



**REMARKS BY THE GOVERNOR
OF THE COMMONWEALTH OF PUERTO RICO
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AT THE SIXTH ANNUAL CARIBBEAN BASIN
BUSINESS CONFERENCE**

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SAN JUAN, PUERTO RICO

It is a great pleasure for me to address you here tonight as part of the activities of this 6th. Annual Caribbean Basin Business Conference.

The last part of the Twentieth Century is marked by the creation of the most large and powerful economic blocs the world has known. Despite these impressive integration initiatives which are already affecting our economies, here in the Caribbean we continue to exist as several separate political and economic entities, some loosely tied together in the Caribbean Community (CARICOM).

With a total regional population not exceeding 50 million, and a national product of 50 billion, the region has yet to maximize its potential vis-a-vis the global economic trading blocs which are forming in this decade. In this sense, the question of economic viability for the entire region still remains unanswered.

In the midst of all this, many Caribbean economies have tended to rely on preferential treatments and benefits as the basis for national

economic development, without ever being able to concentrate on the task of a concerted regional economic development effort.

It is because of this that I consider the timing of this conference and the presence of an important core of Caribbean Basin leaders to be of utmost importance for the task ahead of us: to consider policy options which can help us maintain and develop, accordingly, the necessary economic competitiveness which will help us enter the 21st century as active economic partners.

The question before us is how can this objective be achieved over the medium-term of this decade? The duty-free access and trade preferences which many of us currently enjoy with the U.S., Canadian, and European markets is deteriorating steadily as the international trading system becomes more liberalized and as trade preferences currently enjoyed only by Caribbean Basin Countries are extended to others. General System of Preferences (GSP) privileges are extended to an ever wider group of countries as a way of weakening

traditional protectionist economic policies, and the current Uruguay round of the GATT negotiations seeks reductions in tariff levels which will further diminish the tariff walls behind which many of us in the Caribbean would seek to continue our privileged access to these markets and our economic development strategies. The day will soon come, however, when our products will have to compete unprotected in every market. I would rather not begin to think of where our economies will be if we fail to respond effectively to this challenge.

What this means is that our vision can no longer be limited to merely protecting the fragile economies that we currently possess, important though that may be. As I have mentioned before we have to start thinking and working actively together to accomplish an ever greater task, through some manner of regional economic integration, to maximize the advantages which we may individually possess in such a manner that a dynamic economic force is created within the region which will serve as our economic platform from

which to face this ever-changing global economy. It is this challenge which has driven most of my governments regional policies since the 1985.

Whereas my government's commitment to Caribbean Basin Economic Development and Integration has taken place mostly through the development of our Caribbean financing program with the use of 936 funds as investment in eligible projects in CBI-signatory countries, our commitment to Caribbean Basin Development goes beyond this program.

As a policy commitment, regional economic development and integration is one of the primary objectives of my administration. I strongly believe that the best promoter of such initiatives is the historical strength of Puerto Rico and the rest of the countries of the Caribbean Basin: our people. It has been our resourcefulness and adaptability which has served as the foundation upon which all processes of economic change and development have taken place in the region. To the degree that we are able to use our human resources

to advance regional economic integration and development, then to that degree we will be able to carve out a competitive niche for the Caribbean Basin in this new world of economic blocs.

It is in this spirit that my administration has been fully supportive of the recommendation which was put forth at our IVth Point Four Conference last April calling for the establishment of a Caribbean Basin Technical Advisory Group (CBTAG). The first formal convening of the CBTAG which took place just yesterday, and the working sessions of this morning and this afternoon are the beginning of what we envision will be a series of policy recommendations to Caribbean Basin Governments, private sectors, and regional organizations concerning the manner in which our economies can face the economic changes of the North American Free Trade Agreements and the Single European Market of 1993.

The work of the CBTAG can not only complement other regional initiatives such as the West Indian Commission, Caricom's Technical working groups and

ministerial meetings, but can truly become the first initiative seeking to bring together Caribbean and Central American countries with the purpose of developing a common and harmonious policy position towards the North American Free Trade Agreement and single European market initiatives. It is my administration's commitment to support the work of the CBTAG and to utilize the good offices of our government agencies to promote the work of the CBTAG with other governments and regional organizations. I am confident that President's Callejas' and Prime Minister Manley's Commitment to our work will also serve to enhance the CBTAG'S work within Central America and Caricom.

My government remains committed to the idea and policy of a concerted regional economic strategy in which governments and private business collaborate jointly to promote integration and free trade, increasing our exports. I strongly believe that such a concerted effort will result in the strengthening of our position as a region and in

the economic development and improvement of the quality of life we desire for our peoples. To this I committ my government resources and all its initiatives in the Caribbean Basin.

