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Summaries of Remarks by Commentators

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SUMMARIES OF REMARKS BY COMMENTATORS

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There are two aspects of Mexican trade in the Caribbean Basin — intra-Caribbean Basin trade and trade with the United States.

Mexican trade, with some fifteen neighboring countries of Central America, the Antilles, Venezuela and Colombia, is small in volume but profitable due to a positive balance of trade. Exports include oil, chemicals, petrochemicals, produce and manufactured products, especially automotive parts and vehicles. Imports consist mainly of produce, raw materials, some manufactures and diminishing quantities of oil and petroleum products. A lack of sufficient and speedy maritime transportation from Mexican ports is a major obstacle to expanding trade.

Mexican trade with the U.S. is significantly greater due to increased volume, both in value and variety of products. An increase in exports is partially due to a more efficient use of GSP preferential treatment. However, of the over 1,000 Mexican export products which fall within the GSP classification, only seventy percent enjoy the tariff advantage. This

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may be attributed to the ignorance of importers and exporters as well as the cumbersome bureaucratic procedures to obtain the qualification for the duty relief.

GSP treatment for any one category is limited by a ceiling of $25 million plus the one percent increase in the GNP of the United States computed on a yearly basis, presently about $34 million. Imports are further restricted to fifty percent of the total imports for a given category. Few products exceed the thirty million mark but some eighty-plus other products are either permanently excluded or move in and out each year as their total import value exceeds the fifty percent limit.

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The trends in US-Mexican trade noted in Mr. Garlow's paper are generally applicable to the region as a whole, especially to Barbados so far as the assembly of products and components are concerned.

The International Sugar Agreement, as discussed in Mr. Goreux's paper, is in the best interests of U.S. farmers and sugar producers as well as the interest of U.S. Caribbean suppliers. The Congress should therefore ratify the agreement as interim tariff measures now imposed by the Administration are harming U.S. trading partners.

Dr. Smith's paper on the GSP indicates that the impact on the Basin countries is modest and recommends improvements but it would nevertheless be a tragedy to abolish the scheme.

The duty on rum is an example of an inequitably high U.S. tariff acting as a restraint on fair competition with other alcoholic beverages. Advertising and lobbying are not appropriate solutions to the problem as the cost factors are prohibited for small countries like Barbados. A sensible starting point would be country-by-country bilateral trade and aid policies coupled with systematic programs which reflect the pursuit of a new international economic order, a spirit of interdependency, a political will to promote equity and a genuine desire to cooperate in solving the developmental problems of all territories in the Basin region. In working towards these goals, U.S. decisionmakers should visit the countries and assist with trade solutions.

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