

# Consolidating the Greater Caribbean

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**LUIS FERNANDO ANDRADE FALLA** took up office as Secretary General of the Association of Caribbean States (ACS) in March 2008 after his election by the Council of Ministers. Prior to assuming the post of ACS Secretary General, Ambassador Andrade was Vice Minister of Foreign Affairs of Guatemala and Representative of the President pro tempore of the Commission on Security of the Central American Integration System (SICA). Ambassador Andrade is an experienced career diplomat and his academic achievements include degrees in Economics and International Relations.

**O**n July 24th, 1994, the Association of Caribbean States (ACS) was officially established in Cartagena de Indias, Colombia. The creation of this association soon gave rise to the political concept of the Greater Caribbean, based on the fact that the new organisation brought together the States, Countries and Territories of the insular Caribbean, Central American States and three Latin American countries, namely Colombia, Mexico and Venezuela. This group, formed around the Caribbean Sea, the latter being recognised as the common patrimony of all the people of the region, defined itself as an organisation for consultation, cooperation and concerted actions.

Beyond the obvious political objectives of the organisation, trade and the development of intra-regional economic relations were some of the reasons behind its establishment. Indeed, the founding fathers sought to bring together the various States, countries and territories of the sub-regions of the Greater Caribbean, which had hitherto developed very few trade and financial exchanges. Article 2 of the Convention establishing the ACS declares that 'the Association shall promote among its members economic integration, including the liberalisation of trade, investment, transportation and other related areas'. Therefore, trade and financial investments are among the primary objectives of the organisation. In other words, a Greater Caribbean Association was created, which aspired to be sound at the political and regional cooperation levels, as well as in the area of intra-regional trade and investment.

There is no doubt that these strategic objectives are closely related to the current trend in the international economy and international economic relations toward trade liberalisation, or the opening up of national borders or economies to competition from external forces. The ACS embraces these principles of the international economy, encourages, and indeed promotes trade and investment in the region, cognisant that participation in the international economy can increase efficiency, comparative advantage and specialisation, in addition to providing new direct investment opportunities.

Consequently, the ACS undertook to jointly engage in the following pursuits, as a sub-regional association:

1) Maximise regional trade and those economies of scale needed to achieve insertion into the international economic system through trade liberalisation.

2) Optimise the region's bargaining power with third parties through the forging of strategic regional alliances based on the identification of common interests.

3) Promote various forms of cooperation by forging consensus on matters of common cultural and social fabric that will overcome existing divisions and heterogeneity and benefit the population of the entire region.

During its fourteen years of existence, the ACS has done its utmost to achieve these objectives, through meetings of the Special Committee on Trade and External Economic Relations and the Ministerial Council as well as the organisation of the Greater Caribbean Business Forum and the Forum of Trade Promotion Organisations (TPOs) of the Greater Caribbean, which are already in their ninth year.

On the one hand, the Greater Caribbean Business Forum was established as a space for meetings, information exchanges and partnerships among business people, private sector entrepreneurs, civil society officials and the public sector of the Member States and Associate Members of the Association. It was like a bridge erected to facilitate business among the various regions of the Greater Caribbean. Throughout the years, the Forum has proven to be more even more crucial: it has become a true mechanism for promoting trade and investment in the Greater Caribbean, i.e. a trade promotion space for each of the organisation's Member States and Associate Members, as well as facilitating the establishment of investment networks.

Today, the Forum has been strengthened. It offers business people and entrepreneurs an immense opportunity to make themselves known and introduce their products to visitors in the exhibition stands, with a view to expanding their business and seeking out new investment niches in the Greater Caribbean. This explains, inter alia, the increase in the number of participants at the Forum, which is also motivated by the presence of key figures from the region's 'haute finance', who attend either to deliver a presentation on their experience and business success, or to establish contacts or conduct financial transactions. Finally, this Forum arouses the interest of all those seeking to increase their expertise or improve their business skills, as well as identify new potential strategies to secure their share of the market.

On the other hand, the Forum of Trade Promotion Organisations (TPOs) supports the Greater Caribbean

Business Forum in the joint strategic objective of developing trade and commercial exchanges at the regional level. The only difference is that the TPOs provide a forum for entities involved in trade and investment promotion to reflect on and highlight the difficulties faced in their work and daily activities. Furthermore, the TPO Forum allows the ACS Secretariat, Member States and Associate Members of the organisation and TPOs involved in trade promotion in the region to define new strategies to overcome obstacles to trade development and the well-being of the people of the Greater Caribbean.

There is no doubt that trade and economic activities by the business community and government agencies contribute to strengthening the economic and financial cohesion of the Greater Caribbean. In this regard, the available data demonstrates that trade and financial exchanges, for instance between the island Caribbean and Central America, have increased over the last ten years. Encouraged by these positive results, they continue to engage in mutual rapprochement with a view to making them even more promising. Similarly, the intergovernmental organisations of the two sub-regions unambiguously support the financial and commercial initiatives of the business community, translating them into timely agreements. The CARICOM-SICA Plan of Action, signed by CARICOM and SICA in Belize in February 2007, is one example of the positive initiatives undertaken in this respect. The Plan of Action took into account a certain number of areas in which both organisations have committed to collaborating within the framework of the strategic strengthening of the Greater Caribbean. With specific reference to trade and investment, it was noted that CARICOM and SICA committed to working closely together to develop multilateral trade. To this end, both parties agree that Ministers of Trade and their high-level officials should explore the opportunities provided to promote trade in products, goods and services between the two sub-regions, utilising the channels already established by the ACS.

The ACS also continues to serve as a link among the sub-regions of the Greater Caribbean, while still strengthening its support structures in order to respond more adequately to the current challenges. In this regard, it continues to provide technical studies on obstacles to the development of trade and investment in the region and ways of addressing and encouraging intra-regional trade negotiations and cooperation among the Secretariats of the Greater Caribbean.

The dynamic role played by the Dominican Republic in these economic integration and regional cooperation structures should also be underscored. The country is a member of both the ACS and SICA, has Observer status in CARICOM and, together with the Member States of the latter organisation, forms CARIFORUM within the

framework of negotiations with the European Union. In the Central American region, Belize is currently playing an equally decisive role as a member of CARICOM, SICA and the ACS.

It goes without saying that the opening up of markets among the sub-regions of the Greater Caribbean will bring the people of the Greater Caribbean closer together. In addition, interpersonal, commercial and financial exchanges all provide links to consolidating the Greater Caribbean and defining its true role within the American hemisphere. Thus, the ACS, a multicultural entity in the Americas, and a symbol of the Greater Caribbean, is the strategic belt of the hemisphere. The more it is consolidated economically, the more politically viable it will be. We all have a part to play in consolidating it and making it viable and strong.

It is evident that the Caribbean, and the Greater Caribbean region in general, is a market of opportunities in the areas of knowledge and technology transfers, available, friendly and attractive labour and high yield capital investments. For example, tourism, banking and transportation still provide quite an interesting focus for investment. In this regard, the ACS Secretariat will maintain its policy of providing crucial information on trade and investment opportunities in the Greater Caribbean. Additionally, the Secretariat recognises that economic integration and regional cooperation will have a greater impact through the establishment of a financial and monetary entity within the Association (such as the consolidated Special Fund), as well as intra-regional investments and an increase in investments from outside the region.

The readers of this magazine will gain an even greater insight into the state of trade and investment in the Greater Caribbean through the various articles and commercial pages found in this edition. Enjoy! **F**

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The ACS Secretariat building in Port of Spain, Trinidad and Tobago

