

Mobilizing the Private Sector Conclusions

**2nd Regional Review on Aid for Trade for Latin America and the Caribbean
Montego Bay, Jamaica on 6-8 May 2009**

The Private Sector: Take a Regional Approach

The private sector should organise itself at regional level for effective public – private collaboration if it wants to play a pro-active role in regional integration for enhancing competitiveness. This was the key message emphasised by participants at an ITC event on Mobilizing the Private Sector at the 2nd Regional Review on Aid for Trade held in Montego Bay, Jamaica on 6-8 May 2009.

“The national chambers of commerce have not come together in the region. We have not yet got the people to get over their vested interests for achieving the overall good,” said one participant from the private sector. “Fragmentation of private sector views is a challenge which needs to be overcome,” said another.

Good infrastructure – physical and institutional – is a must to improve economic competitiveness in the region. Alongside the need for public investments, participants emphasized the need for innovative financing mechanisms such as equity financing and venture capital. “The business environment must be conducive to attracting investments in infrastructure,” said Mr. Fernando Bosque, Managing Director of MJB Airports, Jamaica. It was also well recognised that while the hard infrastructure levels the playing field of international trade, it would be through the soft infrastructure, that enterprises attain competitiveness to trade beyond borders.

Greater complementarities between the national and regional trade support institutions were identified as the key drivers for regional integration in the Caribbean. Strengthening trade support institutions to provide services, such as trade intelligence, compliance with SPS and quality standards, collective marketing, access to trade finance, and better product packaging, with a region-wide scope was advocated. It was felt that by pooling available resources and expertise, regions could achieve economies of scale. Small and least developed countries may not have the resources to establish trade institutions for their own key export sectors.

The need for development of sector strategies that help enterprises add value and enhance competitiveness through rationalising supply chains, especially in the services sector, was expressed. The role of foreign direct investments in upgrading technology, improving efficiency and connecting local producers with global markets was underscored.

Efficient logistics, including through efficient ports, were considered major determinants of competitiveness. “Automation is a key component of any trade facilitation effort, but it is not an end in itself. It must be a part of a broader plan that must include regulatory changes and process improvements. Inefficient, outmoded or unnecessary processes must not be automated, they must be changed or eliminated”, said Mr. Francisco Santeiro, representing Fedex.