

# OVERVIEW OF THE CARICOM SINGLE MARKET AND ECONOMY (CSME)

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- Trade liberalization continues to present many opportunities and as a result there have been increases in the number and depth of Free Trade Agreements (FTAs) around the world.
- Free trade is indeed the most viable option through which our economy and those of our sister states can attain social and economic development.
- The CSME was conceived as a key strategic response to the changing global economic environment and our bridgehead into the global trade arena.
- The objective - to go beyond facilitating the liberalization of intra – regional trade to the creation of a Single CARICOM economic space to facilitate regional trade, production and investment.

## Implementation of the CSME

### 10 Key Elements

H.E. Mr. Edwin Carrington, Secretary General of CARICOM at the Workshop in March 2005 for Newspaper Editors on the CSME, it

*“... occupies the pride of place in the CARICOM Secretariat’s work programme for 2005 and 2006.”*

Trinidad and Tobago together with Jamaica and Barbados, have given an undertaking to be Single Market ready ahead of the 2005 deadline.

## STATUS OF IMPLEMENTATION

### The CCJ

Under its “original jurisdiction”, the CCJ has exclusive and compulsory jurisdiction in all matters relating to the interpretation and application of the Revised Treaty of Chaguaramas. It will be the final court of appeal from decisions of national courts, thereby replacing the Privy Council in those Member States for which it is the final court of appeal.

## The CCJ Cont'd...

Trinidad and Tobago has to date enacted the Agreement establishing the Caribbean Court of Justice (CCJ) into domestic law, giving effect to the “original jurisdiction” only.

The only remaining area is the establishment of a National Competition Authority, the legislation of which is currently before our Parliament.

This legislation which will take the form of *Fair Trading* seeks to promote and maintain effective competition throughout the economy and to ensure that competition is not distorted, restricted or prevented.

### **Free Movement of Persons under the CSME**

The Free movement of persons as envisioned in the CSME is specifically linked to economic activity and includes:

- The Free movement of Skills/Labour; and
- The Facilitation of Travel

### Free Movement of Persons under the CSME

The following categories of wage earners are entitled to move and work freely in the Community:

- University Graduates
- Artistes
- Musicians
- Media Persons
- Sports Persons
- Managerial, technical and supervisory personnel connected to a company or self employed person.

As a right afforded to such CARICOM Nationals who are wage earners, the Agreement on the Transfer of Social Security Benefits came into effect on April 1st, 1997.

This Agreement protects all entitlements to long term benefits by providing for the totalling of all the contributions which were paid to the respective Social Security Organisations in Member States, where a National previously worked.

### Service Providers Register

- At the eighteenth (18th) Meeting of the Council for Trade and Economic Development (COTED), a proposal was put forth by Trinidad and Tobago for the introduction of a register of service providers.

- This recommendation was accepted and a detailed proposal is in its final stages of preparation before presentation to the Cabinet and submission to the CARICOM Secretariat.

#### Intra-Regional Double Taxation Agreement

- The Intra-Regional Double Taxation Agreement which came into force in 1994 protects self employed CARICOM Nationals from paying taxes twice on the same earnings.
- This Agreement is currently enacted in Antigua and Barbuda, Barbados, Belize, Dominica, Guyana, Jamaica, Saint Lucia, St. Vincent and the Grenadines and Trinidad and Tobago.

#### HASSLE-FREE TRAVEL

Hassle-free travel is facilitated by the:

- Establishment of CARICOM National/Non-CARICOM National Lines at all ports of entry;
- Development and Use of a Common E/D Form; and
- The CARICOM Passport

#### CSME – Registration/Incorporation of Companies

- A Company must comply with the legal and administrative requirements under the laws of the member State
- This right is currently operational subject to the rules and regulations governing the establishment of businesses in each respective Member State.

#### CSME – Free Movement of Services

- All Member States are required to remove restrictive or discriminatory measures in the areas of establishment, services and capital.
- Four (4) Member States- Belize, Jamaica, Barbados and Trinidad and Tobago are fully on schedule regarding the removal of such restrictions

For Trinidad and Tobago, a total of twenty – one (21) restrictive or discriminatory measures were identified in Trinidad and Tobago's Programme for the Removal of Restrictions. To date, work has been completed in all but three areas:

- Taxation of dividends paid out of approved tourism projects
- Taxi Services; and
- Legal services

CSME – Common External Policy  
Free Movement of Goods

- Goods of Community origin - freely traded without external tariffs and discriminatory internal charges
- Goods outside the Single Market – subject to uniform tax
- Ease of administration in transportation and payments

CSME - Common External Tariff (CET)

Trinidad and Tobago, since 1999 has implemented the fourth phase of the Common External Tariff (CET). In the case where Member States have maintained certain non-tariff regulations on intra-regional commerce, the Council for Trade and Economic Development (COTED) has set a schedule for their removal.

The establishment of these mechanisms will improve our readiness to successfully participate at the:

- Multilateral level
- Hemispheric level
- Inter – regional level and
- Bi-lateral negotiations

LOOKING TO THE FUTURE

CSME – Built In Agenda

The CSME will continue to evolve and as such several programmes and projects are contemplated to ensure its continued relevance and effectiveness.

Article 239 of the Revised Treaty makes provisions for a “Built in Agenda” to support the elaboration of future Protocols in areas where the region is conducting external negotiations such as electronic commerce and government procurement.

The Single Economy, the Revised Treaty of Chaguaramas envisions this as an arrangement that would further harmonise economic, monetary and fiscal policies and measures across all Member States of the Caribbean Community to underpin the sustainable development of the region.

- The Programme includes a well-developed advertising campaign using all forms of media and widespread outreach through presentations to all National Associations, Non-Governmental Organizations and members of Civil Society.

- The CSME has made provisions for the establishment of a *Development Fund* as its compensatory and or corrective mechanism.
- The Fund is intended to provide relief to Member States, regions or sectors disadvantaged by economic dislocations arising from the CSME.
- The modalities of this Fund are currently being addressed and recommendations on the way forward have been put forth by a Technical Team established.

The prospects are endless for:

- Increased production and productivity,
- Enhanced levels of international competitiveness,
- Expansion of trade and economic relations with Third Countries,
- Full employment of labour and factors of production; and
- Improved standards of living and work