Executive Summary

In the post-preferences environment, many small states have struggled to beneficially integrate into the global economy. One of the key impediments to the integration of small states into global value chains is their lack of competitiveness in key sectors. This lack of competitiveness is in part a consequence of poor economic infrastructure, deficiencies in trade related capacity, and the inability of many small states to tie trade liberalisation to market and domestic regulatory reforms.

Of all productive sectors in SIDS, the agriculture sector has been the hardest hit by preference erosion and the secular expansion of agricultural exports from key emerging markets. It is against these realities that SIDS have reflected two cross-cutting agricultural priorities in the draft Outcome Document proposed for the Third International Conference on Small Island Developing States. These priorities focus on food security for SIDS and strengthening trade and economic resilience. In this context, the presentation explores avenues through which SIDS can strengthen their performance in agricultural production and exports through the establishment of multilateral rules that are supportive of the economic and food security needs of small states. To this end, the on-going WTO round of multilateral trade negotiations offers an opportunity for the development of new and enhanced rules that offer small states the flexibility required to pursue the twin goals of trade growth in agriculture, and domestically secured food security.

While it is no secret that the WTO negotiations are at an impasse that has eroded confidence in the system, the importance of multilateral trade in rebalancing the prospects of SIDS should not be discounted. In this view, WTO SIDS should seek to pursue their specific and unique interests within the context of the WTO post-Bali process.

The presentation thus focuses on the current macro-economic conditions in most ACP SIDS in the post-preference era. It further highlights the priorities of SIDS in agriculture and food security as reflected in the proposed Outcome Document for the SIDS Conference. Against this backdrop, the paper identifies the three main agricultural themes being grappled with in the WTO Doha Round Negotiations. The foregoing sets the tableau against which recommendations are offered on approaches that can support SIDS in enhancing food security and economic resilience through the legally binding governance framework of the WTO.