Statement by Richard L. Bernal
Ambassador of Jamaica to the United States
Submitted to the House Ways and Means Subcommittee on Trade
on Renewal of the Generalized System of Preferences (GSP)
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The Government of Jamaica strongly supports Congressional reauthorization of the Generalized System of Preferences (GSP) this year.

The GSP program establishes important tangible and symbolic mechanisms that support trade-based growth and economic reform throughout the Caribbean and the developing world. The GSP provides developing countries market access to the United States for many non-traditional exports, generating a critical source of foreign exchange. These earnings, in turn, help finance future imports or investment in productive capacity, stimulating job creation and advancing the cause of trade liberalization.

Moreover, the US commitment to trade-based growth, through such programs as the GSP, sends an unmistakable signal of US support for this process of economic growth and trade liberalization throughout the developing world. As Caribbean countries have sought to restructure their economies to take advantage of the benefits of increased US trade links, they have undertaken policies to reduce tariff and other import barriers, privatize state-owned entities, eliminate controls on prices and exchange rates, and lessen the hand of the government in the economy. They have also undertaken to establish fair labor codes, strengthen intellectual property protection, and establish sound environmental policies. The resulting policy mix has allowed the private sector to become an engine of sustainable development and economic growth throughout the region.

Ultimately, economic growth in the Caribbean region and throughout the developing world is important for US interests. The Caribbean Basin's experience with trade-based development provides an instructive model for the United States. As the Caribbean Basin economy has developed, for example, so too has its ability to import US goods and services. ***From 1985 to 1994, US exports to the Caribbean have expanded by more than 125 percent. Throughout the Caribbean, such trade-based growth has led to the creation of close to 17,000 US jobs a year for the past decade.*** Finally, US consumers benefit from greater access to the products of the developing world.

As Congress continues to address its trade agenda this year, part of its attention must center on the mechanisms that enable foreign countries to remain healthy and vigorous trading partners of the United States. The Subcommittee has already taken the lead on this through timely consideration of the Caribbean Basin Trade Security Act, a measure that will significantly benefit US/Caribbean trade links. Another sure mechanism to help promote stronger trade-based growth throughout the Caribbean is the Generalized System of Preferences (GSP).

US/CBI Trade Statistics (1985 - 1994)
(Millions of US Dollars)

Year	US Imports	US Exports	Annual Export Growth	Trade Balance
1985	6687	5942	--	-745
1986	6065	6362	7.1%	297
1987	6039	6906	8.6%	867
1988	6061	7690	11.4%	1629
1989	6637	8290	7.8%	1653
1990	7525	9569	15.4%	2044
1991	8372	10013	4.6%	1641
1992	9627	11263	12.5%	1516
1993	10378	12428	10.3%	2026
1994	11495	13441	8.1%	1946

Average Annual U.S. Export Growth: 9.5%

Note: 1994 marked the 9th straight year of U.S. trade surpluses

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Number of US Workers Dependent on
Trade with the Caribbean Basin Nations

Year	Total Number of US Workers*	Number of New U.S. Jobs Created Per Year
1985	118,840	--
1986	127,240	8,400
1987	138,120	10,880
1988	153,800	15,680
1989	165,800	12,000
1990	191,380	25,580
1991	200,260	8,880
1992	225,262	25,002
1993	248,552	23,290
1994	268,814	20,292

Average Annual Job Creation: 16,667

* Assuming that $1 billion in US exports creates 20,000 US trade-related jobs.

Source: US Department of Commerce, US International Trade Commission