

A number of the factors which are relevant to the analysis of industrial "free trade" zones also apply to a discussion of the TCI prospects as an entrepôt for the warehousing, distribution and re-export of goods to other Caribbean countries. Traditionally successful entrepôts have enjoyed a strategic location, geo-political leverage, or other comparative socio-economic advantages.

In the case of the TCI, the prospects for a viable "free trade" zone/entrepôt in the foreseeable future would seem to depend to a considerable extent on whether a modest, very specialized operation - perhaps targetted a particular market - might be developed which would benefit from a comparative TCI advantage, and on the availability of investment capital.

The TCI Government is interested in exploring the idea of establishing an industrial "free-trade" zone; and/or in having the Islands become an entrepôt for the Caribbean. I am not aware that the Canadian private sector has seriously investigated the commercial advantages of investing in an industrial "free-trade" zone in the TCI.

Consequently, it would seem premature at this stage to pursue the question further. If the Canadian private sector is seriously interested in investing in a "free-trade"/entrepôt project in the TCI, they should raise the question at the proposed information exchange (Section IV).

Recommendation 16

The Canadian Government should study the question of developing an industrial "free trade" zone in the Islands or of having the TCI become a Caribbean entrepôt depending on an expression of interest by the TCI Government and by the private sector's readiness to consider investing in such a project.

XII. ECONOMIC COOPERATION AGREEMENT

In the short term, the Government of Turks and Caicos Islands is interested in improving the economic and social conditions of the Islands' people. Its long term goals are economic viability and self reliance, and eventually, political independence. While the present TCI Chief Minister has indicated a desire to explore ways of improving relations with Canada, he has also made it clear that he is not interested in trading one colonial power for another. For its part, the Canadian Government has stated that it has no intention of taking action which could be construed as promoting some form of political association with the Islands. This allows us to focus on practical and mutually beneficial economic development measures.