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TRADE POLICY REVIEW

Report by

DOMINICA

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Dominica is attached.

Note: This report is subject to restricted circulation and press embargo until the end of the first session of the meeting of the Trade Policy Review Body on Dominica.

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I. INTRODUCTION

1. Following the first trade policy review of Dominica the trade agenda grew to become the most negotiation intensive that Dominica has faced. During the period 2001 – 2006 Dominica became involved in trade negotiations at various levels: At the multilateral level in the World Trade Organisation (WTO); at the hemispheric level for the creation of a Free Trade Area of the Americas (FTAA); and under the African Caribbean Pacific (ACP) Group of States – European Union (EU) Cotonou Agreement for an Economic Partnership Agreement. There were also CARICOM bilateral negotiations with Costa Rica, Cuba and the Dominican Republic.

2. There were continuing efforts to deepen the regional integration process at the Caribbean Community (CARICOM). Dominica, through a number of legislative amendments implemented its programme for the removal of restrictions on the free movement of capital, services and certain categories of labour and investment. Dominica declared its compliance with the creation of the CARICOM Single Market and Economy (CSME) in June 2006. The member states of the Organisation of Eastern Caribbean States (OECS) are also embarking on a road to deeper integration through the creation of an Economic Union.

3. Dominica's trade policy continued to focus on the development of the institutional and legislative framework to reposition Dominica's trade sector to reap the benefits of globalization and to overcome the numerous challenges that will emerge.

4. For the medium term 2005-2010 Dominica has articulated a growth and development strategy that provides an overarching and strategic perspective on the management of Dominica's economy into the future. It is a perspective that is informed by fiscal and debt parameters and considerations of prudential national economic management.

II. RECENT ECONOMIC PERFORMANCE

5. During the period 2001 – 2003 Dominica experienced serious economic difficulties. Dominica experienced negative economic growth for three consecutive years – 2001 to 2003, with real gross domestic product declining by 4.2% in 2001, 5.1% in 2002 and 0.1% in 2003. Estimated per capita incomes declined from EC\$10,200 in 2000 to \$9,900 in 2002, or by 3%. The unemployment rate increased from 11.6% in the census year 2001 to about 14% in 2003 (Govt estimate). However, the decline bottomed out in 2003 and the economy grew by 3.5 % in 2004. The growth in the economy continued in 2005 and 2006 at rates of 3.5% and 4% respectively.

6. To combat the severe macro-economic and financial difficulties, the Government of Dominica embarked on an Economic Stabilisation and Adjustment Programme introduced in the Budget address of June 2002. The Government programme was supported by the International Monetary Fund (IMF) Stand-By Arrangement. The region also responded to Dominica's short-term funding needs. Multi-lateral agencies and the friendly governments also provided considerable technical assistance.

7. In 2003 Government adopted a two-pronged approach to addressing the worsening economic difficulties. First, it strengthened fiscal policy to reduce the financing gap and engender additional external financial support. Second, once the fiscal efforts showed results, it embarked on a more comprehensive reform programme to foster growth and move towards debt sustainability. This programme has been supported by a three-year Poverty Reduction and Growth Facility Programme (PRGF) of the IMF.

8. Strong performance in the fiscal area permitted the removal of the adjustment measures that were causing most hardship to the public. Improved macro-economic conditions and stronger tax administration, including the expansion of the tax base resulted in higher-than-anticipated revenue collection. Greater financial discipline and increased attention to cash flow management resulted in more effective control of current expenditure.

9. By mid-2003, the Government concluded that the very high level of public debt constituted the most severe obstacle to Dominica's growth prospects and fiscal sustainability. Public debt had doubled over the preceding six years and was equivalent to about 127% of GDP. Debt servicing requirements were very heavy, representing about one-quarter of current revenue or 8% of GDP. A combination of improved fiscal performance and debt restructuring has resulted in a decline of public debt to about 117% of GDP at mid-2005 and a reduction in the Government cash outlays for interest by almost 50% (from \$34 million in 2003/04 to estimated \$17.8 million estimated for 2005/06). In addition, postponement of debt amortization for the next several years and reduced risks associated with the need for debt rollover will result in higher net inflow of funds.

III. CHALLENGES FACING DOMINICA

10. The challenges facing Dominica are those related to accelerating growth in the economy that can be sustainable and pro-poor. Largely, this means creating jobs that will activate the unemployed in the rural areas, where poverty is most pronounced and absorb the youth who experience the highest rate of unemployment. Investment in agriculture, community tourism, and human resource development (skills training etc), and improving environment for private sector activity offer best prospects in this endeavour.

In that regard the main challenges facing Dominica include:

- Continuing sound fiscal management to consolidate progress towards reducing the government's financing requirements to sustainable levels and reducing public sector indebtedness;
- Reducing poverty levels through growth and employment generation, and improving the effectiveness of the social services and social assistance programmes;
- Improving the law and order apparatus, including the effectiveness of the judicial and land administration systems in swift enforcement of property rights and contracts;
- Improving the efficiency of institutions and simplifying procedures that make the enabling environment for private enterprise with a view to shortening the process and reducing the cost of establishing new and expanding existing businesses.

IV. GOVERNMENT'S MEDIUM TERM DEVELOPMENT STRATEGY

11. In 2006 the Government of Dominica completed its medium term strategy for growth and poverty reduction over the next five years. The Growth and Social Protection Strategy (GSPS) document provides the framework for Dominica's economic and social policies over the medium term. It sets out the macro-economic framework; the growth strategy including the enabling environment for private enterprise and sectoral strategies; and poverty reduction and social protection programmes. It also provides for the monitoring and evaluation of the progress made in implementing the strategy on an annual basis.

12. Priorities set in this document make poverty reduction the direct focus of the Government's economic and social policy. Government regards the pursuit of sustained strong economic growth to be the main strategy to alleviate poverty.

The GSPS seeks to foster growth in the economy by building on four pillars:

1. Fiscal policy and administrative reform;
2. Enhancing the investment climate for private enterprise development;
3. Sectoral strategies for growth; and
4. Strategies for poverty reduction and social protection.

The main objectives of the GSPS include:

- Reduction in unemployment and underemployment.
- The attainment of sustainable growth and development.
- A reduction in vulnerability to shocks – economic and natural disasters.
- An improvement in international competitiveness and export performance.
- An improvement in the effectiveness of social protection programmes.

V. SECTORAL DEVELOPMENTS AND PROGRAMMES

13. The attainment of sustained economic growth over the medium term will be based on increased levels of activities in all sectors, in particular tourism, agriculture, manufacturing and energy. Improving export performance is critical for growth and increasing international competitiveness is a major challenge if Dominica is to succeed in the global economic environment. Eco-tourism, agro-industries, niche-focused agriculture, water, and the quarrying of sand and aggregate are some of the natural resource based industries which Dominica enjoys some comparative advantage and have great potential to generate employment and income growth opportunities.

(a) Agriculture

14. The agricultural sector continues to make a significant contribution to GDP of Dominica (17% of GDP). The level of contribution to the national economy has, however, been falling steadily over the last decade. The sector continues to operate in a very challenging local and global climate. Locally challenges include relatively high cost of production; low labour productivity; an aging farmer population; low investment; and lack of proper land use planning. Globally the sector faces preference erosion and increased competition in traditional markets.

15. The objectives for the agricultural sector for the medium term are to achieve sustained growth in production and exports, to further diversification of the sector and to increase employment and incomes. To achieve these objectives Government has provided significant investment in infrastructure such as access roads, irrigation, packing houses, testing facilities and plant tissue cultivation. The capacity to provide critical extension services to the farmers has been improved. There have also been activities to facilitate new investment in the sector; to infuse a more business oriented approach among farmers; and to attract young persons through a Young Farmers Programme.

16. The transfer of modern agricultural technologies is also a strong feature of the development objectives for the agricultural sector. Greater emphasis is being placed on research and development through the construction of a molecular laboratory and a certified citrus propagation facility with the aim of producing new crops and disease resistant seedlings.

17. A National Symposium on Agriculture was held in March 2007 which identified several opportunities for investment in the sector. A comprehensive agricultural sector policy is in the final stages of preparation.

(b) Tourism

18. Government has identified tourism as having the potential for the most rapid growth in the economy because of Dominica's comparative advantages and the current low stage of the sector's development.

19. A Tourism Master Plan for the sector has been completed. This is based on a Tourism 2010 Policy document which was completed in 2005. This plan will underpin the strategic actions that Government will seek to implement into the medium-term with a view to making a profound positive impact on the sector.

These strategic actions would be geared towards achieving the following:

1. providing adequate resources for a more "competitive destination management and marketing" and developing the tourism infrastructure;
2. Effectively positioning the destination and its product to meet the demands of its specialty market;
3. Successfully incorporating local community involvement in tourism and fostering opportunities for local entrepreneurs;
4. Overcoming constraints to investment in the sector, such as limited air access and high energy costs.

20. A number of activities have already been initiated towards achieving the above targets. An eco-tourism development programme is at the final stages of implementation. Under this programme over \$18.9m was spent on strategic marketing, enhancing natural sites and attractions, implementation of several community based tourism projects, renovation of the main ferry terminal and restoration of historical sites.

21. A major re-branding and repositioning exercise for destination Dominica has been initiated which includes a new logo and brand for the island. Attention is also being paid to the enforcement of standards and quality service within the accommodation sector aimed at increasing the total number of quality rooms available for stay-over visitors. Emphasis is being placed on development of sites and facilities. In order to ensure that the benefits of tourism spread throughout the society Government has initiated community based tourism. Under the initiative several communities are receiving financial support to for the implementation of projects.

22. On April 2007 Parliament approved a Discover Dominica Act which created the Discover Dominica Authority. This new authority is charged with tourism marketing and product development.

(c) Manufacturing

23. The development of agro-industries is a major part of the development of the manufacturing sector. An Agro-Processing Sector Policy was formulated in July 2002 and a number of specific measures were identified for boosting agro-processing output. Agro-processing provides good opportunities for employment generation during the medium-term since it is a natural resource based industry that can be internationally competitive, and there are good market prospects for agro-industry products (tropical fruits and vegetables) in North America, Europe and in the CARICOM region. Agro-processing can play an important role in reducing post-harvest losses in agriculture that are very significant for fruit and vegetables and which adversely affect returns and incomes in agriculture. Agro-industries are also amenable to small-scale cottage type industrial development. Despite these advantages, agro-processors face many difficulties: the high cost of sourcing agricultural raw materials in Dominica; the obtaining of capital for development, particularly for small-scale

enterprises; transportation and marketing problems, including lack of market intelligence; and inadequate institutional support.

24. Government's strategy towards agro-processing is broadly the same as for the manufacturing sector as a whole – to reduce barriers to growth and create an environment that will enhance the performance and competitiveness of manufacturing firms, and contribute to efforts to attract investment.

The strategy will be achieved by:

- Developing a private sector strategy for facilitating development of manufacturing, including the creation of a business incubator service;
- Improving the operating environment from a policy and regulatory perspective, including the streamlining of business-related bureaucratic processes;
- Improving the competitiveness of its economic infrastructure, particularly in regard to transportation and electricity;
- Ensuring that the education system prepares individuals to make effective contributions to a modern, productive workforce;
- Assisting small firms with market research and intelligence through national and regional institutions; and
- Working with the private sector organization towards improved and institutionalized relations between the private sector and Government.

(d) Energy

25. Dominica's energy sector faces immense challenges amidst unstable and speculative global fuel prices. Its small consumer and commercial base results in diseconomies of scale and very high operating energy costs. The world oil situation with its rising and fluctuating prices has been felt most acutely in Dominica and threatens to affect the rate of inflation by its impact on the cost of living. The continuance of high fuel prices during the medium-term could adversely affect competitiveness and growth in the economy. The policy of the Government of the Commonwealth of Dominica (GOCD) for the medium term for dealing with this issue involves taking steps to increase energy security and to seek to reduce the dependence on petroleum products by exploring and utilizing alternative sources of energy.

26. In 2005 Dominica signed the Energy Cooperation Agreement PetroCaribe with Venezuela. The fundamental objective of PetroCaribe, is to contribute to energy security. The construction of a 5.3 acre Oil Derivative Terminal, a Marine Docking Base and piping distribution network for refined petroleum import, has already commenced, and will be ready for use by October-November of 2007.

27. The project is estimated to cost approximately US\$18.0 million, with the bulk of the financing provided by the Bolivarian Republic of Venezuela.

28. Dominica's long term goal in this sector are to explore and utilize renewable and alternative energy potential. Several options have been and are being explored. This includes the generation of hydroelectricity. Dominica's rugged terrain, high rainfall and many rivers makes it well endowed for harnessing hydroelectric energy. A hydroelectric plant already exists on the island while several studies have been conducted on the expansion of hydroelectric generation. Another option is geothermal energy. Technical studies of potential geothermal development sites have been conducted and a prospective site for geothermal exploration has been identified. Preliminary studies have also been undertaken to determine the economic feasibility of laying submarine cables from Dominica to

the two neighbouring French islands for the transmission of electricity. These studies have so far shown that the exportation of power is economically viable, once the availability of the geothermal resource is confirmed.

29. The GOCD has also looked at wind and solar energy as other alternative sources. Government has facilitated the electricity company with feasibility studies for the development of a wind farm, with funding from the OAS. The use of solar power in housing and commercial building has also been explored

VI. THE ENABLING ENVIRONMENT AND THE CLIMATE FOR INVESTMENT

30. The Government of Dominica has made improving the investment climate a priority of its medium term Growth and Social Protection Strategy. Administrative transparency and efficiency that affect the time and cost of doing business have been identified as the essential aspects of investment climate that need to be addressed.

31. A comprehensive analysis of Dominica's investment climate conducted on behalf of Government by a team sponsored by the USAID found that there were four overarching issues that required governmental action. Accordingly Government will take action accordingly to:

- Create more comprehensive guidelines for business activity – to include information on critical procedures, including the process of receiving incentives, and on the whole finding how to start and operate a legal business;
- Improve the availability of legislation – making copies of important legislation more easily available;
- Establish timeframes for government decisions, on the basis of a process reengineering exercise that will identify constraints and bottlenecks; and
- Improve dialogue between the public and private sectors with a view to increasing mutual understanding and beneficial engagement.

32. Efforts to improve the investment climate include the reform of the Customs and Excise Division. The reform of Customs hinges on the introduction and use of trade facilitation software, ASYCUDA World. The entire system is expected to include software, hardware, specialised technical assistance from UNCTAD, training of staff, employment of new staff with IT specialised skills and upgrading of existing infrastructure. Another area of reform is land tenure and administration. Government has undertaken institutional and administrative review of all departments involved in land administration and planning with a view to streamlining and modernising their operations.

33. A key objective of Dominica's national development strategy is to improve the enabling environment for private enterprise. To improve the environment for private enterprise, the Government intends to:

- Streamline regulations and procedures relating to private sector activity;
- Strengthen public service delivery mechanism;
- Improve the judicial and land administration systems; and
- Encourage the private sector to identify and articulate issues and proposals for other improvements in business environment.

VII. TRADE POLICY AND NATIONAL ECONOMIC DEVELOPMENT

(a) Goals and Objectives

34. The main goal of Dominica's trade policy is to transform Dominica's economy into an export oriented economy that is open, resilient and competitive and that is fully integrated into the global economy.

Some of the key objectives which will be pursued are:

- Increased efficiency, productivity and competitiveness of local production;
- Diversification of the range of export-oriented products to encompass traditional and non-traditional manufactured and agricultural goods;
- Diversification of the range of markets to which Dominica's goods are exported;
- Increased output and exports from the services sector in Dominica.

(b) Export Development

35. Export development is a key objective of Dominica's trade policy. To achieve this objective strategies and measures will be formulated and implemented to increase the efficiency and productivity of the productive sectors. These strategies and measures need to address the following:

- The production of high quality goods and services at competitive prices;
- The modernization of production facilities and processes;
- The introduction of new and innovative products;
- The application of modern management practices in production, marketing, finance, human resource development, and industrial relations; and
- Application of state of the art technological processes.

36. Dominica in collaboration with the Commonwealth Secretariat and International Trade Centre (ITC) has initiated a process to design and implement a national export strategy for Dominica. This strategy will be drawn up and articulated in a national strategy document to be actively implemented over the medium term. The objectives of such a strategy would be two-fold:

- Enhanced international competitiveness;
- Export development by increasing the capacity and competence of local producers; increasing the local content of exported goods; and broadening the export base.

37. A national core team made of key stakeholders will be established to formulate the strategy.

(c) Institutional Framework

38. The Ministry of Foreign Affairs, Trade and Labour (FATL) has the lead responsibility for the formulation and implementation of trade policy in Dominica. Managing Dominica's trade policy to address the trade agenda requires the active involvement and participation of all the stakeholders. This includes the political directorate in Cabinet; other Government Ministries, Departments and Agencies; various non-state actors; and the media.

39. In 2004, Cabinet advised approved the creation of a framework for trade policy management in Dominica. This included the establishment of a Cabinet Subcommittee on Trade and Development,

a Trade Policy Coordinating Committee (TPCC) and a National Trade Policy Advisory Committee (NTPAC). The Ministry is currently in the process of reconstituting and revitalising the framework.

VIII. REGIONAL INTEGRATION

(a) The OECS Economic Union

40. For Dominica, the OECS integration process is the foundation on which the wider regional integration process is based.

41. The OECS Member States have more in common in terms of the structure of their economies, the constraints and limitations faced and the opportunities and challenges that are laid before them.

42. Dominica remains committed to the goals and ideals of the OECS which includes the building of institutions at the OECS level, the provision of shared services, and the growth in functional cooperation.

43. OECS Heads of Government have agreed to create an OECS Economic Union through the revision of the existing treaty and deeper harmonisation of policies and measures. The draft treaty has been approved for consultation with all stakeholders at the national level over a period of one year. It is expected that the revised treaty will be signed in 2008.

(b) The CARICOM Single Market and Economy (CSME)

44. As a small island developing state facing monumental challenges in the international economic environment, the CSME together with the OECS Economic Union offers the best option for Dominica and the region for the consolidation of limited resources, productive capacity and negotiating capital. Dominica's policy towards the CSME is to use it first as a catalyst for the growth and development of the productive sectors particularly the services sectors and secondly as a springboard for launching exports beyond the region and therefore further the integration of Dominica into the global economy.

45. Since the last review CARICOM has made significant advancements in the establishment of the CSME and Dominica has actively participated in the process and will continue to do so.

46. Dominica has removed all unauthorized restrictions on the free movement of goods, services, capital, the rights of establishment and the free movement of approved categories of CARICOM nationals. In December 2005 Dominica amended seven pieces of legislation to remove restrictions in accordance with the programme for removal of restrictions. Dominica also enacted the Revised Treaty of CARICOM into domestic law. Dominica declared CARICOM Single Market compliance on June 30, 2006 at the last CARICOM Heads of Government Meeting.

47. As one of the Less Developed Countries (LDCs) of CARICOM, Dominica attaches significant importance to Chapter VII of the Revised Treaty of Chaguaramas. Chapter Seven establishes a regime for disadvantaged countries regions and sectors. It is critically important for the success of the CSME project that the implications of varying levels of economic development among the CARICOM Member States are recognised and measures are taken to address any negative consequences that could arise from the removal of restrictions among those countries. The operationalisation of Chapter Seven of the Treaty is therefore a vital requirement if Dominica is to benefit from participation in the CSME. A key component of the operationalisation of Chapter VII is the creation the Regional Development Fund.

IX. BILATERAL/HEMISPHERIC AND PREFERENTIAL TRADE ARRANGEMENTS**(a) CARICOM Bilateral Arrangements**

48. As a CARICOM less developed country Dominica has not had to reciprocate trade preferences in the various CARICOM bilateral trade agreements. Dominica has however sought to ensure that regional markets for Dominican exports are preserved in these bilateral agreements.

(b) CARIFORUM-EU Economic Partnership Agreement (EPA)

49. The negotiations between CARIFORUM and the EU for an Economic Partnership Agreement are a major priority area for Dominica on the trade policy agenda. For Dominica the development dimension is one of the most important elements of the EPA. Among the key objectives which Dominica is pursuing are the attainment of development that is socially and environmentally sustainable and the facilitation of structural transformation which would reduce the acute economic vulnerability and bring about a level of international competitiveness leading to sustainable development.

X. MULTILATERAL TRADING SYSTEM - THE WTO

50. Dominica's participation in the multilateral process of the World Trade Organisation both in its normal ongoing work and in the Doha negotiations has been constrained by lack of physical presence in Geneva and a limited human resource base in capital. The OECS Technical Mission established in Geneva has enabled an improvement in the level of participation by providing Dominica with documentation, reports and first hand information on the developments taking place in Geneva. It has provided Dominica with a means to voice its concerns in the negotiations.

51. With regards to the ongoing negotiations, balancing the development deficit of the Uruguay Round Negotiations remains the single most important objective for Dominica of the aptly named Doha Development Agenda. At the conclusion of this Round we should be able to say without any reservations that the development aspirations of developing countries and more particularly the small, vulnerable economies, the least developed countries and landlocked countries have been advanced.

52. As a small developing state Dominica faces many constraints and disadvantages which make it very difficult and sometimes almost impossible to effectively trade. For this reason it is imperative that if the development dimension is to have any real meaning in this round of negotiations, specific, concrete, workable responses must be developed and implemented to address the special vulnerabilities and disadvantages of such countries to ensure that they are fully integrated into the multilateral trading system.

XI. DOMINICA AND THE AID FOR TRADE INITIATIVE

53. Paragraph 57 of the Hong Kong Ministerial Declaration lays down the broad framework for the new Aid for Trade mechanism under the WTO.

"..... Aid for Trade should aim to help developing countries, particularly LDCs, to build the supply-side capacity and trade related infrastructure that they need to assist them to implement and benefit from WTO Agreements and more broadly to expand their trade. Aid for Trade cannot be a substitute for the development benefits that will result from a successful conclusion to the DDA, particularly on market access. However, it can be a valuable complement to the DDA"

54. As a small vulnerable economy Dominica is particularly interested in the prospects of potential benefits to be derived from the new AFT initiative in the WTO. Technical and financial assistance for trade related capacity building can play a very critical role in assisting small developing countries in participating in the global economy. Dominica sees the AFT Initiative as an avenue to obtain necessary assistance to build its capacity to produce and export internationally competitive goods and services. This will contribute to the goals of greater insertion into the global economy and increased national wealth and development.

55. Dominica supports the OECS view that there should be at least four components to Aid for Trade.

(a) Policy support, such that agencies including the IMF/World Bank can provide advice to governments upon request, for the mainstreaming of trade into their domestic policies such that export in their competitive areas can be enhanced;

(b) Infrastructural financing and support (“hard” technical assistance), such as improving roads, ports, airports, public utilities, trade-related laws, and regulations (all “hard” infrastructure that can be used to enhance trade);

(c) Trade Adjustment financing for severance of workers in industries that close due to trade liberalisation. Donors could also help developing countries that so request it to set-up unemployment insurance programmes;

(d) Supply side support, such as assistance (financial and technical) to firms and small industries to build the capacity to become globally competitive. This should include technical and financial assistance to set up programmes that increase investment in research, education, and worker training.

56. In addition to the above the Aid for Trade initiative should be aligned with Dominica’s priority areas as identified in the Medium Term Growth and Social Protection Strategy (GSPS) to be effective.

57. There also needs to be a pragmatic and concrete legal and institutional framework to ensure that the AFT agenda has a strong institutional back bone. This should include an effective monitoring and enforcement mechanism in order to ensure that AFT plays a complementary role in the development of beneficiary countries and will not be used to compromise on the real developmental issues of the Doha Round, such as preference erosion, effective special and differential treatment provisions and adequate flexibility for small developing countries.

XII. CONCLUSION

58. The current international economic environment poses many threats to the economic survival of Dominica. It is characterised by an expanding and increasingly complex trade agenda, increasing emphasis on trade liberalisation and strengthening the multilateral trading systems, arrangements and disciplines. It is also characterised by increasing globalisation of the world economy and configuration into large regional economic groupings or blocs.

59. The implications of the new international economic environment for Dominica are significant. Dominica’s limited resources have not allowed it to respond effectively or deal adequately with the current trade agenda. There is a movement away from non-reciprocal preferential trade arrangements. The successive challenges to the EU LOMÉ Agreements with the ACP and its banana and sugar regime are testament to this. The delay in obtaining waivers for the U.S. and Canada’s preferential schemes (CBI and CARIBCAN respectively) are also examples. These are

being replaced by “WTO compatible” reciprocal arrangements in the form of the Economic Partnership Agreements (EPAs) between the EU and the ACP.

60. There are opportunities however to be found for Dominica in the same environment in which all the above developments are taking place. The OECS Economic Union and the CSME offers the opportunity for Dominica and the rest of the OECS and CARICOM to consolidate their strengths and resources and to chart a common development path. Concluding an EPA with the EU that is development centred and provides adequate development support to address trade capacity needs will enable Dominica to expand trade to the EU and attract investment from the EU.

61. Dominica continues to support a multilateral trading system that is rules based and transparent. However Dominica also continues to remain insistent that the World Trade Organisation needs to acknowledge and recognise the reality of the landscape that is its Membership. It is not a plain. There are mountains, hills and valleys signifying the varying levels of development. Rules therefore do not affect all in the same way. Hence there is need for variable geometry in the approach to trade liberalisation. And for Dominica that means that the interest of the smallest and weakest members of the system should be placed at the centre of ongoing and future reform processes.
