



# ORGANISATION OF EASTERN CARIBBEAN STATES

## 57<sup>th</sup> MEETING OF THE AUTHORITY

### Opening Ceremony

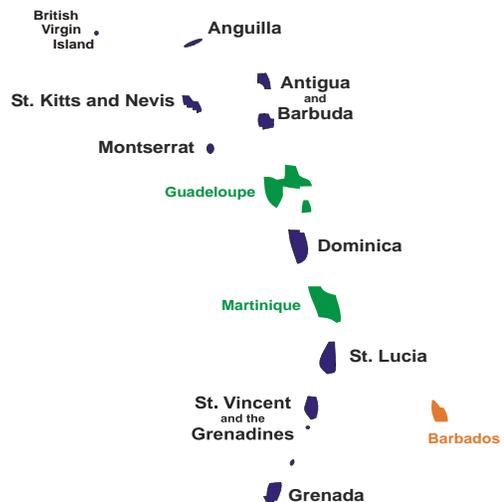
Sandals Grande Antigua Resort  
Dickenson Bay, Antigua and Barbuda

June 02, 2013

---

Welcome Address by the Director General

---



## **Welcome**

Honorable Prime Ministers, Members of Government, Members of the Diplomatic Corps, OECS Commissioners, Heads of Regional and International Organizations, special guests, distinguished delegates, members of the media, OECS citizens at home and abroad, and my OECS colleagues - it is my special privilege to welcome you to the Opening of the 57<sup>th</sup> Meeting of OECS Heads of Government in the lovely country of Antigua and Barbuda, permanent seat of the OECS Assembly.

Before proceeding further, permit me the opportunity to extend special greetings to a select few persons assembled here with us this evening. It is a real honor to welcome Dr. the Honorable Keith Mitchell to his first Authority meeting as the Prime Minister of Grenada in this new term. Prime Minister, I recall vividly, the unwavering support for the regional agenda and the work of the Organization that characterized your previous terms in office. It is very clear from your pronouncements early on in this new term that this support has not dimmed. Your decision to be represented by our joint diplomatic mission in Brussels delivered at our very first official briefing session a few months ago speaks vividly to the confidence that you have in OECS arrangements. My colleagues and I will continue to hold that confidence in trust.

It is also my pleasure to extend congratulations to the Honorable Prime Minister of Antigua and Barbuda who assumes the duties of the Chairmanship of the Authority at this meeting. An array of important initiatives relating to consolidating the gains of the economic union while giving strategic guidance to the work of the Organization will be undertaken under his leadership. Mr. Chairman, my colleagues and I are committed to supporting you fully in the carrying out of your mandate. I wish to also thank our outgoing Chairman, Dr. the Honorable Ralph Gonsalves for the considerable guidance which he provides to the deliberative and interpretative processes as the Revised Treaty of Basseterre takes root and hold, and new aspects of the governance architecture continue to be operationalized. Thank you Prime Minister for your support for the work of the Union.

And finally, I wish to congratulate Premier Meade and the people of Montserrat who have now ratified the RTB becoming the seventh Member State to do so. From henceforth Montserrat will participate fully in all governance structures established under the RTB including the OECS Commission, the Assembly and the Economic Affairs Council. Premier, it will be a source of great pride to see you lead the delegation of Montserrat to the next sitting of the OECS Assembly allowing your

country to take its rightful place as one of the founding fathers of this Organization of which we are so proud. It is our fervent hope that accession by Anguilla and the BVI is not too far behind.

### **The Reality of Today**

Distinguished Ladies and Gentlemen, the reality that we face today as a consequence of events not of our making is sobering. Five years after the bottom fell from the global financial markets, managing the domino effects of the ensuing crisis is still the single most important preoccupation of leaders in all regions of the world. Ours is no exception. The much-anticipated global recovery of 2012 seems not to have taken off. On the contrary, global GDP contracted from 3.9% in 2011, to 3.2% in 2012. Growth of only 3.1% is forecast for this year – and that is shrouded in uncertainty.

While no corner of the world escaped the fall out precipitated by the financial crisis, for many the effects were severe. While the American economy seems to have turned the corner, jobless though the recovery has been, Europe last year faced its second recession in 3 years and today is grappling with record unemployment. Yet another country in the euro zone – Cyprus – seems to be on the verge of requiring rescue. World trade has halved from record growth of 5% in 2011 to 2.5% in 2012. The worlds' developed economies registered only marginal growth of 1.3%. In 2012, however, economies in the developing world grew at an average rate of 5.1%, even though the rate of growth (down from 6.3% the year before) had slowed in response to sluggish demand from major markets. Asian economies led that growth with China leading the charge with a growth rate of 7.8% - even then, its weakest showing in 14 years.

Much closer to home, while the LAC region experienced growth of 3%, the Caribbean continued to struggle. The regional economy grew at a miniscule rate of 1.0% in 2012. Five economies in the OECS registered negative growth; four saw fractional movement in GDP with growth ranging from 0.3% - 1.9%. The OECS regional economy contracted by 0.71% - the fourth consecutive year of contraction highlighting in no uncertain way the inherent lack of buoyancy and systemic vulnerabilities of the economies of these microstates.

Tourism – the main economic engine contracted by -0.6% in 2012, compared with growth of 3.7% in 2011. Cruise ship tourism likewise contracted by 12.6% decreasing from -22% to -9% across the OECS. Visitors to the OECS from the rest of the Caribbean dropped by 5.8%. The only subsector of the industry to record

growth was that of yachting with 2.4%. Construction contracted by 5.3% as did FDI decreasing from \$6.8bn in 2008 to \$2.7bn in 2011. Two sectors however, broke the trend of declining performance. Agriculture grew at a rate of 5.5% mainly as a result of an 85% increase in the production of bananas in ST Lucia and a healthy resurgence of Grenadian nutmeg and manufacturing registered growth across the OECS ranging from 0.45 – 8%, led by electrical and telecommunications components in St Kitts and Nevis, and soap and beverage production in Dominica. While dismal economic performance has been the recent reality of many countries large and small, the story for large developing economies has been different – so different, that when the bottom fell out of the global markets and the only economies growing were the developing world, the world stepped back, paused and took notice: the South had risen.

### **The Rise of the South**

The speed and scale at which emerging economies have grown is both astonishing and unprecedented. Never in history have living conditions and prospects for so many changed so dramatically, and so fast. During the industrial revolution Great Britain required over 150 years to double GDP per capita and it had resources from its far-flung empire with which to bankroll that effort. The USA required more than 50 years to do the same Both countries had populations of around 10m at the time. The miracle of the economic take off of both China and India took place when each had populations of over 1 billion. In both cases output per capita doubled in less than 20 years. In a remarkably short time China has emerged as the world's second largest economy and soon to be largest.

For the first time in 150 years the combined output of 3 emerging economies; China, India and Brazil is about equal in GDP to that of Canada, France, Germany, Italy, the UK and the USA. Countries of the South now produce half of world economic output. Nearly half of all remittances sent back home originate from developing economies. The share of South-South trade is now more than 25% in value of world trade having tripled in 30 years and the South is now responsible for more than ½ of all trade flows. South-South investment ranges 30% – 60% of all outside investments in LDCs; four of the five countries with the largest number of Facebook users are from the South: Brazil, India, Indonesia and Mexico and ¾ of the worlds increases in the stock of foreign exchange reserves of \$10.18 Trillion have been accumulated by the south - a huge potential source of development finance.

The South is now in a position to influence and shape old models of development cooperation, we see this in the transformation of Africa and the role of China in that

process. The South is influencing and shaping technology more suited to conditions of the developing world witness the impressive gains of Brazil in the production of the world's regional jets and India's Tata group in production of the versatile Nano car. The South is fashioning business models more adept at solving the challenges of development- witness the Grameen Bank of South East Asia in the provision of microfinance to the poor. And in the global fight against poverty the largest gains to the ranks of the middle class are coming from countries in the South.

What we are witnessing is a tremendous rebalancing of global economic power, a dramatic increase in South-South cooperation, a fundamental shift in the prism through which development is being viewed and the menu of policy options now available in the process changing the language of our times as the divide between North and South becomes increasingly blurred. It is in this highly charged, dynamic, fluid, geopolitical landscape that we in the OECS must insert ourselves, represent and champion our own cause, develop strategic alliances with those who will be our advocates in the corridors of world power in which we have no presence while continuing to undertake the strategic intelligence on which to base smart choices and make informed decisions.

## **The Future**

How do we make the most of this new world? By being bold, by being visionary, by championing our own cause, by seizing opportunities, by being creative, by working hard and by valuing what we have. We have already proved that we can be bold, and visionary. In the face of a crippling financial crisis OECS leaders formed an economic union. And now we must perfect it. Outstanding obligations with respect of the freedom of movement must be discharged. The common OECS Plans for tourism and agriculture are platforms for a more perfect union as are the regional oceans governance plan and Development Strategy being presented to HOG at this meeting. Ongoing work with respect of a regional framework for citizens' participation, continuing development of the OECS Assembly, the movement of goods and service, operationalization of the Economic Affairs Council will consolidate our efforts. A protocol to ensure recognition of the OECS Economic Union within the RTC to be discussed at the next meeting of CARICOM Heads in July will finally bring closure to this issue.

We prepared ourselves for the rebalancing of geopolitical power at both the national and regional levels by thinking ahead of the curve and purposefully pursuing our interests in far-flung corners of the world. New diplomatic and other alliances have been formed with non-traditional partners in Asia, the Middle East

and Latin America, as well as with smaller States in Europe. A few days ago, the EU presented the credentials of its first ambassador to the OECS joining 12 other countries that have done so. Each new relationship brings with it additional support for our developmental priorities and new partners who can champion our cause. Even in these hard times, these relationships have been pivotal in delivering the millions of dollars that we have received to spearhead regional initiatives in climate change, energy, education, trade, youth, oceans governance, marine management and regional integration, demonstrating real confidence in OECS operations.

But there are also things we must attend too. We must for example seize opportunities right on our doorsteps to aid in our growth and development. Let me mention but two. Perhaps no other opportunity comes more vividly to mind than that which exists in the yachting sector. In the OECS the blue economy – our marine space - encompasses much more than 66 times the size of our land mass. We are anchored north and south by arguably the best sailing waters in the world, yet the scale of that asset is far from commensurate with the role that it plays in our development. Yachts are highly mobile. Increases in yachting traffic to our region will pay dividends in the jobs and skills that are created and the services sold. We all stand to benefit. Instead of competing with each other for investments we should take stock of the investments which we already have, plot these on a regional map against our major yachting assets, map out infrastructural and service gaps and put in place a truly regional plan to service the needs of the yachting industry, complete with an overhaul of cumbersome clearance regimes, in this process transforming this part of the world into the sailing mecca that it can be – as well as our prospects for the future.

A second example relates to the perennial problem of airlift to our region. Air France delivers hundreds of Europeans daily via multiple flights to Martinique, Guadeloupe and St Martin literally on our doorsteps. Can we not develop those private and public sector arrangements which will allow more of those visitors to also spend time in the OECS islands? While a few entrepreneurs such as the owner of Jungle Bay in Dominica do this quite successfully they remain in the minority. Proximity to the French and Dutch islands allow for joint ventures in the lucrative fashion industry. We can work with their designers and cut and sew for the European market. These are all things within our grasp to do. Key to the future will be our ability to break free of the inertia that sometimes stands in the way of our success.

## **Conclusion**

A few days ago, while in the northern part of the OECS, I was struck, as I always am, by the stunning beauty of the BVI, prompting a reflective moment. The truth though is that up and down this archipelago of islands that we call home – ours in a romantic landscape of priceless beauty. This we see from a hilltop in Carriacou looking north across waters of impossible turquoise to the Tobago Keys, in the sun setting across Petit Martinique, in St Vincent from the Soufriere crater looking down at the Owia Salt Ponds, in the awesome sight of Petit Piton from the top of Gros Piton, around every corner and every curve in the hillsides of Dominica, the view of Nelsons Dockyard from Shirley Heights, in the haunting beauty of the SE Peninsular of St Kitts, in Sandy Bay Anguilla, in the view of Redonda from Montserrat, and the incredible sands of White Bay Josh van Dyke. These are all OECS assets. We live in paradise. This is our heritage. Let us conserve it, develop it wisely, guard it jealously, and hold it in trust for all times.

.....