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OFFICIAL REMARKS OF PRIME MINISTER DEAN BARROW AT THE OPENING  
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Your Excellency Dr. George Maxwell Richards, President of Trinidad and Tobago Honourable Patrick Manning, Prime Minister of Trinidad and Tobago Heads of State and Heads of Government Your Excellency Jose Miguel Insulza, Secretary General of the Organization of American States Heads of International and Regional Organizations Distinguished Guests, Ladies and Gentlemen.

It is very much an honour to address this Opening Ceremony of the Fifth Summit of the Americas. I do so as Leader of a Caribbean country in Central America that sits in the Councils of the integration movements of both sub-regions: a country in which Spanish and English are spoken, as well as Maya, Garifuna and Kriol. My country, Belize, is thus a microcosm of our polyglot hemisphere; and a case study of how to reconcile difficulties of distance, geography and heritage, with the imperative of a regional destiny.

As an aspect of the duality to which Belize lays claim, I also stand before you as Chairman of the Caribbean Community. It is in that capacity that I believe I can welcome all of you to CARICOM's beautiful twin island Republic of Trinidad and Tobago, without our distinguished host Prime Minister Manning considering it a matter of *lèse majesté*.

The holding of the Summit here gives us a chance to showcase some of CARICOM's historical and current attractions. And it also presents an opportunity for us to recollect that the idea of one America united in her "freedom and glory", was born in our Caribbean islands. Today, in Port of Spain, the vision conceived by the genius of Simón Bolívar in his letter from Jamaica, is being revived and expanded.

Mr. Chairman, Distinguished Heads, Ladies and Gentlemen: Gatherings of Leaders, such as this one, are supposed to re-energise the process of cooperation and allow us to articulate collectively the priorities that our hemisphere must pursue. Accordingly, our discussions have been planned around the themes of promoting Human Prosperity, Energy Security and Environmental Sustainability. Implicit in the first, is the fundamental issue of economic viability. Today, the threat to that viability for the smaller and more vulnerable among us, constitutes a storm cloud that not even the fierce benediction of the Trinidad and Tobago sun can disperse.

For us in the Caribbean the fall-out from the global situation has presented severe challenges; and its consequences are being felt in the financial sector, the real economy and our social sector. For a start, our economies are extremely open as reflected in an average trade/GDP ratio of more than 70 per cent. Added to that, foreign investment accounts for a very significant proportion of our total capital formation. And further still, the Community's highest earner and largest employer - tourism - is crippled in consequence of its market being predominantly drawn from the two regions most severely affected by the crisis - Europe and North America. So steep has been the decline in tourist arrivals that some locations have reported a drop of more than two thirds in visitor flows and hotel occupancies.

In such circumstances, and with an absence of surpluses to fund large-scale stimulus packages, the fear is that should the global crisis persist for another eighteen months, a large proportion of our populations will regress into poverty. We will then be even more unable to contain an already unacceptably high level of violent crime.

Indeed, a *bête noir* of our Community, and the hemisphere, has for some time been the phenomenon of ever increasing crime, fuelled in large part by trafficking in illicit drugs and arms, and by deportees from the developed countries. In the Caribbean we are sandwiched between the largest producers of cocaine to the South and the largest consumer countries to the North. But the pencil of God has no eraser. And so the policies to deal adequately with transnational crime and citizen security, must not only be multidimensional in scope, but anchored by international cooperation.

Against this backdrop of the protean problems I have sketched, the Caribbean Community has not been passive, especially with respect to the economic and financial crisis. As early as November 2008 Member States were urged by the Heads of Government to take prudential measures. These were targeted at the areas of foreign exchange reserves, deposit insurance, capitalization ratio, local assets ratio, cross-border supervision, and supervision of non-banking institutions such as insurance companies. It was also understood at that time that Member States might need to seek multilateral assistance to engage in counter-cyclical policies. Such policies were to include: changing the composition of bank lending toward more productive and export related activities, streamlining contingency planning with respect to the financial and non-financial sectors, and undertaking public investment that facilitated production of tradable goods.

Mr. Chairman, Heads of State and Government, Ladies and Gentlemen: on this question of multilateral assistance, the old saw remains true that it is an ill wind that blows no good. Thus, we in the Caribbean look forward to at least one positive development from the international crisis: the opportunity for reform of the global financial architecture. We therefore particularly welcome the declaration by the G20 of the determination “to reform and modernise the international financial institutions, to ensure they can assist members and shareholders effectively in the new challenges they face.” Even more critical is the assurance that emerging and developing economies, including the poorest, must have greater voice and representation.

Of course, any discussion of improved capacity on the part of the IFI's, must start with the basic platform of increased capitalization. In our region, the IDB has become the major source of financing for Latin America and the Caribbean. But since 1995 when the 8th replenishment was approved, the Bank's yearly lending volume has been steadily increasing, jumping by 75 % in the two years between 2006 and 2008. In the context of the current circumstances, it is obviously necessary that there be now a major effort at recapitalization. The calculations in this regard suggest, conservatively, that we are looking at an immediate need for an additional 180 billion dollars to resuscitate both the Ordinary Capital Resources and the concessional Fund for Special Operations.

Sticking with this theme, I wish to point out that in respect of the international financial sector, there are two reforms that the Caribbean countries regard as *sine qua non*. One is the need for special treatment to be accorded to highly indebted middle income countries that, because of well known structural vulnerabilities, are finding it difficult to, on their own, relieve their debt

burdens.

Under these circumstances, graduating CARICOM countries out of access to concessionary loans on the basis of mere per capita income, seems like the most unkindest cut of all. It must be remembered that, as one Caribbean luminary famously said, a mouse is not a small elephant.

A second reform relates to the need for more understanding and greater perspective regarding the treatment of offshore jurisdictions in small developing countries. Ever since the onset of globalization, diversification has been a mantra in our sub-region. But there is limited scope for diversification, so it was not surprising that many of us seized on an area that made very good economic sense. As has been pointed out by Professor Avinash Persaud, offshore finance is an industry in which our countries can easily “scale up”. The combination of large finance and small state means tax rates can be low. That is why the Caribbean has become the fourth largest banking sector in the world, led primarily by Bermuda, the Caymans, the Bahamas and BVI. Even in my own country with a GDP of just over 1 billion US, the international banking sector maintains deposits in excess of 250 million US.

Now all of us that expended such considerable human and financial resources to develop an offshore sector, tried to do so in keeping with the evolving principles of transparency espoused by the OECD. While in this regard we all no doubt fell somewhat short of complete glory, Bear Stearns, Merrill Lynch et al, were not brought down by offshore financial centres. The financial crisis that has now enveloped us all, occurred for prelapsarian reasons that had nothing to do with Caribbean jurisdictions. Surely, then, the way forward now is to insist on, and expand, the modalities for effective exchange of tax information. It is not to precipitate a pile on effect in our small countries by destroying a critical component of the very services area into which we were encouraged to diversify.

Mr. Chairman, Heads , Ladies and Gentlemen:

The economic and financial crisis has been described metaphorically as a global hurricane. But there is no need to resort to mere metaphor, however trenchant, when we come to consider the effects of climate change. It is a fact that these have caused a dramatic increase in the occurrence of real hurricanes and other natural disasters. For the residents of our corner of the world, sea level rises, drought interspersed with sudden floods, decrease in fish stocks due to coral bleaching, are not academic phenomena mediated by television screens or air conditioned lecture halls.

Every CARICOM member falls within the category of either small island developing states or low lying coastal countries. So we live the reality of increases in global warming constituting a clear and present danger. We experience the immediacy of sea level rises leading to land and habitat loss, coastal erosion, loss of wetlands, degradation of coral reefs, mangroves and sea grass. The enormity of the situation is reflected in the conclusion of the International Institute of Strategic Studies, which said in 2007 that climate change “could have global security implications on par with nuclear war.....”

Now we in the Caribbean Community have already been trying to help ourselves in the struggle to adapt and mitigate. We do this principally through the Caribbean Community Climate Change Centre, which has been working assiduously but with far too limited resources. On this

question of funding the magnitude of the mobilization required is spelled out in a 2006 World Bank report, which estimated that developing countries would need US 10 to 40 billion a year to cope with climate change.

Among the proposals being advanced to meet these costs is a significant injection of new money over and above the traditional ODA target, specifically devoted to adaptation. We believe the sources of this new financing must be stable and predictable; and should derive from mandatory contributions from developed countries, as well as levies on the carbon markets and other emissions trading schemes.

Mr. Chairman, Heads, Ladies and Gentlemen:

An institution such as the Caribbean Community Centre for Climate Change demonstrates that although CARICOM consists of small states, we punch above our weight in pursuing measures for a viable and secure society. We have dedicated ourselves to the creation of a Single Market and Economy as a way to fruitfully insert ourselves into the global economy and produce prosperity for our citizens. And we are proud of the fact that our Community, soon to be 36 years old, is the longest surviving integration movement among developing countries.

We are also proud of our long distinction as a bastion of stability. Our democracy is like a flung cast net, capturing every stripe of opinion and diversity of view. It is a freewheeling, rambunctious market-place of ideas, informed by the Jeffersonian principle that error of opinion may always be safely allowed to stand where reason is left free to combat it. And it out of this tradition that we've produced world-class thinkers, Nobel Laureates in economics and literature, leaders of global institutions, cynosures of the arts, and champions in sports. And our positive record as part of the hemispheric process for more than forty years is a clear demonstration of our commitment to the benefits of cooperation among the nations of North, Central and South America, and the Caribbean.

In that regard I thank the OAS as an institution, and the individual countries of the hemisphere, for their continuing special support to Haiti, one of CARICOM's member states.

In the spirit of mutual respect we are also heartened by recent steps to change the relationship between the United States and Cuba. We have made it clear at every summit that the formal inclusion of Cuba into the mainstream of hemispheric affairs remains a priority for us. We are convinced now that the new US administration fully understands the need for new approaches in a new era, which will lead to changes including the lifting of the embargo. We in CARICOM stand ready to assist in the promotion of the dialogue between our two neighbours in the complex process of rebuilding a relationship and reversing fifty years of non-engagement.

Mr. Chairman, Heads, Ladies and Gentlemen:

The challenges, threats and turmoil with which our region, and the world, is confronted, are almost biblical in their proportions. From its origins on wall street, the financial and economic crisis has spread to every corner of the planet, demonstrating once and for all just how interconnected the global village is. More than ever, therefore, we are compelled to work together. When this conference is over, the question must not be whether it was more a summit accompanied by

pageantry or a pageant accompanied by summitry. The Declaration of Commitment that we will endorse must contain concrete programmes and plans of action. And going forward, our aims and objectives must be honoured not just by invocation but by realisation. Any dialogue of the deaf is over. The keys now are consecration of our vision, consummation of our mission. Only so will we be able to give our citizens the chance at peace, security and, incandescent four words always, the pursuit of happiness. This is the Hemispheric destiny, long desired, long deserved.

I thank you.