

REMARKS BY

**THE HON. KENNETH VALLEY
MINISTER OF TRADE AND INDUSTRY
CHAIRMAN OF THE SPECIAL COMMITTEE ON TRADE
DEVELOPMENT AND EXTERNAL ECONOMIC RELATIONS
ASSOCIATION OF CARIBBEAN STATES (ACS)**

**AT THE 1st MEETING ON THE FACILITATION OF
CUSTOMS PROCEDURES AMONG THE COUNTRIES
OF THE GREATER CARIBBEAN**

**9:15 AM
MARCH 1ST, 2005**

**ACS HEADQUARTERS
SWEET BRIAR ROAD
PORT OF SPAIN**

Distinguished Representatives of ACS Member States

and Associate Member States

Dr. Reuben Silié Valdez, ACS Secretary General

and Staff of the ACS

Heads of Regional Customs Agencies

Ladies and Gentlemen

I welcome all of you to Port of Spain at this opening session of the 1st Meeting on the Facilitation of Customs Procedures among countries of the Greater Caribbean. I am particularly pleased that this joint project of the Association of Caribbean States (ACS) and the Ministry of Trade and Industry focuses on an area of increasing importance in international trade circles today - the process of trade facilitation.

Specially, I wish to recognize Mr. Pablo **Illarietti** and Ms. Beatriz Alvarez of the IDB and Mr. Francisco Santeiro of the Latin American Association of Express Companies, consultants who have willingly offered to share their expertise and experiences with us today.

Trade facilitation represents a paradigm shift away from the sole emphasis on the revenue collection role of Customs. The concept came to the forefront in 1996 during the WTO Singapore Ministerial Meeting as the international business community expressed concern for greater transparency, efficiency, and procedural uniformity for the cross-border

transportation of goods. Since that time, the topic has emerged as a major trade-policy issue in the WTO's Doha Work Programme as a result of the July 31st Package agreed to in 2004.

Trade liberalisation with its implied tariffs reduction globally, has brought to the fore the need to shift the paradigm to one of trade facilitation.

The role of Customs and similar regulatory government bodies is at the centre of this process. Trade facilitation is a complex area, encompassing government regulations and controls, business efficiency, transportation, information and communication technology and the financial services. Through the critical interplay of administrative demands and procedures, the process of trade in goods and services can either be accelerated or constrained. We recognize this fact, and acknowledge that our nations have many procedures and systems which have not kept pace with technology, modes of production, and distribution, and therefore need to be upgraded to meet the demands of the new international trade environment.

Economic theory tells us that the expansion of trade is achieved, at least in part, through programs to lower transaction costs in goods and services which cross borders, thereby improving efficiency, promoting transparency and boosting competitiveness. In an increasingly globalised economy, customs reform contributes directly to promoting supply chain linkages and reducing non-tariff barriers to trade. Above all, by saving precious resources and monitoring the movement of goods and services, it

enhances the potential for promoting development in all our countries. Governments will enjoy better controls, higher revenue collections, as well as a more stable climate for foreign direct investment where customs reforms are successful.

Customs is a mandatory element in the movement of goods across borders. Effective and efficient clearance of goods enhances industrial processes. When industry functions efficiently, it impacts positively on the participation of the national economy at the global level and contributes significantly to the economic competitiveness of nations.

To facilitate modern trade and business, it is essential for administrations to provide simple, predictable and efficient customs procedures for the clearance of goods and movement of services, while simultaneously tackling increasingly complicated national and international requirements to ensure compliance with national laws, international agreements and meet security challenges.

Today, monitoring procedures for the movement of goods and services has become all the more important, since the volume of goods that move across borders has increased exponentially due to advances in production and delivery systems and changes in the international trading environment.

As international trade becomes more competitive, we cannot afford the substantial negative effects that burdensome procedures have on economic activity. In fact, it is widely agreed that inefficient customs procedures and the constraints which these pose on trade facilitation have a greater negative effect on small and medium-sized enterprises (SMEs) and on enterprises in developing countries. As small, open economies, we cannot risk this outcome.

It is in this regard that we of the Greater Caribbean have come together today to learn about different strategies to reap the benefits of increased efficiency through optimal trade procedures. As responsible governments and governmental agencies, we are willing to examine current systems to ensure the development of targeted policies and procedures, and practical measures, to facilitate trade and ensure synergies across our economies.

I wish you a successful and productive workshop and I look forward to receiving your recommendations on how we can continue to make our Region a giant in the trade arena.

I thank you.