

Ministry of Trade and Industry's *EPA Awareness
Workshop – Taking Advantage of the CARIFORUM-EU
EPA: Doing Business in the EU*

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Hilton Conference Centre

Feature Address

By the Honourable Mariano Browne

Minister of Trade and Industry



2010

Mr. Stelios Christopoulous

Members of the Diplomatic Corp

Permanent Secretaries

Members of Government Agencies

Esteemed members of the Business Community

Ladies and gentlemen,

Good morning and welcome to everyone. This Economic Partnership Agreement information session, is your session.

Every year will present new and diverse challenges. And time waits for no one. In the period 2007/2008 we faced booming commodity prices which lifted our economy but sent the world into recession and ultimate affected our economy though to lesser degree than many economies. 2009 is now behind us and everyone hopes that that we are past the worst and ready to take on the challenges of the future.

This is the not the last recession that the world will face and it is certainly not the last. Indeed what goes must come down. The only questions that we have to ask is when and by how much. And we must face the problem with maturity and the wit to

overcome challenging times. Exports fell and there was some movement in the trade balances. What matters is what we do to change these fortunes around and to learn from our experiences. As I always say, tough times never last but tough people do. That is the challenge of independence, that we must not only govern ourselves but we must save ourselves by taking the opportunities that come our way.

And in the last year economic history has been made. The developing world led by China and India and Brazil has shrugged of the difficulties associated with the financial crisis of the OECD countries and weak economic growth and have led a turn around. We in Trinidad and Tobago are also expected to return to a growth path this year and I was heartened to hear Mr. Greg Laughlin, President of the TTMA in his at the launch of the TTMA indicate the TT manufacturing sector , indeed the TT business sector was ready to move forward and increase its output in response to improved circumstances which we face.

The year 2010 promises a slow return to global growth but at varying rates per countries. The ECLAC report on International Trade in Latin America and the Caribbean 2009: Crisis and Recovery forecasts that “the signs of economic recovery during the last quarter of 2009 portend greater regional trade” in 2010.

Nationally, while Trinidad and Tobago experienced our own declines in GDP, I salute the manufacturing and services sectors for their resilience in the past year. There is no doubt that the Summit of the Americas and the CHOGM played a role in ensuring the services could be exported and discussions leading to greater goods trade could take place, even during a challenging year.

Lest we forget, the EPA was signed in October 2008. Fifteen months have passed. It is now time to get moving. The longest journey begins with the first step. And whilst we have taken other first steps this morning represents an important point of departure.

While we are targeting greater trade with Latin America through the Trade and Investment Convention and other activities, we are also focusing on further diversification of our export markets, by a greater promotion of trade with the EU. The EPA offers the framework for greater trade and we hope that you will take advantage of the Agreement.

Trinidad and Tobago's trade with Europe has had a good record. We have had trade surpluses from 2006 – 2008 for trade in goods, and a surplus in terms of trade in services in 2006¹. Data for the first two quarters² of 2009, although at lower values than in the corresponding periods in 2008, indicate that the surplus continued for 2009. For the goods trade this surplus is mainly due to energy exports, going to Spain, France and the Netherlands. Non-energy trade however, which is the focus of the Ministry of Trade and Industry, has run a deficit for 2006 and 2008.

The area of trade in Services represents a major growth area for the region and for Trinidad and Tobago. At the regional level, funds will be provided under the 10th European Development Fund (EDF) to facilitate a Services Statistics project, among others. Also at the level of the CARICOM Single Market, the region is working to develop a Regional Services Plan along ten (10) main areas. This development process will be replicated at the national level through the establishment of a National Coordinating Committee. With the involvement of the private

¹ Data extracted from OECD database on January 29, 2010.

² Data from European Union, DG Trade report dated September 22, 2009.

sector, the NCC and the regional bodies, the full potential of the Services sector will be realized.

With respect to EPA Implementation, our European partner has rolled over the unilateral access that was already there under the Cotonou Agreement for goods. Regionally all CARIFORUM states are working assiduously to implement their obligations, which exist both at a regional and national level. In the case of Trinidad and Tobago the Draft Bill has been completed and approved by the Legislative Review Committee for presentation to the Parliament. It is anticipated that it will be debated shortly by Parliament.

The next step in the process would be the passage and then ratification of the CARIFORUM-EC EPA Act. Thereafter various pieces of domestic legislation would need to be amended, in particular, the Customs Act Chapter 78:01, to reflect the liberalization of customs duties on imported products from Europe. Alongside the legislative changes, changes in administrative practices would also be necessary – for instance in the area of customs and trade facilitation issues. The Ministry of Trade and Industry is working steadfastly towards this end. For

services the development of Mutual Recognition Agreements is crucial for trade and work has already begun at the sectoral level.

As the institution charged with the responsibility to develop and grow trade, one of our primary tasks is coordinating the implementation of the EPA. In this regard the Ministry of Trade and Industry has undertaken a series of activities to promote the Agreement and trade with Europe. These include a public sector information session in October 2009, an Awareness Workshop in August 2008 and the online publication of EPA documentation on the Ministry's website.

I wish to identify two key reasons for the conduct of this Workshop at this point in time. Firstly the Vision 2020 goal of enabling competitive businesses drives the MTI to promote the EPA as an option for businesses to take advantage of trade opportunities and to become competitive in specific markets, particularly the EU. Secondly the concern of the private sector that future EPA awareness activities shift focus from the details of the Agreement to providing greater focus on how to exploit market access opportunities for interested exporter has also shaped this Workshop's agenda.

This Workshop therefore, is not a forum to explain the EPA. It is felt that sufficient resources are available online at national and regional websites to explain what was negotiated and the reason why. It is anticipated that what this Workshop will do differently is to provide advice and guidance on how to break into some European markets. Given our deficiencies in implementing free trade agreements, it is clear that more information on market research techniques, export logistics, meeting standards and quality requirements etc is necessary.

At the Ministry we continue to work with our support agencies such as the Business Development Company (BDC), the Trinidad and Tobago Bureau of Standards (TTBS) and the EXIM Bank to facilitate our exporters.

It is recognized that businesses are at different stages of readiness for export. Accordingly every effort is made to address both the new and experienced exporter, in the expectation that the information provided would spur on the existing exporter to export more to Europe and would also encourage the non-exporter to see the potential and begin exporting to Europe. In

this regard we have invited the membership of the business associations, both services and goods firms and providers, as well as small businesses, which as the Minister of Labour has recently reminded, play an important role in employment.

Ladies and Gentlemen, Europe is a large market with tremendous opportunities. Over two days, it would be difficult to give full details about all twenty-seven (27) EU members. In this regard the Ministry has selected, in collaboration with the business associations, two EU markets on which to focus, the United Kingdom and the Netherlands. Both markets are in the top three destinations for Trinidad and Tobago's exports and there is great potential for increased exports as well as new exports from the non-energy sector.

In addition, given the non-energy trade deficit, the Workshop will be providing information on specific sectors. For the sessions on trade in goods, the sectors of focus are food and beverages, printing and packaging materials, footwear, assembly type manufactures and apparel sectors. For the sessions on trade in services, tomorrow, the focus will be on professional services

(engineering and architectural services), cultural, yachting and health tourism services.

The Ministry has engaged the services of a consultant, Kisserup International Trade Roots Inc. from Denmark to provide much of the information for today's Workshop and we hope that you will take advantage of the opportunities to ask and solicit the answers you need while Ms. Boulter is with us over these two days.

In closing, ladies and gentlemen, although improvement in global demand may be slowly recovering, now is the time to position ourselves to take advantage of the opportunities that exist and will blossom when global economies and the EU, in this case, returns to economic growth and full employment. We need to identify the niches for our exports and develop our access to importers and distribution networks. I trust that this Workshop will help you do this.

I thank you.