

Sectoral Debate

**Deputy Prime Minister and Minister of Foreign Affairs and
Foreign Trade, Honourable, Dr. Kenneth Baugh**

29th July 2009

INTRODUCTION

Mr. Speaker, Honourable Members of the House

It is my honour and privilege to speak on the work of the Ministry of Foreign Affairs and Foreign Trade.

My Ministry has a serious responsibility on behalf of all Jamaicans. We must consider developments in the international arena, see how they affect our national interests and help determine Jamaica's best response.

We must identify challenges and help to address them, seek out opportunities and help to pursue them. We must promote and protect the interests of each and every Jamaican at all times.

It is a fundamental truth that the welfare and fortunes of every Jamaican are affected by world events and by how we as a Government and a country react to these events.

Global Financial Crisis and the Foreign Policy Agenda

Mr. Speaker, we meet today in a world that is significantly different from the one in which we met when last I spoke in this debate, on June 25, 2008. At that time, the storm clouds of the global financial crisis were gathering but its catastrophic dimensions were not immediately apparent.

The global financial and economic system has been battered by this crisis and no aspect of life has been spared its effect.

- The global economy will contract by 1.4% in 2009
- 51 million people could lose their jobs this year
- The World Bank predicts that remittance flows to developing countries will decline by 7.3% in 2009.
- In Jamaica, net remittances from January to May this year declined by 14.6% or double the world average.

In this scenario the appetite for development cooperation has been reduced.

Mr. Speaker, this global crisis which began in the developed world now poses its greatest threat to small, developing economies like Jamaica.

These are the countries that have contributed least to the global financial crisis and currently have the least influence on international financial decision-making.

The Ministry of Foreign Affairs and Foreign Trade is using all appropriate diplomatic and foreign policy resources to help Jamaica confront the crisis, while paying full attention to other critically important issues including:

- The promotion and protection of the welfare of Jamaicans;
- Climate change and the urgency of committed global responses to counter its grave threat to the survival of our planet;
- Trade policy, especially the challenges of lack of productivity and competitiveness;
- Developments in CARICOM, including our efforts to deal with challenges related to free movement of peoples and trade in goods;
- Developments in our hemisphere, including strengthening of regional integration and development in Latin America and the Caribbean and issues of democratic governance.

The Caribbean and the Americas

Mr. Speaker, a fundamental priority in our foreign policy is the regional integration process and the deepening of our relations within the Caribbean.

Though there may be differences of view about the contributions made by CARICOM, there can be no question that such a mechanism of cooperation and integration among the territories of this region is indispensable.

Over the past months we have witnessed significant debates within the region concerning the direction of the Community.

There are indeed challenges to be overcome and developments to be understood. Nevertheless, I am happy to say that we are emerging from these debates with a renewed commitment to improving the welfare of all nationals of the Caribbean and strengthening our integration movement.

Much of the debate has focused on the functioning of the Single Market, the pace and scope of further deepening and widening of our Community, and the challenges posed by our engagements with a number of external partners.

So far,

- We have confronted the issues of impediments to the free movement of Caribbean nationals;

- We have confronted the issue of barriers to trade in goods and the lack of progress in adopting rules of the game that are transparent and in the interest of the Community as a whole;
- We are confronting the crisis facing our region arising from the global financial crisis and the impact on the people of the region.

Mr. Speaker, in doing so in a forthright manner, we have placed the regional integration process on a more stable footing.

CARICOM Heads of Government have reemphasised their commitment to the goal of free movement.

They reaffirmed that all eligible categories of Skilled Community Nationals must be granted a definite entry of six months if they present their Skills Certificate at the point of entry, and will have the right to work immediately.

During that period (six months), the receiving country has the right to verify the qualifications of the skilled national.

They also re-affirmed that nationals who are moving to exercise the right of establishment, the provision of services and the movement of skills have the right to move with their spouse and immediate dependent family members.

They agreed that as of January 2010, household workers with appropriate certification, hospitality workers and appropriately registered Informal

Commercial Traders can join the categories of those who can move freely in the region.

In the area of trade in goods, we have cleared barriers for the entry of our products.

We are leading the process to ensure the implementation of a more secure, rules-based approach to this vitally important aspect of regional commerce.

CARICOM Trade Issues

Much has been said about the effort to make the Jamaican patty a Caribbean delight.

Working closely with colleague Ministers of Industry, Investment and Commerce and Agriculture and their staff, we were able to secure the access of patties to the Trinidad and Tobago market.

Part of the problem, Mr. Speaker, was that there was no set procedure for dealing with these issues on a community basis.

This is so despite the fact that we are now in a single market.

In this scenario reciprocity is not automatic. Each country follows its own rules, generally based on the applicable international standards.

Having said this, let me emphasize that once the issues were discussed with the Minister of Trade in Trinidad and Tobago (Honourable Mariano

Browne) and with close consultations between our High Commission and the relevant authorities, we arrived at a solution that was ultimately found acceptable by the parties.

In order to have the problems fixed once and for all, we have led the charge to get CARICOM to set up an effective regime for dealing with sanitary and phytosanitary measures in the context of the single market, including:

- Early establishment of the Caribbean Health and Food Safety Agency (CAHFSA); and
- The implementation of mutual recognition processes for the certification of exports and imports within the region.

These are initiatives on which the region has been procrastinating for some time. Jamaica is insisting that CARICOM deals with these things quickly and effectively.

The issue is not simply that of our export of patties or imports of sausages - It is about fulfilling a commitment enshrined in our Treaty for the establishment of an effective regime for regional trade in plant and animal products, while ensuring food safety and promoting food security.

Mr. Speaker, moving from SPS, let me say that the Government of Belize has initiated the legislative process for the removal of the Revenue Replacement Duties that have prevented the effective marketing of our beer and rum in Belize.

This should be completed by the end of July.

CARICOM External Negotiations

Mr. Speaker, we continue to play a leadership role in the area of CARICOM external negotiations.

Our Prime Minister, as Chair of the Prime Ministerial Subcommittee on External Economic Negotiations, is playing a crucial role in the shaping of our trade and economic relations with third countries.

Jamaica provides the Headquarters of the CARICOM Regional Negotiating Machinery (CRNM) which has now been incorporated into the CARICOM Secretariat as the Office of Trade Negotiations (OTN).

One of our most distinguished Diplomats, the Head of our Foreign Service, Ambassador Gail Mathurin, will serve as Director General of the newly-restructured body, in accordance with a unanimous decision of the Heads of Government of the Community.

CSME Implementation

Mr. Speaker, we continue to carefully consider matters relating to the Single Economy, while ensuring full compliance with our commitments to the Single Market.

An audit of our CSME implementation undertaken by the CARICOM Secretariat has shown that:

- Eligible CARICOM nationals:
 - can gain entry to Jamaica,
 - can be gainfully employed and acquire property for economic and private purposes,
 - and their dependents are entitled to work without seeking a work permit.
- Measures have been taken to enable hassle-free travel;
- A CARICOM line has been established at the airports;
- A common immigration (E/D) form is in place; and
- The CARICOM Passport has been introduced.

These are just a few of the successes we have made in the implementation of the CSME.

While we have experienced challenges, such as delays in the relevant legislative amendments, the draft report of the Audit has illustrated that significant progress has been made.

The Single Economy will require considerable effort by member states and there are significant enabling steps yet to be taken.

Issues such as currency convertibility, a common currency and other elements of the single economy will require more significant efforts on the part of member states. There are, however, areas in which progress is being made. The region, for example, is nearing the end of negotiations on a CARICOM Investment Code (CIC) and the Financial Services Agreement.

CARICOM Functional Cooperation

Mr. Speaker, I must draw attention to aspects of our integration process which we take for granted - functional cooperation and policy coordination:

- in education - the CXC and the UWI;
- in vocational training and certification - the Caribbean Vocation Qualification (CVQ), which facilitates free movement throughout the region by standardizing the skills training certificates issued by various CARICOM countries;
- in disaster response – the Caribbean Disaster Emergency Response Agency;
- in health - the Pan Caribbean Aids Project and the regional health/immunization programme with PAHO;
- in sustainable development – the CARICOM Climate Change Centre;

- in security – extensive regional collaboration in combating crime and violence and improving regional security in critical areas, including in relation to third states.

CARICOM Foreign Policy Coordination

In foreign policy, by speaking with one voice on many critical global issues, we are able to enhance our individual and collective interests.

I now have the honour of chairing the Council on Foreign and Community Relations (COFCOR), which held its 12th Regular Meeting in Jamaica in May this year.

As chairman of COFCOR, I had the privilege of helping to shape CARICOM responses to several important developments in regional and hemispheric affairs.

For example, Mr. Speaker, working with Foreign Ministers from CARICOM and the wider OAS family we were able to achieve a historic breakthrough on the question of Cuba during the recent General Assembly of the Organisation of American States.

Following intense negotiations among a small, representative group of Ministers, including Jamaica and Belize, we were able to develop the delicately-balanced resolution that will ultimately help bring to an end Cuba's exclusion from the important hemispheric councils of the Americas.

CARIFORUM

Mr. Speaker, in the wider Caribbean family, we pursue enhanced relations with the Dominican Republic and Cuba, through active joint commissions, as well as through CARICOM trade and economic agreements with them.

We also engage with both the Dominican Republic and Cuba in CARIFORUM, which provides a platform for engagement with the European Union.

The conclusion of the Economic Partnership Agreement and the development of a new programme under the European Development Fund, will provide for deeper engagement with the Dominican Republic.

Mr. Speaker, CARICOM has before it an application for Dominican Republic's membership. While this matter is under consideration, let me outline briefly Jamaica's initial perspectives.

The Dominican Republic is an important member of the Caribbean Family.

It is on the island of Hispaniola and, at its nearest point, is approximately 300 miles away from Jamaica's eastern shores;

It is among the countries that comprise the Greater Antilles including Jamaica, Cuba, and Haiti which combined, have a population of 32.8 million and a combined GDP of 92.6 billion United States Dollars.

The Dominican Republic has increasing trade and economic links with Jamaica and the region, and is our partner in the EPA.

While language and history have limited the scope of our engagement with the Dominican Republic in the past, it is clear that these must not be impediments to enhanced engagement in the future.

We look forward therefore to undertaking a high level visit to the Dominican Republic very soon, to strengthen our bilateral ties and discuss issues of CARICOM/ Dominican Republic cooperation.

Mr. Speaker, our relations with **Haiti** are very important.

We continue to work with Haiti as it pursues efforts to participate actively in the Caribbean Single Market.

We welcome its actions to open up duty free access to CARICOM in January of 2010.

This is in keeping with its entry into CARICOM and the arrangement for its gradual participation in the Single Market.

We are heartened by the steps being taken by the Government of Haiti to overcome serious social, economic and political challenges.

Jamaica continues to extend its fullest support to our brothers and sisters next door.

While doing so, we continue to cooperate in a common effort to deal with the security challenges posed by the drugs for guns trade, and illegal migration.

We intend to work closely with Haiti to build a mutually beneficial relationship in several areas of interest.

Mr. Speaker, **Cuba** is an important bilateral partner with whom we have deep historical and cultural ties.

We maintain active programmes of cooperation and continue to pursue important trade and investment initiatives.

We will sign an Eye Care Agreement very soon.

Mr. Speaker, this is a direct outcome of discussions between Prime Minister Golding and President Raul Castro.

It underscores the friendship and solidarity that characterize our relations with our closest neighbour.

I am delighted that the facilities of the eye care clinic to be established with Cuban assistance will benefit not only the people of Jamaica, but will be open also to our brothers and sisters throughout the Caribbean.

The Americas

Mr. Speaker, if the Caribbean Community is the nuclear family, the Americas represents our extended family. The challenges posed by language and history are being increasingly overcome by the impact of geography, globalization and shared interests.

Nevertheless, it is imperative that we pay greater attention to the teaching and learning of Spanish French and Portuguese within our educational system.

Mr. Speaker, we attach great importance to our relations with the **United States of America (USA)**.

This is a deeply rooted relationship that has a strong foundation in:

- The movement of our peoples;
- The growth and influence of our Diaspora;
- Trade and investment flows;
- Many shared values and cultural affinities.

We recognize the historic steps taken by the United States in the election of its first African American President, Mr. Barack Obama.

This milestone in US history reminds us of the work of many who championed the cause of equality and justice, including our first National Hero, the Right Excellent Marcus Mosiah Garvey, who spent much time in the United States spreading his message of upliftment.

We have been heartened by the outreach of the new US administration and the tangible steps that have been taken so far in its approach to hemispheric affairs.

We are pleased that the United States has secured an extension of the WTO waiver for the Caribbean Basin Economic Recovery Act (CBERA). The waiver allows the US to continue to provide duty-free treatment for eligible products under the CBI programme to beneficiary countries, including Jamaica. The waiver will expire in 2014.

The role played by the United States in the historic Summit of the Americas hosted in the Caribbean by Trinidad and Tobago and the breakthrough on Cuba reached at the recent General Assembly Organization of American States (OAS) in Honduras signal a new beginning in this most important relationship.

We look forward to the CARICOM/USA summit in Washington later this year.

The foundation for this was laid in the dialogue between CARICOM Heads and President Obama during the Summit of the Americas.

Our dialogue with the new administration was further advanced in consultations between the Foreign Ministers of CARICOM and the US, over which I had the honour to jointly preside with Secretary of State Hilary Clinton.

Mr. Speaker, we have maintained a special relationship with **Canada**, a member of the Commonwealth with whom we have had deep and longstanding historical links.

It was a privilege for Jamaica to host Prime Minister Stephen Harper in Jamaica and to advance our discussions on strengthening bilateral cooperation and deepening the CARICOM Canada engagement.

We are now poised to begin negotiating a CARICOM-Canada Trade and Development Agreement in which we intend to make development our main focus. This was a point that I emphasized during my official visit to Ottawa last year.

Mr. Speaker, we are in discussions with **Mexico** on a range of bilateral issues and look forward to the early signing of the Air Services agreement between our two countries.

Our relations have been nurtured by regular contacts at the political level, including a meeting between Prime Minister Golding and President Calderon during the Summit of the Americas, and my meetings with Foreign Minister Patricia Espinosa in Honduras during the recent OAS General Assembly.

We are also working closely with both Mexico and Brazil in preparing the Ministerial-level follow up to the Bahia Summit, held last year in Brazil, on the strengthening of regional integration and the promotion of sustainable development in Latin America and the Caribbean, as well as the Ministerial

meeting of the Rio Group. Both meetings will be held in Jamaica in November 2009.

We are delighted, Mr. Speaker, that Latin America and the Caribbean with:

- a population of 568 million people
- combined GDP of US\$3.6 trillion
- an area of 20.3 million square kilometres

is finally awakening to its vast potential to adopt indigenous solutions to promote integrated regional development and influence global events.

This is a historic moment for the unity of Latin America and the Caribbean and Jamaica is playing a role of leadership in the process.

Rio Group

Mr. Speaker, while the Bahia process seeks to promote economic integration and development, the Rio Group is the pre-eminent forum for political discussions in Latin America and the Caribbean.

Its importance is reflected in its growing membership, which expanded to include Cuba last year and already comprises three Caribbean countries—namely Belize, Haiti and Guyana.

Jamaica is currently serving a three-year term as the CARICOM representative in the Rio Group and we are taking steps simultaneously to join the group in our own right.

We regard these developments as a major part of our strategy to engage more actively with our Latin American friends and to influence deliberations on democracy, human rights and hemispheric peace and security.

Central America

Mr. Speaker, in Central America we continue to engage our partners at the bilateral level and through CARICOM.

We welcome the decision of Nicaragua to establish an Embassy in Jamaica this year. Their Ambassador-designate is of Jamaican origin, as is the Ambassador of Honduras in Jamaica.

We recognize the role that people of Jamaican and West Indian descent play in these countries.

Unfortunately, efforts to convene a CARICOM Summit with the Central American Integration System (SICA) have been delayed.

We hope that this Summit can take place soon and that we can bridge our differences in areas such as the banana issue, while advancing areas of common interest, including the proposed CARICOM/Central America FTA.

We regret the retrograde developments in Honduras and strongly support the efforts of the OAS and the Arias initiative which we hope will contribute to a resolution of the crisis and the return of the democratically-elected President to his country and his post. It is noteworthy that CARICOM again achieved a consensus on this issue and was able to influence the outcome at the level of the OAS, which agreed to invoke the relevant provisions of the Inter American Democratic Charter dealing with measures to be taken in the event of an unconstitutional interruption of the democratic order. (Articles 20 and 21).

South America

Mr. Speaker, I wish to pay special attention to the developments in our relations with our partners in South America.

Mr. Speaker, our relationship with the **Bolivarian Republic of Venezuela** continues a tradition that draws heavily on the link between the Great Liberator Simon Bolivar and Jamaica.

This relationship has blossomed over many years with mutually beneficial arrangements between our two countries.

From the San Jose Accord and the Caracas Energy Agreement to the historic Petrocaribe Agreement, an initiative of President Hugo Chavez, our special relationship has been most valued.

Jamaica looks forward to the continued deepening and strengthening of our links with Venezuela, whose longstanding support and cooperation remain a vital bridge in our links with the Continent.

We salute the many initiatives that are being taken by Venezuela to promote South-South Cooperation.

Mr. Speaker, we share deep historical links with **Colombia**.

The Jamaican Diaspora which has been established over many generations in parts of Colombia maintain strong cultural affinities to Jamaica.

It is also very important to recognize that we share a maritime border and a Joint Regime Area with Colombia. Progress is being made to advance cooperation in the administration of the Area.

The Jamaica-Colombia Neighbourhood Commission met in Jamaica this year and agreed many important technical cooperation initiatives.

This coincided with the visit to Jamaica of the Foreign Minister of Colombia.

Our Prime Minister also met with the President of Colombia, H.E. Alvaro Uribe during the Summit of the Americas in Port-of-Spain.

We extend our full support to Colombia for the strengthening of the Association of Caribbean States, over which Colombia presides, with Jamaica as vice-chairman.

MERCOSUR

Mr. Speaker, in June I paid a long-overdue visit to Brazil.

During my visit, I held very important consultations with Foreign Minister Celso Amorim, and various leaders and officials.

Brazil's commitment to the goals of practical and effective South-South cooperation was heavily underscored.

Jamaica and Brazil agreed to the early establishment of a Joint Commission to coordinate and advance the wide range of bilateral activities between both countries.

We are well aware of the rapid advances made in Brazil in the development of important new technologies, including in ethanol production, where they have enabled valuable partnerships with Jamaican industry.

CARICOM has agreed to engage MERCOSUR in discussions on areas of functional cooperation, while deferring the matter of Free Trade discussions for the time being.

Mr. Speaker, we attach great importance to deepening our bilateral engagement with Argentina and other members of the group, even as we defer action on a broader trade arrangement with MERCOSUR.

Mr. Speaker, Chile's tremendous experience in the negotiation and implementation of trade agreements provides valuable lessons for Jamaica and the Caribbean as we advance our trade negotiating agenda, while exploring opportunities for enhancing our productivity and export capacity.

We welcome the support being provided by Chile to Jamaica and CARICOM in building trade capacity.

Global Financial Crisis

Mr. Speaker, I must now address the role of the Ministry of Foreign Affairs and Foreign Trade as we confront the global financial and economic crisis:

- At the WTO we are pushing the case for substantial Aid for Trade support for Jamaica;
- We are also lobbying our international partners to seek their support for further positive changes in the policies of regional and international financial institutions;
- We are telling members of the G20, in particular, that we want to see more attention paid to the situation of lower middle income countries with open economies like Jamaica.

How do we do this, Mr. Speaker?

- We make the case in bilateral encounters;
- We make the case in alliances which strengthen our position;

- We do so, for example, with CARICOM and groupings of small economies, as well as the family of developing countries in the UN bodies and other international institutions.
- We have long been making the case for small, vulnerable middle income countries at the United Nations and across the multilateral system, and I had the opportunity to emphasize this point when I participated in the UN Conference on the World Financial and Economic Crisis in June.

Mr. Speaker, we are also focusing in CARICOM on measures to address the crisis.

At the urging of our Prime Minister, CARICOM is taking a hard look at the crisis affecting each and every member.

It has set up a task force of Heads of Government, led by the Chairman of CARICOM (President Jagdeo of Guyana) to shape a practical CARICOM strategy to deal with the crisis.

The Task Force will urge the International Financial Institutions to recognize the concerns of CARICOM States, particularly the highly-indebted middle-income countries.

It will press them to give CARICOM countries meaningful access to the new facilities which have been set up to address the global crisis.

Trade Policy and Economic Development

Mr. Speaker, the best way to respond to the crisis and prepare for the onset of the changed global economy is to secure as much investment and trade improvement as we can.

The Ministry of Foreign Affairs and Foreign Trade is uniquely positioned to help drive this effort in collaboration with the relevant ministries and agencies.

My Ministry has been at the forefront in the national effort to promote trade and investments and secure development support and financial cooperation.

We have redoubled our efforts in these critical areas.

We are building on the mandates given by the Prime Minister at the meeting of Heads of Missions in January of 2008.

We are intensifying our efforts to identify and secure development assistance and cooperation to help us meet our critical goals in this difficult time.

We are working with Ministries and agencies sharing direct responsibility for the productive sectors to secure market opportunities, build capacity and enhance competitiveness.

We are doing the same for investment and trade outreach.

Regional and Global Trade

Mr. Speaker, while support from our partners will help us deal with the impact of the crisis and supplement our own development agenda, ultimately our nation's future lies in trade and economic growth.

Our vision for long term growth and progress in Jamaica will not be achieved by borrowing or by the receiving of gifts.

Equally, Mr. Speaker, no amount of treaties or one-way preferential market access will sell goods that we do not produce – not the Caribbean Single Market, not the Economic Partnership Agreement with Europe, not the CBI, not CARIBCAN.

We must augment our considerable strengths in distribution, tourism and financial services by aggressively pursuing other avenues for generating wealth and employment through innovation, production and export.

What we can buy must ultimately relate to what we sell, in both goods and services.

Mr. Speaker, Jamaica is a trade dependent country, trade represents 100.6% of GDP. Regrettably, trade in goods and services are quite imbalanced.

Goods and services exports as a percentage of GDP amount to approximately 38.2%, and imports 62.4%.

We have a deficit of US\$1.6 billion in CARICOM trade.

Our deficit in overall trade in 2007 was US\$4.5 billion.

Our major sources of imports in that year were the USA with US\$2.7 billion, Trinidad and Tobago with US\$1 billion and Venezuela with US\$605 million.

We must expand and diversify our exports and export markets in a manner that secures substantial and sustainable growth. Our goods and services in our own marketplace have to be of world quality and standards to compete with goods from near and far and our corporate enterprises have to modernize their management, their productivity and efficiency to be prepared to compete in our own market and to penetrate near and distant markets to neutralize the disadvantages of size and lack of economies of scale.

Mr. Speaker, studies undertaken by my Ministry to help us in our consideration of the upcoming CARICOM/Canada trade negotiations and the direction of our trade policy found that we have massively underutilized all the preferential trade agreements that we have had over the past several decades.

It found that market access, negotiated with great effort, has often yielded little real benefits in terms of market penetration and improvements in exports and our balance of trade in both goods and services.

It is therefore critical that we focus urgent attention on the building of productive capacity and enhancing competitiveness in goods and service trade.

The goals set in the Vision 2030 plan and the National Export Strategy provide sound elements on which we can build.

My Ministry is committed to finding the partnerships that can help us achieve these goals.

In fact, Mr. Speaker, I received the commitment of my counterpart, the Foreign Minister of Brazil, that Brazil will put together a team of experts and investors to come to Jamaica next year to work with us on just this issue of building productive capacity.

At the same time, Mr. Speaker, I want to assure the House that we are making sure that all our negotiating strategies and our implementation activities will enhance our trade performance and support our national development strategy and vision.

Mr. Speaker, let me show how these negotiating strategies are relevant. First, at the WTO where the fundamental rules governing global trade are

established, we are vigorously defending the interest of small vulnerable economies like Jamaica.

This is important because it is these rules that govern our trade practice at all levels.

In the current Doha Round agriculture negotiations, we are protecting our commitment to implement effective domestic support measures for our farmers.

The importance of this effort is underscored by the recent initiative of the Ministry of Agriculture to move to increase tariffs within our allowed levels (bindings) and use the revenue to provide agricultural support within the scope allowed by the WTO.

For example, we are fighting to ensure that no rule is adopted that prevents us from giving our farmers appropriate agricultural support facilities.

We are also making sure that we maintain the ability to protect our sensitive sectors from unfair competition, especially from unfairly subsidized exports.

For this reason, Mr. Speaker, we want to make sure that what is called a special safeguard mechanism is accepted.

This mechanism will enable us to protect our sensitive agricultural products from being swamped in our domestic market.

We take note of the fact that Europe, through its Common Agricultural Policy (CAP) and the US through its farm bills, protect the welfare and interests of their farmers by stabilizing prices and applying selective tariffs. The policies said to cost 49 billion Euros and between 20 and 40 billion US dollars respectively, also include “set aside lands” and special subsidies. While these policies benefit farmers in these countries they can serve to distort global trade when subsidized products are dumped in other markets, especially in developing countries. We therefore welcome efforts to align these policies with acceptable international practices, bearing in mind the welfare of all parties.

In the area of non-agricultural market access (goods), we do not want to be forced to reduce our tariff levels so low that we cannot protect our sensitive sectors or generate sufficient revenue.

We will therefore be fighting in Geneva to make sure that the small vulnerable economies like Jamaica will not have to accept the use of a rigid fixed formula regime for tariff cuts.

What is happening, Mr. Speaker, is that some countries want to drive home their competitive advantage by reducing tariffs in importing countries to almost nothing if they can.

So they want the WTO to cut tariffs as deeply as possible.

We secured a commitment when the talks were progressing last year that small vulnerable economies can avoid some of these arrangements. We are going to make sure that this does not change in the ongoing negotiations as countries make tradeoffs to move the negotiations along.

At the bilateral and regional levels, we are moving ahead with the implementation of the EPA on which I spoke extensively last year. We are taking the necessary steps to fulfill our obligations under CARICOM trade agreements with the Dominican Republic, Cuba and Costa Rica.

In terms of the EPA, a desk audit of trade related assistance has been prepared and working with a team of consultants, the OPM, PIOJ, and my Ministry a number of projects are being developed to help us to take advantage of EPA related opportunities. A matrix has been prepared defining the activities to be undertaken by each sector within a time frame.

In EPA implementation, we face a challenge at the regional level where all the members of the Caribbean side - CARICOM plus the Dominican Republic - are to agree on certain institutional arrangements, and begin to implement certain shared commitments.

We hope to resolve these issues through dialogue and cooperation very soon.

Consultations

In order to effectively address the issues in our trade negotiating agenda and advance our implementation efforts, my Ministry will deepen its consultation with key stakeholders.

We will also be intensifying our collaboration with partner ministries and agencies in support of the measures that will be taken on the supply side to enhance our trade performance.

I will lead this process by sitting down with my colleague ministers of the sectors that drive or have the potential to drive increased exports.

We do this at the International Relations and Trade Committee of Cabinet (IRTC) in respect of EPA implementation but more intensive dialogue is necessary to energize this process. The objective will be to benefit more effectively from the opportunities that exist in regional and global trade.

The Jamaica Trade and Adjustment Team (JTAT), which has worked very well, will now be transformed into the Jamaica Trade Policy Consultation and Coordination Mechanism (JTPCCM) with a mandate which will include direct consultations with companies engaged in foreign trade initiatives and a regular high level public private sector consultation.

We want our public and private sector and civil society partners to be direct participants in shaping the trade policies to be pursued.

We want them to help drive the negotiating positions that we will adopt and defend.

My Ministry, through this Trade Policy Consultation and Coordination Mechanism, will engage our partners in intensive discussions on how we may better take advantage of trade agreements and arrangements.

In these exchanges I will invite all stakeholders to tell us, with specificity, the following:

- What capacity building support do you need to compete with your identified competitors in the various export markets?
- What reasonable policies would you wish the Government to adopt to enable you to be more competitive in these markets?
- What reasonable measures would you wish us to take in our treaty arrangements to protect your interests in the domestic market?
- What commitments do you wish us to seek from the countries with which you trade, or wish to trade with, in order to improve your ability to enter those markets?
- What impediments do you face in the markets to which you sell, or wish to sell in?

Mr. Speaker, I know that the private sector may feel that it has said and heard much of this before but I know that we all recognize that we must deal with the challenges head-on, and we must do so as a matter of urgency.

When I walk through my constituency and see the vast needs, I know that the answer cannot come from handouts; it is in jobs and enterprise that our future rests!

We are talking about lives and livelihoods.

Global Issues and Climate Change

Mr. Speaker, Jamaica will continue to be actively engaged in international fora to tackle the range of global challenges and play our part in helping not only to shape the policies that will address them but also in defining the shape of multilateral institutions, including the United Nations and the international financial institutions.

We remain committed to the principle of multilateralism as the most effective means for the management of global challenges for the maintenance of international peace and security, conflict prevention, peacekeeping and post-conflict development, anti-terrorism and the promotion and protection of human rights and the rule of law.

We continue, for example, to make a contribution to UN peacekeeping operations with Jamaican nationals serving in Sudan, Liberia and the Timor Leste.

On behalf of the Government and people of Jamaica, I commend our police officers who have and are contributing to ending the conflict in these countries.

Mr. Speaker, an issue of relevance to Jamaica to which we will also continue to give high-priority attention is that of trans-national organized crime, reflected in the pervasive illicit drug and small arms trafficking which continue to plague our society.

Jamaica will continue to work with its Commonwealth partners on these and other international issues as well as advance the fundamental political values of the Organization and support the efforts of Members States to meet development objectives. We will have yet another important opportunity to do so when the region hosts the next meeting of Commonwealth Heads of Government in Trinidad and Tobago from 27 to 29 November 2009. The theme of the meeting “**Partnering for a More Equitable and Sustainable Future,**” is both timely and relevant, and takes place against the backdrop of the 60th Anniversary of the founding of the modern Commonwealth.

Mr. Speaker, climate change is a critical issue on the international agenda and will engage our attention for the foreseeable future.

World leaders will meet in Copenhagen, Denmark in December this year at the 15th Conference of Parties to the United Nations Framework Convention on Climate Change, to establish binding commitments for

reductions in greenhouse gas emissions under a new regime to replace the Kyoto Protocol which expires in 2012.

There is no question, Mr. Speaker, that climate change presents a fundamental development challenge for small vulnerable island states like Jamaica.

Its impact and consequences cannot be overstated.

Climate change is already visible in rising sea levels and storm surges, coastal flooding, and extreme weather patterns, such as more frequent and intense hurricanes (which have wiped out our banana export industry).

These phenomena have led to beach erosion, coral bleaching and pose serious threats to marine species and other natural ecosystems that live along the coastline.

Mr. Speaker when we consider that Jamaica overwhelmingly depends on its coastal zone for much of its economic and social activities, including tourism, then it becomes frighteningly obvious that climate change is a clear and present danger to our development prospects.

Most of the island's infrastructure, including our international Airports, hotels, some hospitals, and the road network, are located within the coastal zone where the majority of the population also live and work.

There is therefore a greater risk of major structural damage and human dislocation in the event of a major hurricane.

Mr. Speaker, it is against the background of the serious long-term threats to the country's economic livelihood, that the Ministry of Foreign Affairs and Foreign Trade has accorded high priority to climate change diplomacy.

The Ministry is committed to providing maximum diplomatic support for the climate change negotiations and consultations that are now in high gear.

Jamaica and its CARICOM partners along with other states in the Alliance of Small Island Developing States (AOSIS) have been actively participating in these negotiations.

At the recent CARICOM Heads meeting in Guyana, Heads committed to a coordinated CARICOM approach and agreed that regional policy-makers at the highest possible political level must play an active and visible role in the negotiation process as well as in Copenhagen in December.

It is only through a coordinated regional approach that CARICOM can ensure that the targets in the new agreement are favourable to member states in recognition of our special challenges as Small Island Developing States.

So far, Mr. Speaker, the negotiations have been difficult and even fractious as differences remain between developed and developing countries, and even among developing countries.

We are nevertheless cautiously optimistic that an agreement will emerge in Copenhagen that will set more ambitious targets to substantially reduce emissions.

Mr. Speaker, let me take this opportunity to reiterate Jamaica's position that climate change goals cannot be met without the political will of the major emitters of greenhouse gases. We have already seen that many developed countries have failed to abide by their commitments under the Kyoto Protocol.

It is our view that it is only fair that the industrialized countries acknowledge their historic responsibility for global warming and take the lead in reducing greenhouse gas emissions.

At the same time, any worthwhile global treaty to limit emissions must also involve all current major emitters, which include both developed and developing countries.

It is not beyond the collective international competence to reach a fair and balanced compromise in Copenhagen.

In addition to an effective international response to stabilize greenhouse gas emissions, Jamaica's climate change position calls for concrete action on adaptation, mitigation, capacity-building, technology transfers and the provision of financial resources to assist developing countries to cope with the inevitable effects of climate change.

Mr. Speaker, our efforts at the international level must be matched by urgent action at the national level. As I indicated earlier, climate change is not a potential but a real threat to national development.

My colleagues and their respective Ministries and Agencies recognise the importance of ensuring that the necessary steps are taken to implement our national climate change strategies.

As I emphasised earlier this year at Convocation at the UWI to honour Professor Anthony Chen who is a member of the Nobel award winning team of the International Panel on Climate Change (IPCC), it is important that all stakeholders are fully engaged in the dialogue on this subject.

In this regard, Mr. Speaker, serious focus must be given to integrating climate change into broader sustainable development planning to ensure that climate change considerations are fully integrated into sectors such as coastal zone management, water resources, tourism, health, human settlement and transportation.

I am aware that a draft framework for a National Climate Change Policy and Action Plan has been prepared and this is to be further developed.

It is also proposed that a National Climate Change Committee be established to effectively oversee and guide the process of integrating climate change considerations into national development.

Critical to all of this is a comprehensive public education campaign to build awareness to ensure that the public understand the issues, challenges and opportunities that could arise from a changing climate.

Rest of the World

Mr. Speaker we continue to build on our important relations with partners outside of our hemisphere.

The relationship with our European partners has now entered a new phase with the implementation of the EPA now underway. I am pleased to say that Jamaica is moving to fulfill its obligations and of equal importance we are taking practical steps to help to ensure that we can actually reap the benefits in market access that the EPA provides.

In the area of services we are working on steps to ensure that entry and travel arrangements within the EU are made to match the cultural industries' arrangements in the EPA.

In short, we want to make sure that our promoters and musicians are able to conduct their tours with greater ease in the context of the EPA arrangements.

We will be providing a practical and business-friendly guide to the EPA and we have secured funding for important programmes in fisheries.

Within Europe, our relations with the UK continue to be of special importance.

Our historical relationship has given us a set of common practices and shared values that augur well for our bilateral cooperation.

The presence of our large Diaspora in the UK provides a valuable market for our niche products; they contribute to our economy by way of investments, remittances; and they are also valuable ambassadors who lobby support in the UK and Europe.

We hope to strengthen our cooperation with the UK and widen its scope, building on the extensive programmes that are now in train in security and immigration matters.

As stated previously, we hope that the UK will respond favourably to our appeals for changes in the APDs as well recently implemented onerous visa arrangements, particularly in relation to transit arrangements.

We are pleased with our collaboration with France, particularly in education, and continue to encourage the involvement of the French private sector in the development of our infrastructure and security.

The global financial crisis has posed many challenges in our relations with the Russian Federation.

We had to delay the re-opening of our mission in Moscow due to budgetary constraints; and RUSAL, the Russian alumina company, was forced to close its operations in Jamaica due to the downturn in the global bauxite market.

We look to the market's recovery and the full resumption of RUSAL's operations in Jamaica.

We have continued to deepen our partnership with Spain and Belgium in tourism and transportation, respectively, and my ministry has supported this in our diplomatic engagement with these important partners.

We recognize the contributions of France, Germany and other EU members which provide the funding for our valuable cooperation programmes with the European Commission.

Africa

Africa resonates in Jamaica's foreign policy in important ways, drawing from deep historical factors as well as our shared interests as developing countries with similar challenges in the global space.

For this reason we work closely to secure common benefits through the ACP and we continue to explore areas of cooperation in diaspora affairs and common approaches to international issues.

Beyond the issue of our deep historical connections to Africa lie some very pragmatic considerations, Mr. Speaker.

As the world looks forward to expanding markets, promoting sustainable development and improving the supply of vital commodities, more and more attention is focused on Africa, a land of great opportunities.

Today we see renewed initiatives from Asia and the Americas to create new partnerships and deepen South-South Cooperation for common development.

I am happy that beyond the already well-established links for our cultural industries, our private sector has begun to make a push in this direction – we encourage and will give full support to this.

We already have in place our Embassies in Africa which I commit to this effort of exploring and promoting opportunities for meaningful cooperation and business linkages with African partners.

Our presence in South Africa provides for more active outreach to the southern and east African region, while our presence in Nigeria provides a focal point for engaging West Africa, a region of great historical significance.

Mr. Speaker, Asia has been widely hailed as the emerging centre of growth and influence in a realignment of the global trade and economic system.

This presents important considerations for our foreign policy, as Asia has been an area where we have had limited presence over the years.

Like Africa and Europe, the link with Asia also holds an important historical dimension at the people-to-people level. Migration from India and China in the 19th Century contributed to the creation of the unique Jamaican mosaic and the principles enshrined in our motto – Out of Many One People.

There is no doubt that these historical linkages present valuable opportunities in the enhancement of our linkages with our partners in Asia.

We intend to establish a Mission in New Delhi in the not too distant future.

The addition of New Delhi, will provide us with three significant gateways to Asia – through Japan, China and India, representing among them over 1/3 of the world's population and a significant portion of the global economy.

Our embassy in Tokyo has played an important role in supporting thrusts in trade, tourism and investments over the years and we expect that working with JTI and the JTB, new opportunities for growth in these areas will be pursued in Japan and the countries within the coverage of our Embassy there.

We expect to complement this with carefully considered, collaborative trade and investment missions in the future.

In China we have a significant partner in trade and development cooperation.

We are hopeful that the already well-established programmes of development cooperation in areas of infrastructure and trade financing will be expanded to see more direct investments, especially in our major economic sectors.

We have been pursuing discussions in the area of bauxite/alumina, shipping and logistics and hope that as we begin to emerge from the global financial crisis, these initiatives will find renewed possibilities.

We look forward to achieving in the area of trade and investment promotion some of the excitement and success of Beijing 2008 when we participate in Expo 2010 in Shanghai.

We are deeply appreciative of the support being given by China to developing countries in general and the Caribbean Community participants in particular.

We have already begun to build linkages with India in a number of sectors in particular ICT.

We have opened an IT Centre at EXED based on our collaboration with the Government of India and expect to develop our collaboration in this and many other areas in which India has become a world leader.

Welfare of Jamaicans

Mr. Speaker, it is with mixed feelings that I now speak on the Ministry's work to protect and promote the interests of Jamaicans abroad. This Honourable House has heard much over the years of our pathbreaking efforts to reach out to our diaspora and to strengthen the links between Jamaican communities everywhere.

I am pleased to inform this house that we will move one step further this year by engaging the youth of our Diaspora in a dialogue at the Global Future Leaders Conference which we will host in partnership with public and private sector stakeholders.

Minister of State Dr. the Honourable Ronald Robinson will have much to say on this great initiative when he speaks in the debate in the Senate.

Mr. Speaker, since we last spoke, Jamaica's image was lifted to new heights by the unprecedented and historic performances of our athletes in Beijing.

In this exercise my Ministry played a vital role in supporting our Ministry of Sports and our Olympic and Athletics bodies in ensuring that Team Jamaica had all the support it could get through the services of all our missions.

While celebrating the stellar accomplishments of our athletes and the contributions of countless other Jamaicans at home and abroad who lead lives of great honour and dignity, we have had to contend with the actions of a few that have tarnished the good name of Jamaica and Jamaicans.

While I reject the efforts of some to profile all Jamaicans on the actions of a few, it is important that I call on all well-thinking Jamaicans to recognize that all of us, by our actions, shape perceptions of our country and represent to many, the lasting image of Jamaica.

Mr. Speaker, having said this, I wish to draw the attention of this House to two policy measures with which my Ministry is currently engaged in serious discussions with a longstanding partner - the United Kingdom.

Mr. Speaker, I wish to put the first issue in the context of our historical relationship with the United Kingdom and the fact that London has come to serve as our gateway to Europe and other parts of the world.

The United Kingdom is home to hundreds of thousands of Jamaicans who in their life and their work make substantial contributions to its development. We recognize and respect the need for all countries to secure their borders and to pursue appropriate immigration policies.

Such policies would ordinarily be developed with a view to securing their immigration and security objectives with minimal impediment to legitimate travel.

We are concerned that the consequences of the UK's transit visa policy pose a significant impediment for Jamaicans traveling through the UK to other countries.

We strongly believe that for Jamaicans traveling as tourists, as students, businesspersons and officials, the policy presents a serious hardship.

For Jamaicans energized by the prospect of engaging in business links with Europe under the EPA, it eviscerates the commitments on services which are seen as a vital component of the promise of the EPA.

We have urged the UK authorities to work with us to consider measures that are facilitatory.

For example, we believe that where persons are able to transit the UK without leaving the port at which they enter and such an airport has in-transit capacities, there should be no need for a transit visa as they would not be entering British territory.

We are open to ideas on whether there can be a satisfactory mechanism for addressing transit which involves a change of airport within a given UK city. In addition to the burden of access under the transit visa regime, we also recognize that the fees charged are burdensome, especially in the context of UK nationals having no such burden as there are no visa requirements for them.

Mr. Speaker, to compound this challenge, we now face an increase in the Air Passenger Duty (APD) which is purportedly an environmental tax on travel by air. The first increase of 25% will come into effect on 1st November 2009, to be followed by a massive increase of 87% on the same date in 2010.

This tax is seen by many as an unreasonable assault on Caribbean tourism, as destinations that are further from the UK (than Jamaica) are assigned a lower rate, based on the fact that the tax is based on the distance between London and other capital cities.

This means that a traveler to Hawaii or California, which are much further from London than Kingston or Nassau, would end up paying a lower APD.

This effectively gives to these destinations a competitive advantage over the Caribbean, at a time when we, as developing countries, are struggling to overcome a grave global economic crisis for which we are not responsible and stand to become the greatest victims.

The APD also presents serious difficulties for Jamaicans in the Diaspora who will pay much more to travel to their homeland.

In practical terms, a family of four traveling in economy class to a Caribbean destination will pay £300 in APD only, from 1st November 2010.

Mr. Speaker, Jamaica is sorely disappointed that the appeal by our leadership at the highest level, combined with appeals from across our region, and from the Caribbean diaspora in the UK, has fallen on deaf ears.

In February 2009, the CARICOM Caucus of High Commissioners in the UK met with representatives of the Foreign and Commonwealth Office to express the region's concerns on the reclassification of the Caribbean into a more expensive band.

A number of Caribbean Prime Ministers have written to the UK Prime Minister to express concern about the effects that this new taxation system would have on Caribbean tourism.

On June 17, the Prime Minister of Jamaica, accompanied by tourism officials from the Caribbean Tourism Organisation (CTO) and the Caribbean Hotel and Tourist Association (CHTA) met with UK officials and those sympathetic to the Caribbean in order to discuss what might be done to mitigate the force of the APD, given the discriminatory nature of the tax against the Caribbean and its Diaspora in the UK.

The PM made the case for mitigation through “rebanding” the Caribbean to the same level as the USA, which is in a band attracting a lower rate of APD.

Arising from these efforts, it was expected that an all-party amendment would be tabled to the Finance Bill which contained the APD provisions.

Regrettably, Mr. Speaker, the anticipated amendment was not tabled in the House of Commons in the month of July.

This, despite a substantive debate on the matter in which the Caribbean aspect of the APD was vigorously discussed, thanks to spirited interventions from Members of the House of Commons representing Labour, the Conservatives and the Liberal Democrats.

Although the British Government has promised to look again at what it can do to ameliorate the tax in relation to the Caribbean we have not yet seen a signal that the gravity of the problem is fully appreciated by our friends in the UK administration.

My Ministry will therefore continue to place high priority on seeking to find a solution through dialogue with the UK Government.

Mr. Speaker,

We recognize that no nation stands alone. The interests of small open societies like ours are inextricably linked with those of our region and the wider international community. We will therefore continue to pursue a bold and balanced foreign policy in which we aggressively promote and protect Jamaica's interests, while contributing to the advancement of vital international institutions and initiatives. We will continue to pursue diplomacy in the service of Jamaica and in the interest of humanity.

I thank you.