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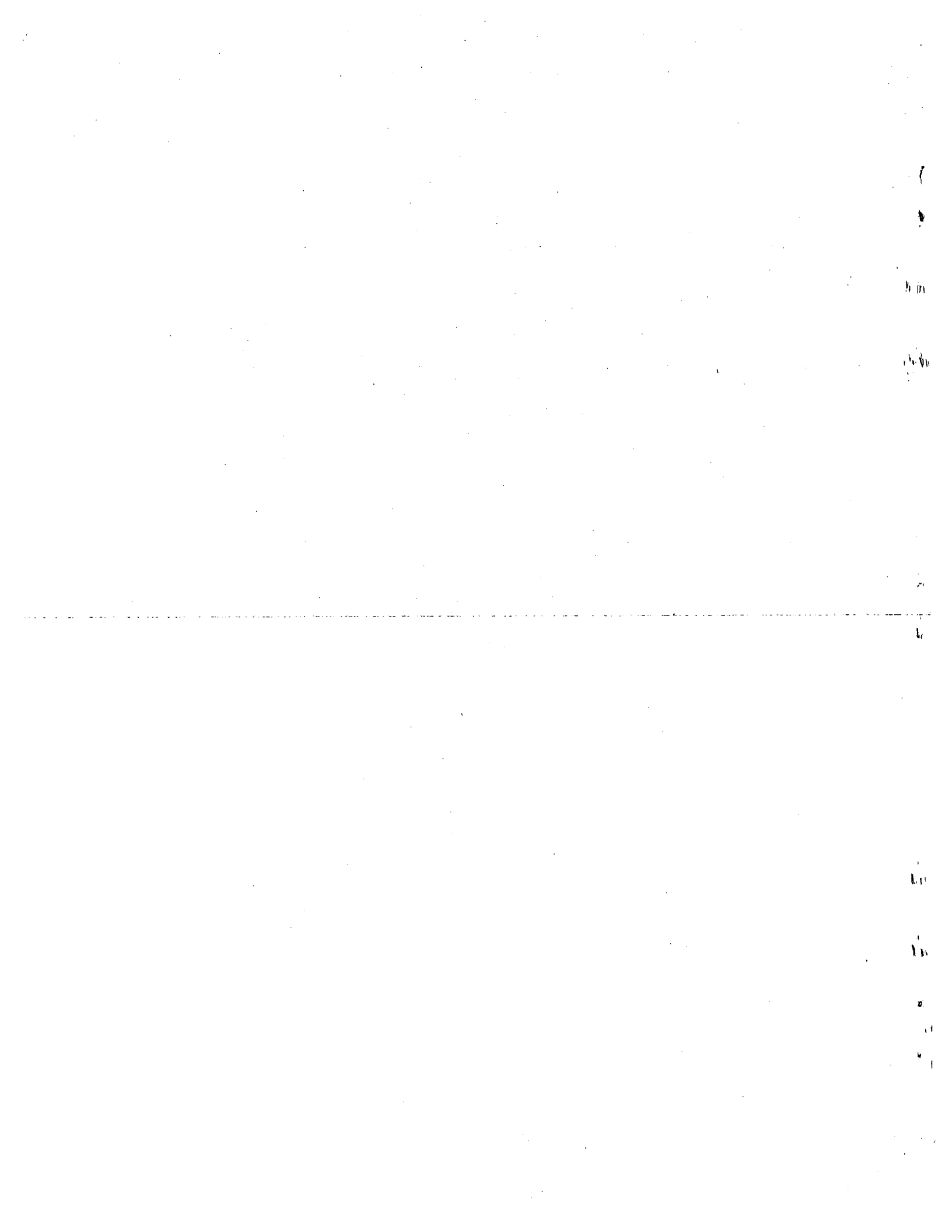
ECONOMIC COMMISSION FOR LATIN AMERICA  
Office for the Caribbean



PROGRESS REPORT

for period

April - August 1970



## PROGRESS REPORT

### ECLA OFFICE FOR THE CARIBBEAN

(April 1970 - August 1970)

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#### SECTION B: ACTIVITIES OF THE SECRETARIAT

During the period, the Office continued assisting area Governments in analysing some of the problems arising out of their intensified efforts towards economic co-operation. Data on the Caribbean countries is being collected and analysed for the main projects, and preparation of material for particular sectors was continued. Some progress was made in formulation of common external tariffs, reorganization of the inter-island shipping services, drafting of fiscal legislation, and in negotiations and studies towards wider participation in the sub-regional trade liberalization process.

Assistance was given to the official Mission from the Dominican Republic that visited the Government of Trinidad and Tobago and the ECLA Office, for conducting preliminary discussions regarding possibilities for closer trading and services arrangements with the CARIFTA countries. In response to a specific invitation, the Director of the Office made an official visit to the Dominican Republic.

Consultations and advisory services to the various inter-governmental bodies in the sub-region continued to be extended within the framework of project 03-7.

#### Staff Movements

There were two additions to staff - a Regional Adviser, and a Research Assistant. Mr. M. Husain was appointed Regional Adviser (Tax Law) after urgent requests by Governments for assistance with fiscal legislation, as a matter of most pressing priority. The appointment of Miss M. Doughty provided the Office with its first research assistant.

### Economic Development

The research and advisory projects presented greater demands for basic data of various types, and considerable effort had to be expended on data collection both for general and specialised purposes. The main priorities were to advance the progress being made on projects (00-47) and (03-62), and to collate information for the various transport studies. Also, with a view to the preparation of material for the annual economic survey, efforts are being made to assist Governments of the West Indies Associated States to accelerate and improve their collection of statistics with the object of introducing some material on them in the 1970 survey, and of preparing a paper on the progress of the Caribbean Free Trade Area Association (CARIFTA).

#### Mobilization of Resources: (Sub-programme 00-4)

The study on "The Role of Domestic Savings in the Financing of Economic Development" (Project 00-47) is well advanced. It covers the four larger territories of the sub-region for the period 1958-1968. The study examines the level of domestic savings, the measures for mobilizing these savings and types of investments into which they are channelled. Where data permit, international comparisons are made.

Data so far collected and analysed indicate that during the decade of the sixties domestic savings have had only superficial impact on restructuring the economies of Commonwealth Caribbean countries. Savings have been channelled mainly into infrastructure development, the construction and the distribution sectors. There has been some evidence, however, of an increasing proportion being invested in the main production sectors such as domestic agriculture and into industry; but domestic savings appear to have made little or no impact on export agriculture and mining, which have been traditionally dominated by foreign capital.

### Trade and Integration

Work was completed in the preparation of the Common External Tariff for the East Caribbean Common Market under the Brussels Tariff Nomenclature, and in the individual country studies on the impact expected from the introduction of the new tariff and the particular safeguards or

exceptions each country wants to reserve. <sup>1/</sup> The adoption of the tariff now depends on some final negotiations, but the expectation is that it may enter into force in 1971.

Work was also initiated on the CARIFTA Common External Tariff, <sup>2/</sup> which is being delayed pending completion of reorganization in the Regional Secretariat, and negotiations between member countries as regards their trade policies and the possible effects of the United Kingdom joining the European Common Market.

Prospects for Growth in Intra-regional Trade: (Project 03-62)

A study on Trade in Agricultural Products and By-Products has been initiated and will continue until the end of 1970. The paper will examine the structure of intra-regional trade in agricultural products and analyse the prospects for increasing this trade. Data on trade, production, consumption and distribution is being collected as well as detailed statistical worksheets on agricultural commodities.

In the selection of commodities to be analysed in detail, the criteria used take into consideration the importance of the product from the points of view of consumption, production and foreign exchange and the existence of explicit regional policies such as the Agricultural Marketing Protocol and the Oils and Fats Agreement.

Harmonization of Incentives to Industry (Follow-up to Project 03-61)

This subject was taken a step further by the preparation of a draft treaty and model national legislation presenting a complete and comprehensive scheme of fiscal incentives to industries in the Caribbean; these instruments incorporated the principles discussed in the Workshop on Harmonization of Incentives to Industries held in Trinidad in September 1969. <sup>3/</sup> The draft treaty and model national legislation <sup>4/</sup> seek to make the incentives more objectively-oriented than in the past

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<sup>1/</sup> ECLA/POS 70/8 (I and II).

<sup>2/</sup> ECLA/POS 70/3.

<sup>3/</sup> See documents E/CN.12/844 and E/CN.12/845.

<sup>4/</sup> ECLA/POS 70/2.

without radical departures from the existing situation, and laying particular emphasis on local value -- added through the use of labour and local raw or semi-processed materials.

Feasibility Study for Inter-Island and Feeder Shipping Services in the CARIFTA Area (Sub-Programme 08-2)

On the basis of the study prepared on the feasibility of providing efficient and adequate facilities for carriage of domestic and trans-shipment cargo based on the West Indies Shipping Service, <sup>5/</sup> the Governments approved steps towards improvement of services by the West Indies Shipping Corporation (WISCO). The Office has continued assisting the Corporation at its request in the process of modernization and reorganization of services, and in carrying out the necessary studies for implementation of the decisions of the Government.

Transport

Assistance has been extended to the Regional Secretariat in the establishment of machinery for continuous review of matters dealing with shipping in the Caribbean. It has been agreed that the ECLA Office for the Caribbean will continue assisting the Secretariat in the training of personnel in the integration, analysis and use of freight rate tariffs and port statistics. Collection of the statistical data is to be done by individual Governments on the basis of forms and instructions prepared by ECLA, which will also continue providing assistance in this respect to ensure uniformity and comparability of data.

These continuing statistics and studies will serve as the basis for the operation of the consultation and negotiation machinery required by the countries of the Caribbean for the protection of their interests in the fields of shipping services and rates.

Inter-Island Small Vessel Shipping in the East Caribbean (Project 08-18)

The study of small vessel transport among CARIFTA countries, and in particular in the East Caribbean countries, <sup>6/</sup> is being revised to

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<sup>5/</sup> ECLA/POS 70/1.

<sup>6/</sup> ECLA/POS 70/6.

widen the analysis to take in future demand for such services and requirements to meet such demand. If adequate data can be obtained it would include possibilities of building small vessels in the area using local resources, and the adoption of uniform regulations on safety and on registration of the vessels to qualify for area treatment.

#### Transport Survey of the Caribbean Basin

A study has been initiated on transport in the Caribbean Basin that includes all the Antilles and the continental countries with littoral in the Caribbean, that is, Mexico, Central America, Panama, Colombia, Venezuela and Guyana. Data is being gathered from various sources with assistance of ECLA's Transport Division and the Mexico Office; and a preliminary draft is being prepared setting down the geographical and economic background of the Basin against which the transport sector is to be analysed. The target is to prepare a first version of the paper before the next session of the Commission in Guatemala.

#### Social Affairs

##### Human Resources (00-8)

##### Social Aspects of Development (01-1)

A paper entitled "Some Areas for Regional Action in the Field of Human Resources Development" was prepared and circulated at the Sixth Conference of Heads of Governments of the Commonwealth Caribbean (Kingston, April 1970). <sup>7/</sup> In addition, a socio-economic Survey of Youth Camps Graduates in Trinidad and Tobago was conducted and is nearing completion. This special study was undertaken to determine the possibilities of increasing the capability of youth camps to cope with social problems deriving from unemployment and lack of opportunities among the younger population. Also, at the request of Governments, assistance was given in the formulation of some policies to deal with the problems of youth.

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<sup>7/</sup> ECLA/POS 70/7.

Advisory Missions

Rural and Community Development (01-7)

The Regional Adviser on Community and Rural Development made twelve missions to attend to Government requests from Antigua, Barbados, Guyana, Jamaica, St. Vincent, St. Lucia, Surinam and Bahamas. The nature of the advice rendered covered fields such as operation of youth camps, social welfare policy, training in community development, the social aspects of housing and slum clearance, and rural local government. More specifically, a great deal of his services was required to assist Governments in the formulation of policies in rural and community development as a follow-up on recommendations emanating from the Regional Workshop on Rural Integrated Development held in Jamaica in October 1969.<sup>8/</sup> Assistance was also extended to Guyana in the operation of youth camps and to Dominica in the organization of a sub-regional camp for young persons from several neighbouring islands. It is significant to note the progress achieved in the Sub-Regional Youth Camp in Dominica, as well as the important role assigned to the Adviser by the Government of Trinidad and Tobago in its review of the policies covering operation and incrementation of youth camps.

Development Policy (00-27)

Responding to official requests, the Regional Economic Adviser visited Guyana, Dominica, Belize and Grenada in order to render assistance on economic planning, incorporation of the Regional Agreement on Oils and Fats into the CARIFTA Agreement, fiscal and economic policies, the organization of small planning institutions, and on the formulation of policies for the development of guest houses and medium class tourist hotels to attract increasing flow of visitors to the area.

Maritime Transport (08-27)

The Regional Adviser on Maritime Transport attended a meeting of the Regional Shipping Council in Jamaica where the reorganization of the West Indies Shipping Services was discussed as well as the problem



of increases in overseas freight rates by the shipping conference servicing Caribbean ports. In May he visited the Regional Secretariat of CARIFTA in Guyana to consider the organization of the work programme in the fields of ocean shipping and freight rates following recommendations from the Regional Shipping Council. In June he visited all the Windward and Leeward Islands for discussions with Governments and Port Authorities concerning reorganization of the West Indies Shipping Services, for organizing systematic collection of shipping and port statistics necessary for the requested studies, and the development of regional ports. A specific request was discussed in Grenada regarding assistance in port development and land reclamation.

#### Trade Policy and Integration (03-6)

At the request of the ECCM Secretariat, the Regional Adviser on Trade Policy and Integration, undertook missions to St. Lucia, Dominica, Grenada, St. Vincent, St. Kitts, Montserrat and Antigua relating to the formulation of a common external tariff for the East Caribbean Common Market. On these missions, he assisted in studies on the impact of the introduction of the Tariff based on the BTN. The expert also visited the CARIFTA Secretariat in Guyana to advise and assist in preparation of a common tariff for CARIFTA. At the request of the Government of the Dominican Republic he visited Santo Domingo in order to co-operate with the appropriate authorities on the study of trade and tariff aspects of a possible association of that country with CARIFTA.

#### Tax Laws ( )

The Regional Tax Law Adviser, in response to official requests, visited Guyana, Dominica and St. Lucia to render urgent assistance in the preparation of legislation regarding fiscal and budgetary reforms, fiscal incentives to industries, banking and insurance. He also prepared for the Governments of Dominica and St. Lucia draft legislation on Provident Funds and Treasury Bills and discussed schemes for avoidance of double taxation in the Caribbean with CARIFTA Secretariat (Secretary-General) and the Governments of the above countries.

SECTION D: RELATIONS WITH SPECIALIZED AGENCIES AND OTHER ORGANIZATIONS

The main relationships during this period derived from (a) the formulation, in conjunction with the Technical Assistance Co-ordinating Unit, of the Caribbean Integration Programme (CIP) project requests <sup>9/</sup> (1971-1972) for additional regional advisers to be located in ECLA's Office for the Caribbean; and (b) negotiations relating to the establishment of a Multi-national Interdisciplinary Development Advisory Team.

The report of the UNIDO Industrial Evaluation Mission to CARIFTA countries prepared in 1969 has been under consideration by the CARIFTA countries, who have now requested more specific projects in the industrial sector, particularly for the less developed territories, in the fields of small scale light engineering industries and agro-based industries. The request was reformulated as part of the CIP project. Conversations have been conducted on the subject with the newly appointed UNIDO area representative, as well as on other aspects of assistance which that organization may provide to the countries in the Caribbean.

In the CIP Project, provision was also made for Regional Advisers who would fall within the jurisdiction of the UNCTAD. A visit to the Office was made by a senior official of the UNCTAD to consider the nature of future assistance to the countries of the region by his organization, and to acquaint himself with the work being conducted by UNCTAD Regional Advisers at present assigned to the Caribbean Office of ECLA.

The Office continued co-operating with the Centre for Development Planning, Policies and Projections in reformulating the proposed joint ECLA/ILPES/CDPPP project under the terms set out for establishment of Multi-national Interdisciplinary teams, for assisting CARIFTA countries and in particular ECCM countries in the preparation of their economic and social development plans and programmes and in drawing up a longer term developmental strategy.

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<sup>9/</sup> The CIP project calls for a range of expertise that falls within the competence of the UN, UNCTAD and UNIDO. Separate project requests were prepared accordingly.

Contact was maintained with the Secretariat of the Central American Common Market; Dr. Gulati combined a visit to SIECA with his mission to Belize.

#### Training Programmes

An essential part of the activities of this Office has been to assist with the training of officials. During the period of this report the main training activities consisted in the assistance given by some regional advisers located in the Office. The Regional Adviser on Community Development assisted the various countries in the conduct of training programmes for youth officers, community development field officers, and for officers concerned with rural development, local government institutions and voluntary agencies engaged in rural uplift.

The Regional Adviser on Trade Policy and Integration, participated as lecturer in a course conducted by the Brussels Customs Co-operation Council, for officials, on methods and techniques of the Brussels Tariff Nomenclature (BTN), and the Brussels Definition of Value for customs purposes (BVD).

In addition, the Office co-operated with the International Trade Centre (UNCTAD/GATT) in the organization of a regional course in export promotion techniques mounted in Port of Spain in April 1970 with 20 participants from the countries of the region. Both the Regional Economic Adviser and the Regional Adviser on Trade Policy and Integration lectured at this course on aspects of the movement towards economic integration in the Caribbean. Co-operation has also been extended to the Public Administration Division in New York in the organization of a Pilot Regional Course for training of trainers being held in Trinidad from 10 August to 18 September. The ECLA and the University of the West Indies are co-sponsors of this course.

MEETINGS AND SEMINARS

Apart from the training courses referred to above there were no seminars or workshops in the period under review. The Seminar on Central Services to Local Authorities scheduled for mid-1970 was postponed and is now scheduled to be held early in 1971. Also, the decision was taken to postpone to 1971 the meeting of experts on shipping that was formerly planned to be held in 1970.

Several members of the professional staff represented the Commission at various sub-regional meetings, in particular the Sixth Conference of the Heads of Commonwealth Caribbean Governments, and meetings of technical committees serving the CARIFTA Agreement. In addition, the Office provided representation for the UN Secretary-General and ECLA at the Caribbean Regional Youth Seminar mounted by the Commonwealth Secretariat; and the Regional Economic Adviser represented ECLA at the Caribbean Seminar of Tax Administrators.

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