Caribbean Regional Negotiating Machinery

EU-CARIFORUM Economic Partnership Agreement (EPA)

An Overview

Services & Investment

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Basic Structure of S& I provisions

1. Rules or disciplines on Services & Investment
2. Market access commitments (Schedules)
3. Protocol on Cultural cooperation
4. Link with other parts of EPA

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Preparatory work

- Decided on CF market access interests
- Very long and tedious process - national & regional consultations, ministerials, sectoral groups, etc.
- CRNM recommended that countries identify:

  (i) Sectors in which they need investment & efficiencies to promote development

  (ii) Sectors with offensive market access interests in the EU

  (iii) Sensitive sectors

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Cariforum Broad objectives

- Get improved market access in EU & support to improve export capacity in services
- Preserve the space for Caribbean countries to continue to promote their own national processes of economic development
- EPA Services negotiations must take into account and be guided by the **internal regional integration process among Caribbean** countries & reflect the particular sensitivities and needs of individual countries and/ sub-groupings within the Caribbean.

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Cariforum Services Objectives

- Professional services, tourism
- Entry for Short term Visitors for Business Purposes & Mode 4
- Market access for cultural industries in spite of EC sensitivities - Cultural protocol
- Development support for dealing with:

  Information asymmetries, EU regulatory regimes, interface with EC firms, capacity building, etc.

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EU Main interests

- Big infrastructural services - finance, maritime transport, computer and related, environmental
- Commercial Presence (Mode 3) in particular & key personnel
- Meet WTO rules and scrutiny
- Did not make formal requests for market opening by CF

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Key Points

- Services supplied by government excluded
- Subsidies not covered by Agreement
- Government free to regulate
- Government procurement not covered
- Immigration policies & procedures not covered

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Structure of Services & Investment Title

- Chap 1 - General provisions
- Chap 2 - Commercial Presence (Investment)
- Chap 3 - Cross Border Supply of services
- Chap 4 - Temporary Presence of Natural Persons for Business Purpose
- Chap 5 - Regulatory Framework (with sectoral rules)

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Sectoral provisions

- Computer
- Courier
- Telecoms
- Financial services
- Maritime transport
- Tourism

6. E-commerce
7. Cooperation

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Investment Interests

- Address the declining interest of EU firms in Caribbean by a new complete framework
- CF wanted comprehensive Investment provisions: EC had limited mandate
- Create a regime for investment & trade in EPA to attract EU & 3rd country firms to CF states
- Eliminate the need to negotiate new bilateral investment treaties

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Investment Rules

- Market access
- National Treatment and MFN
- Excludes - nuclear materials; arms; audiovisual; cabotage; air traffic rights
- Forbids corruption by investors
- Maintains core labour standards
- Safeguard the environment
- Forbids lowering of environmental, labour or occupational health & safety standards to attract investment

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Market Access for investment

- EC - commitments very broad and deep except for a few sectors such as energy, health, education
- EC - limitations on landholding, and other restrictions in mainly new Members
- CF - commitments in manufacturing, mining, etc but limitations re landholding, type of corporate entity, SMEs, etc.
- CF - Reservations in agriculture, forestry, fishing, mining, food & beverage, furniture, in some states; Only Dominican Republic liberalized electricity & gas

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Rules on Services

- Mainly GATS approach
- National Treatment, MFN
- Similar exclusions of sectors as investment chapter
- Mutual recognition of qualifications
- Special categories of natural persons for temporary entry:
  - Key personnel (managers, specialists) & graduate trainees
  - Business services sellers
  - Contractual services suppliers
  - Independent professionals
  - Short term visitors for business purposes

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Short term visitors for business purposes

EC and CF states to facilitate temporary entry for the following activities for up to 90 days:

- Research & design
- Marketing
- Training seminars
- Trade fairs and exhibitions
- Sales & purchasing
- Tourism personnel

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Services Market Access Granted

- CF - Positive list for services commitments like GATS template; limited sectoral coverage to 60-75% of services sectors. (Dom Rep is 90 %). Some opening in the future. Very limited Mode 4 commitments.
- EC - Different structure but positive list
- Very broad sectoral coverage - more than 90 %; much greater access granted for Mode 4 to CF suppliers than in WTO; Limitations in new member states & starting in 2011 & 2014

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Tourism

- Rules to prevent anti-competitive behaviour by large tourism operators
- Support for SMEs
- Cooperate re mutual recognition of tourism requirements. qualifications, licences
- Development support for training, standards, environmental management

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Cultural Industries

- Major gains - in market access and Cultural Protocol which provides for collaboration, support, movement of artists and cultural practitioners and special provisions for audio-visual collaboration
- 26 EU states granted access for Contractual Service suppliers in Entertainment services
- First time ever for EC in a sector that is very sensitive and for which trade commitments are not normally taken

Entertainment Services

CPC 9619	**Entertainment services** (other than audio-visual)
96191	Theatrical producer, singer group, band and orchestra entertainment services
96192	Services provided by authors, composers, sculptors, entertainers and other individual artists
96193	Ancillary theatrical services n.e.c.
96194	Circus, amusement park and similar attraction services
96195	Ballroom, discotheque and dance instructor services
96199	Other entertainment services n.e.c.

Temporary entry access for CF Contractual Service Suppliers (CSS) in 29 sectors in EU

1. Legal advisory services in respect of international public law and foreign law
2. Accounting and bookkeeping services
3. Taxation advisory services
4. Architectural services
5. Urban planning and landscape architecture services
6. Engineering services
7. Integrated Engineering services
8. Medical and dental services
9. Veterinary services
10. Midwives services
11. Services provided by nurses, physiotherapists and paramedical personnel
12. Computer and related services
13. Research and development services

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Temporary Entry for CSS in EU

14. Advertising services
15. Market Research and Opinion Polling
16. Management consulting services
17. Services related to management consulting
18. Technical testing and analysis services
19. Related scientific and technical consulting services
20. Maintenance and repair of equipment
21. Chef de cuisine services
22. Fashion model services
23. Translation and interpretation services
24. Site investigation work
25. Higher education services (only privately-funded services)
26. Environmental services
27. Travel agencies and tour operators' services
28. Tourist guides services
29. Entertainment services other than audiovisual services

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Access for Independent Professionals in EU

1. Legal advisory services in respect of international public law and foreign law (i.e. non-EU law)
2. Architectural services
3. Urban planning and landscape architecture services
4. Engineering services
5. Integrated Engineering services
6. Computer and related services
7. Research and development services
8. Market Research and Opinion Polling
9. Management consulting services
10. Services related to management consulting
11. Translation and interpretation services

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Technical Cooperation

- Improve ability of CF suppliers to meet regulations and standards in EU
- Improve export capacity of CF suppliers (culture, tourism, SMEs, MRAs)
- Interaction & dialogue between CF and EC firms
- Address quality and standards in CF
- Develop & implement regulatory regimes
- Establish mechanisms for promoting investment & joint ventures
- Other activities

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Thank You

Please visit our Website:

http://www.crnm.org

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