



**REMARKS BY
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MINISTER OF FINANCIAL SERVICES**

**WTO Ministerial Meeting: Bali, Indonesia
December 5, 2013**

Mr. Chairman, Honourable Ministers, Excellencies, Ladies and
Gentlemen.

It is my pleasure, as the minister responsible for international trade for the Government of The Bahamas, to address you at this Ministerial Meeting. The Bahamas takes this opportunity to reiterate that it is fully engaged in the process of acceding to the World Trade Organization and looks forward to the day, in the not-too-distant future, when we take our seat as a full Member of the organization just as we witnessed yesterday, when we welcomed the Republic of Yemen as a member of the

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Organization. Like others before me, we congratulate the Republic of Yemen on their achievement.

Mr. Chairman, as a small archipelagic state with a small vulnerable economy, the Bahamian economy is more vulnerable than most economies to external shocks, including hurricanes and flooding. The Bahamas is highly dependent on imported food supplies given our small agricultural sector and relative scarcity of arable agricultural land.

Geopolitical events such as the terrorist attacks of 2001 which resulted in an extended disruption in food shipments from the United States to The Bahamas clearly illustrated the vulnerability and openness of our economy. As a small island developing country heavily dependent on international trade and investment, it is becoming more apparent to us that the most effective way of securing access to foreign trade, attracting foreign direct investment and securing long-term market access to foreign markets, comes through membership in the WTO, an organization which mandates transparency and predictability.

Having spent the first 40 years as an independent nation without a comprehensive network of bilateral or multilateral trade treaties, we recognize the value of a rules based system. Membership in the WTO represents for a small service based economy like The Bahamas, an opportunity to take advantage of trade arising from global value chains. We believe that there are considerable gains to be achieved from the development of value-added global chains throughout the Caribbean, Latin America and North America. The efficiencies of The Bahamas, a country at the natural crossroads of the Americas with maritime shipping lanes from Europe and Asia, positions us as a significant value component in global value chains. We look to the WTO to be an organization that acts as more than a dispute resolution body, but a body that successfully advances new policies in global trade, and specifically allows small and vulnerable states such as The Bahamas to be significant participants in global value chains, leveraging their strategic advantages.

Mr. Chairman, the process of accession remains a challenging one for my country because of limited technical domestic capacity and the

exorbitant costs associated with the accession process. The Bahamas finds that it is largely excluded from eligibility for concessional loans and grants from bilateral and multilateral sources which would assist with developmental plans, because of what is perceived as our relatively high per capita income, but which in reality, is not a true reflection of the average income of most Bahamians. This imbalanced means of judging eligibility for concessional funding, is exasperated by the application of inequitable theories of graduation and differentiation by donor agencies. The reality Mr. Chairman, is that income distribution in The Bahamas is quite uneven and results from the presence of a small group of high-income individuals who have chosen The Bahamas as a place of residence for personal financial planning, but who are not completely integrated into our economy. If one were to exclude this group from the calculation of net income, the per capita income of The Bahamas mirrors what is typical of other small island Caribbean states. Further these theories ignore practical realities of archipelagic countries which must provide infrastructure and necessary utilities to dozens of islands to support its citizens.

Viewed in this light, it is entirely appropriate and desirable for both multilateral and bilateral aid donors to consider the provision of both technical assistance and development funding to assist The Bahamas in meeting the challenges of WTO accession and further integration into the international trading system. We therefore, welcome technical assistance provided by larger economies in technical areas such as import licensing, rules of origin, customs valuation and agricultural support mechanisms.

Mr. Chairman, we remain impressed by the general goodwill and cooperation extended during our negotiations for membership and hope to conclude our bilateral negotiations with individual WTO Members in the course of the next year. We continue to urge our trading partners to remember that our limited capacity as a small archipelagic state and relatively small and vulnerable economy dictates prudence in our negotiating stance on many issues. We are confident that we will be able to accede to the WTO on terms that are not too different from those

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granted to other members of the Caribbean in the course of their WTO accession negotiations. We merely ask for a level playing field in our accession process.

Mr. Chairman, as an acceding developing country we have watched with interest the ongoing debates on the Doha Development Agenda and remain optimistic that a solution to the impasse will ultimately be found.

Let me reiterate our determination to accede to the WTO in the near future and our appreciation for the support and understanding of our trading partners in this challenging process.

Thank you Mr. Chairman.