



MARCH, 2006

TRADE WATCH,

TABLE OF CONTENTS

CARIBBEAN EXPORT DIGEST

FURNITURE AND COMPLIMENTARY DECORATIVE ITEMS PARTNERSHIP MEETING

THE FANCY FOOD SHOW

CARIFORUM/DOMS/OCTS TASK FORCE ON TRADE AND INVESTMENT LAUNCHED

CSME NEWS

CSME UPDATE

GRENADA TO DELAY JOINING OF CARICOM SINGLE MARKET

TRADE POLICY DEVELOPMENTS

NEW EU STRATEGY FOR THE CARIBBEAN PROPOSED

THE CARIBBEAN SERVICE SECTOR AND THE EPA NEGOTIATIONS.

MARKET NEWS

DOMINICA INTRODUCES VAT

BUSINESS OPPORTUNITIES

TRADE AND INVESTMENT EVENTS

PUBLICATIONS

CARIBBEAN EXPORT DIGEST

FURNITURE AND COMPLIMENTARY DECORATIVE ITEMS PARTNERSHIP MEETING

The Caribbean Export Development Agency (Caribbean Export) in collaboration with the Confederación de la Pequeña y Mediana Empresa, Inc. (CODOPYME), the Italian Giftware Association (IGA), the European Union (EU) and business support organizations (BSOs) in the Caribbean (Belize Trade and Investment Development Service (BELTRAIDE) from Belize, Guyana Office for Investment (Go-Invest) from Guyana and Jamaica Manufacturers' Association (JMA) from Jamaica) is organizing a partnership meeting for furniture and complimentary decorative items in Santo Domingo, Dominican Republic. The event will be in the second quarter of 2006 and will be financed by PRO€INVEST (Facility 124), a programme of the ACP Group and the European Commission for the promotion of investment.

According to Allan Ramirez, **Caribbean Export's** Deputy Executive Director, "The event will bring together approximately eighty (80) European Union and Caribbean entrepreneurs and manufacturers of furniture (wood, metal, cane, etc.) and complementary decorative craft items (wood, ceramic, clay, marble, plastic and other materials) to meet and conclude partnership agreements (e.g. joint-ventures, technology transfer agreements, contract manufacturing). Mr. Ramirez further stated that "**Caribbean Export** and PRO€INVEST will also provide technical support in the area of follow-up related to business activities conducted during the meeting."

Further information on the partnership meeting, can be obtained from: Romily Thevenin at Tel.: +(809) 547-2005; Fax: +(809) 547-7532; E-mail: c.export@verizon.net.do.

THE FANCY FOOD SHOW

To ensure that Caribbean exporters of specialty food products capitalise on the rapid growth in the North American specialty food market, and the increasing demand for authentic Caribbean food products, the **Caribbean Export Development Agency (Caribbean Export)** will be coordinating for the eleventh year a Caribbean pavilion at the 52nd Summer International Fancy Food & Confection Show at the Jacob Javits Convention Center, in New York from July 9-11, 2006 (prior to this the show was coordinated under our predecessor CARICOM Export Development Project (CEDP) for two years) This event will be organised in collaboration with Jamaica Promotions Corporation (JAMPRO) and the Trinidad and Tobago Ministry of Trade & Industry. Companies will once again have the opportunity to introduce new products, identify market prospects for existing and new lines, establish networking relations with retailers or buyers and strengthen their market position for those exporters with existing distribution arrangements in North America.

Caribbean Export's Marketing Officer, Clarecia Christie who is coordinating the 2006 Caribbean participants explained that "The Fancy Food & Confection Show is the single largest trade show in North America, dedicated to the specialty food trade and usually attracts about 26,000 buyers from specialty food, wine, gift and department stores, supermarkets, restaurants, mail order and other related businesses, many of whom are looking for products to sell for various occasions." She added, "Business to business meetings will be coordinated between companies attending the Show and potential buyers." She further added that "Over the years, Caribbean exporters have regarded the show as an excellent forum for accessing the US market, and this year promises to be equally rewarding."

In 2005, the Caribbean Pavilion housed twelve (12) exporters from three (3) Caribbean countries as follows: Tropical Choice Ltd, Central Food Packers, V.A.P. Ltd, West Best Food Ltd, and J. Martinez & Company Ltd – Coffee Merchants from Jamaica; Angostura Ltd, Chief Brand Products Ltd, K.C. Confectionary Ltd, Matouk International Ltd and S.M. Jaleel & Co. Ltd from Trinidad and Tobago and De La Grenade Industries from Grenada. Authentic Caribbean products on display included: coffee, rum, fruit based sauces, spices, condiments, jams, jellies, seasonings, tropical syrups, beverages, rum fruit cakes and pre-prepared meals.

Companies interested in attending the Show should contact Clarecia Christie, at Tel: (246) 436-0578; Fax: (246) 436 9999; E-mail: cchristie@carib-export.com.

CARIFORUM/DOMS/OCTS TASK FORCE ON TRADE AND INVESTMENT LAUNCHED

The Caribbean Export Development Agency (Caribbean Export) on behalf of the CARIFORUM Secretariat coordinated the First Meeting of the CARIFORUM/DOMs/OCTs Task Force on Trade and Investment in Barbados on March 29, 2006. The main objective of this Task Force is to promote cooperation between CARIFORUM, DOMs, OCTS and the European Commission in the area of trade and investment.

Taiana Mora Ramis, Executive Director of **Caribbean Export** indicated, " The meeting was highly successful in setting the framework for cooperation. A systematic discussion forum on Economic Partnership Agreement (EPA) was established within the Task Force and specific objectives and key activities to move forward the process were identified."

During the first meeting opening remarks were made by Maguy Marie Jeanne, representative of the French DOMs, Judric Pietersz representative of the Dutch OCTs, Lizette O. George representative of the British OCTs, Amos Tincani, Head of Delegation of the EC for Barbados and the OECS and Taiana Mora Ramis on behalf of CARIFORUM and Caribbean Export. Also in attendance were Mr. Henry Gill from the Caribbean Negotiating Regional Machinery (CRNM) and Remco Vahl from DG-TRADE in Brussels who participated in the discussions by emphasising the relevance of the EPA negotiations to the work to be undertaken by the Task Force. Caribbean Export presented a concept paper that served as the basis for the discussions and the decisions of the Task Force. The next meeting of the Task Force will be held in July in Jamaica.

CSME NEWS

CSME UPDATE

This is the first in a series of articles to update Trade Watch subscribers on the CARICOM Single Market and Economy (CSME). In this article we provide an introduction to the CSME and an update on the Free Movement of Goods and Services, one of the key elements of the CSME.

The CARICOM Single Market and Economy (CSME) had its beginnings in the 1989 Grande Anse Declaration in Grenada, when the Heads of Government decided to work towards establishing a single market and economy to provide improved standards of living and work and sustained economic development. The implementation of the (CSME) is intended to create one large market among the participating member states by providing CARICOM nationals with more and better opportunities to produce and sell their goods and services and to attract investment.

The main objectives of the CSME are:

- ◆ full use of labour (full employment) and full exploitation of the other factors of production (natural resources and capital)
- ◆ competitive production leading to greater variety and quantity of products and services to trade with other countries.

The key elements of the CSME include:

- ◆ Free movement of goods and services
- ◆ Right of establishment
- ◆ A Common External Tariff
- ◆ Free movement of capital
- ◆ Free circulation
- ◆ A common trade policy
- ◆ Free movement of labour

Free Movement of Goods and Services

Free movement of goods and services will see the elimination of all barriers to intra-regional trade in goods and services and the harmonisation of standards to ensure acceptability of goods and services traded. All remaining restrictions pertaining to the free movement of services, capital and establishment within the 12 member states of the CARICOM Single Market and Economy (CSME), will be removed by June, 2006. Barbados, Jamaica and Trinidad & Tobago have removed substantially all restrictions, while other member states were at different stages of the removal process. With regards to standards, approximately 50 standards have been set for products by the CARICOM established Caribbean Regional Organisation for Standards and Quality (CROSQ).

GRENADA TO DELAY JOINING OF CARICOM SINGLE MARKET

OECS member countries are expected to join the Caribbean Single Market (CSM) in June 30, 2006 but it is doubtful whether Grenada will be able to join at that time. Prime Minister Dr. Keith Mitchell in speaking to the Amsterdam News stated “Grenada may not necessarily be ready because with the advent of Hurricanes Ivan (2004) and Emily (2005), Grenada would have been marginalized. He explained that the island's manufacturing, hotel and agricultural sectors have been seriously hurt.

The CSM, is expected to provide more and better opportunities to produce and sell goods and services in the region, attract investment to the region and, create one large market among the participating member states.

TRADE POLICY DEVELOPMENTS

NEW EU STRATEGY FOR THE CARIBBEAN PROPOSED

A meeting of CARIFORUM-European Union (EU) headed by EU Commissioner Louis Michel and the CARIFORUM Council of Ministers will take place in Santo Domingo, Dominican Republic on April 6-8, 2006 to plan strategies for European cooperation over the period 2008-2013. The current situation in each country will be examined, as well as possible fields of intervention and the link between national and regional programming. This cooperation period, will be the tenth between the African, Caribbean and Pacific and European territories. The meeting will focus on the proposal for a new EU Strategy for the Caribbean that has been adopted by the European Commission. The strategy promotes a strong partnership between the European Union and the Caribbean on development, the fight against poverty, democracy, human rights and global threats to peace, security and stability.

According to Louis Michel, Commissioner for Development and Humanitarian Aid, “What we are proposing with this new strategy is a mutually beneficial partnership for development, democracy and security. This strong link will help us to address the important challenges of globalisation that the Caribbean region faces today. We must prevent that the region drifts into political insecurity and help the Caribbean region achieve its long term development goals in a self sustaining manner”.

The Commission while highlighting the fact that the Caribbean region has embarked on a path of regional integration and economic diversification, restructuring and reform, anticipate challenges ahead. To address these challenges it has proposed some areas addressed in the policy in its support development as a means to harness the opportunities of globalisation by the mostly small and economically vulnerable Caribbean states. The proposed areas are:

- ◆ A political partnership based on shared values
- ◆ Addressing economic and environmental opportunities and vulnerabilities
- ◆ Promoting social cohesion and combating poverty.

Further information can be found at: http://europa.eu.int/comm/development/body/region/rb_en.htm

THE CARIBBEAN SERVICES SECTOR AND THE EPA NEGOTIATIONS.

Tourism and its ancillary activities is one of the major activities in the services sector in the Caribbean, however the sector is much wider than this and includes services such as financial services, shipping, telecommunications, information and communication technologies (ICTs). The services sector also encompasses such professions as architects, medical professions, lawyers, accountants and artists who are based both in large and small and medium-sized enterprises (SMEs).

According to David Jessop in his column on *Protecting The Service Sectors*, "Services have the unparalleled capacity to create higher-paying employment and to lift the region out of its reliance on jobs for primary agriculture, but this will take time. A vibrant and growing services sector also requires constant enhancement of the skills base in every Caribbean nation." He further stated that this sector is the fastest growing sector in the Caribbean taking over from sugar, bananas and like its predecessors is facing some challenges in the international trade negotiations."

Mr Jessop went on to make the observations that "A number of Caribbean organisations and those close to the negotiations for an economic partnership agreement (EPA) with Europe have commented that far from seeing services negotiations with the Caribbean as a step towards enhancing regional development, appear to regard their role as to try to force open the Caribbean services market in a manner that advances the interests of EU companies. This view is bolstered by the fact that in the tourism sector in particular, large European commercial interests are seeking commercial advantage from the negotiations."

Meanwhile Ms. Ava Jordan of the Banker's Association of Trinidad and Tobago, while speaking at a recent Private Sector Trade Team (PSTT) workshop on the financial services sector stated that "This EPA arrangement can serve to form some fundamental partnerships that would aid development in a number of areas for the region." She pointed to the under developed pension system in this sector as a characteristic which could be relevant in partnering between Caribbean companies and European financial firms, who could be better equipped to handle funding in that area. She however cautioned that "Although partnerships are key, clearly Caribbean governments and negotiators have to be fully cognisant of their needs and seek to maintain a balance in their negotiations."

Caribbean Export is intent on making the promotion of the services sector a priority. A study has commenced under the 9th EDF Caribbean Trade and Private Sector Development Programme financed by the European Union to highlight key subsectors among the services sector as well as projects with the CSME Unit and the Commonwealth Secretariat.

MARKET NEWS

DOMINICA INTRODUCES VAT

Dominica introduced the Value Added Tax (VAT) on March 1, 2006. The VAT will be imposed at a general rate of 15%. A reduced rate of 10% will apply to hotel accommodation. The VAT will replace the Consumption tax (20% on most goods), the Sales Tax (7.5% on all goods), the Hotel Occupancy Tax (5%) and the Entertainment Tax. Household items such as sugar, flour, cooking oil, milk, rice, potatoes, toothpaste and sardines should see a reduction in price as a result of the introduction of the VAT. The prices of bread, fuel, cigarettes, alcohol and water are however expected to remain unchanged. More than 300 businesses have registered for VAT.

BUSINESS OPPORTUNITIES

NETWORK MARKETING, Real Estate, PR, Sales, Marketing, Journalism services available. Contact: Edward A. Harris, President/CEO, Barnard's Hill, P.O. Box CP 5480, Castries, ST. LUCIA. Tel: 758-485-1456; Fax: 758-452-8790; E-mail: eaharrisdestiny@gmail.com, Website: www.stluciarealtors.com

INVESTORS/partners for logging wood required. Contact: Comvalius S , P O. Box 481 Hoofdpost, Kantoor, SURINAME, Tel: 597-453606/5978836094, E-mail: sscom@sr.net

SCRAP METAL (HMS1 HMS2 copper rail), fresh ginger, yellow yam, sweet potato are available. Contact: Waveney Stone, Hayes P.O, Clarendon, JAMAICA, Tel: 876-427-7591, Fax: 876-758-3617, E-mail: waveney@mail.com

TRADE AND INVESTMENT EVENTS

CHTIC – Caribbean Hotel & Tourism Investment Conference, April 4-6, 2006 BERMUDA. Website: <http://www.caribbeaninvestment.org/>

DATE 2006 – Dominica Annual Tourism Exchange, April 5-7, 2006, DOMINICAN REPUBLIC. Website: <http://www.drdate.net/app/frontpage.aspx>

The Wedding and Lifestyle Exposition 2006, April 7-9, 2006, TRINIDAD AND TOBAGO. Tel: (868) 645-4284

STEP Caribbean Conference, 2006, April 10-12, 2006, BERMUDA. Website: <http://www.stepcaribbeanconference.com> /www.springstreet.ca

Caribbean Climate Conference, April 10-12, 2006, JAMAICA. Website: www.go2ecotec.com or <http://www.c3conference.org>

Habitat Caribbean 2006 April 21-23, 2006. BARBADOS. Website: www.premierevents.com.bb

Jamaica JEA & JMA Expo, April 24-30, 2006, JAMAICA. E-mail: jma@cwjamaica.com

Other Upcoming Events

Innovations in Export Strategy Series. Consultation on Export Strategy and the Role of the National Trade Promotion Organization, April 3-5, 2006, MEXICO. Website:

21st Annual Marine Hotel Association 2006 Conference & Trade Show
23rd to 25th April 2006, Florida. USA. Website: www.mhaweb.org

PUBLICATIONS

DOHA MERCHANDISE TRADE REFORM: WHAT'S AT STAKE FOR DEVELOPING COUNTRIES?

This paper provides new estimates of the global gains from multilateral trade reform and their distribution among developing countries in the presence of trade preferences. Particular attention is given to agriculture. For further details please visit the website: <http://econ.worldbank.org>

OAS TRADE REFERENCE CENTRE

Researchers and students are reminded that regional and international trade policy information can be found at the Organisation of American States (OAS) Trade Reference Centre which is housed in the Trade Information Centre (TIC) of **Caribbean Export**. Each database contains the texts of official trade agreements, related national legislation, studies as well as other analytical tools that may facilitate a better understanding of trade policy issues confronting Caribbean countries. Persons interested in using the centre should contact Cora Lowe. Tel: (246) 436 0578; Fax: (246) 436 9999; E-mail: clowe@carib-export.com.