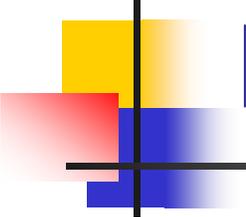


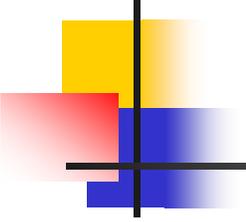
Implementing the EPA: Opportunities, Challenges, and Identification of Priorities

Inter-American Development Bank
Sub-Regional Meeting on Aid for Trade
December 11, 2008



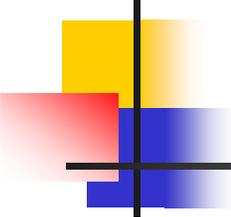
Competing in the Global Economy

- Integration of global markets
- Rise of global supply chains
- Accelerating pace of technological change
- Higher returns to skills and education
- Demographic shifts



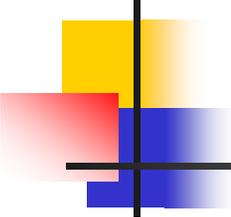
Where Does the Caribbean Fit?

- Identifying opportunities that fit Caribbean's comparative advantage and development goals
- Identifying institutional and infrastructural challenges to seizing opportunities
- How do Caribbean producers add value?



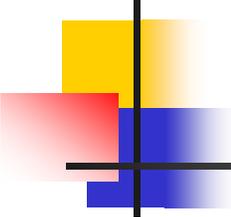
Identifying Opportunities and Challenges

- Adopting the perspective of private sector/using the private sector's tools
- Applying a supply chain analysis
- Benchmarking the competition
- Developing a business plan
 - Using a SWOT analysis
 - Assessing potential return on investment



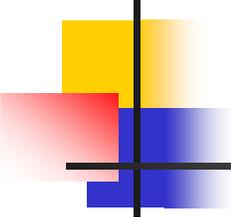
Supply Chain Analysis

- Supply chain map – step-by-step process of connecting people to markets
- Identify the institutional and infrastructural barriers from perspective of both supply and demand-side
- Measure the obstacles in terms of time to market



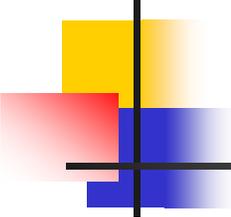
Benchmarking

- Identify best-in-class performer by measure of time to market for given product or service
- Examine how they reduce the time to market – fewer barriers? better infrastructure?
- Outline strategy for reducing time to market – adopt best-in-class techniques



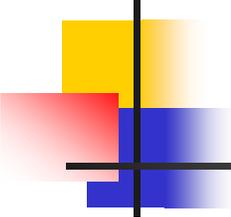
Developing a Business Plan

- Identify specific market opportunity
- Outline specific objective in terms of how Caribbean will serve that market
- Examine regional strengths, weaknesses, opportunities and threats in relation to specific opportunity
- Calculate investment needs and potential return on investment



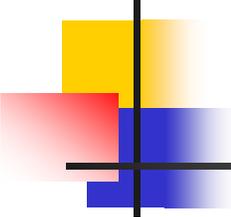
Applying the Methodology – Health Care

- Opportunity – aging societies; rising health care costs; wage compression
- Caribbean's advantage – proximity; environment; education; quality of care
- Challenges – competition; infrastructure; qualification; standards



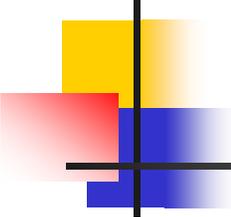
Applying the Methodology – Finance

- Opportunity – institutions of capital markets at risk; need for oversight
- Caribbean's advantage – depth and sophistication of financial services; established infrastructure
- Challenges – negative image of financial operations in the Caribbean; qualification under national standards



Applying the Methodology – Transportation and Logistics

- Opportunity – capacity constraints; rising cost of transit through U.S. and European ports
- Caribbean's advantage – proximity; duty-free/quota free access to U.S. and European Markets; cooperative arrangements with US/EU Customs
- Challenges – physical and institutional infrastructure; scale; regional competition



Role of the EPA

- Starting point; not an end-point
- Framework for deeper integration
- Using aid for trade to finance diagnostics
- Use diagnostic tools to make the specific case for further liberalization, resources, and private sector investment