

REMARKS BY

THE HON. KENNETH VALLEY  
MINISTER OF TRADE AND INDUSTRY  
MINISTER IN THE MINISTRY OF FINANCE

AT THE

**CARICOM/INDIA ECONOMIC FORUM:  
MINISTERIAL DIALOGUE SESSION**

9:30 AM  
MONDAY 8<sup>TH</sup> AUGUST, 2005  
CENTRE OF EXCELLENCE  
MACOYA INDUSTRIAL ESTATE,  
TRINCITY

The Honourable E.V.K.S. Elangovan, Minister of State for Commerce, India; Hon. Edwin Carrington, Secretary General, CARCIOM; Colleague CARICOM Trade Ministers; Your Excellency. Virendra Gupta, High Commissioner of India to Trinidad and Tobago; Members of the Indian Delegation; Members of the Media; Ladies and Gentlemen

On behalf of the Governments and peoples of the CARICOM region, I welcome our special guests from India to Trinidad and Tobago. While this is not the first visit of a delegation from India to our region, I feel certain that this visit will pave the way for several more fruitful exchanges between our two groups in the years to come.

This interface today is a follow on from that meeting in Suriname in February at which Minister INDERJIT SINGH noted that “despite our friendly political bonds, economic and commercial relations are minimal”. The statistics speak for themselves. Total merchandise imports by all CARICOM countries over the period 2000-2003 were in the region of US\$ 115 million. Over the same period merchandise exports were merely US\$ 8.6 million. Distance, inadequacy in the exchange of information, and the absence of economic shipping and air links have been identified as the major challenges to be overcome in the development of dynamic commercial relations.

However, opportunities clearly exist to deepen economic co-operation, not only because we are starting from such a low base but

mainly as a result of the repositioning of our economies in the Caribbean to meet the challenges of globalization.

Your visit is at a time when the trading patterns of the Caribbean region are evolving to meet the demands of the new world trade order. As you know the Caribbean has historically been oriented towards Western Europe and North America. However, we realise that the Caribbean also has South East Asian partners where there is a great potential of markets, technology and culture. CARICOM's economic horizon is indeed expanding beyond its traditional relations.

As small developing economies, we in CARICOM have opted to take a proactive role in international trade since we understand the need for access to larger external markets, due to the fact that the small size of our domestic economies and limited resource base traditionally have been unable to sustain long-term economic growth.

As regional leaders, we are committed to transform our economies to create an environment driven by high technology, innovation, creativity and a dynamic human resource base. As a consequence, we are hastening our efforts to consolidate and expand our economic space by moving to implement the CARICOM Single Market and Economy (CSME), which we believe will be our bridgehead into the entire global economy.

Since 1989, CARICOM Heads of Government identified the need to convert our Common Market to a single market and economy thereby creating a common economic space with efficient and competitive production structures, producing internationally competitive goods and services. At present, three member countries have met their commitments for the single market while the others are working towards the December 2005 timetable. The current timetable for the achievement of the single economy is December 2008.

Further, CARICOM, has established market access agreements with a number of our Latin American neighbours such as Cuba, Costa Rica, the Dominican Republic, Venezuela and Columbia. At the hemispheric level, we are participating in the negotiations for the Free Trade Area of the Americas, which, though stalled at present will, in time become a reality. Moreover, CARICOM as a member of CARIFORUM is currently negotiation an economic partnership agreement with the European Union to provide sustainability for our favourable access to Europe.

These favourable market access agreements will assure the investor from India, whether in manufacturing or services, hassle free entry into Latin America, North America, Europe and the Caribbean should the company be located within CARICOM.

This interface also symbolises the historical similarities, strong partnerships and enormous potential for strengthening further the

bilateral, economic, cultural and technological linkages between CARICOM Member States and India.

Our initiative here today provides an excellent opportunity to expand our strong partnership with India, which as we recognise, wields an economic presence of continental dimension. According to the World Bank World Economic ranking, India has joined the league of the world's 10 largest economies (US\$ 692 billion). We note also that the Indian economy is expected to expand at a faster pace (7.0 per cent) than previously forecasted (6.6 per cent) for the fiscal year to March 2006.

The ongoing development of your information technology, pharmaceutical and outsourcing industries has created an entirely new economic paradigm and a global image for brand India.

Further, we recognise the fact that India has made significant advances in science and technology, which can strengthen the Region's response to natural disasters. Assistance in the form of providing anti-retroviral drugs for persons living with HIV/AIDS is another area of critical importance to us. We also believe that Indian agricultural technology can be useful to us as we attempt to reposition the agricultural sector in the Region, especially considering the current erosion of preferences that we are experiencing.

Greater contact among businesspeople from India and CARICOM paves the way for exploring new opportunities, business concepts and production models.

Along with the possibility of the business community establishing strategic alliances and joint ventures, we may also discover opportunities to create productive conglomerates and “clusters” which would take advantage of trans-border ties. This could increase the regional value of production, and improve our level of competitiveness by incorporating the best productive capacities of the Greater Caribbean.

I have no doubt that the success of India’s economic performance is linked not only to the entrepreneurial spirit of its business community, but also to the solid leadership it has had in the past, and continues to have. I congratulate the distinguished Minister of Commerce and his High Commissioner in Port of Spain.

I believe that our combined spirit of friendship and commitment to develop mutually supportive goals will create firm bonds through which our countries will maintain sustainable economic growth and development.

I thank you.