

TRADE: CHALLENGES

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Relevance of Trade TO NCDs in Caribbean Context

❑ CARIBBEAN COUNTRIES ARE 'SMALL, OPEN ECONOMIES'

- **OPEN** – COUNTRIES ARE HEAVILY DEPENDT ON TRADE. TRADE IS A SIGNIFICANT ACTIVITY IN CARIBBEAN ECONOMIES; RATIO OF TRADE TO INCOME (Exports + Imports) / GDP is high.
- **SMALL** - THE SHARE OF CARIBBEAN COUNTRIES IN GLOBAL TRADE IS SMALL. AS SUCH, THE COUNTRIES ARE PRICE TAKERS AND HAVE NO INFLUENCE ON THE PRICE OF INTERNATIONALLY TRADED GOODS (EXPORTS AND IMPORTS)
- **FOOD IMPORTS FORMS A LARGE PART OF TOTAL IMPORTS;** A LARGE PART OF THAT IS COMPRISED OF PREPARED FOODSTUFFS AND BEVERAGES WHICH INCLUDE **ULTRA-PROCESSED FOODS.**
- DIET, PARTICULARLY HEAVY CONSUMPTION OF ENERGY- DENSE, NUTRIENT – POOR AND ULTRA-PROCESSED FOODS, **A LARGE PROPORTION OF WHICH IS IMPORTED,** IS A SIGNIFICANT NCD RISK-FACTOR.

CHALLENGES IN MITIGATING NCDs THROUGH TRADE POLICIES IN THE CARIBBEAN

- ❑ TRADE POLICIES ARE GENERALLY LIMITED TO CROSS-BORDER TRANSACTIONS. AS SUCH, POLICIES/MEASURES GENERALLY AFFECT PRODUCTS AT THE BORDER AND MAY HAVE MINIMAL DIRECT IMPACT ON LOCALLY PRODUCED GOODS.
- ❑ IN CASES WHERE DOMESTIC PRODUCTION CONSTITUTES A SIGNIFICANT SHARE OF LOCAL CONSUMPTION OF THE UNDESIRABLE PRODUCT TRADE POLICIES ARE INEFFECTIVE MEASURE OF CONTROL.

TRADE POLICY CHALLENGES

- THERE ARE SIGNIFICANT LIMITATIONS ON THE TYPES OF MEASURES THAT MAY BE USED TO REGULATE TRADE (PRINCIPALLY BECAUSE OF MULTILATERAL TRADE AGREEMENTS)
 - PROHIBITION ON THE USE OF QUANTITATIVE RESTRICTIONS (QUOTAS)
 - NEED TO MEET SPECIFIC REQUIREMENTS UNDER TREATY OBLIGATIONS
 - LIMITS ON APPLICATION OF TARIFFS (BOUND RATES; TARIFF BINDINGS)
 - LIBERALISATION OF TARIFFS/ NON-APPLICATION OF TARIFFS ON ORIGINATING PRODUCTS UNDER TRADE AGREEMENTS/REGIONAL TRADE AGREEMENTS

SUPPLY-SIDE BOTTLENECKS

- ❑ HIGH DOMESTIC COST OF PRODUCTION PROVIDE AN INCENTIVE FOR IMPORTATION OF CHEAPER (BUT NOT NECESSARILY BETTER SUBSTITUTES)
- ❑ POOR INFRASTRUCTURE, INCLUDING COLD STORAGE AND SHIPPING FOR LOCALLY AND REGIONALLY PRODUCED GOODS, CAUSES HEAVY RELIANCE ON IMPORTED FOODS FOR WHICH THOSE SERVICES ARE AVAILABLE.
- ❑ DOMESTIC SUPPLIES UNAVAILABLE IN VOLUMES AND LEVELS OF CONSISTENCY TO SUSTAIN VIABLE MARKETS, THERBY FORCING DEPENDENCE ON IMPORTED FOOD STUFFS (UNAVAILBILITY OF CREDIT, LAND & WATER, LABOUR; SUITABLE TECHNOLOGY; ETC)

TRADE CHALLENGES

- ❑ POLICY VOID : ABSENCE OF SUITABLE POLICES AND LEGISLATION TO ADDRESS NCDS THROUGH TRADE
- ❑ PAUCITY IN ENFORCEMENT MECHANISMS – REGARDING PRODUCT PACKAGING AND LABELING; COMPLIANCE WITH STANDARDS;
- ❑ CHALLENGES TO PRODUCT MONITORING AT THE BORDER AND IN THE DOMESTIC SPACE.