



MOFTIC Digest

Facilitating Coherent & Effective Trade Policies together
with Dynamic Programmes of International Cooperation

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INSIDE THIS ISSUE

The WTO Trade Policy Review of Guyana	1
Guyana's Stand on the Current WTO Negotiations	2
ACP/EU: Negotiations On Economic Partnership with the European Union	4
CARICOM: Update on the implementation of CARICOM Single Market & Economy	6
Developments in the FTAA	7
Genetically Modified Organisms: Challenges & Risks	9
Bilateral Cooperation	
Brazil:	
International Road Transport Agreement	10
Takatu Bridge Project	10
Malaysia:	
Arrival of Rambutan Expert	11
Cuba:	
22 nd Session of the Guyana/Cuba Joint Commission	11
India:	
4 th Session of the Guyana/India Joint Commission	11
China:	
The Bilateral Investment Treaty	12
Moco Moco Hydropower Stations	12
Guyana International Conference Center	12
Bamboo Craft Project	12
Japan:	
New Amsterdam Hospital Project	12
Technical Training	13
Cooperation with International Organisations:	
Commonwealth Secretariat	13
Organisation of American States	13
Seminars/workshops/Conferences:	
A National Trade Strategy for Guyana	14
Making Global Trade Work for People	16
15 th COTED	21
The Bamboo Craft Project	24

THE WTO TRADE POLICY REVIEW OF GUYANA

Mr. Neville Totoram, NACEN Coordinator

Background

The World Trade Organization (WTO), in keeping with its mandate to conduct Trade Policy reviews of its members, has commenced a Review of Guyana's trade policy. This undertaking resulted from a request made in June 2001 by the Honourable Minister of Foreign Trade and International Cooperation, on the occasion of a visit by the then WTO Director General, Mr. Mike Moore, to the region. During that visit Guyana informed the Director General of the country's desire to undertake a Trade Policy Review (TPR). The WTO Trade Policy review of Guyana commenced in September 2002 and is scheduled for completion in October 2003.

Trade Policy Reviews are an integral part of the multi-lateral trade arrangement in the WTO. Such reviews allow for the documenting of the trade regime of WTO Members which, in the case of developing countries, is useful in highlighting the difficulties faced in implementing the various WTO Agreements and the need for technical assistance to meet such obligations. For CARICOM, Trade Policy Reviews have been done for the following Member States namely: Jamaica (1998), Trinidad and Tobago (1998), OECS (2001) and Barbados (2002). Belize and Suriname are yet to undertake a Trade Policy Review.

Programme of activities

The activities comprising the TPR process can be categorised in three (3) broad stages. For Guyana's Review these stages and timelines are as follows:

- Stage I - Submission of initial data for the compilation of the initial draft chapters of the

cont'd on page 3

GUYANA'S STAND ON THE CURRENT WORLD TRADE ORGANISATION NEGOTIATIONS

In the context of the Doha Development Agenda, Guyana considered the issues of implementation, special and differential treatment for development countries, and affordable access to medicine to be of particular relevance. In Doha, Guyana noted that to achieve a positive and balanced agenda, particular attention should be given to the special needs and interests of developing and least-developed Member countries in all trade negotiations and liberalization processes. With respect to special and differential treatment, Guyana's stated position in Doha was that every effort should be made to implement fully the existing WTO provisions on special and differential treatment for small, vulnerable developing economies, especially in the areas of anti-dumping, sanitary and phytosanitary measures, and technical barriers to trade. Guyana also urged that the TRIPS Agreement be implemented to allow countries to address the grave public health crisis faced by numerous developing, and particularly least-developed countries, in order to ensure access to affordable medicines.

Guyana's position in the current negotiations on agriculture is that the trade and non-trade concerns of least-developed and other vulnerable countries need to be addressed, as well as any negative impact of the

negotiations upon these countries. Guyana considers that tariff reductions in agriculture should be made using the Uruguay Round formula and starting with final bound rates, with limited rates of reduction for sensitive products essential for food security in vulnerable countries. Guyana also considers that preferences should be maintained for products of substantial export interest to, and originating in, vulnerable countries. Similarly, Guyana proposes that in case of expansion of tariff quotas for products of substantial export interest to, and originating in, vulnerable countries, the expansion should be in favour of these countries. Jointly with other CARICOM members, Guyana made submissions to the Committee on Agriculture with respect to the Green Box and food aid.

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From page 1

Secretariat's Report (September 2002 – February 2003);

[This first Stage culminated with a first visit of a two-man Team from the WTO Trade Policies Review Division (TPRD) at the end of January 2003. The WTO Team was led by the Director of the TPRD and the objective of the visit was to conduct a sensitization Seminar for the key government agencies and officials associated with the review process and to collect relevant trade and economic data and information].

- Stage II - Review of the initial draft chapters of the Secretariat's Report (March – July 2003);
- Stage III – Finalisation of the Secretariat's Report (August – September 2003);
- Stage IV - Presentation of the final TPR report on Guyana to the TPRD (October 29 - 31 2003).

The review process is currently at the second stage following a second visit of a WTO Team during the period June 17 - 20, 2003. The objective of this second visit was to meet with senior government officials and experts and discuss the initial draft chapters of the Secretariat's Report on the Trade Policy Review and clarify the contents of the Report as far as possible.

Coordination and Consultations

To facilitate the Review, the Ministry of Foreign Trade and International Cooperation (MOFTIC), with responsibility for WTO matters and

focal point for this exercise, has in place mechanisms to expedite the process. A small internal Technical Committee was established within MOFTIC under the Chairmanship of the NACEN Coordinator. The Committee was tasked with coordinating all matters pertaining to the review process locally, including correspondence with the TPRD. In addition to the work of the Committee, the Ministry held a number of Inter - Agency consultations under the Chairmanship of the Honourable Minister of Foreign Trade and International Cooperation.

Structure and Content

The Trade Policy Review of any WTO member consists of the following elements;

- (i) Report of the WTO Secretariat;
- (ii) Report of the WTO Member (the GOG's Report in our case);
- (iii) Oral Statement by the WTO member (Government of Guyana) at the Review Session in Geneva;
- (iv) Minutes of the Review Session with the TPRD to conclude the process.

The **Secretariat's Report** consists of the following structure:

- (i) Chapter I – Economic Environment (deals with the country's overall economic structure);
- (ii) Chapter II – Trade Policy Regime: Framework and Objectives (deals with the country's trade policy making regime);
- (iii) Chapter III – Trade Policies and

practices by Measures (deals with the country's trade regime: Specific measures affecting imports and exports);

(iv) Chapter IV – Trade Policies by Sector (deals with the country's policies in specific sectors; and

(v) Annexes of tables, charts etc.

Present Status

Following the June visit, the revised draft chapters were sent to the Ministry of Foreign Trade and International Cooperation for review and any further amendments which were to be forwarded to the WTO Secretariat by the 31st July 2003.

In light of this, discussions were activated with the Cabinet Sub – Committee on Trade. Two meetings of the cabinet Sub – Committee were held on the 16th and 29th of July 2003 respectively for the specific purpose of discussing the revised Chapters and responses from government agencies and departments.

Arising out of these meetings the Cabinet Sub – Committee on Trade agreed to a list of amendments to the Report which was conveyed to the WTO Secretariat in keeping with the deadline, July 31st 2003.

To complete the third phase, ministry officials are working to prepare the governments' report in response to the Secretariat's final report and the government's presentation to be made to the Trade Policies review Board in October 2003. The WTO Trade Policy review of Guyana is scheduled to be completed in October 2003.

NEGOTIATIONS OF ECONOMIC PARTNERSHIP AGREEMENT WITH THE EUROPEAN UNION (EU)

Ms. R. Jagarnauth

What is the Cotonou Agreement?

This is the second in a series of articles intended to sensitise the public, private sector and non-state actors about the Cotonou Agreement.

Since the launch of the negotiations on Economic Partnership Arrangements under the Cotonou Agreement, ACP Council of Ministers and Committee of Ambassadors are engaged in the negotiations with their respective counterparts in the European Community on the scope, structure and content of the negotiations. The negotiations on EPAs are closely monitored by the various regional organs/ institutions of the ACP. These include the ACP Regional Integration Organisations, the ACP Parliamentary Assembly and the ACP's Regional and National Authorising Officers.

Concerns are expressed by the different bodies on the slow pace of the negotiations in achieving the objectives set out in Phase 1 of the Negotiations. A number of divergences in the principles of the negotiations appeared to bring Phase 1 of the negotiations at a standstill. The ACP is desirous to reach a formal agreement between the two parties on the principles and objectives and the issues of common interests and concerns at the end of Phase 1 of the negotiations. The EU on the other hand is of the view that the negotiations are really in Phase 11 and that

Phase 1 is for the mere clarification of issues. The EU side has confirmed its readiness to commence the second phase of the negotiations in September 2003 despite the divergences. Discussions are ongoing at the Ambassadorial level to advance the process.

Heads of regional integration organisations in the ACP region on May 9, 2003 strongly expressed the view that the EU side should seriously engage in Phase 1 of the negotiations and reinforced that development dimensions should be placed at the centre of the negotiations of EPAs to enable the eradication of poverty and the smooth and gradual integration of the ACP in the world economy.

Regional and National Authorising Officers of the ACP at their meeting in May 10-12, 2003 emphasised among others, obtaining guarantees that the EPAs would not divert resources set aside for development purposes. Council of Ministers at their 77th meeting endorsed the recommendation that measures be put in place to correct the slow pace of disbursement of EDF resources and to promote a better participation of

the ACP to the decision making process in relation to the utilisation of EDF resources.

At the 15th COTED Meeting of CARICOM Ministers from the 29-30 May, 2003 in Georgetown, the negotiating arm of the region, the Caribbean Regional Negotiating Machinery (CRNM) presented a report on the current status of the negotiations and reviewed the state of preparedness for Phase 11 scheduled to commence in September 2003. The CRNM has circulated the draft Caribbean Guidelines for Phase 11 of the Negotiations. CARICOM Members are to consult at the national level and submit their concerns and comments to the CRNM. This process is ongoing.

At the recently held Twenty Fourth Meeting of the Conference of Heads of Government of the Caribbean Community, the Dominican Republic and Haiti signalled their intention to negotiate an EPA as part of the CARIFORUM Group. This will pave the way for the negotiation of a Regional Economic Partnership Agreement (REPA) with the EU and augurs well for advancing preparations for Phase 11 of the negotiations.

“NEW KID ON THE BLOC”

The Democratic Republic of Timor Leste is the latest signatory to the Georgetown Agreement and is now the 79th Member of the African, Car-

ibbean and Pacific (ACP) Group of countries.

ACP Council of Ministers at their 77th

Session in May 2003 accepted the accession of Timor Leste with all the attendant rights and obligations of the ACP.

On June 6, 1975, 46 African, Caribbean and Pacific states signed an agreement in Georgetown, Guyana establishing the ACP Group of countries. This agreement referred to as the Georgetown Agreement, affirmed the Group's common identity solidarity and unity.

In recognition of the need for the ACP Group to go through the process of modernisation and reform to enable it to respond effectively to

new developments and challenges as a result of globalisation, ACP's Ambassadors and Legal Experts are currently engaged in a review of the 1975 Agreement

The Cotonou Agreement entered into force on April 1, 2003 after ratification by the 15 Member States of the European Community. In May 2002 the ACP side met the required two-thirds requirements that allowed for ratification on the ACP side.

The Cotonou Agreement was signed onto by 77 ACP Members and 15 the Member States of the European Community on June 23, 2000 in Cotonou, Benin. The entry in force will pave the way for the drawn down of the 13 billion euros earmarked by the European Development Fund for development of the ACP states during the first five years of the implementation of the Cotonou Agreement.

SUGAR

AUSTRALIA / BRAZIL CHALLENGE TO THE EU SUGAR REGIME AT THE WORLD TRADE ORGANISATION

The ACP continues to make representation at the political levels to the European Commission, Australia and Brazil in light of the challenge to the EU's Sugar regime from which Guyana and other sugar producing and supplying countries of the ACP are benefiting. Including in the representations at the various levels are those made by the Honourable Clement Rohee, Minister of Foreign Trade and International Cooperation of Guyana, the Honourable Prime Minister of Jamaica, the Prime Minister of Mauritius and the Minister of Foreign Affairs of Fiji.

The ACP Enlarged Sugar Bureau comprising of Ministers responsible for Sugar from Guyana, Mauritius, Fiji, and Swaziland undertook a Mission to Brazil in February 2003. During that Mission Brazil signalled its intention to request a Dispute Settlement Panel at the WTO.

Since the Mission, The Chairman of the Conference of Heads of the Caribbean Community the Honourable Pierre Charles, Prime Minister of Dominica has written to his counterparts of Australia and Brazil in March 2003 reiterating the concerns

of the small and vulnerable CARICOM and ACP countries. The ACP Enlarged Sugar Bureau also met with the EC Agriculture Commissioners to brief them of the Lobby Mission to Brazil and EC Trade Commissioner Pascal Lamy when he visited the Caribbean in February 2003. Commissioner Lamy expressed satisfaction with the efforts of the ACP to advance its case. He however pointed out that the EC was not quite clear as to what the challenge is all about since neither Australia nor Brazil has provided exact reasons for the challenges.

THAILAND JOINS THE CHALLENGE

On March 14, 2003 Thailand requested consultation at the WTO challenging the EU Sugar regime. Thailand's concerns are the same as those raised by Australia and Brazil. Unlike Australia /Brazil request that allowed for third party representation, Thailand's request did not allow for third party involvement in the consultation. The consultation was held on April 8, 2003.

Reports from the consultation indicate that no substantial questions were posed by Thailand nor any written questions were submitted. The view was expressed that Thailand may be merely satisfying the procedural requirements that will enable that country to join Australia and Brazil in the challenge. A July 10, 2003 release from Brussels, expressed the EU's deep regret of the

decision by Australia, Brazil and Thailand to request a WTO panel against the EU Common Market Organisation for Sugar. It refers to EU's Agriculture Commissioner Mr Franz Fischler statement "This *Challenge is hard to understand. It is nothing less than an attack on the EU's trade preferences for developing countries. Let us be clear. The claims made by Brazil, Australia and Thailand risk*

undermining the benefits of the EU regime for many sugar dependent developing countries. And to add insult to injury, they are challenging the commitments which were agreed upon by all WTO members during the Uruguay Round and which are fully respected by the EU”.

UPDATE ON THE IMPLEMENTATION OF THE CARICOM SINGLE MARKET & ECONOMY (CSME)

Ms. Bevon McDonald

Treaty Revision

The National Assembly has recently ratified the Revised Treaty of Chaguaramas establishing the Caribbean Community including the CARICOM Single Market & Economy.

This paves the way for the enactment of the Revised Treaty into Guyana's national legislation giving it legality and ensuring that the rights and benefits provided for under the Revised Treaty are now enshrined into Guyana's laws.

Manual of Administrative Procedures for the Implementation of the CSME

The CARICOM Secretariat, in an effort to strengthen national public service capacity to serve the requirements of the CSME; as well as to introduce and operate essential systems and procedures at the national and regional levels for the efficient and effective operation of the CSME, had contracted the services of a team of consultants under the Caribbean Institute of Administrative Development (CARICAD). The CARICAD team developed a Manual on Administrative Procedures for the implementation of the CSME. It is expected that the Manual will be a working guide for public service officials who are engaged in discharging duties to give effect to the CSME.

The Manual sets out the administrative procedures required for actualization of the CSME and was de-

signed to complement and give effect to legislative measures (already in place or proposed), assisting officials to efficiently and effectively facilitate the movement of skilled persons, capital, goods and services by according national treatment to nationals of all Member States that are signatories to the Revised Treaty of Chaguaramas.

The Manual is divided into four (4) main sections. These sections treat with:

- Introduction to the manual as well as background information such as the rationale for the CSME and details of the institutional arrangements required.
- Provisions and procedures necessary to give effect to the free movement of persons and the right to establish business enterprises within CARICOM.
- Details on trade in services and goods as well as competition rules (such as the guideline for producing and marketing unrefined cane sugar), and the treatment of subsidies and anti-dumping.
- Safeguards and other approved restrictions as provided for in the Revised Treaty of Chaguaramas, and the settlement of disputes. The role of the Caribbean Court of Justice (CCJ) is also addressed

in this section of the Manual.

Key proposals contained within the Manual include the following:

- The establishment of National CSME Units (or appointment of Focal Points) to treat specifically with matters pertaining to the implementation and operation of the CSME as well as to hold national consultations with all relevant stakeholders.
- The establishment of an Inter-Ministry Consultative Committee (IMCC) to provide assistance and support to the CSME Unit. The IMCC should include all the relevant Ministries and Governmental agencies.
- The establishment of a Business and Labour Advisory Committee (BLAC) with linkages to civil society, comprising of representatives of commercial and business interests, and trade unions.

This Manual was recently adopted by Cabinet for national implementation. Bearing in mind the key proposals contained therein, the Ministry of Foreign Trade and International Cooperation has since convened a meeting of the Inter-Ministerial Consultative Committee (IMCC). Consultations are currently ongoing with the private sector, labour and non-governmental partners for the estab-

lishment of the Business and Labour Advisory Committee (BLAC).

Copies of the Manual of Administrative Procedures for the Implementation of the CSME could be downloaded from the Ministry's website: www.moftic.gov.gy

Free Movement of Persons

In keeping with mandate of the Conference of Heads of Government, Guyana has recently amended its legislation to allow CARICOM university graduates, sports persons, media workers, artistes and musicians to work within Guyana without the requirement of a work permit requirement.

Guyana has also amended its legis-

lation (Immigration Act) to include Surinamese nationals. That is, Surinamese are now being accorded the same treatment granted to other CARICOM nationals.

It should be noted that these categories of Guyanese are also expected to benefit from similar treatment within those CARICOM countries that are participating with the CSME. That is, Antigua & Barbuda, Barbados, Belize, the Commonwealth of Dominica, Grenada, Jamaica, St. Kitts & Nevis, St. Lucia, St. Vincent & The Grenadines, Suriname and Trinidad & Tobago.

Facilitation of Travel

During their 14th Inter-Sessional Meeting, the CARICOM Conference

of Heads of Government had mandated to take the necessary action to allow CARICOM nationals to travel freely within CARICOM utilizing passports, Photo-ID Cards or Drivers' Licenses.

Guyana, in keeping with that mandate, has amended its legislations to give effect to this decision.

It is expected that Guyanese will be able to enjoy these benefits in traveling to other CARICOM Member States which are participating within the CSME shortly. That is, Antigua & Barbuda, Barbados, Belize, the Commonwealth of Dominica, Grenada, Jamaica, St. Kitts & Nevis, St. Lucia, St. Vincent & The Grenadines, Suriname and Trinidad & Tobago.

DEVELOPMENTS IN THE FREE TRADE AREA OF THE AMERICAS (FTAA)

Introduction

On November 1, 2002 FTAA Trade Ministers met in Quito, Ecuador and commenced the final phase of the FTAA Negotiations which is scheduled to be concluded at the end of December 2004.

The exchange of market access offers in the areas of goods, services, investment and government procurement have been identified as critical to the liberalization process to be introduced under the FTAA. By the end of February 2003 all countries had commenced exchanging *Initial Market Access Offers* for free trade in goods. By the end of May 2003 all the countries had also exchanged some level of *Initial Market Access Offers* in the areas of services, investment and government procurement. Some countries, and in particular CARICOM, defined their initial mar-

ket access offers in most of the areas in terms of a *minimalist offer*, meaning that the least liberal offer was put on the table to initiate the exchange process.

More than just a negotiating strategy, however, it has become clear that the "*minimalist*" approach in the presentation of offers by most delegations is evident of the uncertainties with which many countries in the hemisphere are faced since the 3rd Summit of the Americas (SOA) in April 2001, as a result of the growing economic problems at both the national and global levels. A key development in this regard, with a worrying impact on the FTAA process, is the stalemate in the Doha Development Round Negotiations in the WTO.

The US, observing the difficulties which have arisen in the WTO nego-

tiations and to a lesser

extent in the FTAA, has pursued a strategy involving bilateral free trade negotiations with key trading partners (in and outside the hemisphere) as a critical way of advancing its foreign trade agenda and consolidating its negotiating positions. This approach could undermine the FTAA process such that the achievement of market access concessions in the important US market would be based on the exchange of bilateral concessions and not on any need for "balance" across a wider level of hemispheric interests.

Key Concerns for CARICOM

CARICOM Heads of Government at their 14th Intersessional Meeting in February 2003 issued a number of important mandates to the region's negotiators in the FTAA.

- (i) First, treatment of the CARICOM LDCs in the FTAA negotiations. The Heads “**Re-iterated** the region’s position that the principle of non-reciprocity for CARICOM LDCs must be preserved in the FTAA negotiations.”
- (ii) Second, Technical Support and Funding Arrangements. The Heads “**Accepted** the statement by Guyana that the Hemispheric Cooperation Programme (HCP) and the Regional Integration Fund were separate concepts and should be approached separately; and
- (iii) **Agreed** that an Adjustment Fund should be negotiated within the context of the HCP.”

In keeping with this mandate, CARICOM renewed its call at the 13th TNC Meeting in April 2003 for the identification of financial and non-financial instruments to facilitate the integration of smaller economies into the hemispheric process. CARICOM also reiterated its earlier proposal for an **integration fund** or facility to finance the costs of implementation of FTAA commitments.

At the 15th Meeting of the COTED, held in Georgetown on May 29-30, 2003, **Guyana tabled a specific proposal aimed at advancing the Regional Integration Fund (RIF) in the FTAA.** Bearing this in mind, COTED Ministers took the following decisions to advance the above-stated mandates of the Heads:

- (i) *Regional Integration Fund (RIF)*: The RIF proposal will have to be pursued mainly at the political and diplomatic levels. In this regard, CARICOM would use the opportunity of the

Ministerial Stocktaking meeting (to be) convened by the USTR on June 12-13, 2003 to articulate the region’s priority on the RIF issue. CARICOM’s strategy will include the drafting of specific language on the RIF for inclusion in the Miami Ministerial Declaration (set for November 2003).

- (ii) CARICOM’s approach to the meeting with the USTR will incorporate the following points:

- *The December 2004 deadline* for the completion of the FTAA negotiations seems unrealistic, given the difficulties in the WTO and the impact on specific areas in the FTAA negotiations (eg. Agriculture).
- *Adjusting the scope of the FTAA Agenda.* The options to be considered in CARICOM’s view are to:
 - Keep the coverage (Agenda) same and lengthen the timeframe beyond December 2004; or
 - Reduce the coverage and maintain the December 2004 deadline; or
 - Seek a combination of the above options.

Political stocktaking

On June 12–13, 2003, the United States Trade Representative (USTR), in his capacity as Co-Chair of the FTAA process, convened a Ministerial (political) Stocktaking meeting in Maryland, USA to examine the current state of play of the FTAA negotiations and the achievable pros-

pects by the December 2004 deadline. The discussions focused on the core elements needed for economic success and political support of the FTAA process. All countries present reaffirmed their commitment to the hemispheric integration process, but accepted the view expressed by CARICOM that this should be based on practical considerations. It was agreed that while no topics would be dropped from the agenda prematurely, the content of each topic would be reviewed and allocated between the FTAA and the WTO. **The meeting accepted CARICOM’s proposal that this task should be a priority in the TNC’s preparations leading up to the Miami ministerial Meeting in November 2003.**

CARICOM pointed out that special and differential treatment for smaller economies is a fundamental tenet of the FTAA and must be given meaningful expression through specific measures in the negotiating groups. CARICOM also reiterated the importance of development financing and adjustment and proposed that the Inter-American Development Bank (IDB) should be asked to undertake a study on how a Regional Integration Fund could be made operational in the context of the FTAA.

While CARICOM might favour the trimming of the agenda and the extension of the timeframe at the same time, the political realities would weigh heavily on the conclusion of an agreement, albeit in some abbreviated form, by the December 2004 deadline. Any proposal to extend the deadline would be considered logical if the original agenda is maintained. **CARICOM’s expectation so far is that the FTAA arrangements will be a ‘known quantity’ by the time substantive negotiations are undertaken with the EU.**

GENETICALLY MODIFIED ORGANISMS: CHALLENGES & RISKS

Ms. Mavis Marongwe, United Nations Volunteer, Legal Draftsman

Genetically Modified Organisms (GMOs) are causing divergent disputes all over the World with regards to environmental, food safety and economic issues. Some of the disputes recently in the news include the decision by the United States of America to begin dispute settlement proceedings on GMOs against the European Union at the World Trade Organisation, the refusal by some drought hit Southern African countries to accept GMO corn as donated aid from the USA, and the backing of by China from importing GMO foods and permitting new foreign investment in the development of engineered seeds.

What are GMOs and why are there so many disputes and debates raging around them? This Article seeks to answer these and other questions and to pinpoint where Guyana stands in all of this.

What is a GMO?

A GMO is derived from the modification of the genetic characteristics of an organism. The modification is done by inserting a modified gene or a new gene from another variety of species. The reasoning behind the creation of such Organisms is to come up with plants which have a better resistance to disease and better growth. The word 'Organic' is often used to refer to organisms which have not have their genes altered in this way and thus as the opposite of GMOs.

Why have GMOs been developed?

GMOs have contributed to the green revolution. Crops produced using

GMO technology are apparently more resistance to bugs, pests and other plant afflictions. This has resulted in greater harvests, particularly in the USA where huge corn, soy and wheat harvests have been recorded. This obviously translates into more food to put on plates worldwide. Some GMO plants are also being developed to deliver vital vaccines and nutrients. An example is the 'golden rice' which is a strain of genetically modified rice enriched with beta-carotene containing vitamin A. The rice will apparently help solve the problems of vitamin A deficiency which include among other things, blindness.

Why is there so much resistance to GMOs?

With so much good supposed to come out of GMOs, the question arises as to why is there so much resistance to them?

The known and unknown effects of GMOs on the environment, on human and plant health and on economies is the prime cause of the resistance to them.

There have been documented cases of harm being caused to human health. These cases have led to some major markets in the World being cautious and in some cases such as the European Union, the imposition of a strict regulatory regime which must be met before any GMOs can be approved for marketing. The European Union decision was influenced largely by such r experiences as the mad cow disease which was as a result of the 'unnatural' breeding of cattle.

Some of the documented cases have resulted in death. In 1989, a genetically altered food supplement resulted in the death of dozens of Americans and left thousands afflicted and impaired. A settlement of 2 billion dollars was paid by the company responsible.

Some GMO approved products include herbicides are suspected of causing cancer. Other GMOs are suspected of having indirect and non traceable effects on cancer rates. In the USA, cancer now afflicts 1 out of every 2 men and 1 out of every 3 women. This has been attributed to the rearranging of the natural order through genetic mutations. GMOs have also being blamed for the appearance of what are called super viruses, the increase in allergies, birth defects, toxicity and lowered nutrition.

As far as the environment is concerned, there is the fear that planting herbicide resistant crops could lead to sterile fields which will yield little or no food and no shelter to wildlife. Some species of animals and plant life may disappear because of this disruption to the ecosystem.

There is also evidence that the genes for herbicides resistance can spread to the wild relatives of crops leaving plants which are resistant to weed killers. The pollen spread by the wind and insects could contaminate conventional and organic crops growing nearby.

Economically, many fear that the use of GMOs could alter traditional farming systems since many of the seeds from GMOs cannot be replanted but rather new seeds have to be bought

every year. This will mean that poor and not so poor farmers in the developing world may become totally reliant on trans national companies (TNC) for seeds, with translucent costs to them and bigger profits for the TNCs.

Trade Wars?

The USA is the biggest developer of GMOs and has largely been promoting their positive aspects.

In the USA, GMOs are treated like any other crops and do not have to be labeled as such before they can be marketed. The European

Union on the other hand has been very wary and negative of GMOs. In large part they were influenced by experiences such as the mad cow disease which resulted from the unnatural breeding of cattle. Under the European Union system, the prospective effects of GMOs on human, animal and plant life and on the environment have to be carefully assessed before the products can be marketed. 18 GMOs have been authorized in the EU but since October 1998, no new GMOs have been authorized. This was due to the fact

that the EU's regulatory regime was considered incomplete to address the challenges posed by the modern technology of genetic

modification. The EU thus decided to err on the side of caution and did not approve any new GMOs. However, a new regulatory framework was adopted in March 2001 and entered into force in October 2002. The EU is also finalizing the adoption of rules on labeling and traceability aimed at responding to the demands of its citizens for better and more information.

These two different approaches have resulted in a full scale trade war between the two sides.

The USA accuses the EU of using GMOs as a form of trade protectionism, whilst the EU asserts that its regulatory and labeling systems are science and not economic based. The rest of the world is on the sidelines, but for the most part siding with and sharing the skepticism of the EU, leaving the USA isolated and standing alone. The latest round in the war has seen the USA announcing its intention to file a request for consultations at the WTO on the EU's au-

thorization system for GMOs.

Where does Guyana stand?

Guyana is in the process of coming up with a policy on the matter. It is not an issue which can be ignored as being between the USA and the EU. Both the EU and the USA are big trading partners for Guyana. Guyana exports a lot to the EU and imports a lot from the USA. This means that in all probability, foods containing GMOs are coming in to Guyana from the USA. On the other hand, Guyana must ensure that it exports to the EU and other such markets are meeting their strict standards for safety. **Guyana will need to choose whether to follow the EU regime of strict regulation and labeling or the USA stance of no segregation between GMO and other products. Guyana also has a large agricultural sector and may have to decide whether to invest resources into research and experiments on GMOs.** All these are issues which must be confronted sooner rather than later. The way to be taken remains to be seen.

BILATERAL COOPERATION

BRAZIL

INTERNATIONAL ROAD TRANSPORT AGREEMENT

Following the signing of the International Road Transport Agreement, a site visit to the Linden- Lethem road was organized as part of the effort towards the implementation of the Agreement. The objectives of the site visit were:

1. To develop a map of the road

which describes in some detail its physical features; its condition during the rainy season; location and gradients and description of naturally occurring or man-made factors which influence the state of the road.

2. To identify possible locations for the establishment of police stations and outposts; customs immigration and forest wardens

check points; trucks and bus-stops and sanitary conveniences, customs facilities; road traffic signs.

TAKATU BRIDGE PROJECT

The National Coordinating Committee which has been mandated by cabinet to monitor cross border activities between Guyana and Brazil.

In accordance with the Agreement on the construction of an International Bridge across the takatu river signed in 1982, the construction across the takatu river commenced in 2001. The target date for comple-

tion of the bridge was August 2002. However, construction ceased in June 2002 owing to an internal investigation by the Brazilian Authorities. The NCC is in the process of consulting with the competent Ministries

and Agencies for the construction of a Multi-purpose complex and a sectoral development plan for region nine.

MALAYSIA

A Malaysian expert on rambutan Cultivation, Dr. Tan Hoe arrived in Guyana on July 28, 2003. The Expert works with the Ministry of Agriculture, Malaysia and is here under the aegis of the Technical Cooperation Agreement between the Governments of Guyana and Malaysia. During his visit, Dr. Tan is expected to share new technological methods for cultivating rambutan in a shorter time frame with farmers

CUBA

The twenty second session of the Guyana/Cuba Joint Commission is Scheduled for September/October 2003. The following agreements were concluded on July 10, as part of the implementation process for projects agreed on at the twenty first session of the Guyana/Cuba Joint Commission:

- Cooperation Agreement between the Guyana Export Promotion Council and the Promotion Centre for Cuban Exports.
- Agreement establishing the Guyana/Cuba Joint Business Development Council.

During the month of May, a Cuban Trade mission came to Guyana with the purpose of revitalizing and rebuilding trade relations. During this Trade Mission, the operation agreement between the Georgetown Chamber of Commerce of Guyana and the Chamber of Commerce of Cuba was renewed. The Cuban Delegation engaged in one and one discussions with Guyana's Banking Agencies, travel agencies, tourism agencies, construction companies, import/export trading companies, seafood companies, distribution services, BANKS DIH Ltd and GNIC. EXPO CARIBE 2003 was held from the 8-13th June and four Guyanese companies (including Gafors and a furniture company) participated in this event.

INDIA

Consultations are currently ongoing for the convening of the Fourth session of the Guyana/India Joint Commission. Two ITEC Experts were deputed to Guyana in June 2003 and are attached to the National Agricultural Research Institute (NARI) and the National Dairy Development Programme (NDDP) respectively.

A work programme and MOU to promote cultural cooperation between the Governments of Guyana and India is expected to be concluded in August 2003 during His Excellency, Bharrat Jagdeo's state visit to India.

A four-member delegation from CSIR visited Guyana on May 1-3, 2003 to assess and promote food processing and building material technologies that matches Guyana's developmental needs.

CHINA

Following the signing of the Bilateral Investment treaty (BIT) during the eighth session of the Guyana/China Joint Commission on March 27, 2003 in Beijing China, consultations were held with representatives of the private and public sectors to commence the implementation and operationalisation of the BIT. Agencies are to submit detailed investment and joint venture proposals for the consideration of the Chinese Government. Follow-up consultations are ongoing with a view to sensitizing the private sector on the laws and regulations for investing with China.

MOCO MOCO HYDROPOWER STATION

The Moco Moco Hydropower Station was formally handed over to the Government of Guyana with the signing of a Certificate of Handing-over on April 17, 2003, after Chinese technicians completed their final maintenance operations.

Recently, there was a landslide which resulted in major damage to the pipelines sourcing power from the Moco Moco hydro power project. In light of a request made by the Office of the Prime Minister, the Ministry of Foreign Trade and International Cooperation has made a fresh approach to the Government of the Peoples' Republic of China for a Chinese evaluation team to offer technical assistance to restore power supply to Moco Moco. This request is currently engaging the attention of the Chinese Government.

GUYANA INTERNATIONAL CONFERENCE CENTER (GICC)

With the signing of the design control for the GICC on January 14, 2003, a request for geotechnical information for the construction of the GICC was made. The submission was made in May 2003 to the Chinese side.

BAMBOO CRAFT PROJECT

Initial discussions for technical assistance in the cultivation of bamboo craft was held during the visit by a Chinese High Level Delegation led by Madame Wu Yi, State Councilor in January 2003. The detailed project proposal was submitted to the Chinese Government for consideration during the eighth session of the Guyana/China Joint Commission. On June 13, 2003, the Exchange of Notes for the Bamboo Craft Project was signed between the Hon. Minister of Foreign Trade and International Cooperation and the Chinese Ambassador. The Exchange of Notes facilitates the dispatching of a team of three Chinese bamboo craft technicians to Guyana for a period of one (1) year and the provision of the necessary materials and equipment for the execution of the project. The Department of International Cooperation will continue to monitor and facilitate the implementation of this project.

JAPAN

NEW AMSTERDAM HOSPITAL PROJECT

The project for the reconstruction of the New Amsterdam hospital seeks to improve the provision of health services in Region 6 and its surrounding environs. The health sector will also receive a significant boost from the realization of this project.

The Honourable Clement J. Rohee signed the Exchange of Notes for the implementation of Phase II of the project with His Excellency Ambassador Masateru Ito, Japanese Non-Resident Ambassador to Guyana on July 15, 2003.

JAPAN

TECHNICAL TRAINING

The Department of International Cooperation facilitated the participation of Three Guyanese in Three Technical Training offers from the Government of Japan in the following areas:

- Sustainable Mineral Development
- Environmental Policy and Environmental Management Systems
- Fire Fighting Techniques II

COOPERATION WITH INTERNATIONAL ORGANISATIONS

ORGANIZATION OF AMERICAN STATES

The Ministry of Foreign Trade and International Cooperation is the newly appointed Focal Point for cooperation with the Organisation of American States and has benefited tremendously from this partnership. As the focal point, it facilitated the participation of Guyanese official at seminars and training courses. The Government of Guyana has submitted scholar-

ship application forms for individuals to pursue and advance studies overseas under the OAS 2003 Agency Place Graduate Fellowship and Fulbright –OAS Ecology. The Inter-American Agency for cooperation and Development (IACD) of the Organisation of American States invited the Government of Guyana to submit five (5) project concepts for the OAS/FEMCIDI Programming

process that addressing the country's national agenda. However, only (1) project concepts met with the OAS Guidelines and is presently being considered for funding ; Literacy and Life Skills: Programming for Out of School, Youth and Young People, submitted by the Ministry of Education.

COMONWEALTH SECRETARIAT

In becoming a member of the Commonwealth Secretariat, the Government of Guyana has benefited from positive relations with its association, especially with regards to technical cooperation. On July 2-6, 2003 Ms. Françoise Chapman, Desk Officer for the Governance and Institutional Development Division (GIDD), Commonwealth Secretariat paid an official visit to evaluate Guyana's

technical assistance and training needs. An inter-agency meeting was convened and arising from the meeting it is expected that project proposals for technical assistance and training needs would be formulated and submitted to the Ministry of Foreign Trade and International Cooperation, the designated Focal Point to examine the merit of the project proposal and for onward transmission to the Commonwealth

Secretariat. The commonwealth Secretariat in collaboration with the Foreign Service convened a workshop for middle-senior career professionals on Effective Negotiations Skills during the Period May 19- 31, 2003. two members of staff of the Department of International Cooperation represented the Ministry at the workshop.

A NATIONAL TRADE STRATEGY FOR GUYANA

SPEECH BY HON. CLEMENT J. ROHEE, MINISTER OF FOREIGN TRADE AND INTERNATIONAL COOPERATION AT A SEMINAR ON “A NATIONAL TRADE STRATEGY FOR GUYANA” LE MERIDIEN PEGASUS, APRIL 17, 2003

Salutations.

It give me great pleasure to join with previous speakers to welcome you to this important event.

I would also like to take this opportunity to express my deepest gratitude to USAID for providing the valuable resources to Dr. Craig VanGraastek to facilitate the preparation of a National Trade Strategy for the Government of Guyana.

Soon after assuming my new responsibility in April 2001 as Minister of Foreign Trade and International Cooperation it occurred to me that the Government of Guyana through the Ministry of Foreign Trade and International Cooperation would be doing a great disservice to the people of Guyana and indeed Caricom if it were to continue participating and executing national trade policy vis-a-vis the current external trade negotiations in the absence of a clearly formulated National Trade Policy.

Moreover, having regard to the complex and multifaceted nature to which global trade arrangements have evolved it became increasingly clear to me that at the national level greater coherence and inter-agency cooperation and collaboration is a critical factor if our national interests were to be advanced at the relevant fora internationally.

I am therefore pleased to be part of this important event which has been organized to present to the public our National Trade Strategy.

To my understanding, strategy is all about making discrete choices along clear dimensions). According to Mark Fuller, Chairman and Chief Executive Officer of Monitor Company; Strategy is informed choice and timely action”.

Moreover, writing in their book “Ploughing the Sea” co-authors Fairbanks and Lindsay had this to say;

“Given the constraints of the capitalist system,

the trend towards increasingly open economies and the lack of a viable alternative, we advise those interested in economic development to think about the following lines:-

- 1: good strategy is critical to successful business (Government and Private)
- 2: successful business create wealth and employment;
- 3: therefore, good strategy is critical to wealth and employment”

The most recent expression of Guyana’s National Development Strategy is the Government of Guyana 2003 Budget titled: “Confronting the challenges: staying on course for a prosperous Guyana”.

Coming as a logical off-spring of the National Development Strategy and its companion; the Interim Poverty Reduction Strategy, the main thrust of the 2003 Budget must be seen as a further attempt by Government to maintain focus on international competitiveness as a key element of its export-led growth policy.

At the level of Caricom, the strategy; thus far, has been to win competitiveness through preferential arrangements and non-reciprocal trade. Among the justifications for this strategy is the view that such a strategy is necessary to compensate for the small size of population, labour force and internal market. This strategy is reflected in Caricom’s efforts towards maintaining the EU Commodity Protocols, seeking Special and Differential Treatment within new agreements at the WTO, the Free Trade Area of the Americas and with our EU partners.

However, in the absence of sufficient focus on the supply-side constraints in trade policy, these efforts have yielded little benefits in transforming the economies of the region.

However, CARICOM’s strategy is likely to undergo significant adjustments in the not too distant future. The obligations to be assumed under new trading arrange-

ments between the ACP and the EU, the FTAA and any new WTO round will probably enter into force between 2005 and 2008; with varying phasing-in periods. There is therefore not much time left to begin putting in place the adjustments needed.

Adjustment to the changes ahead is not going to be painless, major disruptions are forecast for traditional sectors - export agriculture, import-substitution, manufacturing, retailing and customs revenue. Even commodity-type tourism and off-shore finance will come under threat.

With the coming into being of the WTO a whole new architecture has emerged with the WTO stretching its disciplines of non-discriminatory

liberalization to areas such as services, intellectual property, government procurement and investment.

Coupled with this, is the fact that market economics, free trade and globalization have become the new mantra for how economies should be properly managed and development attained.

Globalization and Capitalism after the triumphalism of the 1990's are revealing more clearly their dark sides. The alarming rise in inequality between and within countries poor and rich, environmental degradation, the rapid spread worldwide of HIV/AIDS and illicit drugs not to mention the corruption of indigenous cultures, and now the globalization of Severe Acute Respiratory Syndrome (SARS) all point to the increasing inter-dependence of the world in which we live.

We do not have to look far to see how this global phenomenon is manifesting itself at the national level.

Note for example the recent disclosure in the local media that Guyana will not receive PL480 wheat aid this year because of; "world wide emergencies involving the war in Iraq and famine in Africa".

Such a development was widely anticipated.

In his 2003 Budget Speech my colleague Minister Kowlessar had this to say:

"The war in Iraq will have a negative impact on world trade and investment. Also it is evident that resources will have to be found to finance

the cost of the war and the reconstruction of Iraq, a reality that would see the drastic reduction in development aid to our countries. Such a development would certainly undermine the prospects for recovery in our economies, especially the vital tourism sector of the Caribbean Islands and postpone growth".

As a consequence, this situation has given rise to the fundamental role and place of national strategies to help countries find the linkages with the world economy. Such strategies are also essential in order to deal with the disruptive forces being generated and introduced by globalization within countries such as Guyana.

In this regard, the National Trade Strategy is of vital importance. What we have sought to do is to identify those issues of vital importance to Guyana and develop a raft of strategic objectives, formulate the various options and identify the basic technical and institutional support that is required to actively pursue those strategic objectives in the short, medium and long term.

Since we are currently involved in three theatres of external trade negotiations, the WTO, FTAA and ACP-EU, emphasis is placed on our negotiating strategy in the short and medium term. Mind you, all of this should in no way imply that no consideration is given to tactical considerations. But whether we take a tactical or strategic approach or a combination of both when treating with a particular issue under negotiation the bottom line is to avoid being hustled into negotiations to adopt a position or sign on to an agreement that is inimical to the interests of Guyana.

I would like to commend this National Trade Strategy to the Donor Community, the University of Guyana, the Business Community, the Trade Unions, the Consumer Association and other stakeholders.

It is our guide to action.

And talking about strategy here's what the famous American actor

Woody Allen said in "My Speech to the Graduates";

"The task is to avoid the pitfalls, seize the opportunities and get back home by six o'clock"

Thank You.

MAKING GLOBAL TRADE WORK FOR PEOPLE

WELCOME ADDRESS BY THE HON. MINISTER OF FOREIGN TRADE AND INTERNATIONAL COOPERATION, CLEMENT J. ROHEE, TO THE REGIONAL CONSULTATIONS ON MAKING GLOBAL TRADE WORK FOR PEOPLE GEORGETOWN, GUYANA, MAY 28, 2003.

I would like to welcome you all to this meeting which addresses the important issue of international trade and development viewed from a human development perspective.

I am particularly pleased that Guyana has been selected as the venue for this meeting and I am personally very happy that I have been asked to give the opening address at this meeting since, as you may be aware, I have been assigned responsibility by Heads of Government of Caricom to Superintend the negotiations at the WTO. I am therefore naturally anxious to bring greater clarity, through discussions of this nature, to the various issues on the international trade agenda.

Let me begin by observing, somewhat provocatively that although we were told nearly a decade ago that in conclusion of the Uruguay Round agreements, which were premised on the creation of a liberalized global trading regime, would bring increased prosperity to our countries, we are yet to realize these benefits. In fact, since the conclusion of the agreements we have witnessed financial crises in East Asia, economic turmoil in Latin America, most noteworthy in Argentina, and a slow down in the global economy with countries such as Japan experiencing an unusually long downturn in its economy. Even the United States has experienced economic difficulties in the form of weak output, burgeoning deficits and increased unemployment and, even as I speak to you, continues to struggle to provide a stimulus, through increased tax cuts, to generate an expansion of growth in the economy. At the same time, since the conclusion of the Uruguay Round agreements, we have witnessed growing income disparities within the developed and developing countries with an increased threat of the marginalization of a number of developing countries at the lower end of the development scale notably in Africa.

This I submit is the context which must inform our deliberations at this meeting.

The publication, "Making Global Trade Work for People"

is most welcome since it brings a novel 'human development' perspective to bear on the analysis of developments in the multilateral trading system.

I would like to commend UNDP and the other collaborating institutions for their courage in pressing ahead with the publication in the face of opposition from those who insist on a 'monolithic' view of international trade relations that is often neglectful of the interests of the developing countries.

The merit of the study is that it provides an objective analysis of developments in the international trading regime which essentially confirms the concerns that have been consistently articulated by the developing countries over the years.

Given the comprehensive nature of the report, I will confine myself to some of the main issues which I believe is important to highlight namely, the structure and functioning of the international trading system and its relationship to development; the implications of the specific agreements concluded under the Uruguay Round as well as the new issues proposed for negotiation; special and differential treatment (SDT); governance of the system (including the dispute settlement arrangements); and the way forward.

In terms of the role of trade and its relationship to development, the book makes a number of important observations. It argues for example, that although trade provides opportunities for growth, there is no automatic relationship between the two. It also debunks the long held argument that trade liberalisation is essential for growth. Indeed, it notes that the available evidence does not support this proposition which in fact weakens the arguments in favour of unfettered trade liberalisation which has been promoted as a panacea for stimulating development. For this reason the study points to the need for the developing countries to be given greater policy space, to devise appropriate strategies which Danny Rodrik described as "the local heresies" that would enable them to stimulate development and also to benefit from increased trade

liberalisation. At the same time it is recognised that the 'single undertaking' principle embodied in the Uruguay Round Agreements (which requires total instead of selective adoption of the package of agreements negotiated within the WTO) has limited the capacity of governments to pursue a totally independent policy since their options are often constrained by the requirement to conform to the provisions of the various multilateral trade agreements.

It is also quite interesting that the study underlines the fact that many of the countries in East Asia, notably the Republic of Korea as indeed Japan which achieved economic success adopted a gradual and selective approach to trade liberalisation which in fact followed the achievement of higher levels of growth instead of the reverse.

It is also noteworthy, from a development point of view, that the study affirms that, contrary to the predominant focus on market forces, many developed countries at a comparable level of development to those of the developing countries and also the successful economies of East Asia pursued a strategy in which the government made significant interventions in the development process. It is interesting that this position is in fact consistent with the arguments advanced by Joseph Stiglitz, Nobel Laureate in Economics, former Chairman of the President's Council of Economic Advisers (USA) and until recently, Senior Vice President of the World Bank that the market on its own cannot produce social equity and that government intervention is invariably necessary in order to guarantee suitable policy outcomes.

Regarding the existing trade regime, the study correctly points to the fact that the Uruguay Round of Multilateral Trade Negotiations and the establishment of the World Trade Organisation (WTO) represent a major shift from previous rounds of multilateral trade negotiations which focused mainly on market access for traded goods. In contrast, the issues included in the new trading regime are more extensive and indeed much more intrusive in domestic policy.

In terms of the actual agreements concluded during the Uruguay Round with special reference to those relating to Trade Related Intellectual Property Rights (TRIPs), Trade Related Investment Measures (TRIMs) and the General Agreement on Trade in Services (GATS), the developing countries have long argued that many of the

provisions of these agreements have operated to their disadvantage. The UNDP study supports this contention in that it documents specific areas in which these agreements have had a negative impact on the interests of the developing countries. For this reason it is important for the developing countries to continue to press for a review of the implementation of the various agreements with a view to correcting their adverse effects.

Based on this reality, the developing countries would also need to resist the inclusion of new items such as the proposed multilateral agreement on investment, trade facilitation, competition policy and government procurement the so-called Singapore issues on the WTO agenda until the implications of the existing agreements are satisfactorily resolved.

At the same time, the report reinforces the case for Special and Differential Treatment (SDT) which it sees as necessary for the effective functioning of a multilateral trading system involving participants at different levels of development. Indeed, although the Uruguay Round agreements and the Doha Ministerial meeting endorse the principle of SDT, in some cases their appears to be a weakening of the resolve of some developing countries in defending the principle, partly because of the ideological influence of neo-liberalism which asserts the merits of a reciprocity based trading regime. But this, as the report has shown, is erroneous. The report therefore serves as an important reminder of the need for the developing countries to continue to defend the principle of Special and Differential Treatment, given the asymmetric nature of the economic and trading relations between the developed and the developing countries. To this end, the recommendation in the report for the WTO Ministerial Meeting to be held in Cancun, Mexico in September 2003 to adopt an unequivocal declaration in support of SDT should be fully supported by the developing countries since such a declaration would put an end to the equivocation and ambivalence on the subject which apparently exists in some quarters.

The governance of the multilateral trading regime in the context of the operations of the WTO, which has been an issue of major concern on the part of the developing countries is also creatively addressed in the report. In this connection, it is a well known fact that the developing countries have been unhappy with the undemocratic nature of the consultative process within

the WTO, reflected in the so-called 'green room' process which has tended to exclude the majority of the developing countries from the negotiation of critical issues.

The report has advanced a number of interesting proposals aimed at improving the negotiating process within the WTO, including increasing the size of the quorum required for decision-making, facilitating the participation of countries not represented in Geneva through video Conferencing and also strengthening the capacity of the least developed countries (LDCs) to participate in the negotiations. Of even greater importance however, is the need for the developing countries to seek to go beyond the existing limited grouping of so-called 'like-minded countries' and to introduce into the negotiating process a broader coalition of developing countries such as currently exists in the Group of 77.

Related to the issue of governance of the multilateral trading system are the current provisions for Disputes Settlement established within the framework of the WTO. Many developing countries believe that the system places the developing countries at a disadvantage not only because they are less able to participate effectively in the process but that in a system which is based on the existence of retaliatory capacity, the developed countries are in a much better position to defend their interests on this basis. For this reason, there is considerable merit in the proposal contained in the UNDP report which envisages the possibility of collective retaliation on the part of developing countries to enforce compliance of developed countries with their trade obligations.

Based on its analysis of the existing multilateral trading regime, the report affirms a number of important principles, namely:

- (i) trade is a means to an end and not an end in itself;
- (ii) trade rules should allow for diversity in national institutions and development priorities; and
- (iii) no country has the right to impose institutional preferences on the other.

It also concludes that the adoption of a human development oriented trade regime would give governments the necessary space to design policies that embody these principles.

The UNDP report confirms a number of important principles that have been articulated by the developing countries for some time and should therefore be used as a basis for advancing the cause of the developing countries in shaping the configuration of the existing multilateral trading regime.

One hardly needs to emphasise the importance of trade issues in the small countries of the Caribbean given their 'openness' to external economic forces and the significant trade dependency ratios prevalent in these economies. Moreover, the reality is that the countries of the Caribbean region are currently engaged in carrying out simultaneously three separate sets of negotiations in the context of the ACP-EU Cotonou Agreement, the FTAA and the WTO. Needless to say the UNDP report provides not only significant intellectual support but also has tremendous psychological value in affirming that the developing countries have all along been on the right path in terms of the positions they have advanced in the negotiations.

In closing, I would like to refer to the recent address to the Nation by the President of the Republic of Guyana, H.E. Mr. Bharrat Jagdeo on the occasion of the 37th Anniversary of Guyana's Independence. This address was delivered on May 26, 2003.

"While the globalization process seeks to remove trade barriers, regrettably global politics focuses on defending narrow national interests, instead of safeguarding collective concerns and promoting the imperatives of interdependence. Recently, because of War and the fight against international terrorism, several of the pressing issues affecting developing countries have been placed on the backburner of the agenda of international organizations.

Globalization is moving rapidly and in its wake it is leaving a dismantled trade and economic infrastructure to which we have been accustomed to for decades. The replacement proposals tabled by the major trading blocs within the various theatres of negotiations still do not answer the concerns of developing countries. Let me reiterate: we are not against free trade. What we are pursuing at the national and Caricom levels are trading arrangements that would not push us further into the margins of development. Arrangements that would recognise our peculiarities and provide transitional support".

15TH MEETING OF THE COUNCIL FOR TRADE AND ECONOMIC DEVELOPMENT (COTED)

ADDRESS BY THE HON. CLEMENT J. ROHEE, MINISTER OF FOREIGN TRADE & INTERNATIONAL COOPERATION, GUYANA TO THE 15TH MEETING OF THE COUNCIL FOR TRADE AND ECONOMIC DEVELOPMENT (COTED) MAY 29-30, 2003 - GEORGETOWN, GUYANA

Colleagues,

Welcome once again to Guyana. It's always a pleasure having you in Georgetown, location of the Headquarters of the Caribbean Community.

Much has happened since our last COTED Meeting. The US-led war in Iraq has come and gone but it has left in its wake doubts about the efficacy of multilateralism versus unilateralism and the use of trade as a foreign policy stick to punish those countries who did not come out in support of the war.

According to Fred Bergensen, Director of the Washington-based Institute for International Economics "The US Government for sometime is going to differentiate between countries that it has designated as members of the "Coalition of the Willing" and the other countries who were not as cooperative".

This "differentiation" was clearly demonstrated in the delaying tactics adopted by the Administration in relation to the signing of the US/Chile Free Trade Agreement because Chile did not cooperate. However, the Administration did go ahead and signed the Singapore-US Free Trade Agreement even though the Agreement with Chile was ready for signing long before.

The war has had its effects on the economies of a number of countries including the US itself which is currently experiencing economic difficulties in the form of weak output, burgeoning deficits and increased unemployment and even as I speak, continue to struggle to provide a stimulus, through increased tax cuts to generate an expansion of growth in the economy.

Compounding the situation further was the declining trade in goods between 2001-2002 as a result of the economic slow down in the main import markets, falling prices for commodities and manufactured goods and internal economic problems in the countries of Latin America and the Caribbean.

According to ECLAC's 2001-2002 Report; "The international economic down turn has demonstrated that



Hon. Rohee, Minister of Foreign Trade & International Cooperation at the 15th COTED.

economies which are heavily dependent on export earnings from just a few products or markets are more vulnerable than the economies with more diversified exports".

And as though our economic woes and distresses were not enough following September 11, and the war in Iraq we witnessed the launching of another "weapon of mass destruction" when one of the largest agricultural producers in the North began dumping five primary farm commodities on the global markets by exporting corn, soyabean, wheat, rice and cotton at prices far below their production costs in an effort to wipe out global competition.

Take the example of rice. In Ghana about 40% of rice is imported from the US and is substantially cheaper than local produce. But while the people are eating cheaper rice, farmers lose their livelihoods.

The Mexican farmers, who cultivate corn on a much smaller scale, simply can't compete. Many are trying to make up for lost income by increasing the area they cultivate even if this means - as it often does - farming environmentally fragile land. Thousands are leaving the land that has supported their families for generations

to go to the cities, where there is already huge pressure on jobs and housing.

In Zambia, the low world cotton prices continue to decide whether or not an average family will have enough to eat, whether they can pay for health costs, and whether they can keep a large number of children in school. Most people in Zambia continue to survive on a meal a day and it seems most families will continue to go hungry and only pray for a better future.

These are important lessons for us to bear in mind in respect of the regional rice Industry which is coming under similar stress and strain and could virtually disappear as a regional industry if we don't wake up and stop being our own worst enemy in respect of this particular industry.

Since our last COTED Meeting we have seen the emergence of SARS. And while the war in Iraq has come and gone, from all indications it seems that SARS is here to stay.

The economic fall out from SARS has sent tremors from Asia to North America. This has manifested itself in the downward revision in global growth forecasts from investment banks and pronouncements from the Paris-based OECD claiming that the economic impact could be significant. At the sametime, the WTO warned that global commerce would be shaken if China was severely hit by the SARS crisis.

z§ So said, so done. The epidemic is helping perpetuate the under-valuation of Asian currencies. Recent weeks have seen dramatic rises not only in the value of the EURO against the dollar but of peripheral currencies such as those of Canada, Australia and Mexico. These currencies are all up by 15 percent or more this year whereas Asian economies have advanced fractionally.

SARS has also made Asian Governments more dependent than ever to extract the maximum export benefit from their under-valued currencies. They been continue to accumulate foreign exchange resources rather than engaging in currency appreciation. At the same time, Asian efforts to diversify their huge foreign exchange resources away from the dollar have contributed to the EURO's dramatic gains.

Thus far, we in the Caribbean have been spared the wrath of SARS. Let us keep it that way.

Mr. Chairman,

Yesterday, we participated at the launch of the book

“Making Global Trade Work for People,” published by UNDP and other collaborating institutions. As I said at that launch, the publication brings a novel human development perspective to bear on the analysis of development in the international trading system. I commended the publishers' courage in pressing ahead with the publication in the face of opposition from those who insist on a monolithic view of international trade relations that is often neglectful of the interests of the developing countries.

Mr. Chairman,

These matters must be of pressing concern to COTED as we deliberate over the next few days on the key development issues related to agriculture and our external negotiations at the WTO, ACP-EU and FTAA not to mention the CSME.

It must be of fundamental concern to us that development issues no longer feature as a priority, having been removed from its earlier position as the central concern on the international agenda and selectively re-cast according to neo-liberal policy preferences.

Through our own modest efforts we need to bring back development to the center stage of the international political and economic agenda and it is not fortuitous that we, as Trade Ministers and Negotiators have in our hand the tools to do so. I refer to the current negotiations at the WTO, ACP-EU and FTAA where the development dimension of these trade negotiations will prove to be the litmus test for our own survival as vulnerable, fragile economies. That is why we must never succumb to the generalized mood of resignation and acceptance of the status quo. We must together, realize our own potential for change and action, mobilize ourselves and become active shapers of our own destiny and regain our policy autonomy. We must press on with initiatives such as the Regional Integration Fund, and other innovative approaches to ensure our interests are safeguarded in future multilateral trade agreements.

We should support the recent call from the world richest Nations, to create an International Fund to help developing countries. U.K Chancellor of the Exchequer Gordon Brown made this call at the World Bank's Annual Conference on Development Economics held recently in Paris.

Mr. Brown proposed a fund raising facility for the purpose of raising US\$50 billion annually by 2015.

We should also support the long standing Tobin Tax which calls for a 0.5% on speculative capital movements which “I was aware of the arguments, but it’s not until you see first hand the consequences of policies that you see they need to be changed” he added.

Mr. Chairman, I would like to conclude by quoting from the address by H.E. the President of Guyana on the occasion of the 37th Anniversary of our country’s Independence.

“While globalization process seeks to remove trade barriers, regrettably global politics focuses on defending narrow national interests, instead of safeguarding collective concerns and promoting the imperatives of interdependence. Recently, because of war and the fight against international terrorism, several of the pressing issues affecting developing countries have been placed on the backburner of the agenda of international organizations.”

President Jagdeo went on to state;

“Globalization is moving rapidly and in its wake it is leaving a dismantled trade and economic infrastructure to which we have been accustomed to for decades. The replacement proposals tabled by the major trading blocs within the various theatres of negotiations still do not answer the concerns of developing countries. Let me reiterate: we are not against free trade. What we are pursuing at the national and Caricom levels are trading arrangements that would not push us further into the margins of development. Arrangements that would recognize our peculiarities and provide transitional support.”

Mr. Chairman, one final comment. At the 14th COTED I had cause to express concern over the lengthy dizzying agenda for that meeting. I have to once again express my concern over the length of the Agenda for the 15th COTED. It does not allow for the fullest ventilation of views on matters of concern to Ministers. It is a concern that needs to be addressed in respect of future COTED Meetings.

Participants at 15th COTED Meeting May 29-30, 2003, Georgetown, Guyana







THE BAMBOO CRAFT PROJECT

Speech by Hon. Minister of Foreign Trade & International Cooperation On the occasion of the Signing of the Exchange of Notes for the Bamboo Craft Project TaKuba Lodge, Georgetown, Guyana, June 13, 2003

His Excellency Ambassador of the People's Republic of China Mr. Song Tao, Hon. Minister of Tourism, Industry & Commerce, Distinguished Representatives for the Chinese Embassy, Special Invitees, Members of the Press, Ladies and Gentlemen.

On the occasion of the signing of the Exchange of Notes for the Bamboo Craft Project, I wish to express my profound gratitude and appreciation for the generous assistance the Government of the People's Republic of China is today extending to the Government of Guyana for this Project.

The Signing of these Exchange of Notes will facilitate the dispatching of a team of three Bamboo technicians to work in Guyana for a period of one year. It will also make provisions for the supply of the necessary materials including equipment, tools and instruments etc, which is pivotal for the implementation of this project.

The total expenses (¥1,700,000 Yuan) (approximately US\$202,380) to be incurred for this project shall be covered by two grants. One grant provided in the Exchange of Notes between the Governments of China and Guyana on February 29, 1996, and the other grant provided in the Exchange of Notes between the Governments of China and Guyana on June 29, 2001

Over the years, the Government of Guyana has benefited extensively from economic and technical cooperation with the People's Republic of China in the following areas:

- The Moco Moco Hydropower Station
- Interest Free Loans
- Technical Cooperation for Developing

Countries (TCDC) technical training awards for Guyana

- A Bilateral Trade Agreement
- Medical Brigade
- The Guyana International Conference Centre Project

At the recently concluded Eight Session of the Guyana/China Joint Commission; an Agreement for the Promotion and Protection of Investment and a ¥10M Yuan (approximately US\$1.2M) Grant for the construction of the Guyana International Conference Centre were signed between our two countries.

Our Bilateral ties were further strengthened by H.E. President Jagdeo's State visit to the People's Republic of China in March this year. Since the assumption of office, H.E. President Jagdeo was the first Head of State received by H.E. President Hu Jin Tao. During the State visit, the two Heads of States had discussions on issues which were of mutual concern to both countries.

Guyana's relations with the People's Republic of China is premised on building strong partnership through the development and expansion of existing bilateral ties. Both countries have enjoyed over three decades of friendly and fruitful bilateral relations in areas of diplomatic relations, trade, economic and technical cooperation.

The Signing of this Exchange of Notes will mark another milestone in our relations with the People's Republic of China, which will contribute significantly to the strengthening and the deepening of relations between Guyana and the People's Republic of China.

