



THE RAMPHAL INSTITUTE CONFERENCE: BREXIT AND EPAS: EXPLORING THE IMPLICATIONS FOR THE TRADE OF COMMONWEALTH DEVELOPING COUNTRIES

OPENING REMARKS BY THE HON SARAH FLOOD-BEABRUN MP¹

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Mrs Patsy Robertson, Chair of the Ramphal Institute, Ambassador Farooq Sobhan, Patron of the Ramphal Institute, Professor Nigel Harris Chancellor of the University of Guyana, High Commissioners, Professors and researchers, distinguished ladies and gentlemen.

I must first commend the Ramphal Institute for so quickly bringing together the diverse group of experts to assess and advise on what Brexit will mean for Commonwealth developing countries that export to the UK under an Economic Partnership Agreement (EPA) with the EU and identify the work needed to help guide policy making and implementation.

For a small country like mine, our principal export market has been the UK. Historically we traded under the system of Commonwealth Preferences, then when the UK joined what was the EEC, we moved to the Lomé convention then the Cotonou agreement and from 2008, the EPA.

None of these arrangements have been perfect, but they offered a framework within which we would be able to produce and trade internationally. What has been valuable for us in the Europe-wide arrangements was that our main export commodity, bananas can get in duty-free whilst there is a tariff on imports from Latin America. The combination of those two factors make it possible for us to sell. Otherwise our bananas produced on small family farms would not be able hold their own against the bananas produced on the vast continental plantations.

The combination of these two elements are what make much of the Caribbean and ACP commodity exports like sugar to the UK and the EU possible. Can Barbados, or Fiji or Swaziland match Brazil's prices for sugar? Of course not.

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Under the worst case scenario, where the UK ceases to apply the EPA and there is no replacement put in place to enable us to maintain our preferential access to its market, we would immediately lose our major export.

Facile prescriptions for instance, like selling instead to the rest of the EU or to other markets like the US, or just producing something else would not work.

In the first case except for France, Spain and Portugal, the continental markets are entirely already dominated by the Latin American exporters, we have never been able to manage a breakthrough there and there is no reason to presume that we will be able to now.

In the second case, diversification does not take place overnight. We have been gradually diversifying our economy, and have made considerable progress over the last two decades. Tourism and other services are of growing importance, but agriculture remains for us vital for employment and rural income.

Our challenge is that we also have to diversify not only beyond agriculture but also within the sector itself.

The EPA recognises that our countries need support to develop their ability to be internationally competitive. Now the UK's valuable contribution to the EDF will be lost with Brexit. It will be important that this is now replaced via adequate bilateral development finance cooperation especially in the area of Aid for Trade.

So what is needed?

I appreciate that with so many uncertainties that is it is not possible to identify the precise arrangement that we would need. But whatever form they take, we know what should be achieved; the assurance that we will, post Brexit be able to continue our exports to the UK on a viable and remunerative basis. This would require at a minimum:

1. Duty free access for our exports.
2. Continued tariffs on the low cost competitors

Our farmers, investors and the public need this assurance otherwise the uncertainty will itself have considerable immediate consequences.

The UK will be under tremendous pressure. There will be so many trade deals to be negotiated and concluded in a short time, and countries whose volume of trade is small might not be seen as priorities.

True the volumes might be small in absolute terms, but for us they constitute the dominant share of our exports and are of vital economic importance. It should also be appreciated our Commonwealth countries have deep and longstanding relations with the UK, in trade, commerce and investment, as well as the political, cultural and social spheres. Brexit should be an opportunity to foster rather than damage these links.

I do hope that the experts at this Roundtable will be able to set the direction for preparatory work that has to be done if our trade will not only survive Brexit but also flourish in the post-Brexit era.