

WTO NATURAL DISASTERS AND TRADE SYMPOSIUM
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**TAKING RESILIENCE FORWARD - ENGAGING THE TRADE
COMMUNITY IN DISASTER RISK REDUCTION**

Moderator, excellences, distinguished speakers, delegates, ladies and gentlemen.

First, let me take this opportunity to thank the WTO for the invitation to share some perspectives on the link between resilience, trade and disaster risk reduction. Today's symposium comes at an opportune time when Heads of International Organizations are here in Geneva to track the progress of the implementation of the Sustainable Development Goals. In that context, we look forward to hearing from His Excellency Secretary-General António Guterres later this afternoon at the General Council. For the OECS, we are particularly interested in hearing of progress on SDG 13 - climate action; and SGDs 1,2, 7, 8, 9, 10, and 11, which relate to, and impact on international trade.

As I was preparing these remarks, I learnt of the death of over three dozen people in northeastern India and Bangladesh as a result of Cyclone Fani. Less than two months ago, Cyclone Idai tore into southern Africa, killing hundreds and displacing thousands more in Mozambique, Malawi and Zimbabwe. On behalf of the Government of Saint Lucia and by extension the Member States of the Organisation of Eastern Caribbean States (OECS), we extend our heartfelt sympathies to our friends in Africa and Asia and assure them of our thoughts and prayers.

Of course, the Caribbean Region where I am from is no stranger to natural disasters because we live in zones that are prone to hurricanes, earthquakes, sea level rise, floods, landslides and volcanoes. Indeed, the Study that will be the focus of the next session reminds us that the Caribbean is one of the most disaster-prone regions in the world. The six member countries of the Eastern Caribbean Currency Union (ECCU) rank in the top ten most disaster-prone countries in the world when considering disasters per land area or percentage of population.

During the 2017 Atlantic Hurricane Season, Hurricanes Irma and Maria created havoc across the Caribbean, with the latter in particular causing near unprecedented destruction on the island of Dominica, a Member of the OECS. Losses for Dominica as a result of Hurricane Maria were estimated at 240 percent of Gross Domestic Product (GDP). Our sister island of Barbuda was hit by Hurricane Irma which transformed the verdant and unspoilt island into a vast wasteland.

According to the International Monetary Fund, greater exposure to disasters has important macroeconomic effects on small states such as ours, resulting in lower investment, lower GDP per capita, higher poverty, and a more volatile revenue base. Essentially, natural disasters pose an existential threat to our economies, our quality of life, our infrastructure and our very existence. Against this background, I commend the WTO for convening this symposium. This symposium confirms a shared belief and understanding that the multilateral trading system has a major role to play in building resilience for disaster risk reduction.

What then is the disaster and trade nexus?

In the aftermath of natural disasters, trade can come to a complete standstill if critical infrastructure such as airports and seaports, roads, bridges and factories are destroyed or severely compromised. Moreover, in this digital age, natural disasters can negatively affect infrastructure critical to connectivity. Furthermore, natural disasters can also lead to chronic shortages of food, medicines and other vital supplies necessary to save lives. Certainly, we have to also acknowledge that natural disasters affect the productivity of a nation because they disrupt the effective discharge of the factors of production. Therefore, the picture I am painting here is that natural disasters can and do have a debilitating effect on trade. However, we must not lose sight of the fact that trade is also negatively impacting on the environment. According to the Organisation for Economic Cooperation and Development (OECD), economic growth resulting from trade expansion can have an obvious direct impact on the environment by increasing pollution or degrading natural resources. In addition, according to the OECD, trade liberalisation may lead to specialisation in pollution-intensive activities in some countries. This phenomenon is known as the pollution haven hypothesis. There is wide acceptance in the scientific community that this type of pollution contributes to climate change, sometimes manifested through extreme weather events as we have seen increasingly in recent times.

This therefore has implications for small states like ours in terms of the impact on some of our vital economic sectors, notably tourism, agriculture and fishing. There are also social implications to this type of economic dislocation. Infrastructural dislocation, the loss of key drivers of the economy and attendant environmental degradation often leads to the developmental backsliding. In clear terms, one hurricane lasting less than 8 hours can erode decades of economic progress.

The trade policy response

Members have undertaken a number of environment-related efforts under the WTO, notably:

- negotiating tariff reductions on environmental goods and services;
- seeking more clarity on the relationship between existing WTO rules and specific trade obligations in multilateral environmental agreements; and
- negotiating disciplines on fisheries subsidies.

At the last Ministerial Conference in Buenos Aires, a proposal was floated by some disaster-prone countries seeking Special and Differential Treatment allowing developing countries to deviate from GATT obligations in order to reconstitute industrial capacity destroyed or compromised a result of natural disasters. While this proposal did not enjoy consensus, they embody the kind of smart solutions we need to tackle some of the challenges facing many of our countries.

Building Resilience

To address the damage already caused, and to mitigate losses from future disasters, Small Island Developing States should pursue joint efforts through relevant multilateral fora such as the UN Framework Convention on Climate Change (UNFCCC), the WTO, the World Bank and the International Monetary Fund. These efforts should be directed at securing an *international settlement* that would

meaningfully address the systemic risks that climate change and resultant disasters pose to small states.

As a complement to multilateral action, overseas development assistance provided by both our traditional and non-traditional partners should also focus on building resilience in small states.

More specifically: Small States should work in tandem towards the following objectives:

1. ensure the targets set under the Paris Climate Accord are met;
2. hold the international community accountable in meeting Goal 13 of the Sustainable Development Goals (SDGs) which calls for urgent action to combat climate change and its impacts. In this regard, developed countries in particular are encouraged to make progress towards the goal of jointly mobilizing \$100 billion annually by 2020 to address the needs of developing countries in the context of meaningful mitigation actions.
3. strengthen and scale-up disaster risk insurance such as the Caribbean Catastrophic Risk Insurance Facility (CCRIF); and
4. secure concessionary finance through the international financial institutions to strengthen resilience and assist small states adapt to climate related threats and recover from natural disasters.

Internally, as small states, our sustainable development strategies must focus on increasing our capacity to counter and withstand natural disasters. This would

require that we take deliberate action and mobilise support where necessary to diversify our economies and support trade expansion.

In closing, more frequent and extreme weather events appear to be our new normal. Small Island Developing States will continue to be disproportionately affected by this reality and we owe it to current and future generations to do all in our power to avert catastrophic outcomes.

We know we will do our part; we challenge the rest of the international community to do its part in finding common solutions that mitigate the growing and existential threat that we face.

Chair, I thank you.