



A comprehensive approach to trade development

Victorin Lurel

President, Regional Council of Guadeloupe

The adoption, at the local and regional levels, of strategies linking trade and development is a key objective in strengthening trade capacity

Subsequent to the signing of the Economic Partnership Agreement (EPA) between the European Union and CARIFORUM on 17th December 2007, Guadeloupe, French Guiana and Martinique became subject to the legal rights and obligations of the EU-CARIFORUM Economic Partnership Agreement (EPA).

In 2008, the Region of Guadeloupe served as the Chair of the ACS Special Committee on Trade Development and External Economic Relations. At the 23rd Meeting of the Committee, on 28th May 2008, it evoked the need to formulate projects to meet the objectives of the newly established free trade area between the European Union and CARIFORUM. The promotion and development of trade relations and the provision of training on trade-related issues would be at the heart of said projects.

The various actions conducted by the Region of Guadeloupe from the launch of trade negotiations for the EU-CARIFORUM EPA, until its formal signing in October 2008, were part of this process. It should be recalled that the decision of the Council of Ministers of the European Union, which mandated the European Commission to negotiate the EU-CARIFORUM EPA, takes into account the special legal status of the outermost regions of the Caribbean.

Negotiations commenced in April 2004, in Jamaica, and concluded on 15th October 2008. In September 2006, the European Commission instituted a consultation process, on the one hand to apprise Guadeloupe, French Guiana and Martinique of the content and development of negotiations for the EPA, and, on the other hand, to take into account their expectations regarding the effects of said agreement on their future economic development.

The consultation process promoted the establishment of the RECIC DFA Project (Strengthening the trade and institutional capacities of the French Overseas Departments) within the framework of the European

Programme INTERREG III-B “Caribbean Spaces”. The project, which was managed by the Region of Guadeloupe in its capacity as lead agency, was based on a triple partnership within the European Community (Guadeloupe-French Guiana-Martinique) and a strong Caribbean partnership through the Caribbean Association of Industry and Commerce (CAIC).

The general objective of the project was to fill existing gaps with respect to perception, comprehension and follow-up of negotiations on the agreement and its effects on the economies in the free trade area. As an instrument for consultation, the RECIC-DFA project made it possible to:

- Measure the impact of the EPA on the economic development of Guadeloupe, French Guiana and Martinique, with a view to strengthening economic cooperation among the territories.
- Provide the above-mentioned regions and CARIFORUM territories with a greater knowledge and understanding of their institutional, economic and commercial realities.
- Submit proposals to the European Commission on the economic sectors of those regions that would be subject to offensive or defensive perceptions within the framework of the EU-CARIFORUM EPA.
- Contribute *in fine* to identifying ways and means of fostering greater integration of the regions into their immediate environment.

The results of the RECIC-DFA project led to the accomplishment of the project objectives by facilitating the inclusion of provisions, specific to Guadeloupe, French Guiana and Martinique, in the EU-CARIFORUM Economic Partnership Agreement. The said provisions are as follows:

1. Inclusion of special provisions to promote cooperation between the French Overseas Departments and the countries and territories of CARIFORUM in all the areas covered by the agreement;
2. Simplification of procedures for the use of the



European Development Fund (EDF) in conjunction with the European Regional Development Fund (ERDF) for further project development;

3. Inclusion of a regional safeguard clause to be activated in the event of a trade imbalance regarding Guadeloupe, French Guiana or Martinique;
4. Exclusion of bananas and sugar from the liberalisation of the products sector for a renewable ten year period;
5. Consideration of the specific interests of Guadeloupe, French Guiana and Martinique within the framework of negotiations on the liberalisation of goods, services and investments;
6. Maintenance of import duty;
7. Inclusion of the sustainable management of agricultural and fishery resources, and
8. Assertion of compliance with international standards regarding social rights and environmental protection.

Article 232 of the EPA incorporates the outermost regions of the Caribbean, taking into account their specific geographical situation and the need to facilitate cooperation in all sectors covered by the EPA. Although the provisions are not expressed in imperative terms, the guidelines provided by the agreement allow for the strengthening of trade and economic relations among Caribbean territories. This is evidenced by the

conclusions of the 14th Ordinary Meeting of the ACS Ministerial Council, which was held from 28th-30th January 2009.

The Report of the Special Committee on Trade Development and External Economic Relations, of which the Region of Guadeloupe was the Vice-Chair, underscores the urgent need to promote the consolidation of an economic space that is increasingly favourable to trade and investment in the Greater Caribbean.

In the year 2008, the ACS Trade Directorate facilitated the establishment of a focus group on trade issues and participated in the meeting organised by the Association of Institutional and Research Libraries of the Caribbean on the subject of Economic Partnership Agreements (EPAs). Further, the Special Committee highlighted the importance of strengthening trade relations, as illustrated by the adoption of measures to ensure technical and financial support for the website of the Greater Caribbean Business Forum and the 9th edition of the Forum of Trade Promoting Organisations (TPOs).

The 9th edition focussed on issues pertaining to the reversal of the industrial development paradigm and specifically on the development of the textile sector through the fashion industry. Increasing economic

In order to maintain consensus, a permanent dialogue process among the various stakeholders, including public authorities, the private sector and civil society is required



In 2008, the Region of Guadeloupe served as the Chair of the ACS Special Committee on Trade Development and External Economic Relations



The importance of adopting a comprehensive approach to trade development is widely acknowledged today

Sugar and its derivatives - notably, rum - remain a key pillar of the regional economy

and trade cooperation relations between the Region of Guadeloupe and the countries of the Greater Caribbean should be included under the objective of greater regional integration.

At the joint EU-CARIFORUM Summit, which was held in Lima on 17th May 2008, the Heads of State and Government of both regional entities reaffirmed, in their Joint Declaration (Article 12-f), that integration and cooperation in the Caribbean Basin should not be viewed from a narrow perspective. In this regard, the Declaration underscored the need for support for the integration of the French Overseas Departments (DOMs) and the Overseas Countries and Territories (OCTs) at the level of CARIFORUM.

The assessment of the RECIC-DFA project led the Region of Guadeloupe to pursue its desire to work toward the development of its territory, by fostering the strengthening of trade and institutional capacity among both public and private players in the Caribbean region. Such is the aim of RECIC – II. The project is a response to the expectations of the business and institutional sectors, which, at the 8th June 2009 seminar on the EU-CARIFORUM Economic Partnership Agreement, expressed their desire to be part of the process of promoting trade and

development in the Caribbean.

The importance of adopting a comprehensive approach to trade development is widely acknowledged today. This involves improving export marketing, importing intermediate products in order to increase exports, but, primarily, increasing the capability of businesses to respond to the exigencies of price and quality of the global market, while establishing the legal and physical infrastructure needed to foster the development of international trade. The adoption, at the local and regional levels, of strategies linking trade and development is a key objective in strengthening trade capacity.

The outermost regions in the Caribbean (Guadeloupe, French Guiana, and Martinique), the overseas collectivities (St. Martin and St. Bartholomew), and the territories of CARIFORUM should define their needs and work toward strengthening their trade capacity. This requires firm commitment on the part of public authorities, and consensus at the regional level on the role of trade in development.

In order to maintain consensus, a permanent dialogue process among the various stakeholders, including public authorities, the private sector, sponsors, financial institutions and civil society is required. The objective of the RECIC-II project is to contribute to enhancing the competitiveness of the private sector in Guadeloupe and CARIFORUM, with a view to strengthening economic and social integration.

The overall objective is to strengthen the trade capacity of the productive sectors (CARIFORUM-Guadeloupe) and to facilitate the expansion of export markets for companies in the Caribbean region. The RECIC-II project also aims at ensuring follow-up of and participation in the implementation of the EU-CARIFORUM EPA.

It falls within the framework of an integrated approach to sustainable development in Guadeloupe and in the economies of CARIFORUM countries. The intention is to reduce the existing inequalities in approaches to international trade and build capacity, leading stakeholders toward international development as an element that fosters endogenous development.

Within the framework of the partnership between the Region of Guadeloupe and the Caribbean Export Development Agency (CEDA), there is a need to initiate dialogue, through the RECIC-II project, with a view to making the opening up of markets in the region a reality, while at the same time respecting the cohesion of each country. ■

