

6 May 2022

**High-level Regional Roundtable on the Investment
Facilitation for Development Negotiations:
How Caribbean Economies Will Benefit**

**10 May 2022, 10:00 am to 12:30 pm (Barbados, GMT-4)
(4:00 pm to 6:30 pm Geneva time)**

DDG Anabel Gonzalez Guest address

Thank you, Rajesh.

Excellencies,

Ladies and Gentlemen,

I am very pleased to be here. I thank the ITC, the German Development Institute and the World Economic Forum for organizing this important event and for bringing together such a distinguished group of speakers.

Today's High-Level Roundtable is a great opportunity for government officials, international organizations and the private sector to exchange views and experiences on how investment facilitation can benefit the Caribbean economies specifically.

Several WTO members from the Caribbean region are part of the large group of WTO members who participate in the negotiations of an 'Investment Facilitation for Development Agreement'. That

group represents two-thirds of the WTO membership, which is impressive and speaks volumes about the importance that WTO members attach to use investment to advance trade and development in today's globalized and digitalized world.

I also commend Ambassador Francke from Chile, who as Coordinator, has so ably steered the work on investment facilitation forward. I am very pleased that you will be hearing directly from Ambassador Francke in the next session of this Roundtable.

Today I want to talk about three major contributions that an Agreement on Investment Facilitation can make to the Caribbean economies and the rest of WTO members.

First, an Agreement on Investment Facilitation can help revitalize trade and investment. This task is paramount in the aftermath of a once-in-a-generation health and economic crisis.

The COVID-19 pandemic has had a particularly severe impact on the small island states of the Caribbean region – one of the world's most tourism-dependent regions. In 2020, FDI flows to the Caribbean declined by 36% and economic activity contracted sharply across the region.

Breathing new life into investment and trade is essential to spur a strong economic recovery and set the foundations for building more resilient, sustainable and inclusive Caribbean economies.

Investment facilitation can help with that. It is a cornerstone of an investment-friendly business environment that helps mobilize investment, expand productive capacity and diversify exports.

An Agreement on Investment Facilitation will support domestic efforts to create a regulatory environment that fosters transparent and predictable investment measures, and reduces administrative bottlenecks for investors.

And that will bring important benefits not just to foreign, but also to domestic investors.

An Agreement on Investment Facilitation can also be part of a strategy to attract FDI.

That's important, not least for domestic firms. Because when domestic firms, including MSMEs, increase their interactions with foreign enterprises and learn the best managerial and technological practices from them, their chances of breaking into global production networks rise exponentially.

A study of suppliers in my own country, Costa Rica, found that four years after becoming suppliers to a multinational enterprise, local companies saw a 20 percent increase in sales, a 26 percent expansion in employees, and a 9 percent growth in productivity.

This brings me to my second point, which is that the **adoption of international benchmarks on investment facilitation can help countries promote sustainable development** in its three dimensions: economic, social and environmental.

An Agreement on Investment Facilitation is not only about attracting more investment – it is also about attracting better, higher quality investment – investment that is fully aligned with the sustainable development priorities of each country.

The Caribbean region is extremely vulnerable to climate change and natural disasters. Extreme weather events are common – and are becoming more so. When a hurricane strikes, it can wipe out more than the entire annual GDP of a small island and it is often the poorest that suffer the most.

Mobilizing high-quality investment from multiple sources is critically important to help build resilience against extreme weather events, and to meet other major challenges of the 21st century, from accelerating the digital transformation, to building sustainable food systems, to making economies more inclusive.

In other words, an Investment Facilitation Agreement can be part of a broader strategy to meet the Sustainable Development Goals. It will allow participants to capture the synergies between investment and trade to create not only more but also better jobs, and to open new opportunities for small businesses, including those owned by women.

As part of the ongoing negotiations on investment facilitation, participating WTO Members are discussing international best practices on key issues such as:

- improving the transparency of investment measures: for example, making available relevant measures and

information for investors online, and where practicable, through a single portal;

- simplifying and speeding up administrative procedures while reducing red tape and unnecessary procedural steps;
- strengthening the dialogue between governments and investors, and between host and home governments; and
- promoting the uptake by companies of responsible business conduct practices, as well as preventing and fighting corruption.

A key pillar of the Agreement on Investment Facilitation is special and differential treatment. Participants from the Caribbean region have been among the main proponents of effective special and differential provisions in the future Agreement.

An Investment Facilitation Agreement in the WTO will help developing countries and LDCs get the support they need to put in place a top-notch investment facilitation regime.

Participants in the negotiations rightly see needs assessment as essential to advance work on investment facilitation. Needs assessments will allow developing countries and LDCs that so request to self-designate the pace for implementation and identify the technical assistance and capacity building support they need to implement the IFD Agreement.

This brings me to my third and final point. **The Agreement on Investment Facilitation must take into account the specific needs and circumstances of all the participants.**

That's why bringing the Caribbean region's unique perspective and experience to this process is key.

Today's Roundtable is an excellent opportunity to hear the unique perspective from the Caribbean small island developing nations on investment facilitation, the specific challenges they face, their development experience, and what works in their national context.

This Roundtable can help enrich conversations at the global level, and can help ensure that global approaches on investment facilitation act as a force multiplier for national efforts. Today's discussion can also help us look at ways to help ensure that everybody has the capacity to undertake investment facilitation reforms.

In conclusion, this is a crucial year for the investment facilitation initiative. Participants in the investment facilitation negotiations have said that they aim to conclude the text negotiations by the end of 2022.

A successful Investment Facilitation Agreement shows what members can do when they work together – for the benefit of

all. And in doing so, they will strengthen the rules-based multilateral trading system.

I wish you a very successful High-level Roundtable and look forward to hearing about the result of your deliberations. Thank you.
