

TRADE 'N' SPACES

INSIGHTS

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TRADE VISUALIZATIONS



Countries holding US Debt



It is only through multilateral institutions that States can hold each other to account. And that makes it very important to organize those institutions in a fair and democratic way, giving the poor and the weak some influence over the actions of the rich and the strong.

(Kofi Annan)

isquotes.com

THE CONTINUED RELEVANCE OF 'INTEGRATE OR PERISH'

The relevance of the Caribbean Community (CARICOM) has also been an issue among CARICOM nationals but certain recent events should have persuaded some that the regional movement is the only way otherwise we perish. The declining state of the oil industry in Trinidad and Tobago is common knowledge and cause for great concern among many but the spirit of the "Community" is especially manifest in such 'down' times. Guyana and Trinidad and Tobago signed a Memorandum of Understanding (MoU) on Energy Sector Cooperation the purpose of which is to collaborate, not only in production but in marketing, in gas, in treating with oil spills and multinational corporations. The so called squabble over the relocation of Ross University from Dominica to Barbados as a result of Hurricane Maria has caused some doubts about integration but the spirit of the Community was yet again manifest not only through the statement of the Honourable Prime Minister of Barbados which emphasized among other things that there was no poaching but by the welcome with open arms of Dominicans on faculty and the offer of scholarships to Dominican nationals. Tropical Storm Kirk has landed in the Region and up to 10 inches of rain fell in parts of Dominica and Barbados causing floods and these sister countries along with other Small Island Developing States (SIDS) are in a fight for the acceptance of the final draft of the Summary for Policymakers (SPM) of the Special Report on Global Warming of 1.5 degrees Celsius...

by Deborah Barrow, MITP Alum

A REGIONAL APPROACH TO ENERGY SECURITY

Costly energy production in the Region has influenced Government's decision to seek alternative avenues for a sustainable energy future. Most of the Organisation of Eastern Caribbean States (OECS) members are looking to renewable sources in an effort to be energy self-sufficient and boost their energy security.

For St. Vincent and the Grenadines, geothermal exploration has already commenced at the base of the nation's volcano and this inexhaustible supply of energy is anticipated to cover at least 50% of local demand. There is also the prediction that this source will also generate cheaper electricity and improve the nation's economic competitiveness by reducing its dependence on imported fossil fuels. Any excess supply of energy can also be exported which can positively transform the nation's economy already dependent on exporting its services.

Addressing energy security at the regional level would require a cogent strategy to transition to sustainable, clean energy. Furthermore, any strategy adopted by the region should be climate compatible to encourage economic growth and social responsibility. The Caribbean Community (CARICOM) Secretariat rolled out such a strategy called the Caribbean Sustainable Roadmap and Strategy that would allow the region to transition towards sustainable energy systems.

by Akeila Samuel, MITP Alum

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COMMENTARY



MITP ALUMNI HIGHLIGHTS



Dr. Samantha Chaitram

Cohort 3

Dr Chaitram currently serves as the Academic Coordinator for the World Trade Organisation (WTO) Regional Trade Policy Course for Caribbean Members and Observers which is being held at the Institute of International Relations, University of the West Indies (UWI), St Augustine Campus. Following her graduation from the MITP, she was awarded a Fulbright Scholarship from the United States Department of State in 2012 to pursue a Doctor of Philosophy in International Studies at the University of Miami. Her doctoral thesis "The United States and the Caribbean in the 21st Century: Towards a New Era of Engagement?" was defended in 2018.

A national of Trinidad and Tobago, Dr Chaitram has worked as an International Relations Officer, Trinidadian Ministry of Foreign Affairs, Economics and International Trade Lecturer at the College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTATT) and a former Research Assistant at the Inter-American Development Bank.

Dr. Chaitram is fluent in Spanish. She is the holder of the Best Student Award, Economic Integration and Regional Trading Blocs, UWI as well as a Development and Endowment Bursary also from the UWI.

Dr. Chaitram is the author of the feature in this edition of SRC's Trade-n-Spaces.

TRADE POLICY & THE TRUMP ADMINISTRATION: CONSIDERATIONS FOR THE CARIBBEAN

United States (U.S.) trade policy has always been formulated taking broader economic, security, and political considerations into account. It is influenced by the competitive and strategic environment the United States confronts, and by policymakers' ideas about the role of trade policy. During the twenty-first century, due to economic and security concerns, the U.S. has again prioritized its relationship with the Caribbean via legislation and foreign assistance programs. U.S. policymakers have recognized the Caribbean's economic importance – the United States remains the Caribbean's largest trading partner, thousands of American tourists visit the Caribbean every year, and the U.S. has significant investments in the region. But more importantly, rising insecurity in the Caribbean has caused concern for the United States. The last fifteen years have witnessed violent crime, escalating homicides, drug trafficking, and potential terrorist threats resulting from Caribbean nationals joining ISIS. On June 19, 2017, the U.S. Department of State in conjunction with the U.S. Agency for International Development (USAID) submitted a multiyear strategy to Congress entitled "Caribbean 2020" with the aim of increasing the "security, prosperity, and well-being of the people of the United States and the Caribbean." The strategy includes six priority areas: security, diplomacy, prosperity, energy, education, and health. "Caribbean 2020" is a follow-up to the *U.S.-Caribbean Strategic Engagement Act of 2016* (H.R. 4939) which received bipartisan support and which was signed into law by President Obama in December 2016.

President Donald J. Trump has made trade the center of his "Make America Great Again" agenda. One of the pillars of President Trump's National Security Strategy is to "Promote American Prosperity" and trade is at the core of his message "economic security is national security." The Trump administration's trade policy strategy includes addressing the U.S. trade deficit, re-negotiating and modernizing existing agreements, pursuing fair and reciprocal trade, and expanding U.S. trade and investment opportunities by increasing the market base for U.S. goods and services. In keeping with his campaign promise, the Trump administration has renegotiated NAFTA and the trade agreement has a new name, the United States-Mexico-Canada Agreement (USMCA). Some priorities for the United States Trade Representative in negotiating and modernizing trade agreements include: removing barriers to digital trade, reducing technical barriers to trade such as standards-related measures which hinder U.S. exports, and placing a greater emphasis on intellectual property rights.

What does this imply for the Caribbean? Firstly, the CBTPA is scheduled to expire on September 30, 2020. On February 6, 2019, U.S. Representatives Terri Sewell (D-AL) and Brad Wenstrup (R-OH) introduced a bipartisan Bill in the House of Representatives, H.R. 991, "to extend certain provisions of the Caribbean Basin Economic Recovery Act until September 30, 2030." The extended provisions however only apply to certain knit apparel articles. It is the policy of the U.S. to seek a Free Trade Agreement (FTA) with willing countries in the region. Thus far, the Central American countries (Honduras, Costa Rica, Guatemala, El Salvador, Nicaragua) plus the Dominican Republic which were all CBI beneficiary countries have already signed Free Trade Agreements with the US. The CAFTA-DR Agreement began to be implemented in 2006. The United States-Panama Trade Promotion Agreement entered into force in 2012 and Panama has also ceased to be a CBTPA beneficiary country. The remaining CBI beneficiary countries in the Caribbean should start preparing for reciprocal trade with the US. The USMCA has set precedent for what is to be expected for future trade negotiations with the U.S. If the Caribbean were to negotiate a Free Trade Agreement, some additional areas for consideration based on a modernized NAFTA include: intellectual property rights, digital trade, *de minimis* levels to facilitate increased trade flows and online trade, technical barriers to trade, labor and the environment. Additionally, while the U.S. has an overall trade surplus with the Caribbean, the U.S. has historically run a trade deficit with Trinidad and Tobago and this may raise concerns for the Trump administration. Strategic engagement with the Caribbean is one area of American foreign policy that has received bipartisan support. Both Democrats and Republicans recognize that a secure and prosperous Caribbean is in the national interest of the United States. It is also in the interest of Caribbean nations to start preparing for a new era of trade.