

Regional Dialogue on
**Promoting Services Development and Trade
in Latin America and the Caribbean**

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Emerging trends regarding trade and
cooperation initiatives in the
CARICOM region

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CARIBBEAN COMMUNITY (CARICOM)

**EMERGING TRENDS REGARDING
TRADE AND COOPERATION
INITIATIVES IN THE CARICOM REGION**

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ECLAC-UNCTAD WORKSHOP -12-13 NOVEMBER 2013

WHAT IS CARICOM?

**THE OLDEST INTEGRATION GROUPING
AMONG DEVELOPING STATES;**

**CONSISTS OF 13 SMALL ISLAND STATES
AND 2 COUNTRIES OF SOUTH
AMERICA;**

**12 HAVE FORMED A SINGLE MARKET
AND ECONOMY**

The Caribbean



KEY FACTS:

1. MEMBERSHIP:

CSME – TWELVE MEMBER STATES: Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago.

COMMUNITY – CSME PLUS The Bahamas, Haiti, Montserrat.

Haiti – is a member of the CSME but legal and administrative arrangements not yet completed to fully participate.

2. ECONOMIC INDICATORS

Economies are Services-Based

- i. GDP – Total Annual GDP (2005-2011) US\$36.3 billion**
- ii. Services Output (2005-2011) US\$23.6 billion ; 67% of total GDP**
- iii. Total Employment (2001) – 2.4 million; 1.4 million employed in Services**
- iv. Trade – Members enjoyed surplus of US\$2.43 billion between 2008 and 2010; Fell to US\$1.3 billion in 2011**
- v. Fuelled by contractions in deficits on Transportation and Other Business Services.**

3. SOCIAL INDICATORS

Population– Approximately 16 million;

Literacy rate – No firm Community statistic, but Member States report rates > 90%

Life Expectancy at birth (males and females) – 73.9 years [Source Caribbean Commission on Health and Development III 2006]

TREATY FRAMEWORK

Article 6 - Objectives

**Chapter Three (Articles 30- 50) -
Establishment, Services , Capital, Movement
of Community Nationals;**

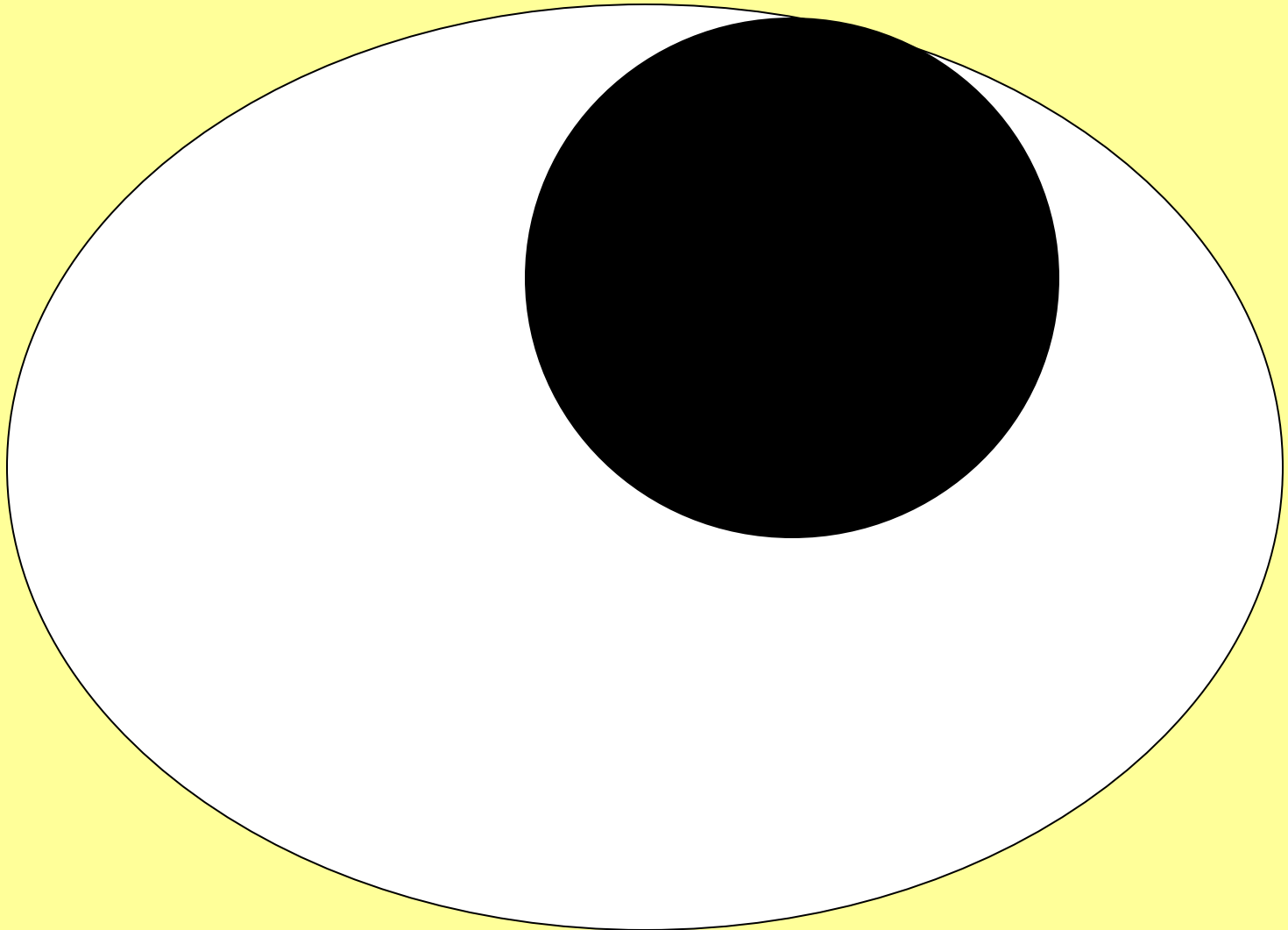
**Article 54 – Development of the Services
Sector;**

**Article 55 – Sustainable Tourism
Development;**

Chapter Six – Transport Policy

APPROACH

- **Negative List**



Challenges to Services Sector Development

- . Varying Stages of development**
- . Scarcity of resources – human, financial, managerial, appropriate technical**
- . Absence of harmonised policies, plans and strategies**
- . Intensity of Globalisation and Trade Liberalisation**

Challenges to Services Sector Development

Cont'd

- **Geographical Scatter and related pull from nearby trading blocks.**
- **Lack of reliable and affordable means of transport**
 - **Inadequately developed financial instruments**

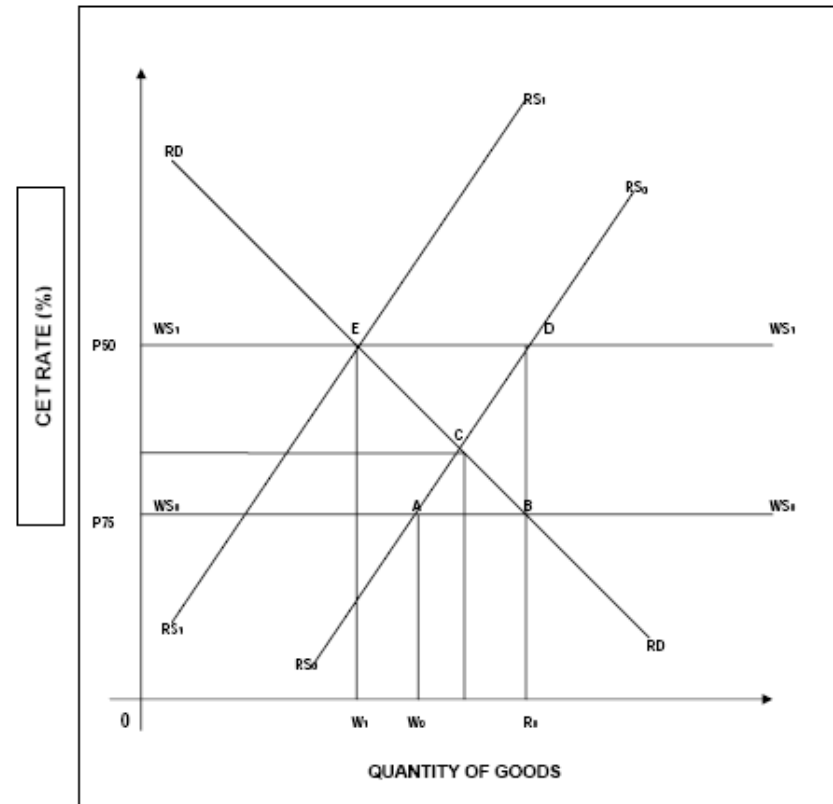
- **EFFORTS TAKEN TO OVERCOME CHALLENGES**

- **Quicken Pace of Regional Integration**

Expand Network of FTAs

WHY TRADE?

The role of common external tariff



- a - imports
- \overrightarrow{ab} - sales by regional firms
- c - regional sales
- \overrightarrow{cd} - regional exports
- \bar{X} - 17.5%

**TO SURVIVE IN A
RAPIDLY
GLOBALISING
WORLD!**

**TO MAINTAIN
STANDARD OF LIVING!**

TRADE INITIATIVES

- **THE GATS : TOO BROAD, WILL NOT BRING SPECIFIC BENEFITS IN ITS CURRENT FORM**
- **BI-LATERALS**
 - **CARICOM-EU EPA : BEING IMPLEMENTED**
 - **CARICOM-CANADA : BEING NEGOTIATED**

TRADE INITIATIVES WITH LA

- FOR ALL LATIN AMERICAN COUNTRIES – THE GATS**
- CARICOM – COLUMBIA: PSA WITH TiS COMPONENT**
- CARICOM – COSTA RICA: PSA, NO TiS COMPONENT**
- CARICOM – GUATEMALA : T&T ONLY WITH TiS
PROVISION**
- CARICOM – MEXICO: PARTIES EXPLORING TiSA**
- CARICOM-VENEZUELA: NO TiSA BEYOND GATS**

TRADE BY MODES OF SUPPLY

MODE 1: Very Difficult to Monitor

MODE 2: Travel and Tourism as a Proxy (Most Preferred)

MODE 3: Company Registrations and Returns

MODE 4: Travel and Tourism, Work Permits (Most Preferred)

REGIONAL PUBLIC GOODS

- **Air and Maritime Transportation**
- **Financial Services**
- **Statistical Infrastructure**

- **Increased Dialogue and Cooperation among Regional Integration Secretariats.**



SUMMARY

- **SMALL STATES OF CARICOM WILL NEED SPECIAL FACILITATE IF THEY ARE TO SURVIVE IN THE GLOBAL MARKET!!!!!!**

THANK YOU!