



# ORGANISATION OF EASTERN CARIBBEAN STATES

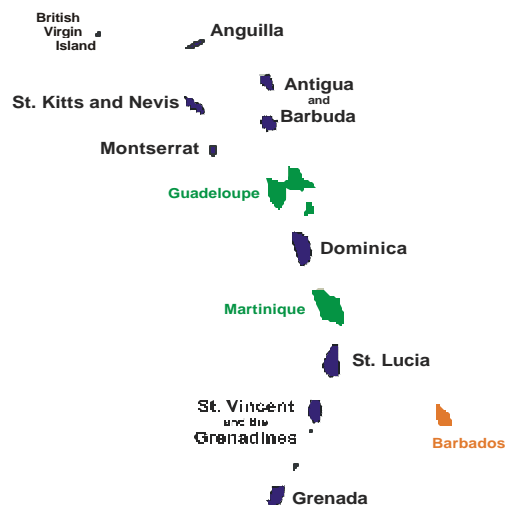
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## 2006 NEW YEAR ADDRESS

BY OECS CHAIRMAN

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PRIME MINISTER OF ST. VINCENT AND THE GRENADINES

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My fellow OECS brothers and sisters

As we in the Organisation of Eastern Caribbean States prepare to celebrate our twenty-fifth anniversary on June 18<sup>th</sup> 2006, the beginning of this New Year, 2006, provides an opportune moment to reflect on the achievements and lessons learned by Member States since the signing of the Treaty of Basseterre in St. Kitts/Nevis gave rise to the birth of the OECS on June 18, 1981. The signatories then, it will be recalled, were a mix of small independent and non-independent states, which by signing, affirmed their belief that economic and social development for their peoples could best, perhaps only, be achieved, through cooperation and integration. They remained firm and resolute in their conviction that regionalism held the seeds for socio-economic development, despite the disappointments of the failed regional political experiments of the West Indies Federation and the Little Eight in the 1960s.

The ensuing twenty-five years have demonstrated results of integration which have been quite significant and critical to the building of the stable societies of the OECS. The examples, all well known, are not to be treated lightly, especially if comparisons are drawn with the wider region and indeed other parts of the world. Among the significant achievements of the OECS model of integration are the OECS Secretariat, the Eastern Caribbean Central Bank, the Eastern Caribbean Supreme Court, the Eastern Caribbean Civil Aviation Authority, the Eastern Caribbean Telecommunications Authority, the OECS Pharmaceutical Procurement Service, the OECS Export Development Unit and OECS Overseas Joint Diplomatic and Technical Missions. There are other examples which may be cited. It can be argued without contradiction that these successes would have been impossible for small island states going it alone three decades ago and would be even more difficult to achieve now in the present environment.

The current international environment with the emphasis on the dismantling of most barriers to trade painfully reminds us of the benefits once reaped by our farmers in the now fast disappearing era of trade preferences. Bananas and sugar were then the engines of growth. Now even as the advocates of modern capitalism preach to us the virtues of diversification and greater focus on the services sector, they conspire to block our competitiveness in international financial services, claiming that our competitive tax regimes amount to harmful taxation.

Our people are now more sensitive than ever to the threats posed by the new order for international trade following the birth of the WTO. It is 'in our face' as the saying goes. The recent Hong Kong Ministerial meeting once more provided evidence of the growing divide between the rich and poor countries. Our news media now treat with this matter regularly. This sensitization of our people contains valuable lessons. It emphasizes the point that national/regional development is everyone's business, with no exception. This sensitization underscores how critically important it is in the present hostile international trade environment for our small and vulnerable countries to stick together and undertake even more initiatives aimed at strengthening the integration process. This will facilitate more effective approaches to the challenges which we face as we continue to seek meaningful and sustainable economic and social development.

Even as we place a heavier emphasis at the start of the millennium, on the tourism sector and related services we are giving serious attention to the issue of agricultural diversification. Under consideration is the export of crops such as mangoes with the assistance of WIBDECO. The latter will play a critical role in our agricultural diversification initiative. Being a debt free company worth well over 25 million pounds sterling, it is well placed to be a partner with governments, farmers and producers. In an effort to secure viability of our banana industry, we intend to sell our fruit under the Fairtrade label which provides a premium price above the world market price. The new tariff-only banana import system in the European Union of course remains a major challenge and we intend to continue our lobbying efforts with the support of development partners, to achieve a more equitable system for the export of this product.

On June 18<sup>th</sup>, we intend to unveil our new OECS Economic Union Treaty. The proposed establishment of the OECS Economic Union is basically about strengthening and deepening OECS integration. Its establishment will set the stage, not only for the adoption of common policies in areas critical to the continued economic and social development in our region but - and this is important - for effective implementation of all relevant decisions taken at the sub-regional level. What we have learnt from our current integration experience is that non-implementation of important decisions is very costly. This needs to be addressed urgently, given the current global environment and the threat, both economic and social, to the stability of our societies.

Our own OECS approach to development is closely linked to and supportive of the CARICOM Single Market and Economy, CSME. The two are not mutually exclusive and can never be. The paths to integration run parallel at times, yet closely, and so it should be, given the lessons of history. OECS Member States have however adopted the position that while remaining fully committed to participating in the CSME, there are outstanding issues of substantive concern to our Member States which still require resolution. One such issue, for example, is the need to provide adequate financing for operationalisation of the Regional Development Fund whose importance to the LDC's, of which the OECS are a major grouping, is underscored in the Revised Treaty of Chaguaramas. OECS Member States also expect to see consideration given to the request for special and differential treatment for several critical manufacturing industries which continue to require some form of protection along the same lines which we in the wider Caricom region seek to express our vulnerability in the context of the WTO, and other trading arrangements. We now eagerly await the report on the findings of the Committee on the CSME convened under the Chairmanship of Prime Minister Owen Arthur of Barbados on possible resolution of these and other issues of concern.

The OECS agenda for 2006 has been set by history. As small states we must continue always to effectively pool, cooperate, and collaborate in the use of vital resources, both natural and human for the betterment of all, especially the poor. The occasion of 18<sup>th</sup> June 2006 provides us with an opportunity to take a giant and irrevocable step forward through the establishment of the OECS Economic Union. This will lay the foundation for a more beneficial adoption of common policies, enhanced economic diversification

linked to greater international competitiveness, and an investor-friendly environment. It will lay the foundation for increased employment and job creation, and increased cohesiveness and effectiveness in the area of external economic negotiations. The new environment will also enable Member States to more effectively tackle the issue of public debt and fiscal reform.

The social aspect of this agenda for 2006 also encompasses initiatives in Judicial and Legal Reform including the reform of magistrates' courts. Relatedly, it will address the implementation of recommendations for the establishment of an OECS Regional Police Service and a Regional Prison Service. For the latter, under consideration as a first step is the introduction of a "Through Care System" for young offenders and the mentally ill which is non-custodial. On-going initiatives in other areas of functional cooperation in education and training related to economic diversification, strengthened health programmes and especially measures to contain and stop the spread of HIV/AIDS and protection of the environment will continue to be addressed with support from our development partners.

The 2006 agenda must necessarily also urgently attempt to address the very serious threat our region faces annually from natural disasters, particularly from storms and hurricanes. Damage mitigation and insurance and recovery programmes remain vital.

I however make bold to say, my fellow OECS citizens, that the past 25 years have clearly demonstrated that we are a resilient, creative, hardworking and determined people. Yes like other parts of the world we face seemingly insurmountable obstacles. Collectively however we will continue to find answers to these problems. The facilitating framework and cause for optimism lies in the fine tradition of democratic institutions which we have established in our region. It is one which continues to flower and grow from strength to strength. It lies at the very heart of our integration movement.

My fellow OECS brothers and sisters, the OECS Secretariat will, in the coming weeks and months be stepping up activities in our various islands as part of the Organisation's 25<sup>th</sup> anniversary celebrations. I invite you all to participate in these activities and learn as much as you can about the integration process. Among the immediate activities is a conference on governance for Speakers and Presidents of our Houses of Parliament, to be hosted by the Government of St. Kitts and Nevis. Lecture series on integration issues will be taken to all OECS Member States as will a number of sporting and cultural activities. Importantly, a major conference on the articulation of a development paradigm for the OECS micro states, fully cognizant of our own vision of the future and our competitive niches will be convened by the OECS Secretariat.

As we commemorate 25 years of social integration in the OECS – and continue to celebrate Caribbean civilization - let us make 2006 a truly memorable year.

I thank you.