



THE CARICOM SINGLE MARKET AND ECONOMY (CSME)

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- What is the CSME?
- Why the CSME?
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What is the CSME?

- The CSME is an instrument conceived by Heads of Government of the Caribbean Community to facilitate economic development of the member states of CARICOM.
- In essence, the CSME represents a deepening of the integration process started in 1973, and the strengthening of the Caribbean Community into a single market and economy.



What is the CSME?

- This would involve the creation of an integrated market for goods and services.
- The CSME will allow the free flow, without restrictions, of CARICOM goods, services, people and capital in order to create a single economic space and provide a harmonious economic trade policy for all CARICOM states.



What is the CSME?

- It will also seek to harmonize and coordinate foreign exchange and interest rate policies, tax regimes, laws and common currency for the benefit of all countries.
- A focus on facilitating competitive production.



Why the CSME?

- The primary objectives of the CSME are as follows:
 - Full employment of all the factors of production
 - Improved standards of living and work
 - Accelerated, coordinated and sustained economic development



Why the CSME?

- Increased economic leverage and effectiveness vis-à-vis other states, groups of states and entities.
- Expansion of trade and economic relations with other Caribbean countries, Central and Latin American countries.



Why the CSME?

- The achievement of increasing levels of competitiveness
- Organization of increased production
- Opportunity for small and medium sized firms to consolidate in a less hostile environment than the global or hemispheric marketplace.

WHO ARE THE MEMBERS OF THE CSME?



- The members of the CSME are:
 - Antigua and Barbuda
 - Barbados
 - Belize
 - Dominica
 - Grenada
 - Guyana
 - Jamaica
 - St. Kitts & Nevis
 - Saint Lucia
 - St. Vincent & the Grenadines
 - Suriname
 - Trinidad & Tobago



WHAT ARE THE PRINCIPLES?

- The main principles of the CSME are:
 - That the Caribbean Community continues to be an association of sovereign states.
 - Non-discrimination, i.e. national treatment and most-favoured nation (MFN) treatment in accessing the regions resources and markets.



WHAT ARE THE PRINCIPLES OF THE CSME?

- Third countries should not be treated better than CARICOM partners.
- Consistency of Treaty provisions with the international commitments of member states.

WHAT IS THE STRUCTURE OF THE CSME?



- The establishment of the CSME was conducted through the revision of the Treaty of Chaguaramas by nine separate protocols which were then integrated into a virtually new Treaty.
- The Protocols, now incorporated as Chapters in the new Treaty are as follows:



WHAT IS THE STRUCTURE OF THE CSME?

- Chapter 1 – Principles
- Chapter 2 – Institutional Arrangements
- Chapter 3 – Rights of Establishment, Services and Capital
- Chapter 4 – Industrial Policy, Agricultural Policy



WHAT IS THE STRUCTURE OF THE CSME?

- Chapter 5 – Trade Policy
- Chapter 6 – Transport Policy
- Chapter 7 – Disadvantaged Countries, Regions and Sectors
- Chapter 8 – Competition Policy, Consumer Protection, Dumping and Subsidies



WHAT IS THE STRUCTURE OF THE CSME?

- Chapter 9 – Dispute Settlement



Chapter 2 – Institutions of the Community

- Institutions of the Community:
 - Conference of Heads of Government
 - Council of Ministers
 - Council of Finance and Planning (COFAP)
 - Council of Foreign and Community Relations (COFCOR)



Chapter 2

- Council for Trade and Economic Development (COTED)
- Council for Human and Social Development (COHSOD)



Chapter 3 – Right of Establishment, Services and Capital

- The primary objectives are:
 - The facilitation of trade and investment in the services sectors of member states
 - The creation of a single economic space through the free movement of goods, services, capital and selected categories of skilled professionals



Chapter 3

- Ensuring national treatment for all CARICOM nationals for the establishment of business enterprises throughout the region.
- The creation of more business and employment opportunities for CARICOM nationals.



CHAPTER 3

- Main Obligations:
 - There should be no new restrictions on the right of establishment, the provision of services and the movement of capital
 - Notify COTED of any restrictions on the right of establishment and the provision of services
 - To establish administrative arrangements for the recognition of common education standards and certificates/qualifications with other member states.



CHAPTER 3

- The removal of restrictions on the following:
 - On the right to establish a business in another CARICOM member state
 - That represent discriminatory measures on banking insurance and financial services
 - On the movement of capital
 - Created by administrative practices and procedures that restrict the right of establishment and the provision of a service



CHAPTER 3

- On the movement of personnel
- On access to land, building, property essential to the conduct of business



CHAPTER 3

- Benefits include:
 - Increase in the export market and investment opportunities
 - The development of regional standards for training and technical professional certification
 - National treatment for all service providers throughout the region
 - Increased market access for service providers, particularly in the professional sectors, e.g. nurses, engineers, architects

CHAPTER 4 – Part One

Industrial Policy



- This policy is aimed at creating production integration among member states, involving establishment of single enterprises with subsidiaries, branches or joint venture arrangements in more than one member state.
- This will enhance the competitiveness of the region in the production of both goods and services



CHAPTER 4 Industrial Policy

- In keeping with this policy the region has established the CARICOM Regional Organization of Standards and Quality (CROSQ) which will form the basis for the region's participation in negotiations on the development of universally accepted standards.



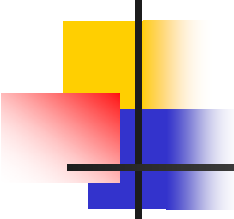
CHAPTER 4

- This policy will result
 - In an overall improvement in the quality of goods emanating from the community as a result of the standardization process



CHAPTER 4 Part TWO – Agricultural Policy

- This remains one of the most sensitive sectors for CARICOM member states. The primary objectives of this policy are:
 - The diversification and transformation of the agricultural sectors, leading to increased efficiency in the production and marketing of agricultural products both within and outside the region



CHAPTER 4 Part Two – Agricultural Policy

- Promoting environmentally sound agricultural products and practices able to compete on the international market
- Improving income and employment opportunities, food and nutrition security and poverty alleviation



CHAPTER 4 Part Two

- Benefits include:
 - increased efficiency, competitiveness and productivity in agriculture
 - Improvement in the quality of agricultural products for both the domestic and export markets.
 - Ensuring food security
 - Increase in skills and knowledge for agricultural workforce



CHAPTER 4 Part Two

- Promoting the efficient cultivation of traditional and non-traditional primary and processed agricultural products.
- Efficient management of the region's natural resources



CHAPTER 5 Trade Policy

- Rules of origin establishing the rules which govern whether a good will qualify for duty free or preferential access.
- Common External Tariff (CET) – a common protective policy for CARICOM countries vis-a-vis third states



CHAPTER 5 Trade Policy

- Cooperation in customs administration
- A regime for the free movement of goods



CHAPTER 5 Trade Policy

- To implement relevant laws and maintain a regime for the free movement of goods throughout the region.
- Ensuring that other trade agreements entered into by individual member states do not negatively affect members of the community
- Securing the prior approval of COTED before negotiating trade agreements involving duty concessions to third states



CHAPTER 5 Trade Policy

- Benefits include:
 - The creation of a free trade area and the free flow of goods throughout the region
 - The ability to safeguard certain sectors or industries which may be adversely affected as a result of imports , e.g. agricultural products



CHAPTER 6 Transport Policy

- To provide safe, adequate and internationally competitive transport services for the CSME
- To provide measures for member states to develop land, maritime and air transport
- Designates the Caribbean Sea as a Special area in the context of sustainable development

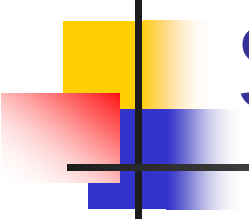


CHAPTER 7 Disadvantaged Countries, Regions, Sectors

- The provision seeks to extend this recognition to certain regions and certain sectors within CARICOM member states which may be particularly sensitive or vulnerable.
- The aim is to assist the disadvantaged countries, regions and sectors to become more economically viable and competitive

CHAPTER 8 – Competition Policy, Consumer Protection, Dumping

- The promotion of fair competition and the protection of consumer welfare within the CSME.
- The provisions include:
 - A ban on agreements that distort, prevent, or restrict competition
 - Giving the right of choice to consumers
 - The prevention and effective remedy of unfair trade practices such as dumping.



CHAPTER 9 – Dispute Settlement – the CCJ

- The CCJ has been granted compulsory and exclusive jurisdiction to hear and resolve disputes regarding the interpretation and application of the Treaty.
- It is the only court conferred the right to address trade disputes among member states
- It will also serve as the court of final appeal for civil and criminal matters



Benefits of the CSME

- Increased flows of new capital, entrepreneurship and technology from other Member states by the establishment of new businesses, joint ventures within a legal and organized framework
- Enhanced trade and economic links with third countries through the coordination of external relations by the Community



Benefits of the CSME

- Stronger voice in the int'l for a as small vulnerable states
- Increased production of goods and services
- Improved services
- Greater opportunity for travel, study and work
- Increased employment and improved standards of living



CSME – Implications for You!

- Review strengths and weaknesses.
- Need to examine skills base/set and undergo training where necessary.
- Need to become more focused and efficient in the workplace to maintain employment.
- Need to examine how your existing workplace could become more competitive



Implications for You!

- Need to examine how you may take advantage of opportunities that may arise from access to the markets of other CARICOM countries.
- Need to examine the possibilities for joint venture arrangements with partners from other CARICOM countries.



Implications for You!

- Need for Businesses to examine management style, reward systems and how much workers are encouraged to contribute to the strategic visioning of the company

... your competitor will include workers in their planning functions



CONCLUSION

- The CSME must become a positive part of our daily lives.
- The CSME must promote equitable Caribbean development
- Enhance levels of regional and international competitiveness



CONCLUSION

- Focal Point
- www.caricom.org
- www.commerce.gov

THANK YOU!!