



**THE ST. KITTS-NEVIS
CHAMBER OF
INDUSTRY AND COMMERCE**

**ROAD TO
SUCCESS**

MAGAZINE 2019





KAJOLA-KRISTADA LTD.



In 1998 Kajola-Kristada Ltd. was founded as a subsidiary of a Production Products Company (PPC) situated in Syracuse, New York. Since then Kajola-Kristada has become a part of the group of Companies own by a Belden Incorporated. Kajola-Kristada Ltd has been ISO 9001 certified since 2007.

Kajola-Kristada Ltd is situated on the beautiful and sunny island of St. Kitts, with a population of over 45 thousand people. The island is 68 square mile.

Kajola-Kristada's entry into the business began with the manufacturing of Tier Traps for the Cable TV Industry and has since expanded to other types of products. These include drop connectors, MoCA filters and other surface mount filters.

A 12,000 square foot facility with over 100 employees, Kajola-Kristada maintains a technical service and operational staff, complete with Human Resources Department and qualified Engineers to support efficiencies.

Kajola-Kristada Ltd not only maintains a high quality standard of work but provide strong support to the people and the community by giving donations to Schools and other NGO's. Kajola is dedicated to continuous improvement of our people, processes, products and services; always determined to exceed our customer's expectations.

We strive on six (6) very important values that drives our employees and the company to success. Our values are:

- (1) *Customers Define Our Success*
- (2) *We Play To Win*
- (3) *We Invest in Talent*
- (4) *We Reach For Greatness*
- (5) *Continuous Improvement is Our Way Of Life.*
- (6) *We Succeed Through Team Work.*





**THE ST. KITTS-NEVIS
CHAMBER OF
INDUSTRY AND COMMERCE**

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Mr. Damion Hobson
Adviser

Box 332, Horsford Road, Fortlands,
Basseterre, St. Kitts

Telephone:
869-465-2980/465-3967 ▪ Fax:869-465-4490

Website:
www.sknchamber.com

Facebook:
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To join the
St. Kitts-Nevis Chamber of Industry & Commerce
visit : www.sknchamber.com/application

Mission Statement

“To improve the standard and quality of life
of all people of St. Kitts and Nevis”

Corporate Slogan

“Taking Care of Business”

Divisions:

Manufacturers’ Division
Nevis Division

Administrative Assistance:

Ms. Orwencia Haynes - admin@sknchamber.com

Executive Secretary:

Ms. Deborah Lellouch - nevisdivision@sknchamber.com

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Welcome To Our 4th Edition of the **SKNCIC MAGAZINE**

*"Joining forces with other business can bring big rewards"
Earvin "Magic" Johnson.*

Since joining the St. Kitts and Nevis Chamber of Industry and Commerce in November last year, I have enjoyed the challenges and excitement of working for and with the private sector organization of St. Kitts and Nevis.

We have had four months of constant activity which continued from the previous months as the Chamber continued to deliver on its core obligation as spelt out in its Mission Statement: **"To improve the standard and quality of life of all people of St. Kitts and Nevis"**. This involved some specific actions, which included collaborating with the Government in making invaluable input in the Review of the Minimum wage; the new Labour Code; the Unemployment Benefit Scheme and the Universal or National Health Insurance Scheme and Crime to ensure that the Chamber lives up to its Mission Statement.

Our Strategic Vision is to enhance the business environment by building resilience, improving competitiveness and fostering growth of the private sector. This will require our close collaboration with all Government Ministries, Departments and agencies whose activities impacts on the business environment.

The President of the Chamber Mr. Faron Lawrence in presenting his report, set the packed audience at the Chamber's Annual Banquet, thinking differently in the manner in which they operate their business and their daily lives by asking the question: "Are we measuring up"? Measuring up was the theme of Chamber for the past year.

In his presentation, he identified some key issues that we should take into full account. However, one of the specific areas of concern is the issue of time management he challenged fellow private sector leaders by emphasizing to them:

"Changing attitudes toward time will be challenging but we must make a start. It is my view that we as leaders in the private sector are well positioned to take the lead on this, by demonstrating respect for time ourselves and expecting and demanding respect for time from our employees and colleagues. Business entities and the country in general, lose too much on account of improper use of and disregard for time. It is imperative that we deliberately set out to practice good time management in the private and public sectors, as what obtains presently, is negatively impacting our ability to measure up".

These words should guide us into the coming year because of the increased challenges our private sector will face as they will continue to do business in an environment where "global events will take care of local events". The Chamber will provide all the support accessible to its

members to give them the ability to continue to successfully operate in the global environment.

We will increase our memberships drives to include more small businesses to help strengthen our private sector their ability to effectively conduct business in the Federation and other OECS countries, particularly with the facilities of the OECS Economic Union in particular and the wider CARICOM region. We will strengthen our forces to bring the bigger rewards to our businesses. This will result in increased employment, paying of taxes and improvement of the socio-economic condition of the people of the Federation.

2019 is a very important year from the Chamber. We are celebrating our seventieth anniversary, and this is a very important achievement not only to the Chamber but for the private sector and the wider community of St. Kitts and Nevis, who over the span of seven decades given us their support, we have listened to them as customers and they have done business with us which has enabled our local business to become and or remain going concerns. We thank you.

Let me thank the members of the Chamber for their confidence in giving me the opportunity to be a member of their esteemed organization and I look effectively implement its mandate.

Andrew Satney
Executive Director



Message by the President of the St. Kitts and Nevis Chamber of Industry and Commerce.

Mr. Faron Lawrence
President

*"By failing to prepare, you are preparing to fail".
Benjamin Franklin*

As I complete the first year as President of the St. Kitts and Nevis Chamber of Industry and Commerce (SKNCIC), I must say to you it has been one of the most exciting, challenging and educational years of my professional career and my life. Hence the reason that the theme chosen for the work of the Chamber for the past year has proven to be quite fitting - 'Measuring Up'.

Measuring Up is all about aspiring to be the best in every way. It is about knowing what the best is and creating a pathway that gets us to that point. It is about improving our competitiveness by marginalizing our limitations and embracing our opportunities.

Since taking up the position as President of the Chamber, I have been guided by this principle because this is what life and business is all about. If I am to give the leadership to this esteemed organization that will continue to make the members continue to have the confidence they require to ensure that they can be successful in their respective operations, I must have a "barometer" by which we can determine our starting point; where we are going and how do we plan to get there? Measuring up provides the scope for that.

In my report to members of the SKNCIC at the Annual Banquet in October last year, I raised several points that will help not only members, but the nation of St. Kitts and Nevis to make adjustments that will improve the socio-economic state of the Federation. I present them to you again here.

There are two key and universally accepted concepts against which we should compare ourselves as a Nation when we are defining the "best". The first is our score on the World Bank's Doing Business Ranking and the second is achieving the intended targets of the Sustainable Development Goals, (SDGs).

Many of the areas for improvement that will positively impact our score on the World Bank's 'Doing Business Ranking' are primarily for the Government to attend to. Where applicable, the Chamber stands ready to work through its members to effect change as part of the process. Based on discussions during our recent National Economic Growth Forum, I am satisfied that the Government is taking this ranking seriously and is making a deliberate and concerted effort to continuously improve our position in the world in this regard.

The global challenges facing societies range from climate, water and food crises, to poverty, conflict and inequality – these are challenges in need of solutions that the private sector can deliver, thus affording a large and growing market for business innovation.

The old way of thinking is 'Those are not business opportunities for us here in little St. Kitts & Nevis but rather for entities in the more developed countries. It is precisely that mindset that is in urgent need of changing. With the technology available to us we need to start thinking of our market as the entire world. We must strive to develop our country. We must start looking towards providing solutions to challenges being faced in other countries the same way businesses from other countries are here in St. Kitts and Nevis providing solutions to our challenges. I am of the view that we will be far more productive and successful that way,

As leaders in the private sector we must engage our minds and act to transform business models and systems for the future, with integrity and values playing a huge role.

TIME

We, as a people have got to become more respectful of each other's time and time in general. Time may be infinite, but I assure you, your time and mine are not. Time is such a precious and critical resource yet we mis-use it and waste it at very significant cost to us and our country.

- We must turn up for appointments on time
- When persons turn up at the appointed time we should not keep them waiting for an impolite and unreasonable duration.
- We should endeavor to do things when we say we will do it – in other words we need to start meeting deadlines, self-imposed or otherwise.
- We must start meetings at the appointed time not when persons arrive.

Changing attitudes toward time will be challenging but we must make a start. It is my view that we as leaders in the private sector are well positioned to take the lead on this, by demonstrating respect for time ourselves and expecting and demanding respect for time from our employees and colleagues. Business entities and the country in general, lose too much on account of improper use of and disregard for time. It is imperative that we deliberately set out to practice good time management in the private and public sectors, as what obtains presently, is negatively impacting our ability to measure up.

Why is time so important to us as a nation? There is the old but very important adage "time is money". As we compete in this global world for business, attracting investments; improving the quality of life and achieving success in our business, time means everything and therefore applying principles for effective time management is the starting point for achieving our objectives. Inadequate use or mis-use of time can mean disaster for your business.

We must pay attention to what is always happening around us and we must ask the question: "Are we measuring up?" and if we are not, what corrective actions and

adjustments are we taking to alleviate any short-comings in our business? Let us commit ourselves as leaders and business people to take the lead on changing our culture and attitude in respect to managing time.

The past year has been quite an interesting one for business globally, and when I speak about global developments and happenings, let me urge you that although St. Kitts and Nevis is the smallest country in the Western Hemisphere, global events impact us. They are right here in our space. Whether it is mergers and acquisitions – Scotia Bank and Republic Bank; Brexit, the US Trade policies –the application of increased tariffs on goods imported from China and other countries, imported into the US and the ongoing trade war between the US and China; implementation of international Trade Policies such as the WTO Trade Facilitation Agreement, the CARIFORUM/EU Economic Partnership Agreement (EPA), the CSME, the OECS Economic Union the decrease in the ranking of the Federation in the World Bank’s Doing Business report, etc. They all impact on our livelihood generally and in particular, that of our private sector as we seek to expand our markets for our goods and services that are of the highest quality at competitive prices here in our Federation. It is therefore critically important that we continuously pay attention to all those global developments.

We need to improve efficiency throughout our trade and business environment. Indeed, the World Bank Doing Business Report clearly identifies this as an area where we have been lagging or “losing ground”.

The Chamber of Industry and Commerce will continue to execute its mandate on behalf of its members which is to function as a business assistance and research organization to lobby on behalf of its over 100 members.

“ We embrace our role as an Advocate for proper governance and public responsibility as we help build a sustainable economy and equal opportunities for all.”

We continue to work very closely with all Government Institutions, Ministries and agencies and other NGOs to enhance the business environment and to ensure that we make informed inputs into all Government policies which will ensure that the interests of our members and by extension our citizens and residents are adequately represented.

Quite a lot is happening quite fast in our business environment. It is therefore imperative that the full force and influence of the entire private sector be brought to bear on decisions and actions being considered by Government. This is necessary to avoid having to operate under onerous rules, regulations and legislations made without full and effective Government – Private Sector consultation. Toward strengthening the voice and influence of the broader private sector for the benefit of our country, the SKNCIC has reached out to other private sector organizations including the Hotel and Tourism Association (HTA) and the St. Kitts Contractors Association to explore possibilities for collaboration and combination. We will continue with our efforts in this regard over the ensuing year.

In that regard, we are working with the Government of the Federation to assist with addressing the Crime situation; we are making our input in the Labour Code, the National Health Insurance Scheme and all other policies and programmes that will impact on the private sector of our federation.

CRIME

All right-minded people in our community know and accept that violent crime is the major threat to the peace and stability of our economy and country. Apart from being a threat to the economy generally, many of our businesses and businessmen have fallen prey to the robbers and murderers.

The Chamber recognizes the very strong efforts and the substantial expenditure made by Government in law enforcement to address and arrest this scourge. We urge the Government to take much further tough and unrelenting action as is necessary within the law to take violent criminals off the streets. I call on our membership and the entire private sector to co-operate with and be supportive of our security forces. The law-abiding members of our community should appreciate that they may in the short term have to make sacrifices to facilitate the tough action required by law enforcement.

But as important as the need for effective law enforcement is, there is a desperate need for our society to identify and address the underlying causes of crime.

The SKNCIC has its challenges, several of them, but with the correct approach and commitment by all members, regardless of the size our respective businesses, we will succeed.

I wish to express my sincere gratitude and appreciation to members of the Board of Directors and staff of the Chamber. They have all given me tremendous support during my first year as the head of this important institution. I look forward to their continued input during the next year of my “tour of duty”. Let me say that we have only two staff members and the role of the chamber is quite demanding. We will improve that situation by strengthening the staff complement very soon.

When I became President of the Chamber, Mrs. Brenda John was the Executive Director. I invite the other Board members to join me on your behalf in expressing our sincere appreciation for the guidance and leadership she gave us during the last three years and for me, during the first year of my Presidency. We would also like to thank members of the Board of directors whose “tour of duty” comes to an end today. Special words of appreciation are extended to Ms. Carol Boddie who dedicated her time conducting the business of the Chamber as the Treasurer. We thank you Carol. I also wish to extend sincere thanks and appreciation to Mr. Gordon Julien whose advice and counsel to the Board and me have been invaluable. We thank you Gordon.

This year will mark the 70th Anniversary of our Chamber of Industry and Commerce. As we commence our celebrations of this event, which is a major milestone for any organization

in the world and in the CARICOM region in particular, I think back of the past Presidents, Board Members, Advisors, Executive Directors and staff whose leadership, commitment and support has made this celebration possible. We thank them all.

I look forward towards a year of continued success and advancement of the Chamber with renewed energy by all members towards realizing the objectives of our beloved organization.



**THE GOVERNMENT OF ST. CHRISTOPHER (ST. KITTS) & NEVIS
MINISTRY OF INTERNATIONAL TRADE, INDUSTRY, COMMERCE & CONSUMER AFFAIRS**



I am honoured by the opportunity to provide this message to members of the St. Kitts – Nevis Chamber of Industry and Commerce and the Private Sector of St. Kitts and Nevis. I extend congratulations to the Chamber of Industry and Commerce on the fourth publication of its annual Magazine. This Publication is no doubt demonstrative of the organization’s long-term involvement in the development of the Country.

Caribbean countries are engaged in relentless efforts to find ways of stabilizing our economies. Nevertheless, the message from the St. Kitts and Nevis Government is that we must revise our strategies, work even harder and forge ahead with the business of development.

The official Launch of the Small Business Development Centre (SBDC) in November 2018, will provide technical and managerial assistance for small businesses in attempts to promote growth, innovation, efficiency and revenue for small businesses. The implementation of the Trade Facilitation Agreement, is yet another avenue for advancement as it seeks to boost global trade by expediting the movement, release and clearance of goods. These national strategies are being supported by regional initiatives, both from the OECS and CARICOM levels. These initiatives are proving to be the best combination by which St. Kitts and Nevis can effectively respond to the present world economic environment.

The Government is fully committed to continued collaborative efforts with the Private Sector, as we are fully cognizant that the Private Sector is indeed the catalyst for sustainable development.

The St. Kitts- Nevis Chamber of Industry and Commerce, continues to perform an outstanding job on behalf of the Private Sector and I wish them continued success in the future.

Once again, heartfelt congratulations on this your fourth Publication of this Commemorative Magazine.

**Honourable Lindsay F.P Grant
Minister of International Trade, Industry, Commerce & Consumer Affairs**



St. Kitts
follow your heart

St. Kitts Reaches the 'Million Mark'

Cruise Passenger Arrivals Exceed 1 Million for the First Time in the Island's History



Basseterre, St. Kitts (July 16, 2018) – The St. Kitts Tourism Authority and Ministry of Tourism are pleased to announce that St. Kitts received its millionth cruise passenger today, reaching the key number of arrivals that gives the island marquee port status for the first time in its history.

“I am deeply gratified to welcome over one million cruise passengers to our shores as of today,” said the Hon. Mr. Lindsay F.P. Grant, Minister of Tourism, International Trade, Industry and Commerce. “It is particularly significant that this historic occasion is taking place now, as we have over two months left in the 2017-2018 cruise season to increase arrivals even further. Reaching this milestone at this point in time is truly a testament to the strength of our relationships with the cruise lines and to the continuing appeal of our tourism product.”

CEO of the St. Kitts Tourism Authority Ms. Racquel Brown added, “In the highly competitive Caribbean cruise marketplace, exceeding the million passenger mark for the first time is a highly significant achievement that is a direct result of our successful marketing strategy. Having reached this benchmark, St. Kitts is now considered by the cruise lines to be in the same elite port status category as much larger destinations in the region. Cruise passengers clearly enjoy our diverse range of activities and friendly, welcoming people, and we are working hard to ensure that we keep the ships and their guests returning to our shores.”



St. Kitts reached the one million cruise passenger mark this morning with the arrival of guests from Royal Caribbean International's Freedom of the Seas. The ship, which has a capacity of 3,782 guests at double occupancy, docked at the island's Port Zante cruise pier at 8:00am. Tourism Minister Lindsay Grant led the welcome delegation and selected the millionth passenger upon disembarkation, who was treated to a complimentary ½ island tour. The historic occasion was further commemorated with special t-shirts given to arriving passengers and everyone being treated to an experience of the island's culture with live performances by a steel pan band, masquerades and more in a grand celebration befitting the importance of the milestone.

“We are very pleased to be the cruise line that brought the millionth passenger to St. Kitts,” said Federico Gonzalez, Associate Vice President, Government Relations Latin America &

Caribbean, Royal Caribbean Cruises Ltd. “The island is a long-time, valued industry partner that offers our guests the opportunity to explore lush natural beauty, rich heritage, a wide range of attractions. In addition, our partnership with the tourism team and their ongoing work to continually improve the infrastructure, services and amenities in St. Kitts showcases why it is one of our destinations of choice for our Caribbean itineraries.”

So far this season, the Royal Caribbean Cruises Ltd. cruise lines, Royal Caribbean International, Celebrity Cruises and Azamara Club Cruises, have made a total of 102 port calls to St. Kitts, bringing over 350,000 cruise visitors to island. Including calls from all international cruise lines over the nine-month period from October 2017-June 2018, the total number of cruise ship calls into St. Kitts grew from 358 to 486 as compared to the same period from 2016-2017, an increase of over 35 percent.

About St. Kitts

Intoxicating natural beauty, sunny skies, warm waters, and sandy beaches combine to make St. Kitts one of the most seductive spots in the Caribbean. Located in the northern Leeward Islands, it offers a diverse tourism product developed from the destination’s natural beauty, cultural heritage and rich history. The island’s stunning variety of tourism attractions include hiking through the tropical rainforest, riding the scenic railway that connects the island’s former sugar plantations, visiting the Caribelle Batik factory, and touring Brimstone Hill Fortress National Park, which is an UNESCO World Heritage Site. Among the more traditional vacation pastimes available are watersports, golf, shopping, tennis, dining, gaming at St. Kitts’ exclusive casino or simply relaxing on the beach. For more information about St. Kitts, visit www.stkittstourism.kn.





MESSAGE FROM MR TIMOTHY N. J. ANTOINE GOVERNOR, ECCB

As a Chamber, you have invested, advocated, persevered and continue to make good progress. That said, much remains to be done.

I offer my commendation to the Executive and members of the Chamber on another successful year of representing and advancing the interests of your members. In this regard, I laud your active participation in national and regional dialogues on development in our collective quest for transformation and shared prosperity. I recall my presentation and our lively discussion on the hot topic of cryptocurrencies last year. More recently, I recall your contribution (through your Executive Director) to our 3rd Growth and Resilience Dialogue during which we discussed, inter alia, improving the business climate and a regional fast ferry service for the Eastern Caribbean.

It has been my pleasure to collaborate with the Chamber, over the past three years, as collectively we seek to help realise the aspirations of the people of St Kitts and Nevis and the wider Eastern Caribbean. I place on record my deep appreciation for the outstanding service of Mrs. Brenda John, your immediate past Executive Director. I extend my best wishes to her in the next chapter of her life. I convey my congratulations to Mr. Andrew Satney, your new Executive Director who is well known to us at the ECCB and also express my best wishes to him for a successful tenure.

Economic activity in the Eastern Caribbean Currency Union (ECCU) is projected to be 3.1 per cent in 2019 and 3.6 per cent in 2020. For St Kitts and Nevis, our current projections for 2019 and 2020 are 3.1per cent and 3.1per cent, respectively.

Looking back, St Kitts and Nevis is estimated to have increased by about 3.0 per cent in 2018, an increase from the 2.1 per cent recorded in 2017. While these figures remain well

below the target 5.0 per cent annual growth, which the ECCB estimates is required to support socio-economic transformation, this performance is above the ECCU average of 2.7 per cent in 2018 and 1.4 per cent in 2017. Undoubtedly, the efforts of the Chamber and its members would have contributed significantly to this outcome, as we note increases in wholesale and distribution, manufacturing, tourism and construction.

The ECCB launched its Strategic Plan (2017 – 2021) in October 2017. Envisaged in this Strategic Plan is continued and determined progress towards full implementation of the ECCU single economic and financial space in our quest for socio-economic transformation and shared prosperity. We are working assiduously on the full implementation of the Plan. I now seize this opportunity to briefly apprise you of three initiatives:

FinTech Pilot: about 80 per cent of all transactions in the ECCU are paper-based (cash or cheques). Overall, payments are too slow and too expensive. Many businesses remain acutely unaware of the real and high costs of cash. The pilot (using blockchain) will test the feasibility of a digital EC dollar for certain payments thereby making them faster and cheaper and boosting overall economic activity. Furthermore, it will help harden the financial system against crime. This pilot will be launched by the end of the first quarter of 2019.

Eastern Caribbean Partial Credit Guarantee Scheme: the Scheme is expected to come onstream in the second quarter of 2019, expanding access to credit for small businesses and the scope for increasing exports and further diversification of our economies. Essentially, it will provide a 75 per cent guarantee to participating financial institutions for loans up to \$300,000 and is intended to help deploy some of the excess liquidity in our financial system.

Credit Bureau: this is a missing piece of infrastructure in our financial system. Its establishment will improve credit underwriting by financial institutions, encourage

responsible borrowing and improve access to credit for the underserved segments. The Harmonised Credit Reporting Bill is the enabling legislation. To date, this legislation has been enacted in St Vincent and the Grenadines, Grenada, Antigua and Barbuda and St Kitts and Nevis.

The process of socio-economic transformation process is typically a long and arduous one. Success in this noble venture requires the commitment, close collaboration and collective action of all.

As a leading purveyor of macroeconomic and fiscal advice, it is the ECCB's intention, to continue the dialogue with all stakeholders, including the Chamber, as we seek a policy mix that would facilitate the realisation of our shared aspirations.

We look forward to the continued support of the St Kitts and Nevis Chamber throughout 2019 and beyond, and wish the Chamber and its members every success in your undertakings.



The Manufacturing Sector in St. Kitts and Nevis

Jose Rosa – Chairman of the Manufacturing Division – SKNCIC

The manufacturing sector continues to be an important part of the St. Kitts and Nevis (SKN) economy. The sector represented about 6% of the GDP of the Federation in 2018. This consistent performance in the GDP and the resilience of the sector to adapt and to manage many challenges in the complex world of the manufacturing environment has made this sector one of great relevance for the economy of SKN. Over the last 10 years, the manufacturing sector in SKN has been the major exporter within the OECS to USA. As a matter of fact, the exports of SKN are larger than all exports of all the other OECS islands combined.

The sustainability of the manufacturing sector will depend on the efforts that we commit to the enhancement of the opportunities to start new manufacturing operations within the Federation. The competitive environment to bring new foreign manufacturing companies to the island is daily becoming more intense. Even bringing new product lines to the actual companies has become a very difficult task. The manufacturing companies are not only considering the low cost environment and government incentives as would have been used in the past, but the companies want to have access to international markets. They also want to operate within an environment equipped with high technological resources, furnished with strong and modern infrastructure and fortified with multiple international transportation options. On the other hand, the local manufacturing entrepreneurs would like to have easier access to capital and to enhance the regional sale of their products at competitive prices.

These challenges provide the Federation with an opportunity to review the actual manufacturing strategies to sustain and grow the manufacturing sector. This is the area that the Chamber Manufacturing Council (CMC) has focused on throughout this year. One of the main initiatives has been the re-initiation of the discussion of the National Manufacturing Strategy which provides the elements to create the landscape to have a sustainable manufacturing sector. The CMC began last year by working with the Ministry of International Trade, Industry and Commerce to take the necessary steps to implement the National Manufacturing Strategy. To achieve this goal, the Ministry in conjunction with us, the SKN Chamber of Industry and Commerce has re-organized the National Manufacturing Competitiveness Council (NMCC). This Council has representation from different government ministries and private sector stake holders. The main purpose of this Council is to implement the National Manufacturing Strategy. We met consistently during the second part of 2018 and we expect to implement a great part of the National Manufacturing Strategy in 2019.

Another area on which we have been working is that of providing access to the international market, as it relates to the completion of the Partial Scope Agreement with Brazil (PSA). This trade agreement has taken many turns during the implementation phase and its completion has

been delayed for many years. However, since last year the Ministry of International Trade and the private sector have worked together to finally complete it. The PSA is in the final stages waiting for the finalization of the discussion of the rules of origin with Brazil. The negotiation with Brazil is expected to be completed early in 2019 which will facilitate the complete usage of the PSA.

The Chamber Manufacturing Council has participated in important discussions about the potential impact of different government initiatives in the manufacturing sector. The Chamber Manufacturing Council has had representation in the discussions of the National Health Insurance, New Labour Code and in those concerning Minimum Wage. The Council provides important inputs to sensitize all the stakeholders participating in the discussion of the impact of the implementation of these initiatives in the manufacturing sector.

In general, the manufacturing sector had a good year. We are motivated to reflect on some of the achievements of our members in 2018. Examples of these achievements include: the first time production of over 1 million cases as achieved by Carib Brewery and the expansion of JARO Electronics in the Industrial Site and Harowe Servo Electronics in Sandy Point. Unfortunately, we received the sad news of the closing of Lutron after being in operation for over 30 years in the Industrial Site. This closing is the reason that we need to be vigilant in our organizations and to provide an environment of continuous productivity improvement, cost control and flexibility, so as to accept and manage changes. In the manufacturing sector we work together and the Chamber Manufacturing Council plays an important role to move the agenda of this sector which supports over 1,400 direct jobs to the economy of the Federation.

This year 2019, the Chamber Manufacturing Council will continue with the agenda focus to enhance its services and activities. We will include areas of technical training, Lean Manufacturing, Environmental Health and Safety Training and the re-introduction of the Manufacturing Awareness Week. The Chamber Manufacturing Council appreciates the support and hard work of their members in 2018 and we count on your support in 2019. Now, more than ever, is the time to highlight the importance and strength that the manufacturing sector has in relation to the advancement of the economy of St. Kitts and Nevis.

From Paper to Polymer...New Family of ECCB Banknotes



The Eastern Caribbean Central Bank (ECCB) will issue its new family of EC polymer banknotes commencing in June with the \$50, followed by the \$100, \$20 and \$10 in August/September and the \$5 in August/September 2020.

This is a notable feat as the ECCB will be the first central bank in the Caribbean to issue an entire family of polymer banknotes.

About Polymer Banknotes

Polymer banknotes are made from a thin, transparent and flexible plastic film known as polypropylene.

The Reserve Bank of Australia was the first monetary authority to issue polymer banknotes. The Bank issued its family of polymer banknotes in 1988. Since then, several other central banks, including the Bank of Canada, Bank of Scotland, Reserve Bank of New Zealand, Bank of Mexico and central banks in several African States, have switched to polymer banknotes. The Central Bank of Trinidad and Tobago issued a polymer \$50 commemorative circulation banknote in 2014.

Benefits of Polymer Banknotes

The key benefits of polymer banknotes are:

- **More secure** – the notes are more difficult to counterfeit;
- **Durable** – polymer is difficult to tear and the notes last, three to five times longer than paper banknotes;
- **Cleaner** – the notes are resistant to water and other liquids and do not absorb dirt and moisture; and

From Paper to Polymer...New Family of ECCB Banknotes

- **Eco-friendly** – polymer banknotes are not single-use “plastic” therefore it is highly unlikely that they will end up in the environment, as they will not be disposed of in the same manner as other plastic items. The unfit EC polymer banknotes will be returned to the ECCB and recycled.

Features of the EC Polymer Notes

- **Portrait Orientation** – The notes are designed with a portrait orientation. The current banknotes are landscape oriented.
- **Upgraded Images and Landmarks** - The images and landmarks at the back of the banknotes remain the same but have been enhanced.
- **Unique Tactile Feature** –Each note will bear a unique tactile feature (raised bumps) specifically designed to assist blind and visually impaired individuals with identifying the denomination of each note. The raised bumps form familiar shapes:
 - \$5 – circle
 - \$10 – X
 - \$20 – rectangle
 - \$50 – triangle
 - \$100 – square
- **Holographic Foil Strip** - This anti-counterfeiting feature has been added to the \$20, \$50 and \$100, which are most susceptible to counterfeiting.
- **New Image on \$50** - The \$50 now depicts an image of the former Governor of the ECCB, the late Sir K Dwight Venner in honour of his legacy.
- **New Signature** - The banknotes bear the signature of Governor Timothy N. J. Antoine.

Tips for Handling EC Polymer Notes

1. While the polymer notes have been tested to withstand heat of over 140 degrees Celsius, the public is advised not to iron, apply any form of direct heat or leave the notes exposed to hot temperatures for an extended period. Such treatment can compromise the features of the banknotes and alter their shape and size.
2. The notes should not be creased or crumpled or given acute folds as these can create permanent line marks, which can make them unfit for circulation in short time.

From Paper to Polymer...New Family of ECCB Banknotes

3. The use of wallets and purses and money clips will not have any adverse effects on the notes.

Co-circulation of EC Paper and Polymer Banknotes

Both polymer and the current paper banknotes will co-circulate. This means that businesses and individuals will conduct transactions using paper and polymer banknotes at the same time.

The paper notes will be withdrawn from circulation over a period of not less than five years.



Taken from the 2019 Budget Speech of
Dr. The Honourable Timothy Harris
Prime Minister and Minister of Finance

“Mr. Speaker, we thank God for the inspiration he gives us to manage the affairs of this country and to develop policies and programmes that are fit for purpose and effectively empower our people. The policies implemented over the last three (3) years are undoubtedly yielding positive results. We are building an economy with very strong fundamentals—low debt, low inflation, job creation, and fiscal surpluses. The efforts of the Government must be supported by the

Private Sector to achieve the desired level of growth in the economy, to secure full employment and sustained development. The contribution of the Private Sector therefore would continue to be an essential building block for accelerating economic growth and expanding prosperity beyond the levels already attained. Our Private Sector partners must then take advantage of the myriad of opportunities for innovation and enlargement. We are optimistic that the Private Sector would seize these opportunities and contribute even more to the growth and prosperity agenda. We will continue to be creative and implement initiatives which would bring sustained economic growth as well as hope and prosperity to our people. To date, our various policies, initiatives, programmes and projects have made a positive difference in the lives of our people and can be felt throughout our communities”.

"The right investment opportunity, is priceless."



Are you looking for the right place to invest? St. Kitts provides a healthy climate for business and investment. Situated in the Eastern Caribbean, this exotic tropical island provides an array of investment opportunities in seven priority sectors, namely: Tourism, Financial Services, Information Technology, Agriculture, Light Manufacturing, International Education and Renewable Energy.

St. Kitts is rapidly developing with modern infrastructure; roads, international air and sea ports and advanced telecommunication services. Located just three hours by air from the east coast of the United States of America, St. Kitts is perfectly located for doing business. The Government offers investment incentives; including tax holidays for certain qualified investment projects and businesses. There is No Personal Income Tax in St. Kitts or any restrictions on the repatriation of profits and imported capital.

The country's Citizenship by Investment Programme is the oldest and most respected programme of its kind. Its passport provides instant visa-free access to over 150 countries. Citizenship by Investment is an ideal gateway to the world for individuals and families in search of secondary citizenship.



Priority Sectors

- Tourism
- Information Technology
- Agriculture
- Light Manufacturing
- Financial Services
- International Education
- Renewable Energy



Celebrating 50 Years in the Hospitality Sector

beautiful ambiance and exceptional food and service. He believed in providing outstanding customer service and this still holds true today with Ocean Terrace Inn aiming to exceed expectations locally, regionally and internationally.

At the end of 1969, Ocean Terrace Inn had seventeen (17) bedrooms and a conference room and by the end of 1973, a swimming pool and a 'swim-up' pool was added along with a pool bar and ten new bedrooms. Ocean Terrace Inn went through some additional renovations and had up to 50 bedrooms up until 2014 where the hotel was closed and reopened in 2015 with thirty-four (34) newly renovated bedrooms and two (2) restaurants.



Ocean Terrace Inn 1970's

The Pereira family ran the hotel with excellent customer service being the prime focus, and therefore Ocean Terrace Inn remains one of the leading hotels on the island. The hotel was founded on the premise of staff development, training and appreciation and this remains one of the core values today.

Colin Pereira celebrating staff
Ocean Terrace Inn – 1970's

The Ocean Terrace Inn (OTI) hotel located at Fortlands, Basseterre was converted from a private family residence into the prestigious Ocean Terrace Inn, in 1969 by brothers Mr. Colin and Richard Pereira. Mr. Colin Pereira who passed on 22nd August 2017, was an astounding business man and an innovative hotel developer. In addition to establishing the Ocean Terrace Inn hotel, Mr. Pereira went on to create the Fisherman's Wharf restaurant which entailed a



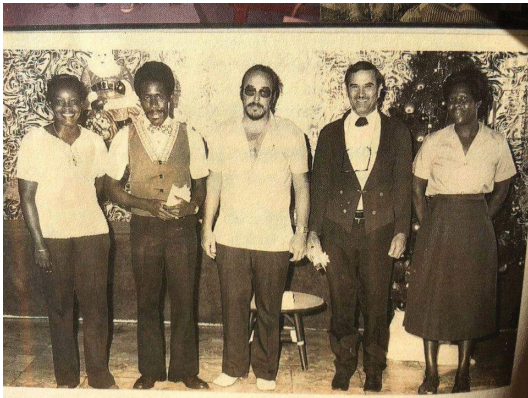
Ocean Terrace Inn- Poolside- 1970's



Celebrating staff at Ocean Terrace Inn 2018



Ocean Terrace Inn has managed to maintain its reputation for providing outstanding food and service and has managed to earn many accolades over the years. The most recent accolades earned by Ocean Terrace Inn are the 2016-2017 Trip Advisor Service Excellence Certificate, 2016 Sky Views Award of Excellence, 2016 Chambers of Industry & Commerce Award, 2016 Finalist of the Chief Awards in Sustainability, Restaurant Week Winner 2017-2018 (Food and Beverage sections respectively), St. Kitts Tourism Authority- Sustainable Tourism Award 2017,



St. Kitts Tourism Authority- Achievement of Excellence Award 2017, St. Kitts Tourism Authority- People's Choice Award 2018, St. Kitts Tourism Authority- Award of Excellence 2018 and the 2019 Hospitality Assured Certification.

Ocean Terrace Inn is the only hotel in St. Kitts to receive the Hospitality Assured Certification which focuses on the continuous improvement of customer service and customer satisfaction. The hotel continues its legacy of

giving back to the community having adopted the Irishtown Primary School and playing an active role of instilling environmental best practices and assisting with tourism education. Ocean Terrace Inn has a strong hospitality led service team which is a foundation set by the high level of service expectations that was established by the Pereira family and this stands true by evidence of continuous awards and recognitions rewarded to the hotel locally, regionally and internationally.

Ocean Terrace Inn then and now





'Carib Brewery million case PM Tour'

from left to right: Mr D Michael Morton CBE JP, Senator Akilah Byron Nisbett Deputy Speaker, Mr Mark Wilkin Managing Director, Hon PM Dr Timothy Harris, Ambassador Jonel Powel, Hon Min Mr Lindsay Grant, Mr Anthony Kelsick Deputy Chairman Carib Brewery, St Kitts Nevis Trades & Labour Union Reps Mr Sydney Bridgewater, Mr Batumba Tak and Mr Joseph O'Flaherty.

Carib Brewery (St Kitts & Nevis) Ltd. Produces 1 Million Cases for the First time in a Calendar Year.

December 14th, 2018 marked an important milestone in the life of Carib Brewery (St. Kitts & Nevis) Ltd.

For the first time in the company's history, on the afternoon of 14 December 2018, Carib Brewery reached production of one million cases in a single year.

Established in St. Kitts and Nevis in 1960, the company, in 1961, produced its first brew Carib Beer which was its only product until the introduction of Giant Malt in 1963.

Today, Carib Brewery's product portfolio has grown to 18 products. These include our flagship brand Carib Lager, Stag and Skol Lager; three stouts - Guinness, Royal Extra and Mackeson-; two Shandies, a Radler and three malts, namely Giant Malt, Vitamalt and Smalta.

Our line of soft drinks now includes the traditional Ting, Pink Ting, Peardrella and three Ginseng-up flavors.

The statistics show that since the year 2000, Carib Brewery's production has more than doubled going from over 400,000 cases in 2001 to 1,000,000 cases on December 14, 2018.

On the afternoon of December 14th, a ceremony to commemorate the occasion was held at Carib Brewery. This was attended by The Hon. Prime Minister Dr Harris, Hon. Minister Grant, other invited guests, management and staff of the Brewery.

At the end of the brief ceremony in the Bottling Hall, Carib Brewery (St Kitts & Nevis) Ltd Managing Director, Mark Wilkin said quote:

"On behalf of The Board of Directors of Carib Brewery I take this opportunity to first of all thank our management and staff for their loyalty and hard work over the 58 years of our operation in St. Kitts and Nevis. It is our employees who have made this historic occasion possible and we acknowledge their sterling contribution to our Company.

Carib Brewery also extends hearty thanks to the Government of St. Kitts



& Nevis who has seen and recognized the importance of Manufacturing to our Economy and has supported us from inception and over the years.

Thanks also to our valued customers and consumers who have shown tremendous support for the range of products that we have offered over our 58 years journey and we continue to look forward to many more fruitful and rewarding years together.

Our gratitude is summed up in our chosen slogan for the occasion,



'Carib Brewery million cases slogan winner'
from left to right: Mr Mark Wilkin Managing Director, Hon Min Mr Lindsay Grant, Mrs Mary Rogers Brewery Slogan Winner, Hon PM Dr Timothy Harris, Senator Akilah Byron Nisbett Deputy Speaker

One Million Cases Brewed – One Million Thanks to You!

This slogan was selected from a Competition among staff and the winner was Mary Rogers – our Janitress. We had close to 40 people submit entries – we had 100's of entries. Congratulations again to Mary on winning the slogan competition.



Prime Minister Hon. Dr Timothy Harris & Minister of Tourism, Industry & Commerce Hon. Lindsay Grant – I take pleasure in asking you to take the millionth case from the Bottling Line.

Thank you all for joining us this afternoon on this most Historic occasion”.

Carib Brewery (St Kitts & Nevis) Ltd is a member of the Beverage Sector of The Ansa McAl Group of Companies. The Company has over 130 employees and independent contractors. The Company's first Chairman was the late Mr. William Kelsick OBE who served from 1960 to 2006. The Company's present Board of Directors is headed by Mr. Anthony Sabga 111, Chairman and Mr. Anthony Kelsick, Deputy Chairman. The Brewery Executive team is headed by Mr. Mark Wilkin – Managing Director, Ms. Charmaine Reece – Chief Financial Officer, Mr. Linkon Maynard – Plant Manager and Mr. Andre Amritt – Sales & Marketing Manager.

Carib Brewery (St. Kitts & Nevis) Ltd
Member of the Beverage Sector- Ansa McAL Group of Companies



VIOLENT CRIME IN ST. KITTS AND NEVIS

an article By:
Charles Wilkin QC

Reproduced below is a statement issued by the St. Kitts-Nevis Chamber of Industry and Commerce (CIC) on September 4th, 2018 relating to the epidemic of violent crime. The release references four key ingredients in the fight against the epidemic. I will briefly expand on and analyze each ingredient. But before doing so I comment that the threat to our society posed by violent crime is no less severe in February 2019 than it was in September 2018.

Now to the four ingredients. The most obvious and the one most focused on is law enforcement. The release calls in the immediate term for the security forces to aggressively and powerfully repel the attack on society by criminal elements and to root out its perpetrators with all the lawful force required. Strong language that is but we are past the stage of business as usual by law enforcement. There can be no doubt that the security forces have assumed a far greater presence on the streets and have bolstered their interdiction work over the period since the release. They have in this regard received invaluable support from the contingent of Regional Security Service (RSS) troops who joined them in the last quarter of 2018. It is early to judge the lasting effect of these efforts nor has it been indicated officially how long the RSS presence will continue. I can only comment therefore that the action taken shows promise but the jury is out as to its full and long term impact.

There is an important law enforcement weapon in the Government's armory

that is to legislate, as Barbados and Jamaica have done, to allow the Minister of National Security power to declare a limited state of emergency in any area of the country in which there is an excessive degree of lawlessness. That power would include a curfew for residents of the area and increased powers of stop and search given to the security forces. In addition to assisting the security forces in carrying out their duty to deter and detect crime such legislation would shock the community to realize that, law abiding or not, their freedoms may be restrained if they do not tangibly support the fight against crime. The residents of an area of Basseterre or of a town or village outside would not be very happy if they had to stay in their homes seven days a week from 6 pm to 6 am with law enforcement scouring the area. Those who quietly support or wink at crime would be taught the lesson that the whole community is affected by and must be involved in the fight. I recommend the introduction of this legislation and its use as appropriate.

The second ingredient is improved relations between the security forces and the community. The security forces have in the recent past improved their community outreach but there nevertheless remains far too great a mistrust of law enforcement by the community. I have not heard the results of the Crime Stoppers programme in terms of the number of reports made through the confidential hot line but I understand the programme has been discontinued. We wait with bated breath to see if the police hot line which replaced it will be more effective. In any event, the public is not privy to information which would enable a scientific assessment of any changes in the level of support given by the public. The empirical evidence suggests however that there is a long way to go in rebuilding the community trust for law enforcement. This may well be a slow process but efforts on all sides should be increased. Success in implementation of the third and fourth ingredients would certainly help in that regard.

The third ingredient is strong action involving the entire society to address the deep-rooted causes. The deep-rooted causes include, as noted in the CIC release, the decline in attitudes and social behaviors

resulting in a culture which has failed our young people. Children are not born criminals. Criminal conduct is learned. Children learn their social habits at a young age. All learned conduct, good and bad, is therefore largely affected by parenting. Parents play a key role in the fight. We face the sad reality that we are now entering a second generation since the crime wave began. This means that we have hardened criminals producing children. There is growing evidence of parents encouraging or winking at crime by their children for the financial benefit without the slightest care for who gets hurt or killed in the process. So we now have criminal grandparents. However it is not too late for the community to promote good parenting and thereby influence the reversal of the complicity of parents in the criminal activity.

Violence begets violence. If, as happens so extensively to the open eye, corporal punishment and abuse are the preferred methods of correcting children, such children will in turn adopt the same approach to their peers and to their society. This is exacerbated by the fact that many children are brought up not by humans but by TV, cell phones and video games while their parents galavant and ignore them.

Another negative impact on the young comes from their observation of the way in which the society conducts itself. It is indisputable that respect for others, respect for teachers and authority generally, attitudes to the law and standards of social responsibility have declined tremendously in the past two decades. That is patently visible in our streets and public places. Lawlessness and disorder in street vending, in driving, in the use by pedestrians of the road, in the manner in which people speak to each other, in respect for the environment are simple but patent symptoms. The attitude to work has suffered likewise.

Growing children observe and copy those behaviors more than too many people appreciate. They grow up thinking that they can do as they like and their parents can't correct them. Mixed with the prevalence and promotion of violence in the newest technologies, the result is toxic. That is what we are experiencing. The reversal of the negative habits which have become entrenched in our society will be long-term but we must make a start. This is what the CIC has pledged to do in its release and in its efforts since.

The fourth ingredient is the change of the tribal political culture which for 50 years has pitted Kittitians against Kittitians and which has spread to Nevis in the last couple of decades. While politicians do not encourage crime their divisions certainly facilitate it. The culture affects the willingness of the security forces to act aggressively for fear that they will not receive support of the cross section of leadership of the country. It provides a poor example to young people who not surprisingly regard politicians largely with disdain. It is a disincentive to the public to co-operate with law enforcement. It has contributed to the decline in attitudes and social behavior by creating an entitlements mentality. Politicians pander to their supporters rather than leading them. They are mistrusted because of their failure to legislate a full suite of good governance legislation.

But the biggest obstacle created by the tribal politics is the refusal of the politicians to accept that there are certain aspects of life in our society that are above petty party politics and foremost among them is the peace and security of the country and its residents. If they did accept that they would have sat down together long ago and presented a common front to the criminal element and united support for law enforcement and an example to the community. It often appears that they may not really want Civil Society involvement for fear of being upstaged. They seem to prefer in the case of the Government to claim credit for whatever improvements are made no matter how often it backfires in their faces. In the case of the Opposition they prefer to criticize and to downplay the work of the Government at all costs.

Hopefully we will at some stage get a set of leaders on all sides who steer the country to political maturity and who give a backbone to the fight against violent crime.

In the meantime there is a lot more work to be done by the private sector and Civil Society. It must start without delay.



SRC 'Trading Thoughts' Can CARIFORUM-UK Trading Relations Survive the Clouds of Uncertainty Hanging over UK-EU Relations?

By:
Dr. Jan Yves Remy and Alicia Nicholls



Introduction

After almost two years of intense negotiations, a deal between the European Union (EU) and the United Kingdom (UK) giving effect to the will of 17.4 million Britons (51.9% of the vote) to leave the EU remains elusive. Many hoped that the cloud of uncertainty had finally lifted when, in November, negotiators from the UK and Brussels concluded a draft withdrawal agreement setting out the terms for the UK's withdrawal from the EU (the Draft Withdrawal Agreement).

But the Draft Withdrawal Agreement has bumped into strong political headwinds in the past week. In the face of what was a likely disastrous vote in the House of Commons on 11 December 2018, and having staved off of a "no-confidence" motion by her own party, the UK Prime Minister, Theresa May, will in all likelihood have to return to Brussels to seek more concessions to make her Draft Withdrawal Agreement acceptable to the British Parliament.

This article explores the latest in the episodic Brexit saga and what this might mean for future UK-Caribbean trade relations. We consider the possible UK-EU arrangements that could influence the shape of the deal the UK will negotiate with CARIFORUM (CARICOM and the Dominican Republic) if and when Brexit materializes. We begin with a brief overview of CARIFORUM-UK trading relations.

CARIFORUM-UK Trading Relations

Within the EU bloc, the UK is the main trading partner for most CARIFORUM countries and a major source market for tourism and investment. CARIFORUM's predominant goods exports are concentrated in bananas, sugar, and oil and gas. Although recent years have seen steady declines in the value of CARIFORUM exports to the UK, especially for goods, CARIFORUM-UK bilateral trade totaled £2.1 billion last year.

CARIFORUM and UK traders presently enjoy preferential access to each other's markets under the CARIFORUM-EU EPA, to which the UK is currently party as an EU member state. In the case of CARIFORUM, for instance, generous market access preferences for bananas and sugar have been granted. While Brexit will not affect the trading regime between CARIFORUM and the remaining 27 EU countries, the UK's departure from the EU means that preferences negotiated under free trade agreements with third parties, like those provided under the CARIFORUM-EU EPA, will no longer

apply to the UK.

In an effort to provide some continuity for their traders and businesses, CARIFORUM and the UK are in the process of negotiating a technical “roll-over” of the EPA’s concessions (see below). A deal is reportedly close to being finalized, but details have remained outside of the public sphere.

Scenarios for future UK-EU relations and impacts for future CARIFORUM-UK relations
Based on the unfolding developments in the UK, we surmise at least four possible scenarios for future UK-EU political relations, each of which will have different ramifications for future CARIFORUM-UK trading relations. These are:

1. Brexit pursuant to the Draft Withdrawal Agreement in its present form
2. Brexit pursuant to a renegotiated Withdrawal Agreement
3. A ‘No Deal’ Brexit
4. No Brexit at All

1. Brexit pursuant to the Draft Withdrawal Agreement in its present form

On March 29, 2017, the UK became the first EU member state to make a notification to withdraw from the EU pursuant to Article 50 of the Treaty on European Union (TEU). The UK ceases to be an EU Member State on March 29, 2019 pursuant to the two-year limit set out under Article 50 (unless the European Council and the UK unanimously agree to extend this period) and the UK’s European Union (Withdrawal) Act of 2018. The Draft Withdrawal Agreement provides for a transition period to ensure some semblance of continuity while the UK and EU hammer out the details of their future trading arrangements. Failing such an agreement, UK-EU trading terms would no longer be preferential, but would revert to World Trade Organization (WTO) Most-Favoured Nation (MFN) treatment, which means the re-imposition of (non-preferential) MFN level customs duties on each other’s goods, and only MFN-level access for services trade.

The Draft Withdrawal Agreement also contains a Protocol on Ireland and Northern Ireland which contains the controversial “backstop” option: in the event that the EU and UK fail to negotiate an agreement which prevents a ‘hard border’ between Northern Ireland (a country of the UK) and the Republic of Ireland (an EU Member State) within the transition period, the UK will be part of a single UK-EU customs territory until such an agreement is made. Although UK and EU negotiators have stated their intention to conclude an agreement by July 1, 2020, UK Parliamentarians question whether this would actually happen during transition period, and for this reason, have withheld consent for the Draft Withdrawal Agreement.

Under the Draft Withdrawal Agreement, the UK remains bound to all EU international agreements, including trade agreements such as the CARIFORUM-EU EPA, to which it is party by virtue of being an EU Member State. However, during the transition period, the UK must not engage in actions deemed “likely prejudicial to EU interests” and its representatives will be barred from participating in the work of any bodies established pursuant to such agreements,

unless it does so in its own right or upon invitation by the EU. This would include any bodies, such as the Joint CARIFORUM-EU Council established pursuant to the CARIFORUM-EU EPA. The Draft Withdrawal Agreement does not, however, preclude the UK from negotiating, signing and ratifying its own trade agreements with third States or groupings, such as CARIFORUM, during the transition period, although they would need EU authorization. A CARIFORUM-UK trade agreement, therefore, would need EU authorization if it is to enter into force during the transition period. In any case, and even if the EU withholds its consent, as noted above, the UK will remain a party to the EPA and therefore will be bound to apply EPA concessions to CARIFORUM traders during the transition period.

2. Brexit pursuant to a renegotiated withdrawal agreement

A second, likely, option given the current events in Westminster is a return to the negotiating table to arrive at a new withdrawal agreement. Although the EU has stated that it considers the Draft Withdrawal Agreement to be final, the current events in Westminster mean that PM May must re-engage the EU. The best Mrs. May will probably achieve under the current Draft would be addition of further best endeavor language for parties not to resort to the backstop. Alternatively, an entirely new withdrawal agreement could be contemplated. For instance, some have called for the UK to negotiate a deal like the “Norway-EU FTA” agreement which creates a single market between these two entities. Given the short timeframe until March 29, 2019 and the need for any renegotiated deal to obtain ratification from the UK and all 27 EU governments, any re-negotiation will have to be conducted expeditiously.

The impact of this option on CARIFORUM-UK relations would depend on the terms of the renegotiated withdrawal agreement, but so long as it results in the UK’s withdrawal, the effect would be the same as under option one above.

3. A ‘No Deal’ Brexit

Given the unpopularity of the options for withdrawal, a ‘No Deal’ Brexit has now become a real possibility. The absence of a deal with the EU would mean that, unless an extension is granted to Article 50 of the TEU, on March 29, 2019, the UK will have no transition period after it ceases to be an EU Member State. Its trading relations with the EU-27, and with the third parties with which it had trading relations by virtue of its EU membership, would revert to MFN status. Repeated economic analyses have demonstrated that British firms that currently trade openly with their main trading partner, the EU, would suffer severely. CARIFORUM firms that use the UK as a stepping stone to the other 27 EU Member countries would also suffer since a conduit for accessing the wider EU market would be closed off.

Under a “No Deal Brexit”, the “roll-over” negotiation between CARIFORUM and the UK would be ideal because, without it, there would be no transition period during which the UK must continue extending preferential treatment required under the CARIFORUM-EU EPA. Indeed, “roll-over” negotiations were begun with just the possibility of a ‘no deal’ Brexit in mind.

4. No Brexit at All

Finally, there is always the unlikely option of the Brexit decision being reversed. Repeated polls have showed that many Britons who voted 'Leave' did so without a full appreciation of its consequences, prompting some to push for a second referendum. If successful, a referendum could delay or even halt Brexit altogether. Moreover, the ECJ has this week ruled that the UK can unilaterally revoke its notification of intent to withdraw from the EU under Article 50 of the TEU.

If the decision to withdraw from the EU were overturned, CARIFORUM-UK trading relations would remain as they presently are, that is, conducted via the CARIFORUM-EU EPA. There would be no need for any successor agreement.

CARIFORUM-UK Relations: Roll-over, a bona fide CARIFORUM-UK, or UK-Commonwealth FTA? Assuming that Brexit happens, and the UK withdraws from the EU, the relationship between the UK and CARIFORUM will have to be reset. This presents CARIFORUM with an opportunity to re-engage and strategically engineer a more meaningful relationship with the UK, which has historically been a valuable trading and economic partner.

At this time, the UK is conducting "roll-over" negotiations with third parties with which it has preferential trading relations – and CARIFORUM is no exception. South Africa has reportedly been the first roll-over completed. "Roll over" means that substantive and procedural obligations undertaken by each of the parties under the existing Agreement will be transferred to the new one. A roll-over is therefore intended as a technical exercise of replication so that preferences are not lost and some level of certainty is maintained for traders of both sides. Such an approach is not imprudent given the length of time that normal trade negotiations typically take and given the shared intention of continuing treatment that has already been negotiated.

For some pro forma obligations, a "roll-over" seems simple enough: it would just entail replacing the word "EU" in the text of the Agreement with "UK". But where substantive obligations were undertaken, and concessions exchanged, under the EPA on the assumption that the UK would be part of a larger EU bloc, questions arise about the new value of the market access to the UK. And what will the roll-over mean for CARIFORUM businesses that formerly only had to conform to one set of EU-wide obligations and must now meet UK-specific standards.

Moreover, a "roll-over" also means that any deficiencies from the original agreement remain. For example, the EPA, which sparked fierce debate in the region, has been provisionally applied by all parties (except Haiti) since 2008 and its utilization has been poor, particularly by CARIFORUM traders. The EPA's 5-year review revealed there was much to be done, and many parts of the EPA remain incomplete: to date, the issue of "octroi de mer" (dock duties charged by the French Overseas Territories) has not been solved; services enquiry points in the EU Member States, including in the UK, have still not been designated; and no mutual recognition agreements recognizing the skills and accreditation of services providers have been negotiated.

There is also the question of the continued relevance of the CARIFORUM-EPA disciplines. Since 2007, when that agreement was signed, free trade agreements have evolved to include newer

issues such as data flow and ecommerce; financial services; regulatory convergence; and to reflect the more intense focus placed on linking trade to the seventeen sustainable development goals (SDGs) and the broader 2030 sustainable development agenda.

Finally, there have been questions about the extent to which the region's private sector and members of civil society have been engaged in these "roll-over" negotiations. Without active engagement at the front end, any deal that is eventually concluded risks not being utilized by those for which it was intended.

CARIFORUM negotiators should therefore consider the possibility of a completely new FTA with the UK that addresses shortcomings of the previous trading relations, builds on the targeted areas of relevance, and engages the private sector and civil society. The roll-over negotiations would therefore not be seen as the end of negotiations between the two sides, and would pave the way for negotiations in the future in areas of mutual interest. For example, the EPA's investment chapter is limited primarily to market access as at the time the European Commission had no competence to negotiate on investment protection and promotion. Now that the UK is completely competent to negotiate in this area, one could imagine a comprehensive investment chapter which would provide greater investor protections and encourage investment flows.

A third option that CARIFORUM could explore is broadening its engagement with the UK as part of a wider Commonwealth trading arrangement. Although some have warned that the Commonwealth is not a post-Brexit priority for Britain, the UK has indicated that it is open to new relationships with Commonwealth countries. CARIFORUM should not exclude options that provide opportunities for new configurations of trading relationships with new partners. It should participate in ongoing discussions to ascertain whether there is enough commonality of interest among Commonwealth countries to warrant further engagement on this issue.

To conclude, the current clouds of uncertainty stirred up by ongoing developments in the Brexit story will have implications for CARIFORUM-UK trading relations. CARIFORUM and the UK can try to shelter their relations from the inclement weather that these grey clouds portend, but for now it seems that CARIFORUM must wait out the UK-EU storm as it passes.

Dr. Jan Yves Remy is the Deputy Director of the University of the West Indies, Cave Hill's Shridath Ramphal Centre for International Trade Law, Policy & Services. Alicia Nicholls is an international trade and development consultant and contributing author to the UWI SRC's Trading Thoughts column.

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**CHRISTOPHE
HARBOUR**
ST. KITTs



ARE YOU MANAGING YOUR TRAINING INVESTMENT?

Companies often proclaim that their employees are their most valuable assets. Of course, employees are needed to get work done and so achieve business objectives. Training these assets, however, is sometimes not considered a priority, or it is regarded more like an expense than an investment. Companies need to recognise the strategic benefits of a well-trained workforce and the role that management plays in ensuring sufficient return on the investment.

Why invest in employee training?

Training is defined as “the planned and systematic activities designed to promote the acquisition of knowledge, skills and attitudes” (Salas, Tannenbaum, Kraiger, & Smith-Jentsch, 2012). Why is staff training important to companies? Here are some of the key advantages.

- **Remain competitive.**

Many businesses sell the same products and offer the same services. Therefore, they must rely on their employees to differentiate them from their competitors and maintain or increase their market share. Well-trained employees play a large part in determining the competitiveness and sustainability of a business by consistently using their knowledge and skills to create an experience that exceeds customer expectations.

- **Increase productivity and enhance efficiency.**

Generally, the more skilled and competent employees are, the better they perform. Employees who understand exactly what is expected of them and how to use the tools to do their job will be more productive and efficient than those who do not. Training, therefore, can help to address performance gaps with the result being less wastage of time, better use of resources, fewer errors, increased sales and greater profits.

- **Re-skill and up-skill employees.**

Training is essential to diversify employees’ skill sets and keep staff up-to-date with changes and new technologies. Multi-skilled employees can take on several different tasks and work across departments. Employees who are being promoted, especially to managerial positions, can benefit from training to prepare them to function effectively in their new role.

- **Bridge the skills gap.**

Training is critical to address the gap between the skills that new employees possess and those required by the employer. Local employers frequently complain that young persons are often inadequately prepared for the workplace. Many of these young employees, including those with the requisite academic qualifications, lack the soft skills (e.g. interpersonal communication, time management, problem solving) which are necessary to perform well on the job. Through training, new employees can develop the competencies that fit them for the work environment. What should businesses look for in a training programme?

Having determined that there is a need or performance gap that training can fill, businesses should ensure that the programme is designed to achieve the expected outcomes. So how can they identify a well-designed training programme? Here are two important guidelines.

- Training should be relevant and performance-based.

The training objectives must match the identified needs. If training is to be meaningful, the content and activities must relate to work situations that the participants face and the specific tasks that they perform on the job. Additionally, participants need adequate time to practise the targeted skills and receive feedback so that they can confidently apply the training to the job.

- Training should be engaging.

Trainers need to use a variety of instructional strategies to get participants actively involved in the learning experience. Such strategies include case studies, role plays, quizzes, videos, games, polls, small group discussions and self-assessments. When trainees participate in a variety of tasks, interact with one another and have fun, they learn and retain more than when they listen passively to information.

How can businesses ensure a return on their investment?

Companies are sometimes reluctant to continue training because they are discouraged by employees' lack of improvement, or sustained improvement, back on the job. Management fails to realise, however, that what happens after training is crucial in determining the impact of training. While it is true that employees' cognitive ability and level of intrinsic motivation affect the transfer of training, the post-training environment greatly influences whether the trained skills are applied. So how can managers create a supportive post-training environment?

- Schedule debriefing meetings.

Managers need to hold debriefing meetings with their employees after training (they need to meet before training too!) to learn their impressions of the experience, the areas identified for improvement and the support needed. By expressing interest in employees' reaction to training and offering support, managers communicate that they care about their employees' professional development. When employees know that their managers are interested and supportive, they will be more willing to apply training.

- Be a role model.

Managers must display the behaviours that they want their employees to display. For example, if managers identify a need for employees to learn to defuse customers' anger, then these managers must be able to model the appropriate behavior when interacting with angry customers. If employees are to transfer new skills to the workplace, managers must be the example for them to follow.

- Ensure that supporting structures are in place.

It is not uncommon for employees to be expected to perform well with inefficient systems and inadequate tools. Employees leave training enthusiastic about using their newly learned skills, only to be quickly frustrated and discouraged by returning to an environment in which the supporting structures to facilitate the transfer of training (e.g. resources, policies and procedures) are missing or inadequate.

- Monitor performance and follow-up.

To ensure that learning is transferred, managers must devote time to monitor employees as soon as possible after training. They should observe employees performing their role and provide them with timely corrective and/or complimentary feedback. It is recommended that managers schedule follow-up meetings at least 30 days following training to discuss the impact of training and any challenges employees are facing.

- Incorporate the trained competencies into performance appraisals.

When employees know that the skills and knowledge they acquire through training will be assessed as part of their performance appraisal, they will be more willing to apply them. Measuring how well employees use what they learn in training sends a clear message that the trained skills are key performance indicators.

- **Recognise and reward.**

Employees are more motivated to improve and maintain their performance if they know that they will be recognised and rewarded. Through a fair and transparent recognition and reward system, companies communicate that they value their employees' contribution. It is unlikely, then, that these employees will revert to old behaviours.

Training is an investment in a company's human capital. However, the best designed and delivered training programme is not enough to guarantee sufficient return. Companies must take active steps to manage their investment, particularly by creating a post-training environment in which employees can easily transfer their newly-acquired skills and knowledge.

Delcia Bradley-King is a talented trainer who has been creating engaging learning experiences to enhance the professional development of private and public sector employees since 1992. Her core areas of training are customer service, interpersonal communication, business writing and public speaking. Having worked for over 30 years in the fields of Education, Human Resources, and Corporate Affairs and Public Relations, she draws on a wide repertoire of skills and experiences to connect with and impact her participants. She is the owner of Training Assets which she launched in 2018.

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BUILDING HUMAN CAPITAL IN A GLOBAL AGE

Due to the brain drain, becoming competitors in the global and regional market, as well as, sustaining it, many companies in the Caribbean and around the world find themselves requiring more of their employees. This includes shaving advanced skillset and knowledge to carry out the objectives to the goals the company so desires in a timely manner, while achieving a greater output than input. To address this issue, organizations have turned to training and other resources, but may not see a difference in staff. Taking on this corporate responsibility, globally, organizations are addressing this human capital need, while achieving results in a supply and demand chain management.

What exactly is human capital? It is investing in employees; the education, experience and the abilities employees have that possess economic value for employers and for the economy as a whole. As organizations assist in the growth of the GDP through various economic streams, while carrying out social protection, there is leverage there to transition into this organizational development and behavior, simply by valuing people and the product they produce. Over the last half century, economists, social scientists, and others have developed a deeper understanding of what drives economic success. Human capital was once largely overlooked; now it is viewed as central to economic dynamism.

As to produce economic value, around the world today, from large complex organizations to SMEs, there is an abundance of training and education consistently in action. This is pictured as e- learning and quizzes, in-house industrial organizational psychologist or professional helpers, enhancing human resource professionals, to consultants providing the training and education monthly. This is a portrait of human capital. You may say, I have done this, but have you invested in this consistently, beyond once or twice a year, or monthly? Is there data to measure people or a pre and post-test? This may seem like a decline in productivity; however, once the employee is empowered and feels valued, the employee is the best asset to the organization.

This alteration may be questioned if it will assist or how much would it provide improvement if implementation is ongoing; if the input would be worth the output. The ability to consistently do so, could leverage the organization to increase productivity in the ability to perform labor and to produce economic value. This entails how to develop, compensate, and motivate the personnel, and how to manage the entire process in a cost-effective manner. As the market changes, organizations have found themselves as change agents, altering their processes to meet new standards or focusing on specific task that require the mindset to make a smooth transition. Therefore, increasing or creating the people intensive business.

Many may leave it up to the board, however, this is a serious matter that needs expertise that can either address the specific matter or for an entire organization overhaul. Human capital is not only a human resource action item, but for the organizations and the departments the

employees serve. It is a relevant topic in the areas of organizational development, leadership, change management and talent.

The St. Kitts and Nevis Chamber of Industry and Commerce values human capital and instills the value to its members, and in building those members and their staff, leads to employees and individuals who can compete in the global market no matter their socioeconomic status, education, or race. It is thus open to all representatives of member companies who are responsible for Human Resources and its related fields, as well as those in related professions.

I charge organizations to implement consistent human capital as a core action item in your strategic plan, it will assist in policy development, and protection, and it will also assist in being a competitor in the global market. Your people will either leverage the organization or keep it at a standstill. Wishing you the best in action for 2019.

Dr. Cherése Novelle Godwin
CEO of Leverage, Ltd.
Development and Policy Consultant & Organizational Culture and Behavior Specialist
1-869-661-5339
Dr.Godwin@leverageskn.com

Dr. Cherése Novelle Godwin
CEO of Leverage, Ltd.
PhD in Social Policy, Planning, and Administration – Clark Atlanta University Summa Cum Laude
Masters in Clinical Therapy – University of Pennsylvania, School of Social Policy and Practice – Cum Laude
Bachelors in Psychology- Cum Laude
Social Security Board Member Federation of St. Kitts and Nevis
Development Consultant – Coaching, etc.
ILO Caribbean Social Policy for Decent Work and Labour Certificate

Dr. Cherése Novelle Godwin
CEO of Leverage, Ltd.
Development and Policy Consultant & Organizational Culture and Behavior Specialist
1-869-661-5339
Dr.Godwin@leverageskn.com



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The 32nd Annual Academic Excellence Recognition Awards

December 8th, 2018

Students, Teachers and Lecturers Celebrate Academic Excellence in the Federation of St. Kitts and Nevis – December 6, 2018



State Scholar Mr. Khale Thomas receiving his awards from Mr. Faron Lawrence – President of the SKNCIC; Hon Troy Liburd – Minister of Education – Nevis and Mr. David Lake – General Manager – Flow

The St. Kitts-Nevis Chamber of Industry and Commerce (SKNCIC) hosted the 32nd Academic Excellence Recognition Awards on December 6th, 2018.

The event which was hailed as a major success, was organized by the St. Kitts-Nevis Chamber of Industry & Commerce in collaboration with FLOW, the St. Kitts Marriott Resort and the Ministry of Education. The St. Kitts Marriott Resort and Sunlinc Limited also provided substantial sponsorship.

The theme for the evening's celebration was "Measuring Up: Preparing for a Successful Professional Career".

This was the 32nd anniversary of the event and it was held under the distinguished patronage of His Excellency Sir S. W. Tapley Seaton– Governor General of St. Kitts and Nevis who was lauded for his visionary leadership in this field. As Chairman of Cable and Wireless St. Kitts and Nevis Limited, His Excellency identified the importance to the company and the community of recognizing excellence in students of the Federation for their achievements at the CSEC and CAPE levels as well as the outstanding teachers and lecturers.

In his Welcome Remarks, the General Manager of FLOW – Mr. David Lake referred to the Governor-General "as the Father of these Academic Excellence Awards" and thanked him for the positive impact his vision has had on the lives of young Kittitians and Nevisians over the past 32 years.

Mr. Lake challenged the award recipients "to take on one more task, that of civic engagement. He quoted Cesar Chavez, an American labor activist who said, "We cannot seek achievement for ourselves and forget about progress and prosperity for our community. Our ambitions must be broad enough to include the aspirations and needs of others, for their sake and for our own."

Dr. Tricia Esdaille – Assistant Permanent Secretary of the Ministry of Education of St. Kitts and Nevis presented remarks on behalf of the Minister of Education and she commended the students for their success and urged them to continue their hard work and to aspire to reach their academic goals. She applauded the students who were most outstanding in their academic achievements in particular Mr. KhaleThomas of the Clarence Fitzroy Bryant College for winning the 2018 State Scholarship and for attaining the Most Outstanding Performance in the area of Environmental Science. She also commended Ms. Daria James for having attained the Most Outstanding Female Candidate in the region for CCSLC award and for attaining the Most Outstanding CSEC Performance Overall in the Federation. She further congratulated Mr. Tairique Davis – First Runner-up for the Most Outstanding CSEC Performance Overall in the Federation and Ms. Tecoya Warner– Second Runner-up for the Most Outstanding CSEC Performance Overall in St. Kitts and Nevis.

Dr. Esdaille thanked FLOW and the Marriott for their continued support for the event, recognizing that without such support the Ministry of Education and the Chamber of Industry and Commerce would have difficulty in making formal presentation of the awards possible.

The Featured Speaker was Rev. Hastings H. Ron Daniel II of Nevis. He is the CEO and Owner of Mélange Services and Hamoron Services Ltd. He is a PASTOR – Wesleyan Holiness Church– Newcastle. Pastor Daniel II who was a former recipient of the Excellence Award gave a very thought-provoking speech to the audience in which he

urged the students to remain focused in achieving their ultimate objective of obtaining the highest level of education whilst remaining disciplined in their studies and personal development.

Mr. Khale Thomas received two trophies. He was a recipient of the National Recognition Awards for his achievement of being the State Scholar for 2018. Other awardees in that category included Mr. Rol J Williams; Miss Ronica Liburd and Miss Savita Tilackdharry.

Mr. Thomas also received a trophy for the Most Outstanding CAPE Student in Environmental Science.



State Scholar Mr. Khale Thomas Poses with Governor General Sir S.W. Tapley Seaton After Receiving his Award

Teachers from eight Secondary Schools were awarded with certificates, whilst four Lecturers were awarded certificates for their outstanding contribution towards the success of the students. Fifty-five students were awarded certificates of achievements.

A new award was introduced by the organizers of the event. It was the Chamber of Commerce President's Trophy which was awarded to the school with the highest number of awardees. The award went to the Verchilds High School.

Awards were presented by Mr. David Lake – General Manager of Flow; Mr. Faron Lawrence – President of the St. Kitts and Nevis Chamber of Industry and Commerce and the Hon Troy Liburd – Minister of Education – Nevis.

The Vote of Thanks was presented by State Scholar – Mr. Khale Thomas who expressed sincere gratitude to the organizer of the event – the St. Kitts-Nevis Chamber of Industry and Commerce for its commitment over more than two decades for making the Awards Celebration a continuous success; to the main sponsors– FLOW for providing financial support for the past thirty-two years and to the St. Kitts Marriott Resort for providing added support by meeting the cost of the venue and dinner. He also thanked the Governor General – Sir S. W. Tapley Seaton- for his vision thirty-two years ago in recognizing the importance to youth development and education of sponsorship by Cable and Wireless to the annual celebration of Academic Excellence Recognition Awards.

Mr. Thomas further thanked the students and their parents, teachers, lecturers and the schools for their hard work, support and commitment; the speakers at the event for their words of encouragement, appreciation and continued success.

Board Member Ms. Patricia Claxton must also be commended for coordinating the participation of the representatives from Nevis, including the featured speaker.

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The St. Kitts-Nevis Chamber of Industry and Commerce (SKNCIC) Celebrates Christmas with its Christmas Luncheon.

December 13, 2018

Over one hundred and five (105) Members of the SKNCIC and their special guests enjoyed a sumptuous lunch and shared a few hours of interaction, exchanging pleasantries and networking at the Carambola Beach Bar on December 13, 2018.

The occasion was used to introduce the new Executive Director of the Chamber – Mr. Andrew Satney to Members of the SKNCIC by the President Mr. Faron Lawrence. The Executive Director assumed duty on November 1, 2018. He was commended by the President for taking on his responsibilities very enthusiastically and informed the gathering that Mr. Satney “...comes with a wealth of knowledge and experience which will be quite useful to the Chamber as we take on the challenges of business and commerce locally, regionally and internationally...”

The Master of Ceremony – the Executive Director made special mention of Mr. Michael Morton – Deputy Governor General for his stalwart contribution and support to the Chamber of Industry and Commerce for several years; having served as President for two years and as Chairman of the Nominations Committee for three years.

In his remarks, the President of the Chamber reminds Members of the Theme for 2018 – “Measuring Up”. He asked Members to take some time to evaluate or conduct some stock-taking of their performance in their businesses and lives for the past year and at the same time asking “Did we Measure up in taking the necessary actions or doing the right things to address shortcomings in our decision-making and or the execution of our management plans in order to get the maximum benefit from our various investments and the continued growth and expansion of our businesses?”.

He urged Members to pay attention to all global developments, notwithstanding the fact that St. Kitts and Nevis are the smallest countries in the Western Hemisphere; there should be no assumption that global events will “not impact us”. Whether it is Brexit, the US Trade policies – including the application of increased tariffs on goods imported from

China and other countries, imported into the US, implementation of International Trade Policies such as the WTO Trade Facilitation Agreement, the CARIFORUM/EU Economic Partnership Agreement (EPA), the CSME, the OECS Economic Partnership Agreement, etc., they all impact on our lives and businesses in particular the private sector as we seek to expand our markets for our goods and services and to obtain goods and services of the highest quality and competing prices into the Federation”.

He used the opportunity to remind Members of the Chamber’s Role in Advocacy:

“ We embrace our role as an Advocate for proper governance and public responsibility as we help build a sustainable economy and equal opportunities for all.”

The President reiterated the close working relationship the Chamber enjoys with all Government institutions, ministries and agencies and other NGOs to ensure the business environment continues to improve to ensure that Members and the public at large benefit from an ideal environment which will improve the business climate and the quality of life for all in the Federation.

The presence of the Hon Mark Brantley, the Hon. Lindsay Grant and Senior Government Officials as specially invited guests to the Luncheon, interacting with Members was testament to the very good working relationship between the Government and the private sector. The Government Departments are pivotal to providing the ideal environment for business and trade, which results in increased commercial activity, increased revenue collection by Government, increased employment, improvement in socio-economic situation and the overall quality of life in the Federation.

The President spoke of the continued work of the SKNCIC with the Ministry of Education, FLOW and the St. Kitts Marriott Resort in coordinating the Academic Excellence Recognition Awards for thirty-two years now. The last awards ceremony was held on December 6, 2018 and for the first time; the Chamber President’s Award for the school with the highest number of awardees was recognized for their achievement. It was the Verchilds High School.

The program sets a standard for excellence in education and recognizes those students who through diligent study and hard work excel in their academic performance in the schools of the Federation.

The Chamber has been working with the Government of the Federation in several areas including approaches to addressing the Crime situation; making very important contributions in the Labour Code; the National Health Insurance Scheme; the Minimum Wage Review and all other policies and programmes that will impact on the Federation.

In his presentation, the Featured Speaker - the Premier of Nevis and the Minister of Aviation for the Federal Government - Hon Mark Brantley spoke on "The Impact of Foreign Affairs/Foreign Policy on the Business Community in particular as well as on the country/citizenship in general of the Federation".

He explained the role of Foreign Policy for St. Kitts and Nevis and the functions of the Ministry of Foreign Affairs in developing and implementing Foreign Policy to ensure that in the global world, the Federation of St. Kitts and Nevis gets the required high-level quality representation.

He spoke about the importance of presence in the various countries, international meetings, the importance of continued consultations and negotiations to improve international relations. The importance of improving the international business climate through diplomacy was also highlighted in relation to Tourism, International Trade and Business.

The Premier also urged the audience to be mindful of the devastating effect storms, hurricanes and other environmental and weather-related events can have on the lives and economies of small states like St. Kitts and Nevis. The recent elimination of the entire GDP of Dominica caused by heavy rains and winds should remind everyone of the vulnerability of the Federation to weather devastation. The general exposure of St. Kitts and Nevis and other small island states to global developments can be devastating to the comfortable lives and business environment that is being enjoyed by all the persons who reside and do business in the Federation.

Mr. Brantley complemented the Private Sector for the hard work and commitment towards improving the economy of the Federation, despite the challenges that they face. He commended the Government's continued support of the Private Sector and indicated the substantial contribution it makes to the GDP of the Federation through their various business ventures. The Government recognized the importance of keeping the Private Sector happy for the economic good of the country.

Generally, Members were very pleased with the presentation by the Guest Speaker for his positive remarks in relation to the overall benefits the Government will facilitate for the Private Sector.

The afternoon's event also included the distribution of Door Prizes, which was made possible through prize contributions by Ram's Group of Companies, the Dreamy Group, Harper's Office Depot, FLOW, Carambola Beach Bar and Demerara Distillers.

Mrs. Brenda John- the past Executive Director of the Chamber was honored 'In Recognition of the Sterling Leadership' which she brought to the SKNCIC.





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Positive Outlook for Manufacturing Sector in St. Kitts And Nevis



Workers at API Harowe St. Kitts Ltd. busy at work

While conducting visits to the different manufacturing plants on St. Kitts on February 11, members of the Team Unity Cabinet were updated on the plans and projections of the various factories, which point towards a projected growth in the manufacturing sector in 2019.

The visits to Lutron Liamuiga, Kajola Kristada Ltd, Jaro Electronics, Carib Brewery (St. Kitts & Nevis) Ltd in Basseterre, and API Harowe St. Kitts Ltd in Sandy Point formed part of the Team Unity administration's fourth anniversary calendar of activities.

Plant Manager for API Harowe St. Kitts Ltd., Mr. Carol Evelyn, stated that in his opinion, the manufacturing sector in St. Kitts "has a very strong future."

"We have a very good workforce; we continue to ship quality parts out of St. Kitts and that's extremely good for us. We have people who are ready and willing to work long hours because some of the times we have spike orders and in order to meet those spike orders we have to work the extra time in overtime to meet those orders and the associates are supportive on that end," said Mr. Evelyn.

A similar view was expressed by the General Manager of Kajola Kristada Ltd., Mr. Jose Rosa, who added that the manufacturing sector is critical to the diversification of the country's economy, hence it is important that it remains highly competitive.

Speaking specifically of Kajola Kristada, Mr. Rosa noted that his company, which employs a total of 109 workers, is expected to install a new automated machinery and introduce a new product in 2019 that are expected to significantly increase the organization's revenue in 2019. The company is also expected to provide additional employment for some 10-20 persons this year, with a possible 35 more when it introduces its new equipment and product.

At API Harowe, Mr. Evelyn revealed that 2018 "was really good for us, really good as business was up like 25 percent, and we're looking forward to another good year."

API Harowe St. Kitts Ltd, which has been in operation in St. Kitts for 44 years, currently employs approximately 225 workers.

Senior Minister and Minister of Labour, the Honourable Vance Amory, said over the last four years the Team Unity administration has created an environment that promotes growth in the manufacturing sector.

Minister Amory stated, "We want to make sure that workers are being treated fairly and that they get their just wages, and we also want the employers to get their just and fair days' work. We try as far as possible to encourage employers to find ways of compensating their workers when they do well and we ask the workers to perform well at all times."

Joining Senior Minister Amory on the tour were Prime Minister Dr. the Honourable Timothy Harris; Deputy Prime Minister, Honourable Shawn Richards; Honourable Lindsay Grant; Honourable Eugene Hamilton; Attorney General, Senator the Honourable Vincent Byron; Senator the Honourable Wendy Phipps; Deputy Speaker, Senator Akilah Byron-Nisbett, and Cabinet Secretary, Mrs. Josephine Huggins.

Also present were the Permanent Secretary in Ministry of Labour, Ron Dublin-Collins, Labour Commissioner Shernel James and Assistant Labour Commissioner Deon Webbe.

(OECS Business Focus Issue # 10)



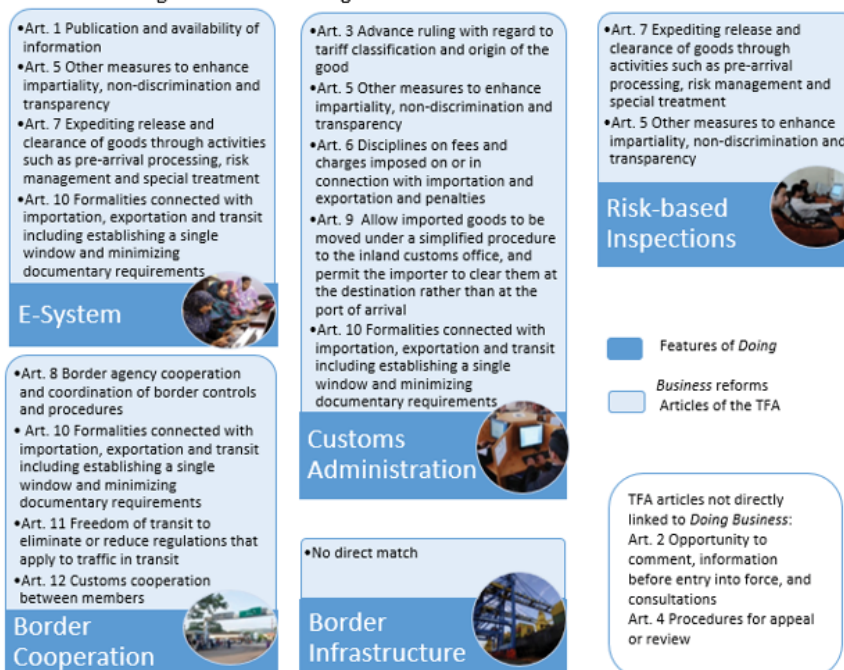
WTO's Trade Facilitation Agreement and Doing Business reforms: Are they related and how?

Submitted by Inés Zabalbeita Múgica On Mon, 03/12/2018
co-authors: Marilyne Youbi, Cécile Ferro

Small differences in the time and cost to trade can determine [whether or not a country participates in global value chains](#). In this respect, the World Trade Organization's (WTO) [Trade Facilitation Agreement](#) (TFA), which came into force on February 22, 2017, is a landmark achievement given its comprehensive coverage of the issues around cutting red tape and promoting efficiency and transparency, as well as the fact that it is the first multilateral agreement since the establishment of the WTO in 1995. Coincidentally, the Trading Across Borders (TAB) indicator of [Doing Business](#) measures the efficiency of national regulations in trade facilitation and keeps track of relevant reforms, allowing us to analyze how the provisions of the TFA are related to the reform efforts of governments around the world.

Since the inception of the TAB indicator in 2004, 119 of the 190 economies currently monitored have implemented a total of 264 reforms to improve the efficiency of trade facilities. The most commonly implemented reforms include the adoption of e-systems to enable electronic processing of trade procedures; implementation of risk-based inspections; elimination of redundant procedures to increase the efficiency of customs administration; and improvements in customs/border infrastructure. These features are also reflected in most of the 12 articles of Section I of the TFA (Figure 1).

Figure 1. How are *Doing Business* reforms and TFA articles related?



Source: WTO 2014 and *Doing Business* database.

Which *Doing Business* reforms are related to TFA?

Drawing on the reforms recorded by *Doing Business 2018*, we find that reforms in line with TFA recommendations were implemented in 30 economies, of which 80% are developing economies. Article 10 of TFA is the most popular area of reform. Specifically, 20 economies streamlined the formalities and documentation requirements (Art. 10.1), 7 economies began accepting paper or electronic copies instead of original documents (Art. 10.2) and 6 economies implemented Single Windows that enable sharing of information between trade actors through a single platform (Art. 10.4) (Table 1).

Sub-Saharan Africa carried out the highest number of reforms within the scope of the agreement, with 15 economies reforming under TFA. The case of Mauritius, which has the highest number of TAB reforms related to TFA, shows that the recommendations can be implemented fairly quickly with significant results. Mauritius is one of first economies to ratify the TFA agreement (March, 2015) and start working on the TFA agenda, even before the agreement came into force in February 2017. Since June 2016, Mauritius has allowed pre-arrival submission of the manifest and customs declaration (Art. 7.1); improved its risk-management system (Art. 7.4); reduced the use of paper copies (Art. 10.2); and started

a systematic process of information sharing with other control agencies (Art. 10.4). The combined impact of these initiatives has decreased the time to comply with border procedures by 21 hours for exports and 20 hours for imports.

TFA articles	TFA related reforms reported in <i>Doing Business 2018</i>
Art. 1.2 Information available through Internet	Bolivia; Brazil; Brunei Darussalam; Ethiopia; Pakistan
Art. 5 Other measures to enhance impartiality, non-discrimination & transparency	India
Art. 7.1 Pre-arrival processing	Ethiopia; Mauritius; Sierra Leone
Art. 7.2 E-payment	Brunei Darussalam; India; Indonesia; Mauritania
Art. 7.4 Risk management	Ethiopia; Mauritius; Oman
Art. 8 Border agency cooperation	El Salvador; Uganda
Art. 10.1 Formalities & documentation requirements	Bolivia; Botswana; Brunei Darussalam; Cabo Verde; Comoros; Jamaica; Kenya; Malawi; Oman; Pakistan; São Tomé e Príncipe; Saudi Arabia; Sierra Leone; Sri Lanka; St. Kitts and Nevis; Swaziland; Taiwan, China; Uganda; Vietnam; Zambia
Art. 10.2 Acceptance of copies	Bolivia; Brazil; Cabo Verde; Mauritius; Taiwan, China; Uganda; Zambia
Art. 10.4 Single window	Brazil; Indonesia; Kenya; Mauritius; Singapore; Taiwan, China
Art. 10.6 Customs brokers	Pakistan; Vietnam
Art 12.1 Measures promoting compliance & cooperation	Angola

Source: WTO 2014 and *Doing Business* database.
 Note: The table excludes Malaysia, Qatar and the Russian Federation, as their reforms in 2016/17 were outside the scope of TFA.

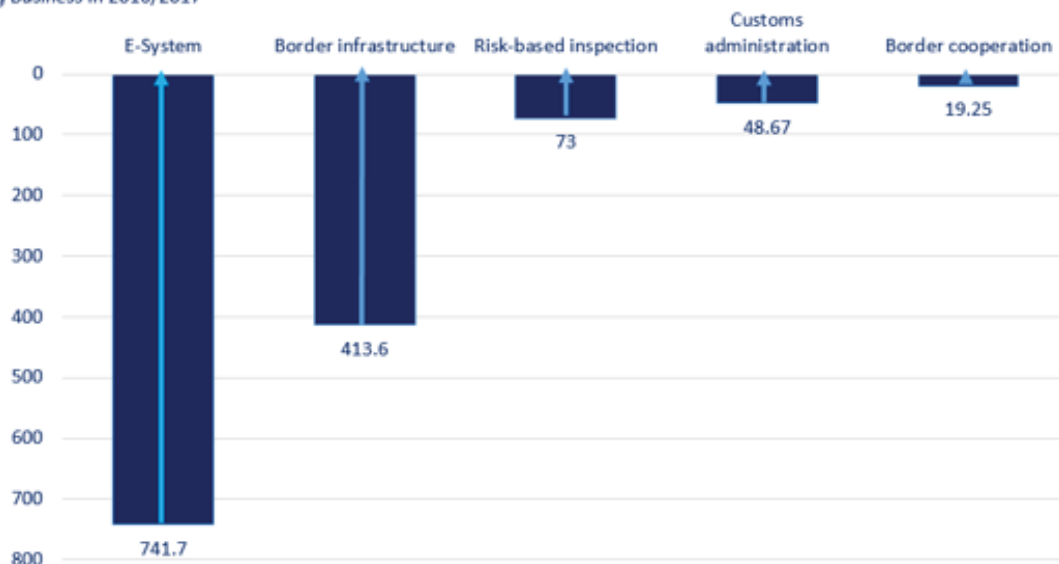
What is the impact of TFA?

The WTO predicts that TFA will promote the simplification, modernization and harmonization of trade processes to reduce cost and time, boost trade flows and increase the world GDP growth. Although it is too early to assess the full impact of TFA, the World Trade Report 2015 concludes that it has the potential to reduce trade costs by an average of 14.3% and increase exports by \$1 trillion per year. Another study says that the implementation of TFA will lead to an increase in export diversification. The potential benefits are further supported by the OECD, which finds that TFA will create efficiency at the border, thereby reduce trade costs and increase participation in global value chains.

Likewise, *Doing Business* analyzes the impact of reforms in many areas promoted by TFA (as shown in Figure 1). Among these, *Doing Business* 2018 reveals that introducing or improving customs Electronic Data Interchanges and Single Windows, which are featured in Articles 1, 5, 7 and 10 of TFA, allowed a total time reduction of 742 hours. Infrastructure reforms have the second most significant impact on reducing the time and cost of trade procedures as measured by *Doing Business*, however, TFA is mostly silent about border infrastructure.

Figure 2. Time reduction in trade facilitation due to different TFA related reforms recorded by *Doing Business* in 2016/17

Total time reduction (hours) as captured by *Doing Business* in 2016/2017



Source: *Doing Business* database.

Both TFA and *Doing Business* point out that the future of efficient trade lies in the modernization of electronic platforms, international cooperation at both the customs and borders, efficient risk-based inspections and simplified documentary requirements. The *Doing Business* data confirm that implementing reforms promoted by both TFA provisions and the *Doing Business* Trading Across Borders indicator set significantly reduces the red tape that impedes international trade. Further reductions are expected when more countries ratify the TFA.

As more data become available over time, it would be interesting to investigate whether reductions in red tape translate into further increase in exports and economic growth as predicted by the WTO, especially in developing countries facing various types of constraints to trade.



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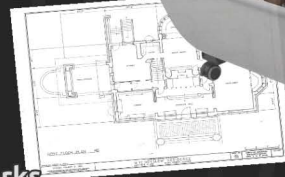
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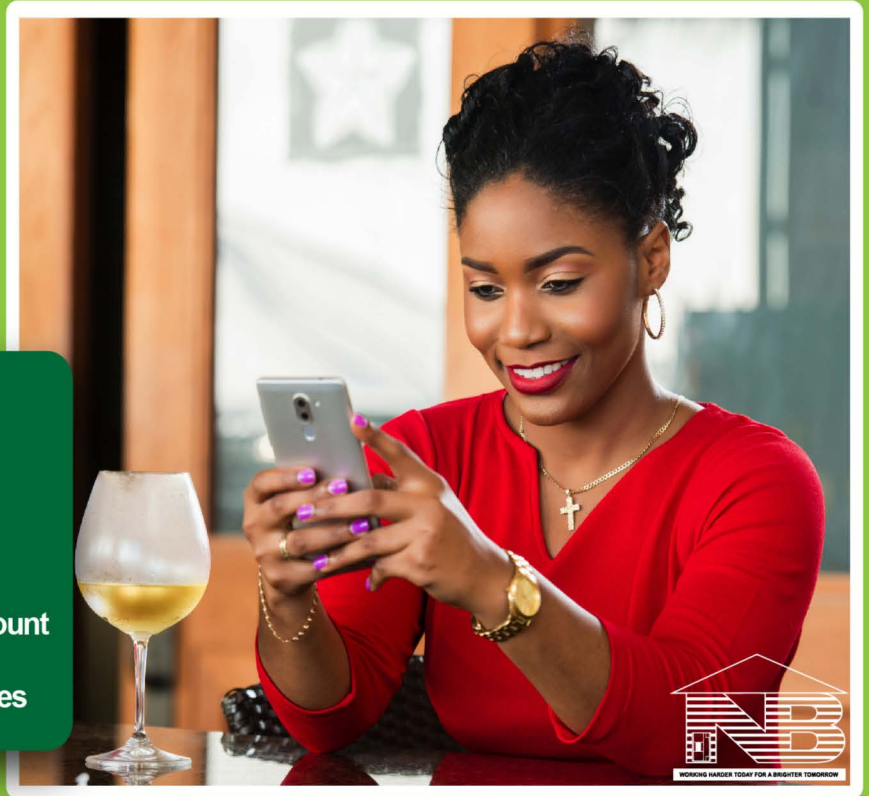
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