



For immediate release on or after Monday, 16th April 2018:

**MINISTER OF FINANCIAL SERVICES, TRADE & INDUSTRY, AND
IMMIGRATION LAUNCHES FIRST ROUND OF WORLD TRADE
ORGANIZATION (WTO) CONSULTATIONS**

In the year 2000, The Bahamas obtained observer status in the world trade organization which permitted The Bahamas to become acquainted with the rules and procedures of the world trade organization (WTO). It also enabled The Bahamas to prepare for and begin negotiations for accession to the WTO. In 2001, The Bahamas applied for full membership in the World Trade Organization (WTO). The decision to apply for membership in 2001 was based upon the following rationale:

1. The Bahamian economy was largely integrated into the global economy; driven largely by its tourism and financial services sectors with their global reach. The Bahamas was trading with its major partners who largely operate on global trading rules that apply to them as WTO members but not to The Bahamas; rules that both promoted order in the international trading system and provided safeguards for fairer trade;
2. Membership in the WTO would allow progressive Bahamians, individuals and corporations, to increasingly pursue trade in the world and benefit from the protections and safeguards of rules applicable to members of the WTO;

3. As international investors increasingly looked at a country's membership in the rules based system of the WTO to evaluate the risk of doing business with and in those countries, membership would strengthen The Bahamas' competitiveness for international capital;
4. Innovation was more likely in an environment of sound intellectual property rights protection, and The Bahamas' membership in the WTO would not only encourage the development of our own intellectual property rights regulation, but would also strengthen confidence in our country as a jurisdiction for pursuing innovation; and
5. Increasingly, countries would look at the extent to which their products and services were subject to trade barriers by others, and insist on equity in treatment. For The Bahamas, given our dependence on customs duties which is considered a significant barrier to trade, this would make The Bahamas vulnerable to sanctions imposed by our trading partners.

These, and other reasons, still remain a strong rationale for pursuing membership in the WTO.

Allow me add, this administration's strong desire to do the following:

- Greatly expand the domestic business sector by encouraging and supporting the growth of small and medium sized businesses;
- Increase Bahamian participation in global trade by levelling the playing field between those businesses and international investors;

- Make it easier to do business in and from The Bahamas, so that Bahamian investors and international investors can maximize opportunities for profitable business operations;
- Create increasing opportunities for Bahamians to develop high skills relevant for the modern world, so that they can compete both at home and abroad, for opportunities that create value; and
- Encourage Bahamian ownership in all aspects of the Bahamian economy and leverage that ownership for both domestic and global wealth building.

Against this backdrop, the Government is pursuing membership in the WTO. We do so fully aware that this represents a paradigm shift for international trade in The Bahamas. We are fully aware of the opportunities and challenges that membership in the WTO pose, but believe that, based on our research and best guidance that this is in our medium and long term interest.

Successful participation in the WTO will help us:

1. Accelerate growth and development of the Bahamian economy through increased strategic domestic and international capital formation;
2. Improve The Bahamas' global competitiveness, as we apply ourselves to global standards of trade, and aggressively pursue international partnerships that work to increase innovation and development;
3. Better protect our trade by seizing upon the protections and safeguards of the rules based system that the WTO offers;

4. Improve access to global markets for Bahamian products and services through progressive bilateral arrangements within the WTO; and
5. Generate greater wealth opportunities for Bahamians through global business.

While we eagerly pursue these opportunities through our strategic economic policy which includes accession to the WTO among other things; the Government recognizes that WTO membership will present some challenges. While I note some of these challenges, let me quickly say that, contrary to popular belief, these challenges do not include the following:

1. The free movement of labour, in which people from anywhere will have unfettered access to The Bahamas for work. Allow me to stress that is not a feature of the WTO at all;
2. The unfettered access of companies like Walmart to The Bahamas; that too is simply not the case;
3. The ability of any mom and pop store in the region or anywhere else in the world to freely set up shop in The Bahamas; yet another falsehood I must stress; and
4. The inability of The Bahamas to determine its economic and monetary policy.

While the above issues are not real challenges for The Bahamas, there are some challenges we will face by acceding to the WTO. These challenges include the following:

1. The need to develop a new fiscal regime, as we become less and less dependent on customs duty for raising government revenue;
2. The cost of compliance, as we improve our legislation, regulations, policies, practices and procedures to conform with international standards of operation; and
3. The need for some sectors of the economy to make adjustments to a more liberal investment environment.

At this point in the accession process, we must negotiate with other members of the WTO the rules and terms on which to become a member of the WTO. Each sector of the Bahamian economy must be negotiated with a view to ensuring that we obtain accession terms that are beneficial to our growth and development. We need your help for this. We need your input. We need your thoughtful, considered, strategic input, so that our negotiating team puts forward offers that sensibly and reasonably reflects what will encourage the growth and development of the Bahamian economy over time. This is the reason for these consultation sessions. They are real consultations. No position has been set in stone. Your input can matter to the positions that the Bahamian negotiating team take. We need to hear from you because in the end, you are the ones who do the real trading.

I look forward to your deliberations. I give you the assurance of our careful and serious consideration of your input, as well as inclusion of that input into our positions to whatever extent possible. In these discussions, no doubt, we will occasionally disagree. That is the nature of intelligent discourse. It is my hope, however, that even as we debate, we will; with maturity; come to civil agreement on what our collective interests should be. Thank you for coming, now let's get this work done.