating agenda. The categories of trade commitments by developed and developing countries included market access, domestic support, and export competition.

While the Uruguay Round can be said to have restored 'reciprocity' as the key principle in trade negotiations, the differences between developed and developing countries were recognised and materialised in general terms in lower level of commitments and more flexibility allowed for their implementation by the latter. Indeed, it can be said that the negotiations of the Uruguay Round were guided by the motto "flexibility within reciprocity."

The Doha Ministerial Conference (November 2001), which marked the start of a new negotiating round, pursued also trade liberalisation. In addition, it sought to establish rules in areas not previously covered by WTO provisions and brought to the attention of policy makers the necessity to implement institutional reforms giving more transparency to the WTO decision making process. However, the Doha Ministerial focused on different problems and issues than those addressed in the Uruguay Round and in particular centered on the concerns of emerging economies. In this sense the Doha Ministerial has paved the way for what may turn out to be the WTO 'Development Round.' The definitive orientation will be delineated at the upcoming Cancun Ministerial, which will further develop the Doha Mandate.

Thus far some of the more relevant topics such as agriculture and special and differential treatment are still in need of clear and defined modalities and resolutions. The recent proposal to suppress the link between subsidies and production may redress part of the imbalances contained in some of the WTO provisions.

The Seminar-Workshop hosted by the Association of Caribbean States (14-15 July, 2003) provides a unique opportunity for member states, international organisations representatives, trade specialists and trade practitioners to discuss and analyse some of the key issues which may form part of the core negotiating agenda of the coming years.

In particular the seminar focuses on subjects, such as special and differential treatment, the treatment of asymmetries, the regional co-operation fund, the measurement of trade competitiveness that are of crucial importance to the smaller developing states members of the ACS, which are in a more vulnerable negotiating position.

The work of ECLAC on these issues follows three lines of research. The first centres on the analysis of the legal provisions relating to the above-mentioned issues and on interpreting their evolution over time. The second one is based on empirical estimations and analyses of trade flows. The third one focuses on the development of computerised software programs for the analysis of trade flows. The objective is to provide a practical tool for countries and institutions.

ECLAC's work is by no means definitive. It shows however that trade liberalisation and globalisation have are marked by a series of trade-offs, by successes and at the same time failures, by 'shadows and lights.' Trade-offs imply benefits but also losses, winners and inevitably losers. The challenge of trade policy and trade practitioners is to be able to devise trade agreements and arrangements that balance out these opposite effects and indeed to provide mechanisms that avoid excessive gains and losses when there are changes in economic policy and economic rules.

The ties and collaboration between ECLAC and the ACS of which this seminar is an example are and will remain strong. ECLAC is committed to working with the ACS Secretariat in joint upcoming activities, which seek ultimately the betterment of all its member states.