

7.0 TRADE AGREEMENTS



Photograph 6: Overview of Heritage Quay

Antigua and Barbuda is a signatory to the following trade agreements. As part of the Free Trade and Processing Zone, investors may access regional and international markets through the following trade agreements:

7.1 Association of Caribbean States (ACS)

Antigua and Barbuda is a member of the Association of Caribbean States (ACS) which was established on August 18th 1995. With a membership of 38 countries from the Caribbean, South and Central America, the population of the ACS countries amounts to approximately 200 million. Members include the CARICOM countries, Venezuela, Mexico, the Dominican Republic, Cuba, and a number of Central American countries. The eligible associate members include Aruba, the Kingdom of the Netherland Antilles, Puerto Rico, the French islands, and the British and US Virgin Islands. This grouping provides opportunities in trade, investment, tourism, transportation and economic development.

7.2 CARICOM

Antigua and Barbuda is a member of the Caribbean Community. Included in the membership of CARICOM are Antigua and Barbuda, Barbados, Belize, Dominica, the Dominican Republic, Grenada, Guyana, Jamaica, Montserrat, St. Kitts / Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

One of the main objectives of CARICOM is to maximise intra-Caribbean trade by eliminating tariffs and restrictions on intra-CARICOM trade.

7.3 CARICOM Republic of Venezuela Agreement

The fundamental objective of this agreement is to strengthen the economic and trade relations between CARICOM and Venezuela (hereafter referred to as “the Parties”) through:

- The promotion and expansion of the sale of goods originating in CARICOM through, *inter alia*, one-way duty-free access to the Venezuelan market;
- The stimulation of investments aimed at taking advantage of the markets of the Parties and strengthening their competitiveness in world trade;
- The facilitation of the creation and operation of regional joint ventures; and
- The encouragement of mechanisms for the promotion and protection of investments by nationals of the Parties.

As such, Venezuela has agreed to grant products originating in Member States of the CARICOM, free access to its markets by means of the implementation of programmes of tariff reduction and the elimination of non-tariff barriers according to detailed schedules laid out in the agreement. This is however, with the exception of certain items, *including but not limited to*, beef, certain milk products, coffee & cocoa beans, vegetable oils & fats, orange juices, oxygen, carbon dioxide, nitrous oxides, anhydrous ammonia, aluminum sulphate, other carboxylic acids, medicaments constituted by a mixture of products prepared for therapeutic or prophylactic use, urea, paints and varnishes based on modified synthetic or natural polymers, dissolved in an aqueous or non-aqueous medium, insecticides, disinfectants and a variety of iron & steel products.

7.4 CARICOM Republic of Colombia Agreement

The fundamental objective of this agreement is to strengthen the economic and trade relations and technical cooperation between CARICOM and Colombia (hereafter referred to as “the Parties”) through:

- The promotion and expansion of the sale of goods originating in CARICOM and Colombia with particular emphasis on exports from CARICOM states in the early stages of the implementation of this Agreement;

- The promotion and protection of investments aimed at taking advantage of the opportunities offered by the markets of “the Parties” and strengthening their competitiveness in the international market;
- The facilitation of the creation and operation of regional joint ventures;
- The development of technical and scientific cooperation activities which may be agreed upon between “the Parties”;
- The promotion of private sector activities, including business exchanges between “the Parties”.

“The Parties” have agreed to promote a programme of trade liberalization taking into account the difference in the levels of development between Colombia and CARICOM generally, and, in particular, these countries designated the Less Developed Countries (LDCs) of CARICOM.

As such, Colombia has agreed to grant products originating in Member States of the CARICOM, free access to its markets by means of the implementation of programmes for the elimination of tariff and non-tariff barriers according to detailed schedules laid out in the agreement.

7.5 CARICOM Dominican Republic Agreement

The fundamental objective of this agreement is to strengthen the economic and trade relations between CARICOM and the Dominican Republic. With the inclusion of the Dominican Republic into the CARICOM market, a range of new opportunities are now open to both the Dominican Republic and Caricom countries.

7.6 Caribbean Basin Initiative

Antigua and Barbuda is a Caribbean Basin Initiative (CBI) beneficiary country. The CBI is a broad programme aimed at promoting economic development through private sector initiative in the Central American and Caribbean Countries. Its major goal is to expand foreign and domestic investment in non-traditional sectors, and to diversify the economy and expand the exports of CBI countries.

The major elements of the CBI programme available to all CBI beneficiary countries are:

- Duty-free entry to the United States for a wide range of products grown and manufactured in CBI countries in order to stimulate investment and expanded export production.

- Eligible products include electronic and electro-mechanical assembly, handicraft, giftware and decorative accessories, wood products, including furniture and building materials, recreational items, such as sporting goods and toys, fresh and frozen seafood, tropical fruit products and winter vegetables, ethnic and speciality foods, such as sauces, spices, liqueurs, jams, etc., ornamental horticulture, medical and surgical supplies
- The CBI law excludes the following articles from duty-free entry status: most textiles and apparel, canned tuna, petroleum and petroleum products, footwear, except disposable items and footwear parts such as uppers, certain leather, rubber and plastic gloves, luggage, handbags, and flat goods, certain leather apparel, watches and watch parts, except if any component originated in a communist country.
- CBI Textile Programme: A special access programme (Guaranteed Access Levels) for textiles and apparel that guarantees markets for apparel assembled from U.S. -formed and -cut material.
- CBI Government Procurement: National treatment for producers in CBI countries in bidding for certain types of U.S. Government procurement opportunities.
- Exemption for CBI exports to the US from US Import Merchandise Processing Fees.
- A wide range of US government, state government, and private sector business development programmes, including trade and investment financing, business missions, and technical assistance programmes, partially supported through US foreign economic assistance.

7.7 CARIBCAN

The Canadian Government provides duty free access to the Canadian market for most Commonwealth Caribbean exports except on textiles, apparel, footwear, luggage, handbags, leather garments, methanol, lubricating oil.

A product under this scheme is classified as being grown or manufactured in the Country if a minimum of 60 percent of the ex-factory price of the goods originates in any of the Commonwealth Caribbean. The 60 percent includes overhead and a reasonable profit margin allowance.

7.8 COTONOU / LOME AGREEMENT

The new ACP EU Partnership Agreement, - which, after the Lome Conventions, is to cover the next 20 years of the relationship between the European Union and the ACP countries, was signed in Cotonou on 23 June 2000. The Lome Convention extends preferential treatment to many products from The African Caribbean and Pacific (ACP) nations, allowing items to enter the European Community free of duty without quota restrictions. Only products originating in the ACP nations qualify for this preferential status.

7.9 FTAA

Scheduled for adoption in 2005, the FTAA is intended to unite the economies of the Americas by eliminating barriers to foreign trade and investment. The market will stretch from Northern Canada to Southern Chile.

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