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INTERNATIONAL TRADE AND FINANCIAL ISSUES



UNITED NATIONS

ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN
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A. Trade procedures guide

Activities accomplished

Following receipt of comments and revisions on the draft trade procedures guide from several governments, the Secretariat distributed the Trade Procedures Guide (Document ECLAC/CARIB/G.84/4) during the first half of 1985.

Governments were requested to inform the Secretariat of any changes in trade legislation, regulations and other relevant information on trade procedures in order to facilitate the updating of the guides but updated information was received from only a few governments.

The co-operation of the CARICOM and OECS Secretariats has been sought in connection with updating Annexes I, II and III to the Guide dealing with the common external trade regimes of the Commonwealth Caribbean Common Market, the Lomé Convention and the Organization of Eastern Caribbean States.

Draft trade procedures guides were prepared for the British Virgin Islands and US Virgin Islands and sent to these governments for comments and/or approval.

B. Mechanisms for trade promotion

A joint OECS/ECLAC/ITC "High-level Consultation on Export Development Strategies for OECS Countries" was held in Antigua and Barbuda from 4-6 December 1985. This meeting, which was funded by ITC and attended by technical participants from both the private and public sectors, dealt with the need for export development in the OECS subregion. Also discussed at this meeting was a study on "Export Strategy for the OECS Countries" prepared by a consultant attached to the ECLAC Subregional Headquarters for the Caribbean.

The participants at the consultation adopted a number of recommendations, notably the removal of tariff barriers within the OECS, the removal

of barriers to trade within CARICOM and the resuscitation of the Caribbean Multilateral Clearing House Facility.

It was agreed that the follow-up activities should include continuing discussions on the elimination of difficulties in obtaining export credit facilities. Participants suggested the establishment of a national export strategy task force in each OECS member country and recommended that export development be declared a national priority.

C. Preparation of a paper on countertrade

Initial research activities have started and data assembled by the ECLAC/CDCC Secretariat in connection with this subject. Also, contact has been established with several organizations including Caribbean Association of Industry and Commerce (CAIC), United Nations Conference on Trade and Development (UNCTAD), International Trade Centre (ITC) and Sistema Económico Latinoamericano (SELA) and some CDCC member countries. Work will be accelerated during this year.

D. Revision of CARICOM Fiscal Incentives Regime

The Secretariat is co-operating with the CARICOM Secretariat on the above exercise which includes conducting field surveys among various producers and trade organizations, reviewing and assessing available data, including comparable schemes existing elsewhere, and preparation of proposals for a new improved scheme of fiscal incentives to industry. The first phase of the exercise involving research and data collection is nearing completion, and some work has already started on the second phase which is concerned with analysis of the data and formulation of recommendations to be placed ultimately before the Caricom Council of Ministers.

E. Monitoring of the balance-of-payments situation

It has not been possible to monitor the balance-of-payments situation comprehensively. However, the data collected for the annual Economic Survey and for the paper on macroeconomic indicators (Document LC/CAR/G.182) and the publication "Economic Activity in Caribbean Countries" partly accomplish this purpose.

F. Other activities

The Secretariat participated in a number of meetings and consultations as part of its efforts to achieve closer co-operation with organizations involved in international trade. These organizations include CARICOM, Caribbean Development Bank (CDB), OECS, UNCTAD, ITC and SELA.

Activities proposed for the next period

(a) Countertrade - The Secretariat will continue its contacts with several organizations at the national as well as the international levels. It is expected that a study on countertrade policies and practices in selected Caribbean countries will be prepared for consideration at the next meeting of the Caribbean Development and Co-operation Committee (CDCC).

(b) Trade finance - The Secretariat believes that the broad area of the financing of trade in the region should be examined. At a time when many countries in the region face severe foreign exchange constraints, it would be useful for governments to be presented with options for financing their international trade. A preliminary study outlining these options could be prepared.

(c) Trade in services - Through co-operation with UNCTAD and the Centre on Transnational Corporations (CTC), it is expected that the Secretariat would be able to survey development strategies that take into account the importance of the services sector to the economies of countries in the region. Initial contacts have already been made with both organizations on this subject.

(d) Participation of CDCC member countries in major international economic conferences - Based on discussions with representatives of CDCC member countries in Geneva, Switzerland, accredited to GATT and UNCTAD, the Secretariat believes that it would be useful to assist countries in the subregion, particularly the OECS countries, in their preparations for UNCTAD VII and the new round of multilateral tariff negotiations in GATT. Early and adequate preparation will allow the subregion's interests to be

duly reflected in the work of these bodies. Some countries in the sub-region may also wish to enlist the Secretariat's assistance in other intergovernmental trade-related meetings that take place in the International Monetary Fund (IMF), GATT, UNCTAD and the ITC.

(e) Updating of the Trade Procedures Guide - Work will continue on this activity.

Specific authority, endorsement, support etc., requested from the Committee

The Secretariat urges member governments who have not yet done so to send comments or give final approval to the draft Trade Procedures Guide prepared for their countries. Governments are requested to communicate all changes in their trade regimes, trade legislation and other procedures as soon as possible to the Secretariat to facilitate periodical updating of the Guides.

