



ORGANISATION OF EASTERN CARIBBEAN STATES SECRETARIAT

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SPECIAL MEETING OF THE OECS AUTHORITY

Sandals La Toc
Castries, St. Lucia
September 28, 2001

COMMUNIQUE

Introduction

The Organisation of Eastern Caribbean States (OECS) convened a Special Meeting of Heads of Government, in St. Lucia on Friday September 28, 2001.

The Meeting, under the Chairmanship of Dr. the Honourable Keith Mitchell, Prime Minister of Grenada, considered the current situation regarding their economies in light of the crisis situation arising from the deepening global economic dislocation and the September 11th attacks on the United States.

Heads of delegations were Mr. Alphonse Derrick of Antigua and Barbuda; Hon. Pierre Charles, Prime Minister of Dominica; Hon. Dr. Lowell Lewis, Minister of Communications and Works in the Government of Montserrat; Hon. Dr. Denzil Douglas, Prime Minister of St. Kitts and Nevis; Hon. Dr. Kenny Anthony, Prime Minister of St. Lucia; Hon. Dr. Ralph Gonsalves, Prime Minister of St. Vincent and the Grenadines.

Governor of the Eastern Caribbean Central Bank (ECCB) Sir Dwight Venner; Secretary General of the Caribbean Tourism Organisation (CTO) Jean Holder; Head of the Regional Security System Brigadier Rudyard Lewis, and Assistant Secretary General of CARICOM Byron Blake also participated.

Representatives of the private sector organizations in OECS Member States also attended.

Economic Overview

The meeting received an overview of the current economic situation in OECS Member states from ECCB Governor Sir Dwight Venner which;

Noted that an economic downturn, which already existed in a majority of Member States prior to the September 11th terrorists attacks in the US, is expected to deepen.

Anticipated a major fall off in tourism, increased international scrutiny for the financial services sector, and difficulties for the insurance sector, among others.

Impact on Specific sectors

The Meeting heard of potential negative impact of the September 11th terrorism attack on the region's Tourism and Aviation sectors, among them,

Increased requests from international airlines and travel agents for reductions in fees and other charges and from local operators of tourism facilities for exemptions and reductions of fees and taxes.

The Meeting was urged to take a measured, co-ordinated approach to negotiations with international airlines and travel agencies.

The Meeting heard that hotel bookings on the European market continue to hold and that creative efforts should be made to limit the fall out in the American market.

Agreements

The Heads of Governments agreed that the crisis situation with which they are faced requires a very strong response on their parts.

They agreed that their responses should be measured and not made in a situation of panic. There should be common action taken so that all countries could benefit from a consistent and co-ordinated approach to the key elements of the response.

The Governments agreed that discretionary concessions on duty payments would be discontinued and only statutory and other authorized concessions would be granted.

- ?? Governments would restrain the growth of public sector expenditure, paying particular attention to the expansion of the public service;
- ?? Heads recalled the decision of the Monetary Council of the Eastern Caribbean Central Bank to consider the possibilities and implications of any changes of interest rates at the next meeting of Council schedule for November;
- ?? Give urgent consideration to the long-term issues of public sector performance improvement;
- ?? Ensure the expeditious conclusions of the telecommunications reform and modernization programme, and the urgent promotion of the information and communication technology initiatives to stimulate economic transformation.
- ?? Accelerate the pace for the Freedom of Movement of OECS Nationals leading towards the creation of the Economic Union of Independent States (EQUIS).
- ?? The OECS would call together another of the regular meeting of donors, both at the international and country levels, to determine the assistance that will be required from the international community and how this would be delivered.

In addition, the Heads agreed to examine in the medium term;

- . public sector reform aimed at increasing efficiency, and fiscal reform including matters related to revenue, expenditure, financing and debt management.
- . rationalization of public administration so as to reduce the per capita cost.
- . the development of human resources for economic advancement as well as to facilitate

labour market flexibility.

- . redefinition of energy policy to reduce fuel consumption, and examination of measures to insure a more comfortable level of regional food security.

- . restructuring of the governance structures and processes to enhance policy formulation, implementation, monitoring and most critically, credibility.

The Governments agreed that with respect to Tourism, Prime Minister, the Honourable Dr Denzil Douglas would be designated to be responsible for the Tourism response. He would immediately convene a meeting of all stakeholders' representatives to consider the following approaches:

- (a) Joint promotion and marketing of the OECS region;
- (b) Development of a programme to encourage and facilitate intra Caribbean travel;
- (c) A common short-term response to the demands of the international airlines and the hotels which, while being sensitive to the current situation, will not compromise the need for government to maintain revenue flows;

The Meeting also agreed on common approaches to taxation and incentives to be applied to cruise shipping. On the general economic situation, Heads agreed that the Chairman of the OECS, along with the Central Bank and OECS Secretariat would meet within the next two months, with representatives of the private sector, the Trade Unions and Employers Organisations to agree on an economic framework to govern prices, wages, employment and other key issues affecting the economic stability of the OECS region.

The Prime Ministers met with the Head of the Regional security System (RSS) who briefed them on recent developments and especially the need to enhance security systems for airports and the tourism sector.

They agreed that these issues would be addressed more fully at a meeting of the council of the RSS to be held on Friday 5th October.

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