



International
Trade
Centre

EXPORT IMPACT
FOR GOOD

Building a Regional Export Culture within the Caribbean

CARIFORUM Regional Export Strategy
Programme (CRESP):

Taking advantage of trade opportunities
in non-traditional exports





WHAT IS CRESP?

The CARIFORUM (Forum of the Caribbean Group of African, Caribbean and Pacific States) Regional Export Strategy Programme (CRESP) is a proposed partnership among ITC, Caribbean Export, the Caribbean Community (CARICOM) Secretariat, Caribbean Development Bank, the private sector, and the Canadian International Development Agency (CIDA). The goal of CRESP is to promote a regional export culture within the Caribbean, which would strengthen coordination and integration and allow CARIFORUM countries to increase their exports and competitiveness in regional and global markets.

OBJECTIVES

CRESP will contribute to the export diversification and export growth goals of the CARIFORUM development agenda by:

- Elaborating a Regional Export Action Plan for two high-growth value chains and two priority cross-functional areas;
- Supporting a regional public-private sector export implementation management framework;
- Implementing two high-impact projects

“The average growth rate of CARIFORUM’s exports of goods and services over the past two decades shows an erosion of nearly two percent. This decline in performance by some CARIFORUM countries is indicative of fundamental problems in productivity, innovation and overall competitiveness that need to be tackled jointly by us all.”



THE CARIBBEAN'S GROWING NEED

Caribbean countries are highly dependent on international services and merchandise trade but the region has been faced with falling prices for traditional exports and eroding trade preferences. According to the 2009-2010 report by the Economic Commission for Latin America and the Caribbean (ECLAC), the share of CARICOM in world GDP and goods trade has been relatively stable over the past 20 years. Yet, rather than a sign of sustainability, this is mainly due to the limited number of products exported by just a few countries.

The region's competitive position in the global marketplace is all the more precarious given that in 2010 just below 2% of regional businesses were exporters. The large majority of these are mono-exporters, i.e. they export just one product to one export market (ECLAC 2011-2012).

Studies show that there is significant scope within the regional marketplace for improved positioning. Recent ITC reports on non-tariff measures faced by businesses in Trinidad and Tobago and Jamaica show that most of the barriers to trade are imposed by other CARICOM countries. In terms of extra-regional trade, Caribbean countries are also not making optimal use of opportunities available under current trade agreements, notably the Economic Partnership Agreement (EPA) with the European Union.

Constraints of the region – such as the small physical size of countries, limited natural resources and high indebtedness – plus a rapidly changing competitive global trade environment and volatile financial markets mean that the region needs to act now to deliver an export-led strategy for growth and to diversify its markets.

BOX 1 - Some issues to be addressed:

- Identify export opportunities in non-traditional sectors and put in place coordinated measures to take advantage of these opportunities;
- Identify and implement mitigation measures to barriers to trade (non-tariff measures);
- Foster intra-regional cooperation, particularly for the implementation of the EPA;
- Strengthen the private sector in formulating and advocating for relevant trade support policies and other services;
- Facilitate/strengthen public-private sector platforms for improving dialogue and export strategy planning and implementation;
- Strengthen the role of Caribbean Export and other trade support institutions in providing targeted support;
- Strengthen the identity of the region in relation to third markets.



A STRATEGIC, VALUE-ADDED APPROACH

Targeted:

Based on discussions with regional stakeholders and rigorous market analysis, two high-growth value chains and two crucial supporting cross-cutting functions provided by trade support institutions will be selected for export promotion.

The intention is to select value chains that have strong potential for product and market diversification and whose growth will have a positive impact on the entire region. Market opportunities will be explored as part of the EPA with the European Union. Within this context, CRESP will make use of and will be expected to contribute to the five-year review of the EPA implementation. The review is scheduled to commence later this year.

While the selected cross-cutting functions are expected to benefit a wide range of sectors and value chains, the targeted approach is expected to encourage buy-in from private-sector stakeholders to work closer with the public sector, and as such jointly develop trade-support solutions. Once workable solutions are put in place, this will enable increased public-private sector confidence and create opportunities for partnerships.

Actionable:

An export roadmap will identify required interventions. It will also pin down the sequencing of these actions, the necessary inputs and the lead stakeholder responsible for each action item. Assessments will be carried out throughout the process, and CRESP will facilitate at least two implementation projects identified in the roadmap. Among other benefits, this will help to ensure that the momentum generated in the roadmap development process is maintained, and it will minimize the chance that the plan becomes just another consultation process with no concrete actions or discernible impact.

Sustainable:

The following design elements of CRESP will work to enhance sustainability of the export promotion initiative:

- Fostering a public-private sector regional governance and implementation mechanism to continue the long-term promotion of exports in the region.
 - Promoting environmental, youth and gender issues.
 - Recognizing the need for a fundamental shift in the culture of 'doing business' as well as a need for buy-in from a wide range of stakeholders, incorporating a systematic communications campaign to support the process.
-

BOX 2 - Export success stories in the Caribbean

- Targeting the regional market: Companies including Trinidad Cement Limited (TCL) and the Royal Bank of Trinidad and Tobago continued to grow by moving into regional markets after domestic markets became saturated. These companies used the region as a basis to build economies of scale and become internationally competitive players.
- Partnering with international companies and organizations: TCL Group's alliance with Mexico's Cemex allowed it to access foreign capital and regional marketing experience. Guyana's Demerara Distillers' partnership with a number of multinational consumer-product companies allowed the company to develop and strengthen its production and marketing capabilities to international standards.
- Regional branding and marketing: The strategy of the West Indies Rum and Spirits Producers' Association Inc. (WIRSPA) to move from bulk to branded products demonstrates the Caribbean rum sector's commitment to modernize and operate according to international best practice. It is also a concrete example of regional cooperation arising out of a partnership between public and private institutions. The creation of an Authentic Caribbean Rum marque is one of the main features of the rum programme. The marque not only serves as a visual symbol of provenance and quality, but also promotes the development of Authentic Caribbean Rum as a distinct category within the rum sector.

CRESP will support similar activities and contribute to the achievement of similar outcomes at a value chain level across the entire region.

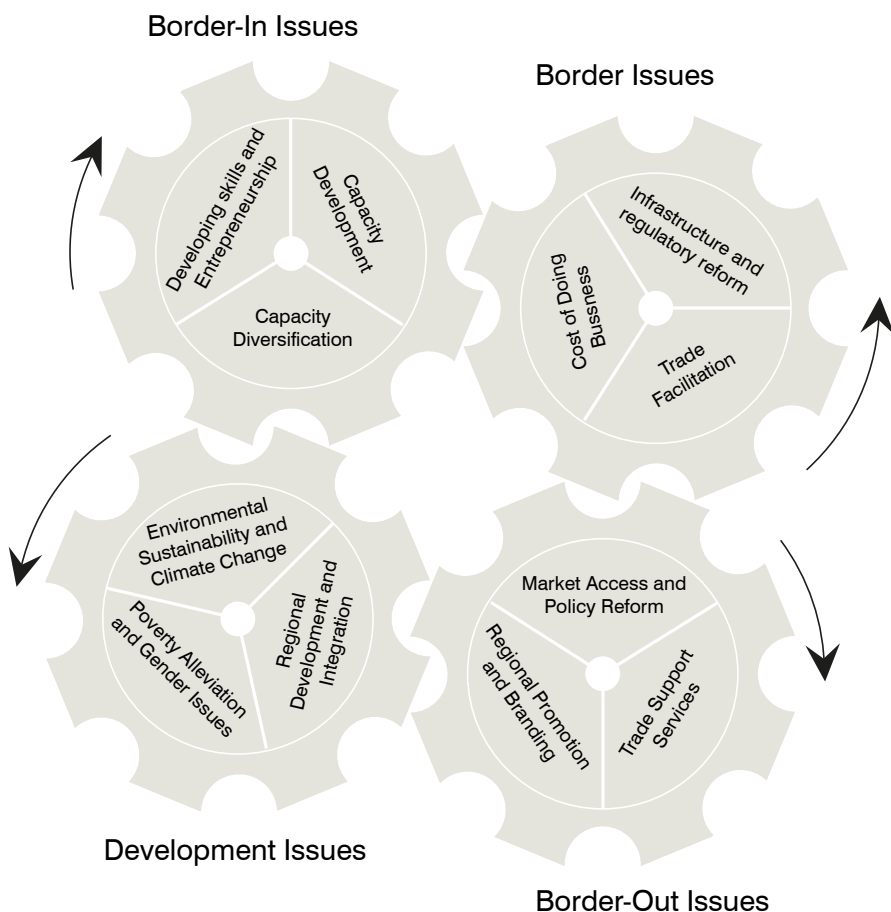
ITC EXPORT STRATEGY OFFERING

FACILITATING EFFECTIVE AND SUSTAINABLE TRADE-BASED STRATEGIES

There are six fundamental principles of ITC's Export Strategy that have been developed after years of field-testing and practice. These principles have been proven essential to an effective and sustainable trade-based strategy:

- Ownership
 - Inclusiveness
 - Capacity building-oriented
 - Harmonization with national plans
 - Comprehensiveness
 - Results-Based
-

FACILITATING AN INTEGRATED APPROACH TO EXPORT STRATEGY DEVELOPMENT



KEY PARTNERS AND PROGRAMMES

- Caribbean Export Development Agency
- CARICOM Secretariat
- Caribbean Development Bank
- Canadian International Development Agency (CIDA)
- Commonwealth Secretariat
- The European Union (EU)
- Compete Caribbean

FOR MORE INFORMATION

ITC Export Strategy Unit

Anton Said
Chief
said@intracen.org

Jeanette Sutherland
Manager, Caribbean
Programme
Phone: +41 22 730 04 38
sutherland@intracen.org

Postal Address :
International Trade Centre
Palais des Nations,
CH-1211 Geneva 10,
Switzerland
