



THE CARIBBEAN ASSOCIATION OF  
INDUSTRY AND COMMERCE (INC.)  
*The Caribbean Private Sector Organization*

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CARICOM/Netherlands Antilles Mini-Symposium  
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Protocol has been served, Good Morning Ladies and Gentlemen.

First of all, permit me to share with you my present feelings. I am extremely honored to stand before you today for three reasons:

1. The first honor is as the Secretary of the Caribbean Association of Industry and Commerce, the CARICOM Private Sector representative. In this capacity, I would like to extend the apologies of my President Mr. Nigel John who just returned from an official trip to China
2. Secondly, I am honored as a member of the Sint Maarten Chamber of Commerce and immediate Past President. I also excuse Mr. Hubert Pantophlet from not attending due to previous engagements as this invitation was forwarded rather late.
3. Finally I am honored to stand in my Country the Netherlands Antilles comprising five Islands, Saba, Sint Eustatius, Bonaire, Curacao and Sint Maarten. All part of the Kingdom of the Netherlands. A Country that has been so good to me for the last 33 years and I am honored to have the opportunity to be part of its future.

This moment, in my humble opinion, gives a perception of paradox, especially for the Business Community. While all of us from the Netherlands Antilles are enjoying the prospective of getting closer to our

brothers and sisters in the region, we are in fact going through the dismantling process, at least constitutionally.

The reason why I say “Especially for the Business Community”, it is because in doing business there are no constitutional or political barriers. The only barriers encountered are: laws, regulations and tariffs. Historically the Caribbean has been recognized for its trade skills, and most of the time has overcome most of these barriers, regardless of the different political configurations the different Islands went through. It was always Business as usual.

Looking at the rather rapid pace of the economic growth in the region, in this world of Globalization, the role of the CARICOM with the CSME initiative became very crucial in helping and facilitating the way of do business between the different islands. Indeed, the revised treaty of Chaguaramas established the Caribbean Community as well as the CARICOM Single Market and Economy in 2001.

In 2006, twelve member states formally implemented the CARICOM Single Market, CSM. It is relevant to point out that the Bahamas though a member of the CARICOM is not a party to the CSME and Haiti is yet to initiate the process.

The creation of the CSM established the Caribbean Community as a single, unified open internal market in which all intra-regional barriers were to be removed on the movement of goods, services, the right to establishment and the free movement of skilled labour. Member states are currently reviewing the eligibility of the following categories of labour for free movement: Self-employed service providers, entrepreneurs, technical, managerial and supervisory staff. The ultimate goal is the free movement of all categories of labour throughout the CARICOM Community

In order to do business with CARICOM, an understanding of the Community trade policy is fundamental. The Community Trade Policy is designed to achieve the full integration of national markets of the member states into a single unified open market, through policies, instruments and measures that liberalize trade amongst member states. This process should lead to the progressive elimination of quantitative restrictions on imports from third countries, and the coordination of the trade relations of member

states with third countries or groups of third countries and the implementation of the Common External Tariff (CET).

The Common External Tariff of CARICOM is a common system for their custom tariff structure and was introduced in January 1991. It provides a harmonized coding system and a consistent tariff rate structure for the importation of goods from outside the CARICOM region.

The CET sets minimum and maximum duty rates for all member countries. Non-CARICOM goods have a rate structure of 0-20% applied to them. Exception made for the agricultural sector due to its sensitive nature.

The CET may be altered or suspended on any item in the circumstances where:

- A product is not being produced in CARICOM
- The quantity of that product being produced does not satisfy the demand of the community
- The quality of the product being produced in CARICOM is below the Community standard

Request for suspensions of alterations to the CET must be channeled through the Community's Council for Trade and Economic Development for approval by the Community's Secretary General.

In order to determine whether a product qualifies for community treatment (duty free access), or has the CET applied, CARICOM follows an explicit system of the Community Rules of Origin.

**The Preferential Rules of Origin** are maintained to distinguish between goods which qualify for preferential treatment and those which are imported from non CARICOM members which do not qualify for such treatment. Preferential origin confers certain benefits on goods traded between CARICOM and other countries through negotiated trade agreements for certain goods.

In addition to the CET, member states also apply **Para – Tariffs** on imports into their respective jurisdictions

Unlike the Common External Tariff, Para Tariffs are not harmonized nor are they regulated across CARICOM member states. They are measures applied

on imports similar to tariff measures and are often used to protect the domestic industry of the member state from foreign competition.

The three common groups of Para-Tariff measures applied on imports entering member states are:

**Customs Surcharges:** these charges are applied on imports regardless of whether they originate from within CARICOM member states or not.

**Additional taxes and charges:** these are all applied against non CARICOM imports and include Foreign exchange tax, Stamp Duty, Environmental Tax Levy, Bottle Deposit Levy and Consent Fees.

**Internal Taxes and Charges:** in most CARICOM member states, these charges are applied to both imported and locally produced goods.

In Keeping with the International regulations, all members of CARICOM are members of the WTO with the exception of the Bahamas which has sought accession to the WTO and Montserrat, which is a protectorate of the United Kingdom. However, CARICOM as a grouping has no formal structure for regional coordination in the WTO. Additionally, With the exception of Antigua and Barbuda, Barbados, The Bahamas and Montserrat all CARICOM member states are also beneficiaries to the **General System of Preferences** which grants developing countries tariff access to the markets of developed countries with a preferential, non discriminatory and non reciprocal treatment.

With regards to the economic relations between the CARICOM and the European Union, it is governed by the Cotonou Agreement (2000) which extends unilateral trade preferences with a view to forging Economic Partnership Agreements (EPA). These EPAs will also extend reciprocal trade between the EU and CARICOM.

CARIFORUM (CARICOM plus the Dominican Republic) and the European Union are currently negotiating an Economic Partnership Agreement (EPA) which will replace the one way preferential trade system that the private sector of CARIFORUM states previously enjoyed under the Lome Convention and the Cotonou Agreement.

The EPA which comes into effect in 2008 will provide a transparent, structured trading environment to facilitate trade between the private sector of CARIFORUM and the EU.

The core trade objective of the EPA is to improve access for Caribbean exports of goods and services. With regard to goods, the aim is to preserve as much preference as possible, and secure additional access for Caribbean exports.

One of the achievements of the CAIC in this capacity was the first

**REGIONAL FORUM ON EXCHANGES OF INFORMATION AND  
HARMONIZATION OF BUSINESS LAW BETWEEN THE FRENCH  
DEPARTMENTS OF THE AMERICAS AND CARIFORUM COUNTRIES  
On May 14 & 15, 2007 in Guadeloupe**

The forum concluded with a final declaration of willingness to develop commercial and economic relationships between Guadeloupe, Martinique and French Guyana with the Countries and Territories of the Greater Caribbean.

CARICOM has also established several **Bilateral Agreements** within the ACS Grouping such as:

- **CARICOM Costa Rica Free Trade Agreement:**

The Agreement provides for free trade or preferential access for a wide range of products. Some sensitive products have been excluded. The Bahamas and Haiti are not party to this Agreement.

- **CARICOM Colombia Free Trade Agreement:**

CARICOM has also negotiated some reciprocity in the trade elements of the Agreement on Trade and Technical Cooperation with the Government of the Republic of Colombia,

- **CARICOM Dominican Republic Free Trade Agreement:**

The Agreement between CARICOM and the Dominican Republic is based on reciprocity with the five CARICOM MDCs and non-reciprocity with the LDCs which was to last until 2005.

- **CARICOM Venezuela Trade and Investment Agreement:**

The CARICOM/Venezuela Trade and Investment Agreement signed in October 1992 and became effective on 1 January 1993. The Agreement is a one-way preferential agreement. Allowing CARICOM goods to be imported into Venezuela under preferential terms

- **CARICOM Cuba Free Trade Agreement:**

The CARICOM-Cuba Trade and Economic Co-operation Agreement signed on 5 July 2000.

In addition to all the above mentioned initiatives taken by CARICOM, several assignments were also given to The Caribbean Association and Industry and Commerce (CAIC), the CARICOM Private Sector Representative.

The CAIC started in 1955 as a private sector mission of the West Indian Incorporated Chambers of Commerce, headed by Sir Garnet Gordon. In 1962 the organization facilitated a crucial meeting between the Caribbean Private Sector and Heads of Government which culminated in the establishment of CARIFTA which eventually evolved into CARICOM. In 1970 the organization was named the Caribbean Association of Industry and Commerce CAIC.

As such the CAIC initiated different facilitation and negotiating mechanisms to further accommodate the Private Sector. Such as:

- 1. The Caribbean Business Council:**

The establishment of this Council was mandated at the 26<sup>th</sup> Meeting of the Heads of Governments of the CARICOM in St. Lucia in July 2005, and signed in Barbados on June 10, 2006 by the Honorable Owen Arthur, and Mr. James Moss-Solomon immediate past President of the CAIC.

The proposed functions and the goals of the CBC include, and I quote from the signed document:

- To provide a focused point of entry at the interface between the regional Public and Private Sectors.
- To provide direct Private Sector input into the discussions of all regional Public Sector decision makers at all levels, up to and including the Heads of Governments.

- To facilitate the derivation and communication of common representative Private Sector position on key regional issues, both internal and external
- To provide s conduit to allow regional Private Sector groups, both national and sectoral, to be heard.

## **2. The CARICOM/Dominican Republic Business Forum:**

This agreement was signed on June 9<sup>th</sup>, 2006 by Mr. Fernando Gonzalez Nicolas, Director of Santo Domingo Chamber of Commerce and Mr. James Moss-Solomon.

The primarily objectives of this body shall be to actively promote the commercial interests of enterprises in countries which are Parties to the Agreement, contribute to the successful implementation of all aspects of the Agreement and be of service to the Joint Council. It shall also actively market various aspects of the Agreement and generally seek to create greater awareness of the Agreement in the Dominican Republic and the CARICOM Member States.

## **3. The CARICOM Development Fund: A Private Sector Perspective**

The proposed CARICOM Development Fund (the Fund) is geared to help disadvantaged CARICOM countries, regions and sectors by way of financing or technical assistance. In response to the Recommendations and Conclusions of the 27<sup>th</sup> Meeting of the Conference of Heads in St. Kitts (July 3-6, 2006), the CAIC was called upon to consider the Development Fund and examine how the Private Sector may participate.

Three other major steps taken by the CAIC are two annual meetings:

- **The Annual United Kingdom Caribbean Business Forum**
- **Annual Private Sector Meeting with Ministers of Finance and Ministers of Trade in the Region**
- **The Pan-Caribbean Business Coalition Forums on HIV/AIDS**

The Latest major initiative taken by the CAIC is the proactive involvement of the sustainability and promotion of the regional Small and Medium Enterprises SMEs. Since 2005, with me first appointment as Vice-President in the CAIC Board, a new portfolio of SME relations was established. Several achievements were done since in the field of SMEs. The last one was earlier this month with the signing of a Joint Communiqué following a week long Conference that took place in Breezes Hotel in Curacao. The conference was organized by the Department for Development Cooperation DEVCO with the financial assistance of OCTA Overseas Countries & Territories Association. The resolution taken is that:

The Department for Development Cooperation of the Netherlands Antilles in close cooperation with the Caribbean Association of Industry and Commerce (CAIC), the Caribbean Association of Small and Medium Enterprises (CASME) and the Caribbean Export Development Agency (Caribbean Export), undertakes fully the development and formulation of a regional SME Intermediaries Support Program “An SME Platform” to be submitted for European Union funding through OCTA.

In closing, permit me to underline the CAIC has always believed in closer Private Sectors relationships in the region, regardless their constitutional or political configurations and aspiration. It is an organization of inclusion and since a long time embraced members from across the region such as the Chamber of Commerce of Curacao and the Chamber of Commerce of Sint Maarten. An indicative sign also, I am elected Secretary and I am from the Netherlands Antilles. Not yet a CARICOM Member. Hopefully, soon.

Thank You.