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MINISTER OF FINANCIAL SERVICES, TRADE &
INDUSTRY, AND IMMIGRATION**

Fourth Meeting of the Working Party

On the Accession of The Bahamas to the WTO

Geneva, 5th April, 2019

Mr. Chairman, Excellencies, Members of the Working Party, Ladies and Gentlemen, good morning.

Last September when I addressed Members of the Working Party on the Accession of The Bahamas to the World Trade Organization, I advised that after a six-year hiatus, the Government of The Bahamas had relaunched its efforts to become a member of this august body. Seven months later I am addressing you again; an indication of our commitment and focus in this process.

This past week our negotiating team held bilaterals with several members of the Working Party. In those meetings we discussed the openness of the Bahamian economy, our Revised Goods and Services Offers, the limited levels of subsidies provided to our farming sector, and the execution of our foreign trade regime.

On Wednesday evening while attending a function, a seasoned diplomat, quite familiar with The Bahamas' circumstances, pointed out that when The Bahamas acts, it tends to do so deliberately. The same applies to these negotiations. We seek to be quite deliberate. We seek to join the WTO because we believe that participating in the rules based global trading system makes sense for our economy. Participation affirms the importance of that system to the stability and growth of the world economy. We also however, seek to ensure that our membership provides continuing opportunities for our people to grow and prosper through meaningful participation in the ownership and prosperity of their economy. About these dual interest we are very deliberate.

Our continuing dialogue with the Bahamian public, some of whom express anxieties about this accession process, we inform them about the value and benefits of this organization to global trade and prosperity. However, we also acknowledge that ours is an economy with certain vulnerabilities, sensitivities and economic development needs that must be taken into account in this accession process. The Bahamas is a developing country in every sense of the word; laden with the burden of providing for scattered populations over twenty nine inhabited islands, annually under threat from hurricanes, subject to the vagaries of global economic factors and highly vulnerable to the consequences of climate change.

While our accession to the WTO, after more than eighteen years would be historic, the Government of the Bahamas recognizes that the question which remains foremost on

the minds of most Bahamians is: Is WTO membership and the changes it might bring good for a small island developing country like ours? We believe the answer to be yes but we must forecast this in the outcomes of our negotiations.

The Bahamian people have been following these negotiations very closely through participation in public consultations, town hall meetings and debates. They continue to listen, observe and express their views and concerns and are likely to do so until the process comes to a conclusion, whatever that may be.

Mr. Chairman, The Bahamas an archipelago of seven hundred islands and cays, has a relatively small population of 373,000 persons who live on twenty-nine main islands. The Bahamian economy remains an open one with

significant foreign participation. It has been the longstanding practice of the Government of The Bahamas to protect the right of legal entities to import and export authorized goods without arbitrary restrictions. Tourism accounts directly and indirectly for more than 60% of the country's GDP. Financial services, the second largest contributor to the country's GDP, accounts for 15%. Together they employ the majority of our people and fuel various businesses that support them.

Mr. Chairman, The Bahamas has a minimal share in total world agricultural trade and is a net importer of food. The Government is mindful of the devastating impact that events such as September 11th 2001 that resulted in the closure of international air and sea ports can have on a country's ability to provide food for its people. Even

hurricanes can cut us off from vital supplies, and can decimate entire communities.

For this reason safeguards for the Bahamian agricultural sector, primarily made up of small farmers on our family islands, most of whom operate holdings of less than five hectares, is important for the Bahamian people. The agricultural sector contributes to about 2 percent to The Bahamas' GDP and comprises just under 3,000 registered farmers. In these negotiations The Bahamas has sought to use the tools made available by the WTO Agreements to simplify its tariff structure and has tarrified its most sensitive agricultural products- poultry, bananas, pineapples, mangos, watermelons, papayas, tomatoes onions, cabbages, cucumbers, sweet peppers, sweet potatoes and hot peppers. In so doing the Government through its limited support programmes is seeking to

maintain the livelihood and incomes of this small segment of the population. By so doing the Government hopes to improve their productivity and competitiveness while ensuring the country's food security needs are met.

Mr. Chairman, while The Bahamas is perceived as a country having a relatively high per capita income, this is due in part to a large expatriate population residing and working in the country and enclaves of high networth individuals, who skew our incomes upward. In the larger scheme of things, the size and openness of the country's economy, heavy reliance on a few key sectors of economic activity, archipelagic nature, and annual exposure to hurricanes, make the country particularly vulnerable to external shocks. Any hits to such a vulnerable economy, either by natural or human intervention, can set us back significantly. Therefore, the Government of The Bahamas

seeks to ensure that the terms of accession and the period allowed to make adjustments arising therefrom take into account our economic vulnerabilities and realities.

Mr. Chairman, I wish to reiterate to Members of the Working Party that historically there has always been significant foreign participation in the Bahamian economy. This is seen by the large volume of Foreign Direct Investments in the tourism and financial services sectors. However, over the years the Government of The Bahamas has reserved a few enclaves of the economy exclusively for Bahamians. This is seen as not only a matter of national pride but is of significant political sensitivity for the Bahamian people.

The Bahamian people recognize that with these negotiations, the future development of the country is at

stake. They have expressed as such to the Government. In recognition of this the Bahamian Government has assured them that the Government would be transparent about the process. The commitment to be transparent is demonstrated by the presence of a representative of the private sector at this Working Party meeting. The aim is to increase understanding about this process which sometimes in small communities, can appear remote and far removed. We believe that an understanding of the negotiation process is important, can influence the success of the outcome of the negotiations and in the long-term build confidence. In that regard, the Government of The Bahamas would wish to thank you and the WTO Secretariat for your efforts in arranging a programme which demonstrates how the work of the WTO supports the business community.

Mr. Chairman, enhancing confidence in the WTO at this critical juncture in the organization's history can only encourage trust in the global governance system as a whole and the development prospects of its members, especially those that are small and developing. The Bahamas wants to demonstrate to the Bahamian people and its private sector, that the rules-based international trading system works to enhance its economic prospects, reduce its vulnerability to external shocks, and create real and beneficial access to world markets not only for its goods and services, but also for the goods and services of others.

We continue to update our laws, reform our institutions improve the ease of doing business in The Bahamas. The Government does so because doing so is important to the long term prospects of our nation. Numerous legislative

initiatives and institutional reforms are being undertaken to enhance economic growth; empower entrepreneurs; improve international market access at home and abroad; protect intellectual property rights; promote fair competition; enhance consumer protection; improve transparency in the administration of the investment process; improve the ease doing business in The Bahamas; and enhance fiscal outcomes.

The Government of The Bahamas looks forward to productive discussions with WTO Members today. While the Government is committed to achieving membership the Bahamian people expect accession to be on terms that safeguard the country's growth and development, while providing enhanced trade opportunities for our trading partners. As a demonstration of The Bahamas' commitment to the process, we are circulating as a Room

**document, Potential Commitments normally required of
acceding countries which we believe to be supportive of
trade and a transparent trading regime.**

Thank you Mr. Chairman.