

(CHECK AGAINST DELIVERY)

**STATEMENT BY THE HON. CHRISTOPHER SINCKLER, M.P.,**

**MINISTER OF FOREIGN AFFAIRS, FOREIGN TRADE AND**

**INTERNATIONAL BUSINESS, BARBADOS**

Mr. President, Your Excellencies, Mr. Secretary-General, distinguished delegates, on behalf of the Barbados delegation allow me to express our appreciation for the opportunity to address you on the occasion of the twelfth session of the United Nations Conference on Trade and Development. Equally, Barbados wishes to express its sincere thanks and gratitude to the Government and people of Ghana for the hospitable and warm welcome extended to us consequential on the huge effort that has gone into the hosting of this conference. I would also like to congratulate the Honourable Mr. Joe Baidoo Ansah on his election as President of this session and to assure him of my delegation's support and co-operation.

The theme of this Conference, *Addressing the Opportunities and Challenges of Globalization for Development* and indeed its sub-themes are of particular interest and importance to Barbados. As a small, vulnerable economy conditioned by systemically weak and underdeveloped economic structures, my country like so many other SVEs, confront the contradictory realities of the need to integrate into a highly competitive global economy for our own survival,

while recognizing that exposure to such inherently exacerbates our vulnerabilities to precariously dangerous levels.

We are well aware of the often trumpeted gains of globalization. Increased market access for goods and services, exposure to and ownership of advanced technological solutions, and greater welfare gains for economies from more efficient markets and firms all present themselves as the gifts awaiting those who adopt the “correct” mix of macro-economic policy options prescribe by progenitors of economic globalization.

However, while empirical evidence in some parts of the world has proven that many of these benefits can be attained under the right conditions, it also shows that very dangerous and damaging consequences can result if vulnerable economies are exposed to too much opening too fast and too deep than is realistic for them to handle.

No doubt many will point to the developmental advances achieved by my country and some others in the Caribbean region. Yes, we have done relatively well and our record on the United Nations Human Development Index has been commendable given our obvious resource constraints.

But these generic statistics can be misleading and in fact have acted to mask fundamental economic and social setbacks which confront us. Consider this if you will:

The most recent statistical data on the region suggest that economic growth in the region, now put at an average of 2%, is in fact 2% lower than it was for the decades of the 60s and 70s and 1% lower than that for the 80s. Unemployment rates are on average higher today than they were three decades ago even as investment rates have grown only marginally in that time.

Caribbean states are more indebted, less productive and have higher balance of trade deficits with our major trading partners as our terms of trade grow less favourable by the day. Indeed a recent study by Inter-American Development Bank has revealed that our integration into the global economy has been characterized by a rapid process of de-industrialization occasioned by internal market liberalization and the dis-proportionate shift from the production of goods to the provision of services.

Barbados, as an SVE is perhaps a prototype reflection of these characteristic weaknesses. Gains in the economy and society are greatly tempered by high debt to GDP ratios, deteriorating balances of trade statistics, and unsustainable current account deficits now standing at more than 8% of GDP.

Yet in the face of these challenges we seek to find ways in which we can produce goods and services which are sufficiently attractive and price competitive so as to facilitate sale on the world market. We believe strongly that such niches can be obtained. However, we equally feel that such will not be achieved if our lack of natural resources and limited scale economies are amplified by enforced policy options that undermine our ability to adopt defensive measures to shield our vulnerable economies from over exposure to the exogenous vagaries of the global economy.

The current world economic crisis occasioned by high oil prices, high inflation and the credit crunch is a classic example of how global challenges not caused by small countries can have debilitating consequences on our economies.

Already prospects for economic growth in our region are expected to decline by at least a full percentage point in the second half of this year as all of us struggle to meet the increased costs of servicing domestic output in our economies. Our over reliance on and extreme openness to the world economy puts us in this uniquely precarious position with little or no flexibility to manouvre.

Yet we are forced by our developed country partners in multilateral, hemispheric and bilateral negotiations to open our economies even more and risk even greater exposure.

We believe that more trade is better than less. But we also believe that trade liberalization and economic globalization must be achieved in a balanced and fair manner that allows for a different pace of integration in the global economy - one that reflect and respond to our varying levels of economic ability.

To this end we are mindful of the fact that small economies such as ours have a far high ratio of market liberalization efforts that our bigger counterparts and this should be taken into account when the global community seeks further, faster and deeper liberalization efforts. Equally, that greater and more practically meaningful special and differential treatment provisions should be afforded SVEs to assist them in assimilating efforts at globalizing their economies. This should not only present itself in longer implementation periods and better technical assistance but in less restrictive disciplines, serious and targeted financial assistance from developed countries and international financial institutions to help build productive capacity and improve competitiveness profiles and meet general adjustments costs.

But just as we worry about the impact of globalization on our economies we equally worry about its impact on our environment particularly with respect to the issue of climate change. Barbados as a small island developing state is increasingly vulnerable to the effects of global warming, such as rising sea levels and adverse weather systems. We are disappointed that the international community has done so little to implement the 1994 Barbados Programme of Action for the Sustainable Development of Small Island Developing States. And, we are even more concerned about the slow pace of negotiations and levels of commitment by our developed partners to the crystallization of an appropriate road map for the implementation of the Mauritius Strategy on mitigation and adaptation measures. The concerns and challenges that small island developing states face should be taken fully into account in all global efforts to address climate change.

Mr. President, it is our view that UNCTAD can take a far more proactive role in addressing the trade and development issues confronting small states in this increasingly hostile global economy. We throw our full support behind this institution because we believe that it has a critical role to play in balancing and informing the global debate on development and the policy options which countries should adopt in the pursuit of domestic success.

But UNCTAD must demonstrate that it is mindful of its mandate to treat to the needs of all of its developing country members. And it must do so in a way that encourages an even greater level of enthusiasm and support for its work and mission across the world.

Allow me to commend the leadership of UNCTAD for trying its professional best to achieve this level of balance and engagement with its membership. Barbados and CARICOM stands ready to playing our part in this effort.