



Government of Trinidad and Tobago

The CARIFORUM/EU Economic Partnership Agreement:

An Executive Summary



REPUBLIC OF TRINIDAD AND TOBAGO
MINISTRY OF TRADE
AND INDUSTRY

TRINIDAD AND TOBAGO has entered a new era in its trading relationships. As the global landscape evolves under World Trade Organisation (WTO) rules, we have adapted to suit and have embarked upon a reciprocal trade agreement with one of our largest trading partners – the European Union (EU).

CARIFORUM (CARICOM and the Dominican Republic) and the EU commenced negotiations on an Economic Partnership Agreement (EPA) in April 2004 and concluded in December 2007. The overall objective of the negotiations under the EPA for Trinidad and Tobago was:-

“To negotiate the best opportunity for export expansion and economic development to aid the diversification thrust (under the auspices of CARIFORUM) with the European Community.”

With the EPA now concluded, the Ministry of Trade and Industry has developed this booklet which gives a basic outline of the EPA process, summarizes the major elements of the Agreement and provides an outline of the processes required to ensure implementation.

While the full text of the EPA is online at MTI’s website– www.tradeind.gov.tt, this document is designed to provide concise and readily accessible answers to the more popular questions concerning the Agreement and its likely impact.

The EPA marks a milestone in our trade and economic development, as a country and as a region. We will now be required, over a period of time to open our markets, with some limitations to the manufacturers and service providers of the EU.

This situation presents us with tremendous opportunities and challenges. This region is committed to moving forward diligently and with purpose to achieve the best outcome under this Agreement to ensure an acceptable standard of living for all our peoples.

We welcome the opportunity to share this information with you and look forward to your comments and observations.

THE MINISTRY OF TRADE AND INDUSTRY
Government of the Republic of Trinidad and Tobago

Full link:-
http://www.tradeind.gov.tt/Agreements/EPA/EPA%20Text_Final.pdf

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A. ABOUT THE EPA

What is the EPA?

The Economic Partnership Agreement (EPA) is a permanent instrument of trade partnership between CARIFORUM and the EC. It replaces the trade component of Lomé IV and its successor Cotonou (2000).

It is more than a free trade agreement (FTA), as it contains a strong development component with clear links to development aid for adjustment and modernization of CARIFORUM economies.

When was the EPA concluded?

On 16 December 2007, an Economic Partnership Agreement (EPA) was concluded between CARIFORUM (CARICOM and Dominican Republic) and the European Community (EC). This represents the culmination of three years of formal negotiations between the Parties.

Who are the Parties to the EPA?

CARIFORUM – 15 Member States

Antigua and Bermuda, Commonwealth of the Bahamas, Barbados, Belize, Commonwealth of Dominica, Dominican Republic, Grenada, Cooperative Republic of Guyana, Republic of Haiti, Jamaica, Saint Christopher and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Republic of Suriname, the Republic of Trinidad and Tobago. (24.9 million persons)

European Community (EC) – 27 Member States

The Kingdom of Belgium, the Czech Republic, the Kingdom of Denmark, the Federal Republic of Germany, the Republic of Estonia, the Hellenic Republic (Greece), the French Republic, Ireland, the Italian Republic, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Grand Duchy of Luxembourg, the Republic of Hungary, the Republic of Malta, the Kingdom of the Netherlands, the Republic of Austria, the Republic of Poland, the Portuguese Republic, the Republic of Slovenia, the Slovak Republic, the Republic of Finland, the Kingdom of Sweden,

the United Kingdom of Great Britain and Northern Ireland, the Republic of Bulgaria and Romania. (450 million persons)

When will the EPA come into effect/force?

On the first day of the month, after the Parties notify each other of the completion of all their internal procedures i.e. any legislative and/or administrative changes to meet the obligations under the agreement.

What takes place in the interim?

In the interim, the EC and the CARIFOPRUM States may provisionally apply the Agreement. This means that trade, the provision of development cooperation and other obligations under the Agreement can be effected as long as our national systems allow for this.

Why the need to sign an EPA?

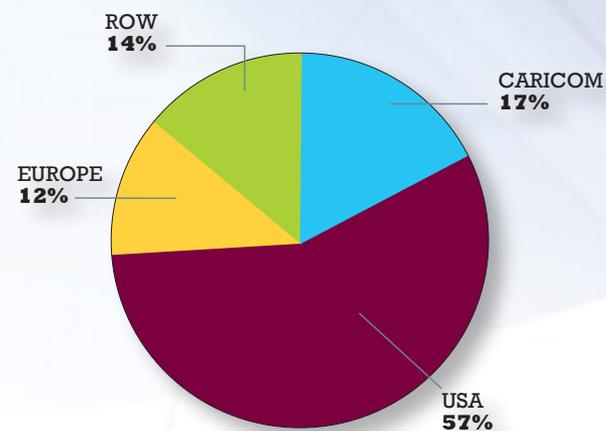
1. The Lomé and its successor agreement, the Cotonou, granted non-reciprocal (one-way) duty free access of goods from African, Caribbean and Pacific (ACP) states to the EU. Of note, the non-trade components of the Cotonou Agreement, signed in 2000, remain in effect until 2020.
2. The last arrangement between the EC and ACP States, the Cotonou Agreement, contained a provision for the preferential (one way) arrangement known as trade preferences to be replaced by December 31, 2007. However, these trade preferences required a waiver from the Membership of the World Trade Organization (WTO). This waiver is a special dispensation granted to the EC to offer the ACP special treatment over other developing countries. The last WTO waiver was granted until December 31, 2007.
3. Increasingly, there is a paradigm shift in the global trading environment. In particular, certain developing countries are opposed to the continuation of WTO waivers which allow developed countries to grant enhanced benefits to certain developing countries.

- Without an EPA in place before the end of 2007, trade relations between the EU and Caribbean would have been subject to the Generalized System of Preferences (GSP) regime, which would have involved some trade disruption.

The GSP arrangement provides non-discriminatory treatment in that it treats all developing countries equally. In this instance, Trinidad and Tobago exports would have faced increased competition from other developing countries in accessing the EU market.

Moreover, under GSP, certain exports into the EU markets would have faced tariff duties ranging from 2% percent – 30.1 percent. These products include our highest value trade items such as methanol, ammonia and aerated beverages.

- According to 2006 trade performance data:



- The **US** is our largest export partner – TT\$49.9 B of total domestic exports
- CARICOM** is ranked as our second largest trading partner – TT\$15.2 B
- Europe** is in third place place with TT\$87.9 M

B. THE EPA PROCESS

Negotiating Phases

The EPA negotiations were structured into four phases as follows:

- Phase I (April 2004–September 2004)** – priorities of the negotiations;
- Phase II (September 2004–September 2005)** – common understanding of priorities related to Caribbean integration and targets for implementation;
- Phase III (September 2005–December 2006)** – the structure of the negotiations.
- Phase IV (January–December 2007)** addressed the institutional framework for implementing the EPA, as well as, the outstanding areas of divergence from the previous phases.

Negotiating Groups

The EPA was negotiated under four Technical Negotiating Groups (TNGs) as follows:

- Market Access
- Services and Investment
- Trade Related Issues (TRI)
- Legal and Institutional Issues (LII)

Fourteen rounds of EPA negotiations were held with the European Commission to conclude the EPA.

Negotiating Structure

Heads of Government	Provided overall direction and decision-making
Lead Ministerial Spokesman	Responsible for interacting with the political directorate in the EC. This position was held by Dame Antoinette (Billie) Miller, former Senior Minister, Barbados. Paul Mandelson, Trade Commissioner represented the EC.
CARICOM's Council on Trade and Economic Development	Made recommendations, approved strategies and positions and gave overall guidance on the approach to negotiations
Principal Negotiator	Responsible for resolving sticking points in the negotiations and providing a Way Forward. Ambassador Richard Bernal, former Director General of the Caribbean Regional Negotiating Machinery (CRNM) for CARIFORUM and Honourable Karl Fakenberg, Director General Trade represented the EC.
College of Negotiators	Led CARIFORUM negotiations in the Technical Negotiations Groups and negotiated the legal text of the EPA with their EC counterparts
Technical Working Groups	Formulated the CARIFORUM's positions for EPA legal text
Non-State Actor (NSA) Network	Strengthened the participation of and dialogue with regional civil society stakeholders

II. CARIFORUM/EU EPA OUTLINE

The CARIFORUM/EU EPA legal text contains 250 legal articles, in 6 Parts; 3 Protocols; 5 Joint Declarations and 7 Annexes as follows:

Part I. Trade Partnership for Sustainable Development

Part II. Trade and Trade Related Matters

Title 1: Trade in Goods

- Chapter 1. Customs Duties
- Chapter 2. Trade Defence Instruments
- Chapter 3. Non-Tariff Barriers
- Chapter 4. Customs and Trade Facilitation
- Chapter 5. Agriculture and Fisheries
- Chapter 6. Technical Barriers to Trade
- Chapter 7. Sanitary and Phytosanitary Measures

Title 2: Investment, Trade in Services and E-commerce

Title 3: Current Payments and Capital Movement

Title 4: Trade Related Issues

- Chapter 1. Competition Policy
- Chapter 2. Innovation and Intellectual Property
- Chapter 3. Public Procurement
- Chapter 4. Environment
- Chapter 5. Social Aspects
- Chapter 6. Protection of Personal Data

Part III. Dispute Avoidance and Settlement

Part IV. General Exceptions

Part V. Institutional Provisions

Part VI. General and Final Provisions

Protocols

Protocol I — Definition of the Concept of "Originating Products"

Protocol II — Mutual administrative assistance in customs matters

Protocol III — Cultural Cooperation

Joint Declarations

Development Cooperation, Bananas, Used Goods, Rice, Reallocation of Undelivered Quantities under the Sugar Protocol

Annex 1 – Export Duties

Annex 2 – Customs Duties on Products Originating in CARIFORUM States

Annex 3 – Schedule of Tariff Liberalization for CARIFORUM States

Annex 4 – List of Commitments on Investment and Trade in Services

Annex 5 – Enquiry Points (Information to investors and service suppliers)

Annex 6 – Covered Procurements

Annex 7 – Means of Procurement

Given the conclusion of the EPA, the acronym SIGNED can be used to highlight the benefits of the EPA as follows:

Services;
Ivestment;
Goods;
New Trade Areas;
Experience in Negotiations and
Development Cooperation.

1. **The EPA provides a new permanent arrangement for SERVICES trade**
 - a. Previously the Lomé and Cotonou trading arrangements only included trade in goods
 - b. EPA allows for more favourable opportunities/market access for Trinidad and Tobago's export of services to the European Union, e.g.
 - Cultural and entertainment services have access to all EU markets, with the exception of Belgium
 - Contractual service suppliers have access in 29 sectors and independent professionals in 11 sectors.
 - c. Provides opportunity for export of services into the **Dominican Republic (DR)**, as a result of the Regional Preference Clause which ensures that the market access opening in services which the DR provided to the European Union are also made available to its negotiating partners in CARICOM
 - d. Provides asymmetry – CARIFORUM opened 65-75 per cent of their markets focusing on sectors with greatest impact on development and where investment and transfer of technology is required. The EU has opened up more than 90 percent of its services market
 - e. The Protocol on Cultural Cooperation establishes the framework for greater cooperation on exchanges regarding cultural activities, and goods and services between CARIFORUM and the European Union.

2. **Supports a favourable INVESTMENT climate**
 - a. Investment opportunities are enhanced for all EC Member States due to the security provided to investors
 - b. Previously T&T only had Bilateral Investment Treaties (BITs) with four Community Members- Spain, Germany, France, UK. The Investment provisions in the EPA complement the BITs and cover all 27 EU States
 - c. Investors are required to observe high standards with respect to protecting the environment and workers' rights.
3. **EPA ensures predictable and permanent trading arrangement for exports of primary and manufactured GOODS**
 - a. EPA is a permanent trading arrangement which "locks in" traditional duty- free market access provided under Lomé and Cotonou
 - b. Security of access to traditional European markets which is no longer subjected to the grant of a waiver from the World Trade Organization (WTO)
 - c. **Guaranteed Duty Free Quota Free (DFQF) access for exports to the European Union with the temporary exception of rice and sugar (until 2010 and 2015 respectively)**
 - d. **Exporters have more favourable access to the Dominican Republic market**, (as compared to the current CARICOM/DR Free Trade Agreement) due to the Regional Preference Clause which requires that similar or better treatment is provided to the negotiating partners (CARIFORUM)
 - e. **Gradual liberalization of import duties – CARIFORUM has long transition periods for reducing tariffs (liberalization spread over 10-25 years)**. This would minimize the revenue effect and allow the sectors which were opened to build their competitiveness over the medium to long term
 - f. **Exclusion of sensitive sectors from tariff reduction** – 13.1 percent of EU imports into CARIFORUM would be subject to tariff duties. These include sensitive industrial and agricultural products which are locally produced

- g. Provision of **shelter for growing industry** from external competition. An “infant industry clause” allows the reinstatement of tariffs in the future to protect growing industry/industries
- h. Simplified **Rules of Origin** criteria for entry of exports, which are more favourable to development and expanding export potential
- i. Reduced duties on imports of raw materials and other inputs into industry.

4. **EPA sets a foundation for negotiations in NEW TRADE AREAS, which will enhance the integration of developing regions into the world trading system and strengthen their participation at discussions in the wider international fora. These areas include:-**

- **Trade Facilitation** – by improving communication, reducing red tape and bureaucracy and simplifying customs rules, the process of trade is made easier. In addition, Customs Administrations will benefit from cooperation activities geared towards their modernization
- **Competition Policy** – set rules designed to minimize unfair trade practices and deal with monopolistic firms and dominant firm behaviour
- **Public Procurement** – emphasis on transparent rules which can lead to cost reductions and increase competitiveness
- **Protection of Personal Data** – Establishes the framework to provide redress in situations where personal data is stolen or compromised
- **Innovation and Intellectual Property** – fostering innovations and protection of intellectual property are key ingredients to creating an environment for the achievement of sustainable development. Of note, Trinidad and Tobago subscribes to the WTO Trade Related Intellectual Property Rights (TRIPS) Agreement.

5. **EXPERIENCE IN NEGOTIATIONS** which Trinidad and Tobago and indeed regional negotiators, gained from participating in the EPA sessions.

6. **DEVELOPMENT COOPERATION**

- a. As part of the EPA provisions, the 10th European Development Fund (EDF) (2008-2013) – provides €165 million (a 190 percent increase from the 9th EDF (€57 million) as follows:
 - (i) €132 million has been allocated to the Regional Indicative Programme, with 85 percent for Regional Cooperation/Integration and Capacity building and 15 percent to deal with social issues and vulnerabilities
 - (ii) €33 million for EPA Implementation
- b. Further funding under the WTO Aid for Trade (AFT) whereby EU Member States have committed to extending development assistance of €1 Billion by 2010
- c. Technical Assistance for technical studies and support for Non-State Actors
- d. European Investment Bank (EIB) will continue to provide €2 billion in investment financing.

Some possible challenges which may arise from the implementation of the EPA include the following:

- **Potential loss of fiscal revenue resulting from the elimination of tariffs on EU imports.** In many developing countries, a prominent purpose of import tariffs is to raise revenue. This possibility has been minimized as a result of the following:
 - 5-25 year time span for the gradual elimination of import duties;
 - Seven year moratorium plus three year timeframe for the removal of Other Duties and Charges (ODCs), which generate a significant amount of revenue in certain CARIFORUM States; and
 - EU technical assistance in fiscal reform, capacity and institutional building with a view of shifting dependence from tariff and ODCs to other forms of indirect taxation.
- **Trade diversion i.e where the lowering of the barriers on EU imports may cause partners to shift their trade to more competitive EU imports.** This situation has been taken into consideration with CARIFORUM's sensitive sectors not subjected to the elimination of import duties. In addition, lowering the barrier to EU imports may increase the efficiency of local production and thereby generate greater trade.
- **Inadequate human resource capacity** to prepare project proposals to take advantage of the development cooperation provisions under the EPA.
- **Limited coordination amongst Ministries** and trade related agencies to implement the obligations under the Agreement could hinder gains from the EPA.
- **Increased competition** to domestic service suppliers in specific services sectors which have been liberalized.
- **EPA could generate increased need for domestic regulations** in some service sectors which are currently unregulated or where regulations need to be updated.

A. DEVELOPMENT COOPERATION

The provisions for Development Cooperation are contained in two areas

- (i) Part I – Trade Partnership for Sustainable Development and
- (ii) Joint Declaration on Development Cooperation.

Part I – Trade Partnership for Sustainable Development

This establishes the basis for CARIFORUM-EC cooperation, which is outlined in the EPA Objectives and Principles. Along with the Promotion of Sustainable Development, the EPA is envisioned to move beyond traditional trade in goods and services to cover critical areas such as Regional Integration, Cooperation in international fora, Development Cooperation and Identification of Cooperation Priorities.

The **EPA Objectives** are:

- a. Contributing to the reduction and eventual eradication of poverty
- b. Promoting regional integration, economic cooperation
- c. Promoting the gradual integration of CARIFORUM States into the world economy
- d. Improving CARIFORUM States' capacity in trade policy and trade related issues
- e. Supporting conditions for increasing investment and private sector initiative and enhancing supply capacity, competitiveness and economic growth CARIFORUM States
- f. Strengthening the existing relations between the Parties on the basis of solidarity and mutual interest.

Cooperation priorities focus primarily on:

- a. Technical assistance to build human, legal and institutional capacity
- b. Capacity and Institution building for fiscal reform to strengthen tax administration and tax collection
- c. Support measures for promoting private sector and enterprise development – SMEs, competitiveness and diversification
- d. Diversification of the economy through new investment and development of new sectors

- e. Enhancing technological and research capabilities
- f. Development of innovation systems and technological capacity
- g. Support for infrastructural development.

Joint Declaration on Development Cooperation

This Declaration between both Parties to the Agreement recognizes:

- (i) The adjustment difficulties associated with the implementation of the Agreement, especially for smaller economies among the CARIFORUM States i.e CARICOM LDCs (Antigua and Barbuda, Belize, Dominica, Grenada, Haiti, St Lucia, St Vincent and the Grenadines, St Kitts and Nevis)
- (ii) The need for improving regional infrastructure to enable CARIFORUM to take full advantage of opportunities offered by the EPA.

To actualize the Declaration, assistance is to be provided under the 10th European Development Fund (EDF) Caribbean Regional Indicative Programme (CRIP). EU Member States will also complement with Aid for Trade (AFT) contributions. (see pg.13)

B. TRADE IN GOODS

Issues related to Trade in Goods are contained in seven Chapters under Title I, PART II Trade and Trade Related Matters.

Chapter 1: Customs Duties (Articles 9-22)

- With the exception of rice and sugar (until 2010 and 2015 respectively), CARICOM has been granted immediate **duty free, quota free access** to the markets of the EU, provided that products meet the rules of origin criteria (the level of processing required for a good to be granted duty free access).
- **Customs / Import duties** on EU products entering CARIFORUM will be reduced on a phased basis after the moratorium. CARIFORUM's Tariff Liberalisation Schedule over the 25 year period is as follows:

Liberalization Time Frame i.e CET will be 0 percent	Percent Imports from EU	Percent Total Trade
At application of EPA (2008)	52.8	70
5 years (1 Jan. 2013)	56.0	72.0
10 years (1 Jan. 2018)	61.1	75.3
15 years (1 Jan. 2023)	82.7	89.3
20 years (1 Jan. 2028)	84.6	90.5
25 years (1 Jan. 2033)	86.9	92.0

- **Other Duties and Charges** applied at the border can continue for seven years unobstructed from the signing of the Agreement, after which these will be removed on a phased basis within three years.
- CARIFORUM has a three year **moratorium** during which no liberalization takes place, and which allows for the liberalization of tariffs on imports, i.e. the CET. Given the high revenue generation from imported motor vehicles, these have been given a 10 year moratorium for all CARIFORUM States. With respect to Haiti only, certain petroleum products of Tariff Heading 2710.11 have been granted a 10 year moratorium.
- **Exclusion of sensitive products** from liberalization (no duty reduction). These sensitive products represent 13.1 percent of CARIFORUM imports from the EU and include such goods as primary agricultural products, agro-processed products (ham, sausages, etc), milk and cream, pasta, chocolate, juices, aerated beverages, mineral beverages, alcohol, shampoo, paint and varnishes, toilet paper, disinfectants and others.
- **Export duties** applied by Guyana and Suriname have to be removed over three years.

Chapter 2. Trade Defense Instruments (Articles 23-25)

To ensure an environment of fair trade is maintained, the EPA allows for:-

- imposition of antidumping and countervailing duties on dumped products, that is, products sold at a price lower than the cost of production in the importing market and
- safeguard measures to protect domestic industries from increased quantities which leads to serious injury or disturbances.

Appropriate remedial action under the Agreement includes suspension of the further reduction of the CET, increases in customs duties and introduction of tariff quotas.

Chapter 3. Non-Tariff Barriers – NTBs (Articles 26-28)

To facilitate trade, the EPA includes a commitment to remove all quantitative restrictions on imports and reduce/eliminate NTBs. This means that products exported from CARIFORUM to the EU would be subject to similar treatment (taxes, fees and other internal charges) as domestic EU products, thus removing restrictions that may impede access to the EU market.

Chapter 4. Customs and Trade Facilitation (Articles 29-36)

Provisions in this area allow for faster and more efficient operations of customs and other border agencies. The EU has also committed to give technical and financial assistance to (i) implement various measures which would reduce red tape and thus the time taken to process imports and exports and (ii) preventing, investigating and combating operations in breach of customs legislation under **Protocol II on Mutual administrative assistance in customs matters**.

Chapter 5. Agriculture and Fisheries (Articles 37-43)

Given the importance of these areas to both regional groupings, the provisions contained here cover sustainable development, food security, exchange of information and consultation, provision for traditional agricultural products and cooperation. Under this chapter, the specific provisions for Development Cooperation cover improving competitiveness and promoting private investment in potentially viable agricultural and fish production, developing export marketing capabilities, improving marketing infrastructure and transportation, and compliance and adoption of quality standards relating to food production and marketing.

The EU has also committed to removing export subsidies on all EU produced agricultural goods which will enter CARIFORUM duty free. CARIFORUM is not required to remove its export subsidies.

Sugar

- The Sugar Protocol under the Cotonou Agreement will remain in effect until September 2009, thereafter duty-free, quota-free access is applicable.
- Increase of sugar quota by 60,000 tonnes until September 2009 – 30,000 for DR and 30,000 for CARICOM.
- The Joint Declaration allows unexpected sugar shortfall to be reallocated among other CARICOM states.

Rice

- Duty-free and quota-free access for rice from 2010.
- Existing quota under the Cotonou Agreement will be increased in 2008 and 2009, and will attract no duty.
- The Joint Declaration commits the EU to continually review the licensing and other arrangements relating to the quota to ensure that CARIFORUM exporters obtain the maximum benefit.

Bananas

- Duty-free and quota-free access to the EU market immediately upon application of the EPA.
- The Joint Declaration on Bananas contains a commitment by the EU to provide funding to assist the industry in making the necessary adjustments to become more competitive.

Chapter 6. Technical Barriers to Trade – TBT (Articles 44-51)

This chapter reaffirms the WTO TBT Agreement, as well as provides for cooperation to share expertise, develop centers of expertise in CARIFORUM for the assessment of goods, and develop the capacity of enterprises to meet regulatory and market requirements.

Chapter 7. Sanitary and Phytosanitary (SPS) Measures (Articles 52-59)

These provisions for plant and food safety measures basically reaffirm the WTO SPS Agreement. The Agreement covers the importance of establishing harmonized SPS and provides for cooperation in providing technical assistance to enhance CARIFORUM's ability to comply with international standards.

Rules of Origin

The Protocol on Rules of Origin contains more simplified and flexible rules, and allows for wider accumulation of inputs that would permit CARIFORUM producers to utilize raw materials and other inputs from a wider range of other countries, whilst still having their goods qualify for duty free treatment under the Agreement.

For certain sugar products, the Rules of Origin now require that only domestically produced sugar can be used in the production process until 2015. This is to be reviewed in three years. Under this provision only exports of confectionery and mauby syrup from Trinidad and Tobago will be affected.

Under Rules of Origin, the EPA provides for the free movement of goods from the EU within the CARIFORUM region. This means that if goods imported from the EU by one country are then shipped to another country within the Region, duties will only be paid at the first port of entry.

C. INVESTMENT, TRADE IN SERVICES AND E-COMMERCE – Title II: (Articles 60-118)

The EPA has a dedicated chapters treating with investment, trade in services and e-commerce given the significance of these areas in further deepening trade and economic relations between CARICORUM and the EU. For Trinidad and Tobago, and by extension CARIFORUM, incorporation of these areas in the EPA are critical for investment attraction and the sustainable development of strategic services sectors.

For example, all CARIFORUM firms, with the exception of those involved in arms and ammunition, nuclear materials, audio visual, maritime and air transport, are allowed to establish operations in the EU. Cooperation in Services includes areas such as marketing, joint ventures and investment promotion.

Market Access

- The EU has opened more than 90 per cent of its services sectors, ranging from Business Services, Communications, Construction, Distribution, Environmental, Financial, Transport, Tourism and Recreation services.

- CARICOM LDCs have opened 65 percent of their services sectors. Trinidad and Tobago, Jamaica, Barbados, Suriname and Guyana have made market access commitments in 75 percent of its services sectors.
- The Bahamas and Haiti are to incorporate their commitments within six months of signature of the Agreement
- Contractual suppliers of entertainment services have obtained market access in 26 of the 27 Member States of the EU. These include theatre, live bands, circus and discotheque services other than audiovisual services
- The EU has provided access for key personnel and graduate trainees from CARIFORUM.
- In the area of investment within Trinidad and Tobago, most sectors have been granted market access, with exceptions relating to land holdings, share ownership in public companies and the fishing and petroleum sectors.

Mutual Recognition

Mutual Recognition Agreements establish mechanisms that recognize a professional from one country as having the equivalent skills as a similar professional in the home country. Under the EPA, negotiations are to be conducted (within three years after entry into force of the EPA) for mutual recognition agreements by CARIFORUM and EU professional bodies in the areas of accounting, architecture, engineering and tourism, among others.

Temporary entry for business purposes

The EPA provides for the temporary entry of business service providers, contractual services providers, short-term visitors doing research or design, hosting trade fairs or training seminars etc., and independent (self-employed) professionals.

As defined by the EPA, contractual services include legal advisory services, architecture, urban planning and landscape architecture, engineering, integrated engineering, computer and related services, research and development, market research and opinion polling, management consulting and translation and interpretation.

Telecommunications and Interconnection

Under the Agreement, commitment has been made to ensure that all licensing requirements are publicized. In addition, any supplier authorized to provide telecommunications services has the right to negotiate interconnection with other providers in a non discriminatory and timely fashion.

Financial Services

EU financial institutions are to be allowed to provide their services in a manner similar to those provided by local financial institutions.

Tourism

Anti-competitive practices such as unfair prices and quantity restrictions are prohibited. Environmental management will be enhanced in the CARIFORUM Region and internet marketing for small and medium sized firms and tourism exchanges programmes will be facilitated.

Cultural Services

Protocol III on Cultural Cooperation provides for greater cooperation on all cultural fronts, as follows:

- Artists and other cultural practitioners, who are not involved in commercial activities in the EU, are allowed to enter the EU for up to 90 days to collaborate on projects and upgrade their training.
- Pending the completion of co-production treaties between individual EU states and Caribbean states, Caribbean audiovisual producers will be able to access funding for creative projects.
- Technical assistance for the development of CARIFORUM cultural industries, development and implementation of cultural policies, and in promoting productions and the exchange of cultural goods and services.
- Co-produced audiovisual products and services involving European and Caribbean creative teams will qualify as European works and will meet the cultural content rules in all EU states
- Special provisions have been made for audiovisual services sector.

D. CURRENT PAYMENTS AND CAPITAL MOVEMENT

Title III (Articles 122-124)

Given the new dispensations of the international trading environment, the EPA has provisions on current payments and capital movement in order to promote investor confidence and create a more conducive environment for business development.

This provision allows for:-

- The removal of restrictions on and to allow all payments for current transactions to be made in freely convertible currency
- The removal of restrictions on the free movement of capital relating to direct investments and the liquidation and repatriation of capitals and profit and
- The implementation of safeguard measures in exceptional circumstances and for a period not exceeding six months, when the payments and capital movements cause or threaten to cause serious difficulties for the operation of monetary policy or exchange rate policy.

E. TRADE RELATED ISSUES — Title 4

Issues related to Trade in Goods are contained in six Chapters under **Title IV, PART II Trade and Trade Related Matters.**

Competition Policy, Chapter 1: (Articles 125 -130)

Under the Agreement, practices which have the effect of preventing or substantially lessening competition and abuse of market power will be deemed as restricting competition. As such, cartel practices (collusion) and other unfair industry practices are prohibited. In addition, laws are to be enacted to address restrictions on competition within five years of the entry into force of the EPA.

Innovation and Intellectual Property, Chapter 2: (Articles 131-164)

Innovation and Intellectual Property are two important cornerstones for business growth and development. On one hand fostering innovation and creativity improves business competitiveness and is crucial for achieving sustainable development. On the other hand the protection and enforcement of intellectual property plays a key role in fostering creativity, innovation and competitiveness.

Some of the provisions include:

- The promotion of innovation, enhancement of firms' competitiveness, facilitating commercial viability of innovative products, technology transfer, cooperative research and the encouragement of partnerships in creative industries.
- CARIFORUM firms would be able to participate in existing and future EU framework programmes for Innovation, consistent with the Parties' rules.
- Cooperation in joint ventures, research and development and trade fairs.
- Mechanisms for the recognition of Intellectual Property Rights (IPR) such as trademarks and patents.
- Creation of a publicly available electronic data base of trademarks
- Implementation of a system of corrective measures against infringers of IPRs.

Public Procurement Chapter 3: (Articles 165-182)

This chapter provides for transparency and non-discrimination in respect of procurement activities i.e any type of purchase of goods/services or combination including works for governmental purpose and not for commercial resale. This entails the publication of the invitation to tender, publication of laws, procedures and regulations regarding public procurement; notification of the contract award; and the establishment of an on-line facility to disseminate information on tendering opportunities.

Environment Chapter 4: (Articles 183-190)

CARIFORUM agreed to seek to develop policies for sustainable development and to adopt international environmental standards wherever national standards do not exist, wherever practical and appropriate. The EC has committed to provide development support in the areas of developing environmentally-friendly products, technologies and production processes and funding projects relating to energy efficiency and renewable energy. CARIFORUM and the EC have agreed to consult on and notify each other of any measure designed to protect the environment and public health, which may affect trade.

Social Aspects Chapter 5: (Articles 191-196)

Provisions here include a commitment to cooperate and consult on the exchange of information on social and labour legislation, formulation and strengthening of national social and labour legislation; and educational programmes, which include skills training; and the promotion of corporate social equity. Domestic labour standards such as non-discrimination with respect to employment and the removal of child labour have to be consistent with those applicable internationally.

Personal Data Protection Chapter 6: (Articles 197-201)

One of the fundamental objectives is to protect the fundamental rights and freedoms of natural persons and their right to privacy with respect to the processing of personal data. This is guided by a set of principles and general rules such as the right to access, rectify and oppose data which are shown to be inaccurate. Training and assistance in establishment of legal and administrative infrastructure are to be provided by the EC.

F. DISPUTE SETTLEMENT Part III Dispute Avoidance and Settlement (Articles 202-223)

This part of the Agreement seeks to avoid and settle any disputes between the Parties. It also establishes the procedures to be followed in resolving disputes as

- consultation
- mediation and
- arbitration.

The decisions of the Arbitration panel will be legally binding and a suitable timeframe is required for compliance. In the event of non-compliance, the affected Party can request temporary compensation, which is not financial, in nature. Where one CARIFORUM State contravenes the Agreement, enforcement mechanisms will be taken against that State, not all CARIFORUM States.

G. GENERAL EXCEPTIONS Part IV (Articles 224-226)

The general exception clause is devised to secure the adoption or enforcement by the EC Party and CARIFORUM of measures which are necessary to:

- protect public security and public morals or to maintain public order;
- protect human, animal or plant life or health;
- secure compliance with laws or regulations which are not inconsistent with the provisions of this Agreement;
- protect national treasures of artistic, historic or archaeological value;
- conserve exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption of goods, domestic supply or consumption of services and on domestic investors.

H. INSTITUTIONAL PROVISIONS Part V (Articles 227-232)

There are four institutions to be formed under the EPA as follows:

- **CARIFORUM-EC Council** – supervision of the implementation of the Agreement, monitor the fulfillment of its objectives, examination of proposals and recommendation and to take appropriate decisions, at Ministerial level
- **Trade and Development Committee** – assists the Council in the performance of its duties, normally at senior officials level
- **Parliamentary Committee** – forum for Members of Parliament of CARIFORUM and the EC to meet and exchange views
- **Consultative Committee** – assists the Joint Council to promote dialogue and cooperation between representatives of organisations of civil society, including the academic community, and social and economic partners.

I. GENERAL AND FINAL PROVISIONS Part VI (Articles 233-250)

This section includes provisions such as:

- CARIFORUM States are required to designate a Coordinator upon provisional application of the EPA
- Parties to the Agreement must ensure publication and public availability of any laws, regulations, procedures and administrative rulings on any trade matter related to the EPA
- A commitment to foster dialogue, transparency and share best practices in the area of tax policy and administration

- A commitment to prevent and fight against illegal, fraudulent and corrupt activities, money laundering and terrorist financing
- Facilitation of trade in goods and services, promotion of investment and encouragement of transport and communication links between the Other Caribbean Territories (OCT) and the CARIFORUM States
- The need to address situations of serious balance of payments or external financial difficulties, provided that measures are non-discriminatory and of limited duration.

J. HORIZONTAL ISSUES

Horizontal issues are those critical areas which traverse the breadth of the EPA and which are binding to Parties to the EPA. The impact of horizontal issues is basically to remove discriminatory treatment and broaden the scope and coverage of the commitments under the EPA.

Regional Preference – (Article 238)

This provision requires that any favourable treatment extended by CARIFORUM to the EC should be given to all other CARIFORUM States, by no later than one year after the date of signing the EPA. This requirement covers states such as the Bahamas, Barbados, Guyana, Jamaica, Suriname, Trinidad and Tobago and the Dominican Republic. Other CARIFORUM States have a two year time period, while Haiti has up to five years.

With respect to services, CARIFORUM investors in services sectors in the EU market will be subject to the same treatment as that given to EU domestic investors. In this instance, Trinidad and Tobago will have to grant similar or better preferences to the Dominican Republic as those granted to the EU.

Most Favoured Nation (MFN)

The MFN principle requires that the EU be granted similar treatment in instances where better or additional preferences are granted by Trinidad and Tobago and CARICOM to another major trading partner. A major trading partner is defined as countries which account for 1 percent or 1.5 percent of world merchandise exports or trade in services, respectively.

For implementation of the EPA, Trinidad and Tobago will be obligated to undertake a number of initiatives as follows:

- Submission of the final text to Cabinet and signing of the EPA
- Designation of an EPA National Coordinator
- Enactment of necessary legislation which will be debated in Parliament
- Continued advocacy for the EPA by the Ministry of Trade and Industry and ongoing communication and collaboration with its stakeholders
- Notification must be given of any other existing duties or charges, e.g., the tobacco tax on cigars, smoking tobacco and cigarettes, import surcharge on sugar
- Implementation of necessary legislative and administrative changes to allow for the duty-free treatment to EC and Dominican Republic products (over a period of time)
- Designation of Competent Authorities for the implementation of Sanitary and Phytosanitary Measures and Technical Barriers to Trade
- Legislation required to facilitate trade in services on a national treatment basis in accordance with Trinidad and Tobago's schedule commitments in services must be prepared
- Administrative changes by the Immigration Department, Ministry of National Security, in particular the Ministry's Work Permit Committee, to allow for the temporary entry and stay of intra-corporate transfers, business visitors and graduate trainees
- Improving trade related institutions to provide well-designed and targeted measures for local companies to adapt to import competition (e.g re-engineering, modernization or staff retraining).

THE MINISTRY OF TRADE AND INDUSTRY IS
COMMITTED TO CONTINUE COLLABORATING WITH ITS STAKEHOLDERS
IN THE PUBLIC AND PRIVATE SECTORS TO ENSURE EFFICIENT
IMPLEMENTATION OF THE EPA, AS TRINIDAD AND TOBAGO
ESTABLISHES ITSELF AS A SIGNIFICANT TRADING PARTNER
IN THE GLOBAL ECONOMY.



Government of Trinidad and Tobago

The CARIFORUM/EU Economic Partnership Agreement: An Executive Summary



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