

Feature Address

by

Dr. The Hon. David Estwick

Minister of Economic Affairs and Empowerment,
Innovation, Trade, Industry and Commerce

At the

China – Caribbean Business Dialogue

To be held at

Hilton Hotel

On August 05, 2009 at 12:00 noon

H E Mr. Quiang Wei, Ambassador of the People Republic of China to Barbados.

Representatives of the Embassy of the People's Republic of China

Mr. Bentley Gibbs Permanent Secretary, Division of Trade, Industry and Commerce

Mr. Phillip Williams Executive Director, Caribbean Export and Development Agency

Representative from Caribbean Export Development Agency

Representatives of China Council for the promotion of International Trade.

Representatives from the public and private sector from Barbados and the Caribbean;

Specially invited guests;

Members of the press;

Ladies and gentlemen;

It is indeed an honour to have been invited to address you this afternoon at this China - Caribbean Business Dialogue meeting. To you the participants, facilitators and sponsors I offer a warm Caribbean welcome. This meeting is timely in creating a forum for the exchange of views on the impact of the global economic crisis, as well as for exploring opportunities associated with improved business linkages between the People's Republic of China and the Caribbean.

It is my understanding that we have representation here today from the public and private sectors of both China and the Caribbean region. It is also my understanding that your deliberations this morning have been very fruitful, and expectations are that the post lunch sessions will have similar results. I anticipate that you will be able to identify specific initiatives that will redound to the benefit of our countries.

The Government of Barbados is encouraged by initiatives such as this which will assist with the long-term goal of an enhanced economic and commercial relationship with the People's Republic of China. For many of our countries take Barbados and Jamaica for instance this is a relationship that we have sustained for over 30 years. This speaks volumes of the commitment which China and the region have attached to this relationship.

Our relationship with China has been characterized by China's provision, of grant and concessional financing for major construction projects, scholarships and training opportunities for our people in the Caribbean. China is also a shareholder of our premier regional development bank, the Caribbean Development Bank (CDB). It has also provided special funds to the bank for undertaking technical cooperation activities in the region.

Ladies and Gentlemen, it would be useful to reference our macroeconomic positions. The People's Republic of China is a

major force in the global economy with a GDP of \$7.8 trillion US dollars in 2008. It is estimated that the Chinese economy will grow by 8.1% in 2009 as a result of a fiscal stimulus package of approximately \$2.24 trillion US dollars. China's success during the past 20 years can be attributed to its advantageous labour supply situation, its ability to provide reasonably priced consumer goods and its vast expertise in research and development. It is an exporting power house.

Understandably, the balance of trade between the Caribbean and China is therefore significantly in the favour of China. For example in 2007 Barbados' trade deficit with China was approximately \$55 million US dollars. As Minister of Economic Affairs I would like to see greater exports of Caribbean and indeed Barbadian goods and services to China, and a considerable improvement in the current trade imbalance. Our assessment is that the export of services, particularly tourism provides the best opportunity for the region to reduce the trade imbalances.

Ladies and Gentlemen the region's economies are heavily reliant on tourism and therefore our strategic planning must focus in this respect to growing the world demand for Caribbean vacations. With this in mind, the UN World Travel Organisation (UNWTO) has identified that China is the fastest growing travel market in the world, with the number of outbound international travelers projected to reach 100 million by 2020. This is a market which the region must exploit through the assistance of the public and private sectors of China.

It must be noted that regional governments have invested heavily in our human resources. I am therefore confident that our people are equipped to excel anywhere in the world. However, with respect to China, the language is a constraint on our ability to deepen and accelerate this economic and commercial relationship.

The opening of the Confucius Institute at the University of the West Indies, Mona Campus is a clear indication of the need for us

in the Caribbean to become proficient in the Chinese language. I have been informed that this institute will vigorously support the development of the Chinese language not only in Jamaica, but throughout the region. It is therefore critical that the region promotes such institutions and encourage our people to participate in the programmes that are being offered.

Consistent with our assessment of the export potential of our services it is my hope that regional service providers should expand similar institutions in China for the teaching of the English language. They can also provide cultural exchanges such as Caribbean cuisine, art, dance and music. Initiatives such as these will help to stimulate an increase in Chinese tourists to the Caribbean.

I believe that the China Council for the Promotion of International Trade (CCPIT) which is the largest and most important institution for the promotion of Foreign Trade in the People's Republic of

China can be a strong ally in stimulating the outflow of tourists to the Caribbean region.

Let me take this opportunity to raise an area where I believe there are opportunities for Chinese Businesses to invest in the Caribbean and that is – the cruise industry. This is evident in the fact that more than 50% of global cruises take place in the Caribbean region and that in the Caribbean region cruising can be undertaken all year round.

We are in the midst of an economic crisis and our ability in the region to deal with such a crisis is dependent on the level of recovery in developed countries. We are therefore heartened that China is exhibiting the level of economic performance to give us the degree of comfort required within the existing economic climate.

It is indeed the first major economy to show signs of improvement and is considered one of the countries to lead the world economy out of the recession.

Here in the region Governments have to be proactive in refashioning their industrial policies as a very critical aspect of the efforts to stabilize and eventual grow their economies.

For certain, both stabilization and more so, the enhancement of our economy would be dependent on Foreign Direct Investment (FDI).

I believe that China can be a critical source of FDI for the region.

Regional governments will have to undertake policies geared towards the development of an environment conducive to investor participation in our regional market. For instance:

- ❖ the regulatory environment within the region must be predictable and non-discriminatory;

- ❖ there should be an absence of undue administrative impediments to doing business;
- ❖ there must be sufficient and easily accessible resources inclusive of the necessary human capital and infrastructure;
and
- ❖ there should be a considered and structured removal of barriers to international trade.

Let me again commend the Caribbean Export Development Agency and the China Council for the Promotion of International Trade for sponsoring today's Dialogue. I hope that at the conclusion of this meeting that you, the participants, would have identified areas on which our countries and businesses can intensify cooperation at all levels of endeavour. The future prosperity of the Caribbean can be greatly influenced by our relationship with China. I look forward with great anticipation to seeing a copy of the Meeting's report. In closing, I wish to re-

emphasize the commitment of the Government of Barbados and that of the region to strengthening our relations with China.

Ladies and Gentlemen, I thank you.