Foreword

The Uruguay Round agreements and the accession of Mexico to the North American Free Trade Agreement (NAFTA) will significantly transform the trade policy framework in which Commonwealth Caribbean countries will operate over the next decade. It will offer them new trading opportunities, particularly in the medium to long term. In the short term, however, they will face some transitional problems, mainly because of the erosion of preferential access they now enjoy in their major markets. Governments of Commonwealth countries in the region will need to formulate appropriate policy responses to realise the benefits from and adjust to the changes in the global trading system.

In response to a strong mandate from member governments, the Commonwealth Secretariat has been giving a great deal of attention in its work programme to assisting developing member countries in responding to the Uruguay Round and to other changes in the trading system. It has been doing this, inter alia, by undertaking a number of analytical and policy-oriented studies of interest to a wide cross-section of member countries.

This study, prepared for the Secretariat by Dr Michael Davenport, provides a comprehensive analysis of the combined impact of the Uruguay Round and NAFTA on the Caribbean countries. It also makes recommendations on policy options available to them. It is hoped that the study will provide a good basis for member governments in assessing the policy implications of the impending changes in the international trading system in the context of their economies, and formulating appropriate responses.

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