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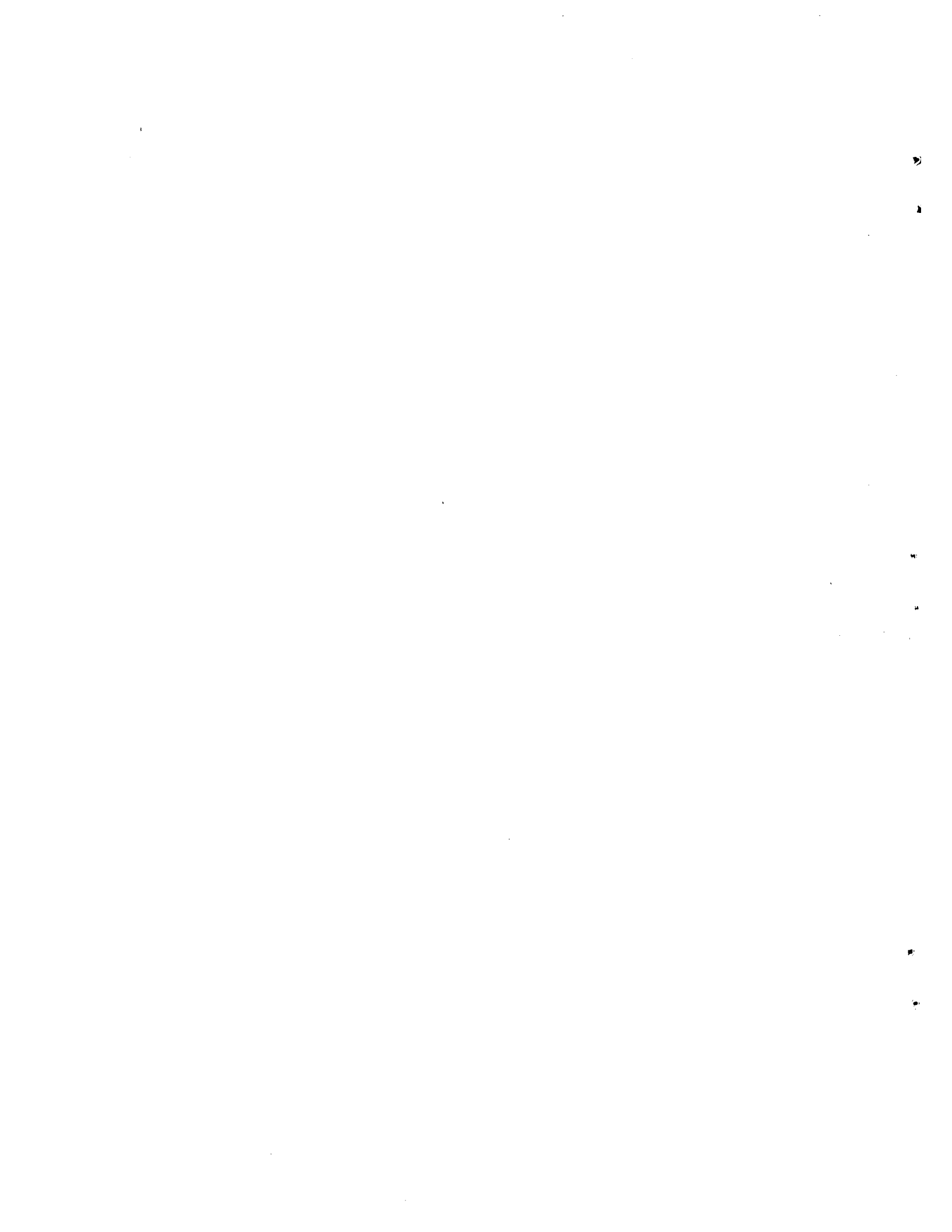
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ECONOMIC COMMISSION FOR LATIN AMERICA
Office for the Caribbean

FOURTEENTH CARIFTA COUNCIL
(Port of Spain, 3-6 July 1973)



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The immediate matters of concern were: finalization of the texts of agreements for establishment of the Caribbean Community and Common Market, and the arrangements that should be made to facilitate collective negotiation of the CARIFTA countries with the enlarged European Economic Community. Also considered were initial steps towards re-negotiation of the Canada/West Indies Trade Agreement, liaison status to CARIFTA for the Netherlands Antilles, and the proposal for establishment of a Joint Caribbean Community/Mexico Commission.

Caribbean Community and Common Market

2. The status of several agreements negotiated and adopted within the framework of CARIFTA was examined, all aimed at "deepening" the integration process and enhancing the position of the LDC's. These include: the Agreement on the Caribbean Investment Corporation that is to mobilise capital throughout the CARIFTA area for investment in the smaller countries of CARIFTA; the Agreement on the Avoidance of Double Taxation as among CARIFTA member countries and providing for tax sparing measures; and the Agreement on the Harmonization of Fiscal Incentives to Industry, which is based on the proposals that were formulated by ECLA.

3. It emerged that the independent countries had since the previous Council meeting, signed these agreements but so far of the LDC's only St. Lucia had done so. In addition, St. Vincent and St. Kitts had signed the agreement for establishing the Caribbean Investment Corporation. The crucial factor was that for these three agreements to come into effect the signatures of ten governments would be necessary. Belize already indicated that it would not be able to sign these agreements until 15 August 1973. It is significant that implementation of the measures in these agreements which favour the less developed countries of CARIFTA will continue to be delayed pending the adherence of the less developed countries.

attendance in the meeting at Lagos, 9 July 1973). For the preliminary discussions at Brussels, 25 to 26 July, the CARIFTA team should include along with designated Representatives of the four independent countries, two Representatives from the West Indies Associated States and the Secretary-General of CARIFTA.

6. A primary consideration was that while the four independent countries can negotiate independently on their own behalf or may opt to negotiate as a group, the non-independent countries, legally speaking, have no negotiating status unless they are, either (a) attached to the United Kingdom delegation on the EEC side of the table, or (b) attached to the CARIFTA Group. Up to this stage the independent CARIFTA countries had been invited individually to negotiate with the EEC; that is, the CARIFTA/Community has not been invited as a group. A further consideration was that the LDC's of CARIFTA are already listed as Part IV Associates to the EEC, consistent with the terms of the Treaty of accession of the United Kingdom, to the EEC. The LDC's are therefore anxious that whatever solutions are worked out on the basis of the sui generis approach which would suit the independent countries, should provide for them nothing less advantageous than they already have under Part IV status. The remainder of the discussion was devoted to outlining the main parameters of a collective brief for the CARIFTA countries.

7. In summary the CARIFTA position is that -

- (i) a sui generis agreement should be negotiated with the EEC;
- (ii) it should include arrangements for selected commodities produced by any or all of the CARIFTA countries;
- (iii) such agreement should provide access to the European Development Fund (EDF) and the European Investment Fund (EIF) for the less developed countries of CARIFTA at least;
- (iv) should provide for these LDC's no less favourable terms than would be available to them under Part IV of the Treaty of Rome; and
- (v) following the accepted UNCTAD principle there should be no reverse preferences extended by CARIFTA to the enlarged EEC.

be extended to the Netherlands Antilles, and the Secretary-General of CARIFTA was authorised to notify that Government accordingly. Consideration was also given to the draft of an agreement seeking to establish a Joint Caribbean Community/Mexico Commission. This follows from previous official discussions between the Mexico Government and the CARIFTA Secretariat. Further action on this agreement awaits the reaction of individual Governments.

11. Finally, the CARIFTA Council decided on a tentative agenda for meetings with the Government of Canada to re-negotiate the Canada/West Indies Trade Agreement. The present Canada/West Indies Trade Agreement dates back to the 1930's, and several of its provisions are no longer effective or have become obsolete. In addition, the approach of the Caribbean countries to viewing third country relationships from the standpoint of the integration process requires a re-definition of their third country relations, in particular the situation regarding the whole preferential marketing arrangements.

S. St. A. Clarke

AGREEMENT ESTABLISHING
THE COMMON EXTERNAL TARIFF
FOR THE CARIBBEAN COMMON MARKET

THE CONTRACTING PARTIES TO THE TREATY ESTABLISHING
THE CARIBBEAN COMMUNITY, (HEREINAFTER REFERRED TO AS "THE TREATY")

PURSUANT TO the undertaking assumed in Article 31 of the Annex
to the Treaty.

HAVE AGREED AS FOLLOWS:

Article 1

The Schedule of Rates set out in Annex 1 hereto is hereby adopted
as the Common External Tariff of the Caribbean Common Market (hereinafter
referred to as 'the Common External Tariff') pursuant to Article 31 of
the Annex to the Treaty.

Article 2

Barbados, Guyana, Jamaica and Trinidad and Tobago shall, upon entry
into force of this Agreement, apply in their national tariffs the rates
of duty established under the Common External Tariff.

Article 3

Where upon entry into force of this Agreement differences exist
between the rates of duty established under the Common External Tariff
and the national tariffs of Member States mentioned in Article 2 of
this Agreement in respect of commodities to which Article 4 of this
Agreement applies, such differences may be maintained but shall be
progressively eliminated in accordance with Article 5 hereof.

Article 4

The commodities to which this Article applies shall be those set
out in the Lists contained in Annex 11 to this Agreement as follows:
Barbados - Lists A, B and C; Guyana - List D; Jamaica - Lists E and F;
Trinidad and Tobago - List G.

2. The parity of the currency of a Member State in relation to the unit of account shall be the relation between the weight of fine gold corresponding to a unit of account and the weight of fine gold corresponding to the parity of such currency as declared to the International Monetary Fund. Provided that, where a currency has no fixed parity or where the rate of exchange of such currency is allowed to float beyond the margins fixed by the International Monetary Fund, the weight of fine gold corresponding to the parity of the currency shall be determined on the basis of its exchange rate for current payments against its Intervention currency and the parity of such Intervention currency as declared to the International Monetary Fund; or, in case the intervention currency is on a floating exchange rate, on the basis of the gold value of that currency as derived from its market value for current payments.

3. Where a Member State changes the parity of its currency, the specific rates of duty applied by that Member State in keeping with its obligations with respect to the Common External Tariff shall be adjusted in inverse ratio to the change in its currency.

4. Where the currency of any Member State is allowed to float beyond the limits laid down under the rules of the International Monetary Fund, the Member State concerned shall adjust the specific duties applied in its national tariff in keeping with its obligations in respect of the Common External Tariff in inverse ratio to the alteration in the value of its currency, provided that, a Member State may not make such adjustment if the exchange of its currency varies by less than 3 per cent on either side of its value on July 3, 1973, or, in the case where adjustments have previously been made, its value on the date of the last of such adjustments.

5. If by a decision of the International Monetary Fund under Article 4, Section 7 of its Articles of Agreement there is a uniform proportionate change in the parity of all currencies then the weight of fine gold defining the unit of account shall vary in inverse ratio to such alteration. Provided, however, that where one or more Member States do not implement the decision of the International Monetary Fund, the Common Market Council shall examine the situation and shall decide on such measures as it considers necessary by majority vote.

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