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Challenges**

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**The Challenges of Trade Logistics and  
Trade Facilitation in Saint Lucia and  
the OECS**

Presentation by

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Trade Logistics and Trade Facilitation  
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Geneva, Switzerland

***The Challenges of Trade Logistics and Trade  
facilitation in Saint Lucia and the OECS***



***Presented by Nigel Edwin (Mr)  
Director of International Trade  
Ministry of External Affairs, International Trade & Civil Aviation  
Saint Lucia***

### ***Overview***

**Saint Lucia and the OECS are small island developing States with very small open economies, limited export bases and highly concentrated export markets. These islands are challenged by:**

- **structural and natural disadvantages**
- **very limited natural resources,**
- **limited human and financial capacity**
- **Adverse weather conditions brought about by the effects of Climate Change.**

**Which constrains their ability to effectively improve on Trade facilitation, Trade and Transport logistics and Tourism Logistics.**

### ***OECS Economic Union***

In June 2010, the OECS member states which comprises of Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, Saint Lucia and St. Vincent and the Grenadines signed the Revised Treaty of Basseterre Establishing the Organisation of Eastern Caribbean States Economic Union which ultimately established the OECS Economic Union

### ***OECS Economic Union***

The Economic Union is the machinery that allow these countries to integrate their economies and coordinate Trade Policy for the purposes of achieving the free movement of goods, people, and Services.

## ***Trade Facilitation***

Trade facilitation assists the integration process by removing barriers to intra-regional trade, focusing on standardization and harmonization of trade processes. Removal of barriers to trade in goods and services can reduce the costs of trade and increase intra-regional and external trade. Trade facilitation also extends to issues related to transportation as well as financing, insuring, handling, storing, and payment procedures.

## ***Trade Facilitation Constraints***

Throughout the OECS, Trade Facilitation Initiatives are constrained by:

1. High levels of physical and documentary examinations.
2. Inadequate Risk management techniques such as post-release audit controls are aimed at developing mechanisms to reduce the level of documentary and physical examinations applied to cargo entering the country.
3. Lack of Coordination between agencies
4. Weak legislative Framework
5. Lack of financial and technical resources to establish and operate electronic trade systems

## ***Challenges in Trade Logistics.***

Owing to its lack of scale economies, Saint Lucia and the OECS have been challenged by the high cost of moving goods internationally and more so regionally. The prevailing constraints do not allow for many logistics service providers. One of the biggest challenges facing the OECS is the development of a cost-friendly yet efficient transportation network to facilitate the movement of passenger and cargo among the islands and to external hubs.

## ***Doing Business Impact***

The primary goal of trade facilitation is to address inefficient border processes and requirements that add to the costs of doing business. In the 2014 Trading across Borders Component of the World Bank Doing Business Report, The ranking of OECS states varied from Country to Country. The following tables represents a comparative analysis of the ranking for the last three years in relation to its CARICOM counterparts:

**OECS Member States Trading Across Borders Ranking in the  
World Bank's Doing Business Report: 2012-2014**

CARICOM Ranking	2012		2013		2014	
	Country	World Rank	Country	World Rank	Country	World Rank
1	SVG	38	BAR	31	BAR	30
2	GRE	40	SVG	43↓	SVG	38↑
3	SKN	44	BAH	58	GRE	61↑
4	BAH	48	SKN	64↓	SKN	66↓
5	T&T	52	GRE	71↓	GUY	71
6	ANU	61	T&T	75	BAH	72
7	GUY	82	GUY	84	T&T	73
8	DOM	88	DOM	92↓	DOM	88↑
9	JAM	97	SUR	97	ANB	93
10	SUR	105	BEL	102	BEL	101
11	BEL	107	JAM	106	SLU	104↑
12	SLU	110	SLU	109↑	SUR	105
13	HAT	145	ANU	110↓	JAM	118
14			HAT	149	HAT	151

**OECS Member States Trading Across Borders Ranking in the  
World Bank's Doing Business Report: 2012-2014**

Categories	2012	2013	2014
	RANK	RANK	RANK
# of Documents for Export	Highest – SKN, ANU, GRE, SLU, SVG (5 Docs)	Highest – ANB, GRE, SKN, SLU, SVG (5 Docs)	Highest – GRE, SKN (4 Docs)
	Lowest – DOM (7 Docs)	Lowest – DOM (7 Docs)	Lowest – SLU (7 Docs)
Time taken to Export (days)	Highest - GRE (10 days)	Highest - GRE (9 days)	Highest – Grenada (9 days)
	Lowest - ANB (16 days)	Lowest - ANB (16 days)	Lowest – ANB (16 days)
Cost to Export (US\$ per Container)	Highest - SKN (US\$850.00)	Highest - SKN (US\$805.00)	Highest – SVG (US\$585.00)
	Lowest - SLU (US\$1700.00)	Lowest - ANB (US\$1440.00)	Lowest – Grenada (US\$1300.00)
# of Documents for Import	Highest - SVG (4 Docs)	Highest - SVG (5 Docs)	Highest – GRE, SVG (6 Docs)
	Lowest - DOM, SLU (8 Docs)	Lowest - SLU (9 Docs)	Lowest – DOM, SLU (8 Docs)
Time taken to Import (days)	Highest- SKN, SVG, GRE (12 days)	Highest - GRE (9 days)	Highest - GRE (9 days)
	Lowest - SLU (18 days)	Lowest - ANB (23 days)	Lowest – ANB (23 days)
Cost to Import (US\$ per Container)	Highest - DOM (US\$1305.00)	Highest - DOM (US\$1350.00)	Highest – SVG (US\$1425.00)
	Lowest – SLU (US\$2745.00)	Lowest – SLU (US\$2675.00)	Lowest - SKN (US\$2615.00)



## ***Aid for Trade***

**The Regional Aid for Trade strategy developed under CARICOM has a private sector development component. At the regional level the strategy seeks to:**

- **Strengthen production and export capacity of the private sector;**
- **Reduce the cost of raw materials;**
- **Strengthen institutional capacity of Business Support Organizations;**
- **Improve integration of SMEs into Policy and Legislative Frameworks;**
- **Enhance productivity and competitive capacity of businesses to expand trade.**

## ***Steps to Implement TF Agreement***

- **All OECS Member States have completed TF implementation Plans based on a needs assessment done with the assistance of UNCTAD.**
- **OECS member states are currently in the Process of notifying their Category A Commitments.**
- **Ongoing Public Education and awareness building programs of sensitization of all stakeholders on the new TF agreement.**

## ***CONCLUSION***

The OECS welcomed the conclusion of the negotiations and the adoption of the TF Agreement because of the significant importance to Section II of the agreement in providing immediate developmental benefits and support to SIDS for the streamlining trade procedures. We therefore look forward in earnest for the necessary legislative clearance to allow for the full implementation of the TF agreement by the middle of next year.