

FEATURE ADDRESS BY HIS EXCELLENCY DR CHEDDI JAGAN
TO THE CARICOM/PRIVATE SECTOR CONFERENCE ON
IMPROVING REGIONAL COMPETITIVENESS AND EXPANDING
EXTRA REGIONAL MARKETS
MONDAY 8TH - TUESDAY 9TH FEBRUARY, 1993

Mr Chairman, Hon. Prime Minister, Hon. Minority Leader, Mr Secretary-General, Members of the Diplomatic Corps, Overseas Representatives in particular Major Anthony Robinson, President of the Jamaican Manufacturing Association, Members of the Private Sector, Ladies and Gentlemen. To those of you who are visitors I bid you welcome to Guyana.

Mr Chairman, I wish to thank you and the organisers for your kind invitation to address the Opening Ceremony of this Caribbean Community Conference on Improving Regional Competitiveness and Expanding Extra-Regional Markets.

In our quest for improved standards of living, the countries of the Caribbean Community face varied challenges which combine to threaten our viability as nation states. One such threat is that of stagnation and the concomitant dissipation of our national drive. In 1992, our economies experienced disappointing growth rates. Except for the two mainland territories of Belize and Guyana, which achieved growth rates of 5.1% and 7.7% respectively, performances have been less than satisfactory in the region as a whole. If we are to avoid the further slowing down of development and establish our own niche within the global economy, it is imperative that we focus heightened attention on the performances of those entities which are principally responsible for economic growth.

I refer here to both private and public sector institutions involved in the production, marketing, and distribution of goods and services.

In many ways, an agenda has already been set for us by the dictates of the wider international economy. There is an urgent global demand for cheaper prices, improved quality and a lowering of the cost of living. If we in the Caribbean are to take full advantage of these market requirements, it is essential, nay crucial, that we equip ourselves to realise the efficient production of those goods and services for which there is such an urgent global demand. Since we in the Caribbean are very much a part of an integrated global economy, we have no option but to gear our productive sector to perform in tandem with the dictates of global demand. And here we need to talk not only of the private and public sector, we need to think in terms of science and technology. Because unless we develop our human resources and the brain power that we need for development, we also will be left behind. Those who are advancing in world economy and taking advantage of the common global market are those who have put resources into science and technology and in the future, those who spend more in that direction will be the ones who will be leading the world economy.

And while we are thinking of science and technology, we must not forget the working people, since they can become marginalised if we only think in terms of technology. In this regard, we must involve the labour movement more importantly in what we do. Because if they become marginalised, and if they are out of work and if they do not have enough to eat, without housing, without education, then that would have an adverse effect as we are presently seeing in the Caribbean.

The economies are becoming more and more dependant on tourism. But because of high unemployment, crime and drugs, this economy dependant on tourism will become jeopardized. Therefore

while we are thinking of the private sector playing a bigger role, we cannot avoid including in the equation the labour movement and the NGOs, the people at the 'grass roots' who have a lot to say but unfortunately have not as yet been included. I had made a proposal at the last meeting of Caricom Heads that the NGO movement of the Caribbean must also have consultative status as the CAIC and the Caribbean Congress of Labour and I hope that they will be included in that status in a very short time.

As regards Caricom and Carifta before it, it is instructive to note that even before these institutions came into being, for which we had high hopes, we had 2 agreements in the Caribbean, the Rice Agreement and the Oils and Fats Agreement. Under those agreements, much progress was made in the Region. Regrettably, we see our rice markets taken over by producers outside of the region. This is retrogression and we cannot afford to just talk and talk and have many, many conferences and reams and reams of reports on paper and go backwards at the same time.

Why should we not have a Regional Overall Plan, territorial specialisation and consume the products we are capable of producing in the region? This is what is necessary. We have been talking a lot of free trade, free movement of goods and capital. What about free movement of people. Not only free movement of skills, but we must move in the direction where all Caribbean people can move freely in the region.

Efficiency in itself is but a single attribute in this quest. Of equal importance are the twin attributes of productivity and competitiveness. If the region's productive sector is to assume a position of influence in the global economy, our industries must seek to match both the productivity and competitiveness of the extra-regional productive sectors. In a competitive international environment, there is simply no other way. We need to look at the picture very critically. We want competitiveness, we want openness, we want competition. And we

cannot allow monopolies to develop in the region, be it in trade, in industry or in agriculture. Because this cannot lead to the effective distribution of wealth so that we can have an impact on production and also on the economic growth of the region as a whole.

If we are to compete effectively, it is vital that we undertake a fundamental reassessment of the regional productive sector with a view to determining its comparative strengths and weaknesses and eradicating those perceived weaknesses. Such an assessment may result, for example, in a discovery of the need to relocate industries to parts of the region which offer significant comparative advantage. We not only need to take advantage of the availability of skills, but we need also to look at the location of other resources and therefore the comparative advantage of where industries should be located. Guyana, for example, boasts a large and relatively untapped resource base. Our labour costs are the lowest in the region. These advantages afford us the opportunity to bring to the region's economic expansion drive a dimension from which the Community can derive immense collective advantage.

In the past, there has been a certain hesitancy within our midst. This tendency, in my view, has been born of our separate concerns with our respective development efforts. In many respects, that tendency towards introspection is understandable. What we are discovering, however, is that the direction, the dictates of the global economy are compelling us to withdraw from our cocoons of insularity. The logic of an integrated international economy demands that Caricom cease its hesitant "pushing and prodding" at the ball of economic integration and grasp the nettle firmly.

The significance of this Conference is that it offers us an opportunity to examine squarely and soberly the adjustments

which we are required to make as a region in response to international economic dictates. It is my considered opinion that those agencies and institutions represented at this Conference can be the standard bearers for that attitudinal change, which, in the final analysis, may be one of the principal factors in determining whether, both individually and collectively, we survive and prosper.

Mr Chairman, Caribbean economies no longer possess the option of pursuing success from the standpoint of separateness. The growth and development of the regional productive sector, the development of a meaningful industrial capacity, are dependant on us seizing hold together of those opportunities which derive from our individual attributes.

One of the region's major constraints is the smallness of our domestic market. We are therefore compelled to seek larger markets outside of the region. In this context, opportunities abound through the various regional initiatives which offer our products duty free and concessionary entry into hitherto impenetrable markets. We must, therefore, with the greatest urgency, move to seize the opportunities offered. It is also in our interest to ensure that we continue to enjoy the special treatment we currently experience under CBI and other similar arrangements.

At the same time, we must seek continually to develop our nascent industries. It is hoped that the opportunity afforded by the Common External Tariff arrangements will provide the requisite incentive for regional industries to grow, thus enabling those industries to compete successfully with their better financed extra-regional competitors.

Mr Chairman, you have only been in office for 6 months while the new Guyana Government has only been in office 4 months.

You face a tremendous job of bringing this movement, our regional movement, together and moving it forward. We in Guyana will play our part despite the difficulty of the job which we have inherited. We will do our part for the development of the regional community into a vibrant body so that together we can play our role in the world community.

I take this opportunity to wish you wisdom in your deliberations and to express the hope that, at the conclusion of this conference, the region will be strengthened and in particular its private sector better equipped to face the challenges that lie ahead.

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