



CARIBBEAN
HOTEL & TOURISM
ASSOCIATION

**TAKING ADVANTAGE OF
THE ECONOMIC PARTNERSHIP AGREEMENT:
A HANDBOOK FOR THE CARIBBEAN TOURISM SECTOR
FINAL REPORT**

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FOREWORD

The full Economic Partnership Agreement (EPA) runs to thousands of pages of complex legal jargon and sometimes impenetrable tables of figures. For most of us in tourism, with businesses to run and an already overflowing in-tray, reading and analysing the Agreement is always going to be a priority away.

And yet, we know that the Economic Partnership Agreement is important. It represents a dramatic shift in the trading relationship between our region and the EU, the origin of 25% of our visitors each year. It puts in place new tariffs, new investment regimes, new competitive threats and also provides new opportunities for our companies.

The EPA carries with it around US\$773m (€630m) in funding from the EU to help industries in the region to adjust. The tourism industry needs to understand better the EPA and we need to make sure we receive our fair share of assistance.

This hand-book is designed to put the right information into the hands of our tourism industry to make sure we take full advantage of the EPA.

Written in as straightforward and accessible a style as possible, this hand-book summarises the provisions in the Agreement which will affect tourism. It provides a country-by country breakdown of the Caribbean's EPA commitments to reduce tariffs on European goods and to allow European firms to provide services in our region, and it gives a full analysis of the development funding which is available and how to access it.

If as a result of exploring this handbook you have specific or detailed enquiries about the EPA, CHTA is additionally able to provide through specialists a practical advice service by telephone or email. More detailed information about this service and full access to an on-line version of the report are available from our website www.caribbeanhotelassociation.com.

On behalf of CHTA, I would like to express our gratitude for the support of the UK Department for International Development and the Caribbean Development Bank in producing this hand-book and the other accompanying measures of support which CHTA will now be able to offer the industry.

I am confident that this hand-book will be an important tool for our industry to take full advantage of the EPA and I would urge you to take some time out of your busy day to look at how the Agreement will affect your business and to think about how should respond. CHTA is ready to help you with the next stage.

JOSEF FORSTMAYR
PRESIDENT

AN EASY GUIDE TO USING THE HANDBOOK

This handbook is not intended to be read cover-to-cover but rather to provide a quick reference guide for busy tourism professionals who need to understand how the EPA will affect particular aspects of their business and to inform them where they can go to for funding support, technical assistance or advice.

IMPORTS

If you import products for your business from abroad, and wish to see what customs duties you would pay if you imported them from Europe, now and in the future, look at the basket of goods listed at page **19**.

If your product is not listed there, you can either check on the more extensive online version (at www.caribbeanhotelassociation.com) or contact CHTA who can provide you with free specialist advice.

If you want to understand how the tariff reductions on goods imports work, then turn to page **17**.

SERVICES

If you want to see whether European companies are now able to compete in your area of the tourism business in your country, check in the detailed listings on page **20**.

If you want to see whether one of the services which you contract as a company could now be provided by a European firm, look at the list on page **13**.

If you want to expand your business into Europe and open offices or provide services there, see the information on page **14**.

FUNDING AND TECHNICAL SUPPORT

If you want to know what kinds of projects and programmes the EU will support under the EPA, look at the detailed information on page **21**.

If you wish to find out how much money has been allocated to your country for EPA assistance then check page **26**.

If you want to become more involved in making the EPA work and making sure that the tourism industry gets the support it needs in the future, see page **7**.

DETAILED ADVICE AND SUPPORT

If you have any detailed enquiry which is not covered by these sections, then please contact CHTA for specialist advice.

THE EPA AND THE CARIBBEAN TOURISM INDUSTRY - AN INTRODUCTION

The Economic Partnership Agreement was formally signed in October 2008 by the EU and CARIFORUM member states. It represents the most significant change in trading relations between the EU and the Caribbean since the creation of the Lomé Convention in the 1970's.^{1 2}

Much has been written about the EPA, but to date little detailed information has been published about the practical effects of the agreement on individual industries. This handbook sets out in clear language how the agreement will affect hoteliers and tourism providers in the Caribbean both in terms of positive and negative impacts.

Throughout the negotiations, the Caribbean tourism industry was extremely proactive in working with Caribbean Governments to ensure that the EPA recognises the importance of the Caribbean tourism industry to the region's future development and set in place special measures to protect and support it. As such, there are specific Annexes and clauses in the EPA which provide special guarantees and development cooperation support for the region's premier industry.

The EPA therefore offers significant opportunities to the Caribbean tourism industry over the next decade and it is vital that the industry takes full advantage of the commitments made by the EU.

These are set out in detail over the chapters of this handbook but in summary they include:

- Substantial reductions in duties payable on many of the goods which the tourism industry imports from Europe
- Development support for the tourism sector lasting at least until 2020 including new opportunities for training, technical assistance and capacity building.
- Opportunities for Caribbean tourism companies to operate more easily in the EU.
- Protection against anti-competitive practices by EU companies operating in the Caribbean tourism sector.
- Access for Caribbean tourism companies to high quality and competitive services provided by European companies in areas where European suppliers were previously prohibited (eg. IT support, environmental services etc.)

The EPA may also generate some new competitive threats to the industry from European hotel and other tourism providers but on the whole tourism services remain carefully regulated by the Agreement. This handbook sets out the measures of protection which are included in the EPA and explains how Caribbean tourism industry stakeholders can make use of these should they wish to do so.

¹ The EU Member States are as follows: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom

² The CARIFORUM states are as follows: Antigua & Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Suriname, Saint Kitts & Nevis, Saint Lucia, Saint Vincent & the Grenadines, Trinidad & Tobago

The Structure and Content of the EPA

The EPA is broken down into different sections which relate to the many aspects of trade relations between the EU and the Caribbean.

It includes:

- a) a breakdown of the tariff duties on EU goods imported into the Caribbean which will be reduced, the timetable for their reduction, and details of any goods which were excluded from the EPA.
- b) a breakdown of the services which EU companies can now provide in the Caribbean
- c) a breakdown of the services which Caribbean companies can now provide in the EU
- d) an institutional framework for the EPA and its future governance
- e) the EU's broad commitments on development support to help Caribbean businesses become more competitive
- f) a Section on Tourism which offers specific guarantees and commitments to the industry.

The Agreement was originally signed by 13 of the CARIFORUM countries on 15th October 2008. Haiti and The Bahamas then signed the Agreement in November 2009 and January 2010 respectively.

The EU and Caribbean governments have agreed to give the Agreement a comprehensive review every five years to determine the impact of the Agreement and to amend provisions or adjust their application as is necessary. The next review will be due in 2013. The full text of the Agreement and the corresponding schedules on liberalisation of goods and services can be found at the following websites:

- Office for Trade Negotiations: www.crnmm.org (available for download from homepage)
- European Commission: http://trade.ec.europa.eu/doclib/cfm/doclib_results.cfm?docId=137971

Annex III of this handbook provides details of institutions and websites where further information can be obtained about the EPA.

HOW IS THE EPA BEING IMPLEMENTED AND WHAT SHOULD THE TOURISM INDUSTRY BE DOING?

Institutional Arrangements

The EPA establishes four main institutions which will be responsible for implementing the Agreement:

1. *Joint CARIFORUM-EC Council* – a Ministerial body which will meet at least every two years to oversee the implementation of the Agreement.
2. *CARIFORUM-EC Trade and Development Committee* – a Committee of senior officials which will meet at least once a year. It will administer the EPA and ensure it obtains its objectives. It is able to set up sub-committees where relevant.
3. *CARIFORUM-EC Parliamentary Committee* – Committee of members of the European Parliament and CARIFORUM Parliaments which can make recommendations to the Joint Council and Trade and Development Committee.
4. *CARIFORUM-EC Consultative Committee* – Committee made up of private sector and civil society organisations which can make recommendations to the Joint Council and Trade and Development Committee.

The inaugural meeting of the Joint CARIFORUM- EC Council was badly delayed and was finally held in Madrid on 17th May 2010. This meeting agreed the rules of procedure for the Council and formally created the other institutions above. It did not however take any substantive decisions about how to take the EPA implementation process forwards.

The EPA Committees (Trade and Development, Parliamentary, Consultative) are now being set up but it is not at all clear what timetable this is being done to, how the members of the Committees will be appointed, and whether the tourism industry will have an input and membership in accordance with its importance as the main contributor to regional GDP.

In addition to the EPA Committees, the Caribbean signatories to the EPA agreed to put in place a regional development fund which would administer the development funds and technical assistance programmes which were committed to by the EU on a regional basis. Both sides also agreed to appoint EPA regional coordinators who could speak with authority on behalf of their region.

While the European Commission has named the EU regional coordinator as Sandra Gallina, a senior official in DG Trade, CARIFORUM have not yet appointed their regional coordinator nor established a regional fund which the EU can use as a disbursement mechanism. This means that a very substantial part of the development funds which are available to the Caribbean tourism industry as part of the EPA are currently being held in limbo. The problem for the CARIFORUM side is that the existing regional institutions which could administer a development fund for CARIFORUM are administered by and for CARICOM. Such institutions are problematic for the Dominican Republic because it is not a member of CARICOM suggesting that CARICOM and the Dominican Republic should work rapidly to find a solution.

The European Commission and EU member states are understood to be able to disburse funds directly without going via the regional development fund. Alternative avenues should be now explored which allow the industry to access funds and technical assistance for EPA implementation without needing to

wait for a regional development fund to be put in place. After all, what is most important is not **how** the funding is disbursed, but that it is disbursed at all. If the current regional funding of US\$175m (€143m) which is attached to the EPA in the EDF is not allocated before 2013, it will be lost to the region altogether.

How the Tourism Industry Should Get Involved

As the largest contributor to the regional economy and the region's biggest employer, the tourism industry will be affected by all aspects of the EPA. Its full engagement is essential if the Agreement is to deliver the long-term economic benefits which are hoped for. The industry therefore needs to become actively engaged in the EPA implementation process and in particular should seek to address the following issues at a national and regional level:

1) Set up of EPA Committees and Tourism Representation

The tourism industry should ensure that regional associations for the industry are represented on the new Consultative Committee and that if there are concerns within the industry about the way in which the Agreement is being implemented, then it should insist that a tourism sub-committee of the EC Trade and Development Committee should be put in place to address this.

It should also ensure that Caribbean and EU Parliamentarians on the Parliamentary committee are briefed about the needs of the tourism industry and that, if possible, there are Parliamentarians represented on the Caribbean side who have a background in tourism.

2) Delays in Access to Development Funds

National tourism industries should seek new avenues for accessing funds for trade-related assistance from the 10th EDF, whether by applying directly to the European Commission and European member state donor agencies (such as DFID or GTZ), or by pressing national governments and CARICOM to support individual projects which fit the criteria for assistance under the EPA.

The industry should also press for rapid agreement between CARICOM and the DR to put in place a regional fund so that the European funds can be made available rapidly.

3) Priority setting for Development Assistance

The EPA Implementation Unit in the CARICOM Secretariat is working on an 'EPA Implementation Road Map' which will set out the core priorities for funding EPA implementation and technical assistance projects from the 10th EDF. The tourism industry needs to ensure that their national governments highlight to the EPA Implementation Unit in CARICOM the importance of projects in the tourism sector. Regional bodies such as CHTA must also engage directly with the Unit as it finalises the document and the industry should insist that it be published as soon as possible.

4) National Implementation Units

Only Antigua and Barbuda, Barbados, Dominican Republic and Jamaica have formally set up EPA implementation units to date. While it may not be necessary for every CARIFORUM country to put in

place a full EPA implementation unit, it is very important that a person or unit within Government is designated for liaison with the private sector on EPA issues.

5) *Inter-Caribbean Trade*

There remain real uncertainties about how the EPA will affect the trade in goods and services within the region. Parallel trade integration processes are already underway between the DR and CARICOM, among the members of the CSME and the OECS. In many instances however, Caribbean countries have offered more generous terms of access to European countries than they currently offer each other. A clause in the EPA states that the terms of trade which CARIFORUM states offer each other should be at least equal to, or better than, those offered to the EU.

This may have positive or negative benefits for the industry and needs to be understood better.

6) *Cuts to import duties*

From January 2011, many of the import duties which Caribbean Governments levy on goods which the tourism industry imports from the EU will start to be reduced. These reductions are detailed in this handbook for a basket of 150 goods and information can be provided by CHTA about any goods contained in the EPA. The tourism industry needs to make sure that national governments are correctly applying the tariff reductions they committed to.

10 KEY QUESTIONS THE TOURISM INDUSTRY NEEDS TO ASK CARIBBEAN GOVERNMENTS

- i) Has the EPA Consultative Committee been set up yet? Which regional and national representative bodies for the tourism industry will be appointed to it? How and when and by whom will they be invited to participate?**
- ii) Has the Parliamentary Committee of the EPA been set up yet? Which Members of Parliament from my country are represented on it? Will there be any Minister or adviser who understands tourism? How will the agenda for meetings of this body be set?**
- iii) Has the Trade and Development Committee been set up yet? Are there officials on the Committee with an in-depth knowledge of the tourism industry?**
- iv) Have the reports commissioned by the Regional Preparatory Taskforce now been completed? Have they been published? What did they recommend about the tourism industry?**
- v) Has the EPA Implementation Road Map been completed? If so, what priorities have been identified for the tourism industry? If not, how can the tourism industry engage in this process?**
- vi) When will CARIFORUM appoint a regional EPA coordinator as specified under the EPA?**
- vii) When will the Regional Development Fund be made operational to distribute the US\$203m of resources from the 10th European Development Fund?**

- viii) When will my Government set up a national EPA Implementation Unit to oversee the introduction of the EPA and support local businesses?**
- ix) Where there is no EPA implementation unit, who should the tourism industry contact in Government for advice about access funding and technical assistance? Is the National Authorising Officer for the EDF the correct person?**
- x) When the liberalisation on imported goods from the EU begins in January 2011, is my Government prepared to start reducing tariffs? Will it reduce tariffs also on goods imported from within CARIFORUM (i.e. including those from the DR)?**

THE TRADE COMPONENT OF THE EPA AND TOURISM

ALLOWING EU SERVICE PROVIDERS INTO THE CARIBBEAN – WHAT ARE THE CONSEQUENCES?

Unlike the Cotonou Agreement and its predecessor agreements, the EPA contains detailed commitments from both the Caribbean and the EU to open their markets to trade in services between the two regions.

In practice, given that the Caribbean tourism industry was already significantly open to foreign participation prior to the EPA, the Agreement does not represent a major change to the level of access granted to European companies and investors. Instead it formalises the areas of tourism which were already liberalised and gives legal guarantees that Caribbean Governments will not roll these commitments back. It is not possible unfortunately to directly compare Caribbean services commitments in the EPA with what went before, but there is general agreement that the EPA does not substantially alter the extent to which foreign companies can participate in the tourism industry and that it maintains in place the relevant limitations and controls.

All the main commitments that relate to the tourism industry are now listed in detail in the country by country analysis in this handbook. Readers can easily check the sectors which are of relevance to them to verify whether there is any change in the terms under which EU companies can operate in these sectors.

It is not only however tourism services which are of relevance to the tourism industry. The industry will stand to benefit from new market opening by the Caribbean to allow lower cost or higher quality European providers to compete with local providers, or provide services which were previously unavailable locally (eg. provision of environmental services, IT services etc).

Importantly, the EU has also made many concessions which will allow the Caribbean tourism industry unprecedented access to the EU market-place to pursue new commercial and investment activities across the EU (including the French Caribbean).

Understanding the Services Schedule

To understand what commitments have been made, it is necessary to know that in trade negotiations, ‘services’ are analysed according to the different ways (so-called ‘Modes’) in which they are delivered. Different “Modes” basically define the extent to which the ‘service’ requires the physical movement of labour. The modes are as follows:

LEVELS OF ACCESS PROVIDED TO FOREIGN COMPANIES

Mode 1 Cross Border Supply eg... *A European or Caribbean company provides a service to consumers in a country without physically entering the country (eg by mail, phone, satellite, internet)*

Mode 2 Consumption Abroad eg... *A European or Caribbean company provides a service to consumers outside of the country of the consumers, who physically go to the country of the service provider or have their goods sent there (eg. European tourists using hotel services in the Caribbean)*

Mode 3 Commercial Presence eg... *A European or Caribbean company sets up a branch or a*

company in the country of the consumers (eg a multinational Caribbean hotel and resorts company establishes a sales office in a European country)

Mode 4 Movement of Natural Persons *eg... A European or Caribbean company sends his or her staff over to another country to work there for the sending company (eg a Caribbean tour operator runs an office in Europe using its own staff). This includes contractual service suppliers and independent professionals.*

In the EPA, each Caribbean and European country has stated what restrictions, if any, they have put in place to prevent citizens or companies from the other region to provide services under these four 'Modes'. Countries either state "none" or "unbound" or list the restriction which they have in place. Where countries are **not listed** at all in the CARIFORUM Schedule, this means that their service sector is **not** open to EU companies under the EPA.^{3, 4}

LEVELS OF RESTRICTIONS PUT IN PLACE ON THE DIFFERENT "MODES"

None: Where countries state "none" this means that the country has committed **not** to restrict market access in this area via certain types of measures against foreign firms in the future.

Unbound: Where countries state "unbound" it means that there is no restriction in place, but that the country reserves the right to put one in place at a future date.

Country Not listed: The service sector is not open to EU companies.

Horizontal: In addition to the specific restrictions indicated for each sector, each sector may also be subject to wider restrictions which are classed as 'horizontal'. These are listed below in the detailed section setting out which services have been liberalised by each country.

It is important to note that the agreement covers the temporary movement of services suppliers and does not represent a full labour market opening. In general CARIFORUM countries have only included in their horizontal commitments openings which relate to key personnel and graduate trainees that are not available locally, or which are associated with a commercial presence.

As well as setting out where and when EU companies are allowed to operate in the Caribbean, the EPA also includes commitments from Caribbean Governments about how those same firms will be treated in the Caribbean compared to national operators and under what circumstances local Caribbean companies can be treated more favourably than those from the EU.

³ Confusingly, the EU schedule on Services works on the opposite basis; it only lists the exemptions which the EU has made to what is otherwise full liberalisation.

⁴ Effective market access may generally exist even if a commitment has not been taken under the EPA e.g. through contact with investment promotion agencies

NATIONAL TREATMENT

National treatment is also analysed according to the four different ‘modes’ and restrictions are expressed in the same way as for the access which is permitted to foreign companies.

By way of an example of how to read the services commitments, we can look at the commitments which Trinidad and Tobago has made on allowing EU companies to provide hotels and catering services:

EXAMPLE – ACCESS FOR EU HOTEL COMPANIES TO RUN A HOTEL IN TRINIDAD AND TOBAGO

Market Access

- Mode 1 Technically impossible (ie you cannot deliver a hotel service by post!)
- Mode 2 None
- Mode 3 Hotels of less than 21 rooms are reserved for T &T nationals
- Mode 4 Unbound except as indicated in the horizontal section

Horizontal Commitments: 3) A licence is required for the acquisition of land, the area of which exceeds five acres for trade or business or one acre for residential purposes. A licence is required for the acquisition of shares in a local public company where the holding of such shares either directly or indirectly results in 30 per cent or more of the total cumulative shareholding of the company being held by foreign investors. A foreign investor wishing to invest in Trinidad and Tobago must register with the Registrar of Companies.

4) The entry and residence of foreign persons is subject to T&T's Immigration Laws. The employment of foreign persons for more than thirty days is subject to the procurement of a work permit, which is granted on a case-by-case basis. Unbound except for Key personnel (Business visitors, Managers and Specialists) & Graduate Trainees not available locally.

National Treatment

- Mode 1 Technically impossible (ie you cannot deliver a hotel service by post!)
- Mode 2 None
- Mode 3 Unbound (ie. T&T are free to impose a restriction if they wish).
- Mode 4 Unbound except as indicated in the horizontal section

Horizontal Commitment: None

In the example above, if a European hotel company wanted to open a hotel in Tobago, they would a) be barred from operating a hotel with under 21 rooms b) be required to comply with the licence requirements for purchase of land c) be required to comply with license requirements regarding shareholdings d) need to register with Trinidad and Tobago's register of companies e) would need to seek a work permit for any foreign nationals if they plan to work for more than 30 days. Trinidad also reserves the right not to deny permission for foreign nationals to work in Trinidad and Tobago in hotel and catering unless they are Key Personnel (managers, specialists and business visitors), or graduate trainees not available locally.

Trinidad and Tobago has made no commitments to treat European companies equally with local, or other CARICOM companies, providing hotel lodging services in the country.

What are the implications of these changes?

On the whole, prior to the EPA, the tourism sector in the Caribbean was already substantially open to foreign participation, albeit with important limitations and controls.

The EPA formalises this openness, and in general terms for the tourism industry, the only change that the Agreement will introduce will be to give foreign investors from the EU a legal commitment that Caribbean countries will not close these sectors to them in the future. Importantly, the protections for the domestic industry which were previously in place have been largely safeguarded.

Readers of this handbook can find a full breakdown of the commitments made by each CARIFORUM country in the detailed section below. These include the following sectors:

- Hotels and Catering
- Hotel Development and Management Services
- Spa Services
- Marina Services
- Passenger Transportation by Road
- Travel Agency, tour operator and other air transport services
- Tour Guide Services
- Real Estate Services
- Rental/leasing services without operators (boats / cars / planes / other sports equipment)
- Renting out use of computers / Data processing services
- Other business services (secretarial / translations/ conventions services etc)
- Entertainment and Sporting Services (including pleasure boat hire)
- Other Services (Dry Cleaning, Hairdressing, Cosmetics etc)

For example:

I live in Dominica where I run a small taxi company. Could a European taxi company now set up a taxi service here?

Answer: No, none of the CARIFORUM states have permitted EU taxi companies to set up operations in the country.

In the wider context, the Agreement also formally allows EU firms in a range of sectors to provide services in CARIFORUM countries. It is hoped that these firms will assist Caribbean industries such as tourism, to improve productivity and enhance its offering to remain globally competitive.

Relevant areas which have been formally liberalised and which might benefit the tourism industry include:

- Accounting, auditing and bookkeeping Services
- Architecture
- Computer and related Services
- Telecommunications

- Environmental services
- Maritime transport

Under the terms of the EPA, EU firms operating in the Caribbean are committed to binding provisions not to lower environmental and social standards, as well being subject to new provisions strengthening cooperation against corruption.

The Agreement also creates a new cooperation agenda under which EU and Caribbean institutions and professional organisations will work towards recognising each other's requirements, qualifications, licences and other regulations. Specific provisions have been included to recognize the importance of technical cooperation to support Caribbean service companies.

OPPORTUNITIES FOR LARGER CARIBBEAN HOTEL CHAINS AND TOURISM PROVIDERS IN EUROPE

For Caribbean tourism businesses which wish to expand or explore new markets, the EPA represents a new and unprecedented opportunity to enter the EU market because one of the key areas which was liberalised by the EU was the trade in tourism services.

For the first time, the EU has made commitments to allow Caribbean service suppliers and investors to have a commercial presence in the EU including allowing Caribbean citizens to enter the EU on a temporary basis for business purposes across most sectors, including short term business visitors, sellers of goods, investors, and graduate trainees. The EU has not made these commitments to other regions, either at the WTO or in other Agreements, so Caribbean companies are able to access the EU market before competitors in other parts of the world.

A Caribbean business can now either be contracted to provide services in Europe, or invest in establishing a commercial presence, in any of the following sectors in any EU country:⁵

- Hotel, Restaurant, Catering and Beverage services
- Travel / Tour Operator Agency
- Tourist Guide Agency
- Other tourism related services (eg. Spa Services (including relaxation / non-therapeutic massage))

Where Caribbean businesses set up such a commercial presence in the EU, they will normally automatically be able to secure permission for Caribbean staff to work in their company hotel, restaurant, agency or spa in Europe as follows:

- Key personnel (e.g. managers and specialists) and graduate trainees on intra-corporate transfers for a period of up to 3 years.
- Senior staff responsible for establishing a commercial presence for 90 days in any 12-month period.
- New graduate trainees for one year (they should already be employed by the firm in question).

⁵ There are some limited restrictions to these commitments which principally affect business ventures in Eastern European countries.

- In all such cases, EU and national working conditions, minimum wage requirements and collective wage agreements will apply

Employees of a Caribbean service supplier which does not have a commercial presence in Europe but which has a contract to supply services can also now travel to the EU to provide the following services:

- Travel Agency and Tour Operator services in all EC countries
- Tourist Guide services in all EC countries (except France, Lithuania, Poland, Portugal & Spain).
- Chef de Cuisine services in all EC countries
- Entertainment services
- Translation / interpretation services

Finally, Caribbean business can provide the following tourism services from their home country to consumers in Europe:

- Hotel, Restaurant and Beverage services in Estonia, Finland, Hungary
- Catering services in all EC countries.
- Travel Agency and Tour Operator services in all EC countries (except Bulgaria and Hungary)
- Tourist Guide services (eg. Via internet)

For example:

I run a travel agency company in the Dominican Republic. Can I establish an office in Germany and send my staff to work there?

Answer: Yes. Senior staff can spend up to three months in the first year setting the office up. Managers and specialist staff can then be transferred to your office in Germany for up to three years. Graduate trainees can also spend up to a year there.

Restrictions on Entry to the EU

The right to enter the European Union to provide services does **not** however mean that immigration controls are lifted. Citizens from CARIFORUM member states will still need to apply for the same visas etc as before.

These visa requirements vary from country to country and are applied differently by EU member states according to the applicant's nationality.

VISA REQUIREMENTS FOR UK AND SCHENGEN

- In the case of the Schengen Visa (which covers entry for up to three months to 24 EU member states⁶), citizens from Antigua and Barbuda, the Bahamas, Barbados and St. Kitts and Nevis no longer are required to have a visa to enter the EU. Citizens from all the other CARIFORUM countries still need this visa.
- In the case of the UK, citizens from Jamaica, Suriname, Haiti, Guyana and the Dominican Republic are required to obtain a visa for every entry they make into the country.

These visa controls could potentially seriously undermine CARIFORUM's market access rights and also mean that it will be much easier for citizens from those countries in CARIFORUM with no visa requirement to take advantage of the EPA and to pursue business ventures in the EU. The application of these visas and the impact that they have on CARIFORUM access to the EU services market will be an important area to keep under consideration for the five year review.

In addition to the opportunities which have been opened up in Europe, the EPA's "regional preference" clause means that Caribbean businesses may additionally be able to provide their services in other CARIFORUM countries which have liberalised their tourism and travel related services sector.

⁶ Schengen countries are Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxemburg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain and Sweden.

IMPORT DUTIES ON GOODS FROM EUROPE – BIG REDUCTIONS OR NO CHANGE?

CARIFORUM countries have agreed to remove the import duties they charge on over 85% of products imported from the EU over the next 25 years. These reductions will begin in January 2011 and will happen in different phases with around 61% of goods (by value of imports) becoming duty free by 2021, 83% by 2026 and 87% by 2031.

These reductions in duties potentially offer Caribbean hotels and other tourism providers a real opportunity to reduce their costs by re-examining whether they are better off importing products from Europe rather than the US, for example.

The EPA also contains an important clause which requires CARIFORUM countries to apply these same reductions to import duties to products which originate in other CARIFORUM states (including the Dominican Republic and the Bahamas, which are not now a part of the Caribbean Common Market for goods trade). This means that there will be falling import duty costs for all the products which the tourism industry imports from elsewhere in the Caribbean.

Within the Agreement however, a very large proportion of the products which are of relevance to the tourism industry have been excluded from liberalisation or will only become duty free after 25 years.

These include poultry and other meat, dairy products, certain fruits and vegetables, fishery products, food preparations (sauces, ice cream, syrup), beverages, rum, vegetable oils, chemicals (paints/varnishes, perfumes, make up/cosmetics, soaps, shoe polish, glass/metal polishes, candles, disinfectants), furniture and parts and many other items.

Different countries within CARIFORUM have also decided within the Agreement to exclude or delay liberalisation of selected products. This is particularly of note in the case of the Dominican Republic which has allowed faster cuts to import-duties on many products (because it had already agreed to these reductions in a separate agreement with the US). As a result, the Dominican Republic's tourism industry is likely to see the costs of its European imports drop more quickly than in other countries.

This handbook contains a detailed country by country breakdown of a basket of 150 key goods which the hotel and wider tourism industry generally imports from Europe or the US. This list is not intended to be definitive (a more extensive range of products is covered in the on-line version of this handbook) but provides a useful quick-reference guide to the duties which are payable for the most commonly imported products.

Hoteliers and other importers for the tourism industry should also be aware that in many Caribbean countries there are special rules in place to allow imports for the tourism industry to enter the country duty-free. A list of the relevant regulations is included in Annex II.

It is also important to note that many CARIFORUM countries also charge other duties and surcharges alongside import duties on products which the tourism industry imports. The Agreement puts in place a freeze on these 'other' charges, and countries have agreed to phase them out from 2015, with their total elimination by 2018.

For example:

I would like to import cutlery from France for my hotels in the Dominican Republic and Jamaica. Will the import duties drop thanks to the EPA?

Answer: Yes. Cutlery from Europe currently attracts an import duty of 20% in both DR and Jamaica. However the two countries will reduce their duties under the EPA at very different rates. The DR will allow duty-free imports of cutlery from January 2011. In Jamaica, the phase out is over 15 years, meaning there will be year on year reductions on the duty payable until it is duty free in 2023

Implications of the Excluded list for tourism

Around 10% of product tariff lines were excluded altogether from the EPA and from any long-term reductions. The import duties on these products were judged by Caribbean Governments to be absolutely necessary, typically being important to protect domestic production against foreign imports or otherwise to protect lines of significant tax revenue.

For the tourism industry, this list includes a very substantial proportion of the products the industry currently imports, particularly in the area of foodstuffs. This handbook includes an analysis of a basket of 150 goods commonly imported by the Caribbean tourism industry. Of these, some 75% are totally excluded from any reductions under the Agreement.

As such, the EPA will not have the beneficial effect which was hoped for in terms of dramatically reducing the import costs of the day-to-day requirements of hoteliers and other tourism providers.

There will be however examples of products which are less regularly imported but which have been in the past subject to prohibitively high import duties (eg. Televisions, cleaning equipment, kitchen utilities).

Many Caribbean countries however apply special waivers on import duties for the hotel and tourism industry. Details of the relevant pieces of legislation are listed in Annex II.

For example:

I import sauces and condiments from the UK for the guests at my hotel in Jamaica. Will these become cheaper thanks to the EPA?

Answer: It depends. Ready prepared sauces (including tomato sauces) are totally excluded from liberalisation and will continue to attract an applied rate of duty of 20%.

The exceptions are mustard and soya sauce which also currently both attract rates of 20% duty in Jamaica. These duty rates will however now drop year by year over a 20 year period until there is no duty payable at all in 2028.

A COUNTRY BY COUNTRY ANALYSIS OF THE MOST RELEVANT GOODS AND SERVICES AFFECTED

GOODS: THIS BREAKDOWN IS ATTACHED IN SPREADSHEETS

SERVICES: THIS BREAKDOWN IS ATTACHED IN SPREADSHEETS

THE DEVELOPMENT COMPONENT OF THE EPA AND TOURISM

THE SECTION ON TOURISM SERVICES

The EPA contains a specific Section on tourism services which contains commitments from the EU and CARIFORUM states.⁷ This sets out the areas in which Europe is prepared to encourage and provide support for:

- the transfer of technology on a commercial basis to tourism establishments in the Caribbean
- the participation of small and medium sized enterprises in the tourism services sector
- the mutual recognition of requirements qualifications, licences or other regulations or national requirements (eg. a minimum age requirement)
- compliance with environmental and quality standards
- the prevention of anti-competitive practices: *Specifically, the Agreement allows for measures to be maintained or introduced to stop suppliers engaging in practices which materially affect the market such as abusing their dominant position through the imposition of unfair prices, exclusivity clauses, refusal to deal, tied sales, quantity restrictions or vertical integration.*

These measures are particularly relevant for:

- 1) *tour operators and other wholesalers (both outbound and inbound)*
- 2) *computer reservations systems*
- 3) *global distribution systems (either connected to airlines or provided via internet)*
- 4) *travel agencies*

Furthermore, the Section includes commitments to provide development cooperation to advance the tourism sector in the Caribbean. Specifically, the EU has agreed to facilitate support to:

- i) Upgrade national government accounting systems in the Caribbean to allow countries to introduce Tourism Satellite Accounting at a regional and local level.
- ii) Provide capacity building for environmental management in tourism areas both regionally and locally.
- iii) Develop internet marketing strategies for small and medium sized tourism companies
- iv) Run tourism exchange programs and training, including language training for tourism providers
- v) Help Caribbean states participate in international organisations which set standards for sustainable tourism, and in any related programmes which set out to ensure the equivalency of

⁷ The full text of the Section on Tourism Services is included in this handbook at Annex I

national standards, or which aim to increase compliance with sustainable tourism standards by tourism suppliers in the region.

- vi) Include hotel and tourism providers in the Caribbean to get financial support from international and regional programs promoting the sustainable development of tourism.
- vii) Help Caribbean states to participate in international organisations which set quality standards which are applicable to tourism services.

In practical terms, this development support will be channelled via national and regional programmes negotiated between national Caribbean governments and CARICOM and the European Commission.

It is therefore important for the industry to ensure that, within the parameters agreed and contained in the EPA, national Caribbean governments are responsive to the tourism industry's requirements for assistance in these areas.

National and regional private sector organisations from the tourism industry, such as trade bodies like the CHTA, CAST, CHAEF and the NHA will be key in assisting national governments and CARICOM to understand what the priorities are for the industry and to help them develop programmes of support.

WHAT OTHER TECHNICAL ASSISTANCE AND TRAINING IS AVAILABLE

In addition to the commitments in the Tourism Section, the EPA contains a number of wider commitments to CARIFORUM service providers which will be of relevance to the tourism industry.

Business development

Support will be provided for:

- Promotion of innovation, diversification, modernization, development and product and process quality in businesses
- Promotion of creativity and design, particularly in micro, small and medium enterprises, and exchanges between networks of design-centers located in the EU and Caribbean
- Promotion of dialogue and exchanges of experience and information between businesses
- Technical assistance, conferences, seminars, exchange visits, prospecting for industrial and technical opportunities, participation in round tables and general and sectoral trade fairs
- Promotion of contacts and industrial cooperation between economic operators, encouraging joint investment and ventures and networks through existing and future programs
- Promotion of partnerships for research and development activities to improve innovation
- Intensification of activities to promote linkages, innovation and technology transfer
- Mechanisms to enhance the capacities of investment promotion agencies in the Caribbean
- Establishment of mechanisms for promoting investment and joint ventures between service suppliers in the EU and in CARIFORUM countries

Marketing

Support will be provided to:

- Improve the export capacity of service suppliers, with particular regard to the marketing of tourism and cultural services, the needs of small and medium-sized enterprises, franchising and the negotiation of mutual recognition agreements

Meeting EU Standards

Support will be provided to help Caribbean service suppliers to:

- Gather information on, and meet, regulations and standards in the EU and its member states
- Address quality and standards needs in those sectors where the Caribbean has liberalized its markets
- Help interaction and dialogue between service suppliers in the EU and Caribbean

IT support

Support will be provided for Information Communications Technology (ICT) capacity-building, in particular, the promotion of networking, exchange and training of specialists

Eco-innovation and renewable energy

Support will be provided for:

- Projects related to environmentally-friendly products, technologies, production processes, services, management and business methods, including those related to appropriate water-saving and Clean Development Mechanism applications
- Energy efficiency and renewable energy projects
- Production of goods and services beneficial to the environment
- Voluntary schemes including labeling and accreditation schemes
- Public awareness and education programmes in environmental goods and services
- Eco-innovation networks and clusters, including through public-private partnerships exchanges of information, know-how and experts
- Awareness-raising and training activities
- Preparation of studies and provision of technical assistance and collaboration in research and development
- Pilot and demonstration projects

WHERE ARE THE SOURCES OF FUNDING AND HOW TO ACCESS THEM

In the EPA, the EU committed to providing development finance resources to help Caribbean countries and industries adjust as the EPA is implemented and areas of trade liberalisation take effect. The programmes of assistance which are available are either funded by the European Commission or directly by European member states.

The main commitments made by the EU to the tourism industry are contained within the Tourism Annex which is described above. In addition to the commitments contained in the Annex, the EPA also promises technical assistance, training and capacity building relevant to the industry. Specifically, there are commitments to:

- Improve the export capacity of service suppliers, with particular attention to:
 - the marketing of tourism and cultural services
 - the needs of small and medium-sized enterprises
 - franchising
 - negotiation of mutual recognition agreements. (ie. agreements where EU and CARIFORUM institutions recognize each other qualifications and licences etc.)
- Improve the ability of Caribbean service suppliers to gather information on, and meet, regulations and standards at EU, national and sub-national levels
- Facilitate interaction and dialogue between service suppliers from EU and CARIFORUM countries.
- Address quality and standards needs in CARIFORUM States and help ensure their participation in the development and adoption of sustainable tourism standards
- Develop and implement regulatory regimes for specific service sectors at CARIFORUM regional level and in individual CARIFORUM countries where commitments have been made
- Establish mechanisms for promoting investment and joint ventures between service suppliers from the EU and CARIFORUM countries, and enhance the capacities of investment promotion agencies in CARIFORUM countries.

This section identifies all of the potential sources of trade related assistance which are available to the tourism sector both at a regional level and nationally.

Caribbean Regional Indicative Programme (CRIP)

The Caribbean Regional Indicative Programme (CRIP) is a development cooperation agreement drawn up between the Caribbean region (CARIFORUM) and the European Commission (EC). It sets out the amount and type of aid which will be made available by the EC to the region for the period 2008-2013. The CRIP is administered as part of the broader 10th European Development Fund (EDF) which is an EU development funding mechanism which was committed to under the Cotonou Agreement and which will continue until at least 2020.

Under the current 10th EDF, the EC intends to make available US\$202.5m (€165 m) to the Caribbean through a region-wide fund (in addition to national support programmes). Around US\$175m (€143m) or 87% will be used to increase regional competitiveness and support regional economic integration with the CARIFORUM Single Market and Economy (CSME). Funds will be allocated approximately as follows:

- i) Economic Integration and Trade of the OECS- approximately US\$ 8.1m (€6.6m)
- ii) CSME and CARICOM Integration- approximately US\$30.4m (€24.75m)
- iii) Intra-CARIFORUM Economic and Social Cooperation- approximately US\$28.4m (€23.1m)
- iv) CARIFORUM/FCOR/OCT/EU/LAC Economic Cooperation and Trade- approximately US\$ 8.1m (€6.6m)
- v) EPA Implementation and accompanying measures- approximately US\$89m (€72.6m)
- vi) Investing in Human Capital- approximately US\$12.2m (€9.9m)

This money will be used to provide technical and financial assistance and CARIFORUM tourism organisations and their members are eligible to benefit.

The remaining US\$ 26.32m (€21.45m) (13%) of the CRIP will be used to address vulnerability and social issues in the Caribbean.

The following interventions have already been identified:

- i) Crime and Security Cooperation- approximately US\$12.2m (€9.9m)
- ii) Civil Society Participation- approximately US\$10.12m (€8.25m)
- iii) Institutional Support/ Programme Implementation- approximately US\$4.42m (€3.3m)

A Regional Preparatory Taskforce has been created to undertake a needs assessment of the region and to establish where funds should be channelled. Six studies have already been completed covering Competitiveness and Innovation; Customs and Trade Facilitation; Competition Policy; Public Procurement; Technical Barriers to Trade; and Sanitary and Phytosanitary Measures for Fisheries Access to EU market.

On the basis of these studies, CARIFORUM has drafted an as yet unpublished “EPA Implementation Road Map”. The Road Map sets out the legislative and policy actions required at the national and regional levels; timelines for accomplishment of each action; an estimate of the resources required for the implementation of EPA commitments; and possible sources of funding, including those already committed by the EC.

The next vital stage is for CARIFORUM to appoint a regional EPA co-ordinator to facilitate the exchange of information between CARIFORUM and the EU on matters relating to the EPA and to allow the funding from the CRIP to start to flow. This has not yet happened – the European Commission already designated its own EPA coordinator some time ago.

For more information about the EPA Implementation Road Map, the work of the RPTF and the Caribbean Regional Indicative Programme and the funding opportunities which will be available, the best point of contact is currently the CARICOM Implementation Unit:

Mr Brandy Isaacs

Head of EPA Implementation Unit
Caribbean Community (CARICOM) Secretariat.
Georgetown
GUYANA
Tel: (592) 222 0001-75
Fax: (592) 222 0171
Email: piu@caricom.org

National Indicative Programmes

In addition to the regional programme, the 10th European Development Fund also contains national programmes which each member government of CARIFORUM has agreed with the European Commission for the period 2008-13. These national programmes often contain significant funds for trade-related assistance to support Caribbean industries as they confront new competitive threats resulting from trade liberalisation in the EPA and other trade agreements.

Below, this section identifies on a country by country basis, the commitments which CARIFORUM members and the European Commission have made towards providing trade-related assistance which the tourism industry can access or which will be of interest.

This is not a complete listing of all European Commission development programmes in the national programmes; it only contains those programmes which are likely to be relevant to the industry.

Antigua

Technical Cooperation Facility: A Facility of US\$ 368,000 (€300,000) has been allocated to support private sector and civil society groups and provide trade-related technical assistance.

Funds will provide rapid financing for 1) technical assistance, 2) training and capacity-building and 3) conferences and seminars.

Part of the funds will be used to support consolidation of the National Advisory Panel, as a key instrument for enhancing the dialogue between the Government, the private sector and civil society organisations. Focus will also be given to strengthening private sector and civil society organisations internal structure and organisation, broadening their networks, improving their management and setting up sustainable fund-raising mechanism.

Other relevant programmes

Fiscal and Public Sector Modernisation

An indicative amount of US\$3.8m (€3.1m) has been set aside to support implementation of the necessary fiscal and public-sector reforms in Antigua and Barbuda, by enhancing the policy-making and technical capacity of the Ministry of Finance.

Contact Point:

Ambassador Clarence Henry
Ambassador and Trade Coordinator
Office of the NAO – EPA Implementation Unit
1st Floor, John Henry Building
Corner of Dickenson Bay and Fort Road
St John's
Antigua and Barbuda
Tel: 268-764-0009
Fax: 268-562-4506
email: dr_cchenry@yahoo.com

Bahamas

Technical Cooperation Facility: There is no specific amount allocated for support private sector or civil society groups.

Other relevant programmes

Capacity Building in the Family Islands

A total of US\$5.2m (€4.2 m) has been identified for this programme.

The strategy will concentrate on developing the local infrastructure of the Family islands. Providing adequate physical infrastructure is considered to be a critical requirement for continued growth and competitiveness, particularly in the tourism industry. The purpose of the strategy is to improve local infrastructure and ensure better maintenance and to increase Family Island participation, development and production in areas of goods and services.

The expected results of the strategy are:

- 1) Better island infrastructure, such as road, ports, runways, drainage systems and sea walls, with continuous and on-time maintenance.
- 2) Increased economic activity in goods and services due to better access from and to markets.

The strategy's objectives will be reached through the funding of infrastructure critical to the development of the Family islands and institutional support in the implementation of programmes.

The following themes have been identified for action:

- Institutional strengthening of key ministries
- Institutional strengthening of Bahamas Water Company
- Infrastructure, critical to the development of the Family Islands
- Disaster management
- Support for institutions and groups involved in the implementation of the Islands programme.

Contact Point:

National Authorising Officer
First Assistant Secretary
Ministry of Finance
Nassau, Bahamas
Tel: (00 1 242) 327 1530
Fax: (00 1 242) 327 1618

Barbados

Technical Cooperation Facility: An indicative amount of US\$1.2m (€980,000) has been set aside to support 1) private sector and civil society groups and 2) fiscal, tax and trade-related technical assistance. Funding will be available for 1) technical assistance, 2) training and capacity-building and 3) conferences and seminars.

Part of the funds may be used for consolidation of the NSA National Advisory Panel, as a key instrument for enhancing the dialogue between the Government, the private sector and civil society organisations.

Other relevant programmes

Skills Development

Around US\$ 10.2m (€8.33 m) will be allocated towards strengthening skills and improving the employability of Barbadians in order to reduce vulnerability among youth and to improve overall productivity.

The programme will assess the skills and training that are needed, and put in place an improved framework for skills development. The programme will also seek to form strategic partnerships with the private sector and civil society to undertake mentoring and counselling programmes for the youth and to re-tool and rehabilitate the unemployed and those who are marginalised.

Contact Point:

Mr. Errol Humphrey
EPA Implementation and Coordination Unit
Ministry of Foreign Affairs & Foreign Trade
1 Culloden Road,
St. Michael
Barbados, W.I.
BB14018
Tel. (246) 431-2200
Fax: (246) 429-6652 / (246) 228-0838
Email: barbados@foreign.gov.bb

Belize

Trade related programmes In Belize, US\$ 2.21m (€1.8 m) has been allocated towards building institutional capacity:

- in directing Belize's response to globalisation and trade liberalisation; and
- for the National Authorising Officer's office to effectively coordinate external support for Belize's development strategy.

The US\$ 2.21m (€1.8m) funds are expected to be divided as follows 1) trade related support US\$368,000 (€300,000); 2) economic governance US\$368,000 (€300,000) 3) Technical Cooperation Facility US\$1.47m (€1.2 million).

Other relevant programmes

Poverty reduction through integrated rural development

A total of US\$12.27m (€10m) will be dedicated towards rural development to address poverty reduction.

The programme will aim to stimulate small, medium-sized and micro enterprises in rural areas and support the development of rural infrastructure in the most disadvantaged areas in Belize.

Actions will include increasing incomes from production and diversification of rural communities. Support will be provided for social development, including infrastructure for health and education, roads and electrification.

Groups, communities and institutions are all eligible to make requests for grants.

Contact Point:

National Authorising Officer
Financial Secretary
Ministry of Finance
Belize City
Tel: (501) 822 152
Fax: (501) 822 886

Dominica

Technical Cooperation Facility: A total of US\$700,000 (€570,000) will be earmarked for the Technical Cooperation Facility which will in particular support private sector and civil society groups. Financing will be provided for 1) technical assistance, 2) training and capacity-building and 3) conferences and seminars.

Part of the funds will be allocated to support the consolidation of the National Advisory Panel, as an important instrument for enhancing dialogue among the Government, the EU, the private sector and civil society organisations. Support will also be given to strengthen the capacities of private sector and civil society organisations to support their involvement in policy dialogue within the country.

Other activities to support the private sector and civil society include: capacity building/ training, assistance for establishing a regulatory framework, enhancement of NSA coordination and networking capacities, and launch of a grant scheme for calls for proposals.

Other relevant programmes

Macroeconomic Support

US\$5.52m (€4.5 million) has been identified to provide macro-economic support to stimulate economic growth and reduce poverty. The measures to be adopted are the modernising of the public sector, provide the enabling environment for private enterprise to be the main engine of growth and pursue sectoral strategies for encouraging and fostering the development of tourism and other industries and for increasing exports of goods and services.

Contact Point:

National Authorising Officer
Ministry of Finance and Planning,
26 King George V Street,
Roseau
Dominica
Tel: (1-767) 448 2424 / 5512
Fax: (1-767) 449 9443
E-mail: edf@marpin.dm

Dominican Republic

Technical Cooperation Facility: The Dominican Republic has allocated US\$8.6m (€7 m) to this facility which will provide technical assistance, training, study tours, seminars, conferences for the preparation and evaluation of programmes, as well as the dissemination of policies related to the EU-ACP/Dominican Republic partnership.

Support may also be granted to the preparation of receivable projects for financing in the framework of the Clean Development Mechanism under the Kyoto Convention on Climate Change.

Contact Point:

Dirección de Comercio Exterior y Administración de Tratados Comerciales Internacionales (DICOEX)
Oficina de Administración de Tratados Comerciales
Av. 27 de febrero N.º 209, Ensanche Naco
Santo Domingo, República Dominicana.
Tel.: 809-567-7192
Fax: 809-381-8079
Email: consultas@comex.gov.do

Other relevant programmes

Governance and support for economic and institutional reforms

A total of US\$75.7m (€61.7m) has been made available for a programme which aims to enhance competitiveness by providing for or supporting 1) accompanying measures to economic liberalisation processes; 2) diversification (sectoral and regional) and other strategies addressing the development of competitive advantages; 3) the promotion of measures to increase labour productivity through skills development; 4) measures to encourage inter-enterprise cooperation, including fostering the setting-up of clusters.

Bi-national programme including local development of the Dominico-Haitian border region

This programme is expected to develop into a bi-national programme, co-funded from regional and Haitian national programmes, to foster development initiatives on a political, economic and commercial, social as well as cultural level. The planned allocation is expected to be US\$18.4m (€15m).

Grenada

Technical Cooperation Facility: Around US\$613,000 (€500,000) will be made available to support private sector and civil society groups, to promote good governance in the tax area and to provide Trade-Related Technical Assistance.

In particular, rapid financing will be provided for 1) technical assistance, 2) training and capacity-building and 3) conferences and seminars.

Contact Point:

Mr Oliver Joseph
Permanent Secretary (Trade)
Ministry of Finance, Planning and Trade
Ministerial Complex –4th Floor
Botanical Gardens
St. George's
Grenada.

Tel: 473-440-2731-6

Fax: 473-440-4115

email: ojgda@hotmail.com

Guyana

Technical Cooperation Facility: The Facility will have US\$ 1.23m (€1 m) made available to it. It will provide funding for studies to prepare for the implementation of the 10th EDF, to conduct audits and evaluations where they are not provided for in the Financing Agreements, to facilitate participation by the national authorities in seminars and conferences overseas and in training professions or in EDF and Budget line procedures; and to provide funding for any ad-hoc technical assistance needs to support the programme implementation.

Other relevant programmes

Economic and Social Infrastructure: support to Coastal Management

A total of US\$ 18.2m (€14.8 m) has been set aside for infrastructure work to continue enhancing Guyana's protection against the sea in low-lying parts of the country. It will focus on 1) prioritizing investments needed to upgrade critical sea defence structures and locations 2) supporting the preventative maintenance programmes and 3) institutional strengthening and capacity building.

Contact Point:

Ministry of Finance
Main & Urquhart Streets
Georgetown
Tel: (592) 225 60 88 / 227 11 14
Fax: (592) 226 12 84

Haiti

The agreement of the National Indicative Programme for Haiti predated the earthquake and therefore does not reflect the very large additional sums of emergency support which are now being provided to the country by the European Commission and other international donor agencies.

Contact Point:

Ordonnateur national du FED
Bureau de l'Ordonnateur national,
4 rue Morelly
Christ-Roi
Port-au-Prince
Tel. (509) 238 1363
Fax. (509) 245 9907
E-mail: ordonnateurnlhaiti@yahoo.com

Jamaica

Technical Cooperation Facility: US\$5.22m (€4.25m) has been allocated to the Facility and towards supporting private sector and civil society groups.

Contact Point:

Mr. David Prendergast
Head, Trade Implementation/CSME Unit
Ministry of Foreign Affairs and Foreign Trade
21 Dominica Drive
Kingston 5
Jamaica

Tel: 876-501-0954/876-926-4220, Ext.3433
Fax: 876-929-6733
email: csmemfaja@cwjamaica.com/ dpmfajam@gmail.com

Other relevant programmes

Governance (Security, Peace and Justice)

A total of US\$40.5m (€33m) will be made available to a programme for the reduction of poverty through crime and violence reduction and towards improving human rights. More specifically, efforts will be made to enhance the capacity of the executive and judiciary to manage crime; and in collaboration with communities to prevent and to uphold the rule of law.

St Lucia

Technical Cooperation Facility: St Lucia has allocated US\$736,200 (€600,000) towards a Technical Cooperation Facility which will be used to provide rapid financing for 1) technical assistance, 2) training and capacity-building and 3) conferences and seminars

The funds will also be used to assist private sector and civil society groups to participate in political dialogue, policy dialogue, and programming/review of the EU development aid as well as to take part in the design, implementation and review of national development strategies.

Private Sector Development

A sum of US\$8.34m (€6.8m) will be made available to the Private Sector Development scheme.

The programme will aim to achieve an export-ready private sector. This component will specifically target outward-oriented and export-ready companies seeking product and market diversification.

- Consultations will be held with all relevant private-sector stakeholders to assess their needs and develop a more conducive business environment.
- Review of the legislative, institutional, business and investment environment will be undertaken with a view to eliminating bureaucratic hurdles and bottlenecks that impeded the growth of business.
- Establishment and strengthening of institutions supporting investment and export development.
- Provision of support to facilitate the export-readiness and innovative activities of firms.
- Review of the economic infrastructure/utilities sector with a view to improving its efficiency.

A second component of the programme will be to ensure the adequacy of human resource. This component will be addressed indirectly by supporting training and retraining. The main elements of this intervention are:

- Consultation with relevant stakeholders to assess the required skills and training needs, based on a demand-driven approach.
- Establishment of an appropriate framework for facilitating private sector-driven skills development.
- Establishment of a sustainable funding modality that will facilitate demand-driven training, including employer and student fee contributions.

Contact Point:

Mrs Marie-Ange Leonard
Permanent Secretary
Ministry of Trade, Industry, Commerce and Consumer Affairs
Heraldline Rock Building
Waterfront, Castries,
Saint Lucia
Tel: 758 468 4202
Fax: 758-453-7347
email: mleonard@gosl.gov.lc

St Kitts and Nevis

Technical Cooperation Facility: A total of US\$552,210 (€450,000) has been earmarked for this trade cooperation facility which will provide rapid financing for 1) technical assistance, 2) training and capacity-building and 3) conferences and seminars.

Part of the funds will be allocated to support private sector and civil society organisations in particular for the identification/establishment and consolidation of a Forum as an important instrument for enhancing dialogue among the Government, the EU, the private sector and civil society organizations.

Contact Point:

Ambassador Rosalyn E. Hazelle
Ambassador Plenipotentiary
Ministry of International Trade, Industry, Commerce and Consumer Affairs
Government Headquarters
Church Street, P.O. Box 186
Basseterre, St Kitts and Nevis
Tel: 869-466-4730
Fax: 869-465-1778
email: rhazelle@yahoo.com/rosalyn.hazelle@gov.kn

Other relevant programmes

Safety and Security

A US\$4.66m (€3.8m) programme will focus on improving safety conditions in St Kitts and Nevis in order to ensure a stable environment for sustainable growth and investment.

The two main interventions will be

- capacity building and human resource development in the security sector (improve training, identify skills needs, develop expertise); and
- the development and modernisation of security services (upgrading police stations, installing CCTV, establishing a Neighbourhood Wood Programme).

St Vincent and Grenadines

Technical Cooperation Facility: The TCF will have US\$552,210 (€450,000) at its disposal to provide rapid financing for 1) technical assistance, 2) training and capacity-building and 3) conferences and seminars.

Part of the funds under the Facility will be allocated to private sector and civil society groups via the Task Force of the NESDEC to support these groups involvement in the policy dialogue within the country. This would focus mainly on strengthening the NSAs' internal structure and organisation, broadening their networks, improving their management qualities and setting up sustainable fund raising mechanisms.

The Technical Assistance for private sector development will complement current EC cooperation with SVG in the area of private sector development (which mainly fund direct assistance to the private sector) by focusing mainly helping government to put in place business friendly policies. Technical assistance may also be provided to representative associations of the private sector, which are dedicated to advise farmers and small entrepreneurs on product and market development matters.

Contact Point:

National Authorizing Officer
Ministry of Finance and Planning
Kingstown
Tel: (00 1 784) 457 17 46
Fax: (00 1 784) 456 24 30

Suriname

Technical Cooperation Facility: The TCF will have US\$2.49m (€2.3m) to address cross-cutting issues, including good governance, gender, participation of private sector and civil society groups, environment, EPA support and for eventual contributions to regional projects

Several projects under the 9th EDF are still in the pipeline to be prepared and/or implemented, namely including 'Institutional Strengthening for the Tourism sector'.

Contact Point:

National Authorizing Officer
Postal Address: Ministry of Planning and Development Cooperation (PLOS)
Dr.Sophie Redmondstraat 118
Paramaribo
Tel: (00597) 477223/471108
Fax: (00597) 421056/471108

Trinidad and Tobago

Trade Cooperation Facility: The facility will receive funds totalling €1 million which will be used to provide rapid financing for 1) technical assistance, 2) training and capacity-building and 3) conferences and seminars.

Support for a transitional economy

A total of US\$20.13m (€16.4 m) will be made available to the programme which will include technical assistance for Small and Medium Sized Enterprises to encourage, competitive, high value-added, innovative and export-oriented activities. Cooperation will be promoted between enterprise and the University to support the development of a knowledge-based industrial and service sector. Educational and regulatory services initiatives will be introduced to stimulate an innovation culture to develop and link risk capital, market oriented R&D, and entrepreneurial skills.

Contact Point:

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Deputy Permanent Secretary
Ministry of Trade and Industry
Nicholas Towers, Independence Square
Port-of-Spain
Trinidad and Tobago
Tel: 868-623-3901
Fax: 868-627-8488
email: wpunnette@tradeind.gov.tt

Other relevant programmes

Good Governance

US\$9.82m (€8 m) has been allocated to the Governance scheme which will include programmes to:

- Improve the criminal justice system;
- Improve efficiency and effectiveness of the police, judicial and prison systems;
- Improve protection of the physical environment through legislation and effective compliance mechanisms;
- Results based management for government services.

Bilateral programmes supported by EU member states:

Under the EU's Aid-for-Trade Strategy, EU Member States have committed to reach an annual amount of US\$1.23bn (€1 bn) by 2010 in trade-related assistance, with 50% of this amount available for ACP countries. The EU has given an undertaking that CARIFORUM countries will receive an equitable share of Aid-for Trade assistance being provided to the ACP.

The principal Aid-for-Trade programmes which are currently in place and which aim specifically to assist Caribbean companies to adjust to, and take advantage of, the provisions of the EPA are as follows:

Compete Caribbean Programme

‘Compete Caribbean’ is a US\$32.5m (€26.5m) aid-for-trade programme co-organised between the Inter American Development Bank (IDB), the Canadian International Development Agency (CIDA), and the UK Department for International Development (DFID). It came into operation in March 2010 and will last six years.

The programme has established an ‘Enterprise Innovation Challenge Fund’ which offers matching grants to private sector businesses - clusters, and small and medium-sized enterprises – to help them develop innovative products and services that are able to compete in regional and global markets.

Compete Caribbean will also support business climate reforms to create a sound enabling environment for private sector growth by supporting regulatory reform and public-private dialogue, within a comprehensive private sector development framework.

For more information about the fund, please contact:

Mr JJ Saavedra
IADB Trade Specialist
Program Coordinating Unit
Christchurch
Barbados
Tel. (246) 227-8522
Email. Josejs@iadb.org

Caribbean Aid for Trade and Regional Integration Trust Fund (CARTFund)

CARTFund is a US\$7.45m (€6m) Trust Fund, financed by the UK Government and administered by the Caribbean Development Bank (CDB). The overall aim of the CARTFund is to assist CARIFORUM member countries in boosting growth and reducing poverty through trade and regional integration.

The CARTFund seeks to help the CARIFORUM member countries to 1) participate more effectively in CSME and to effectively administer international trade agreements; and 2) accelerate Caribbean implementation of CSME and EPA provisions.

Prospective recipients of the Trust Fund’s Resources must submit an application to the CDB. Eligible applicants must be a CARICOM/CARIFORUM entity such as a Government or a legitimate, registered private company or non-governmental organization. The proposal must be relevant to trade and/or regional integration and the project budget should not be less than US\$100,000 (€81,470). The period of implementation should not exceed 2.5 years.

Successful beneficiaries of the CARTFund from the tourism industry already include Grenada’s Hotel and Tourism CARIBCERT, a hotel workers training programme, and the CHTA who received funding from CARTFund for the development of this handbook.

For more information about the fund, please contact:

Ms. Valerie Pilgrim
Operations Officer, Project Services Division, Projects Department
Caribbean Development Bank
P.O. Box 408
Wilkey, St. Michael BB11000
BARBADOS
Tel: (246) 431-1686
Fax: (246) 426-7269
E-mail: pilgriv@caribank.org

GTZ in partnership with Caribbean Export

The German Technical Assistance Agency GTZ has selected Caribbean Export to partner with it to execute a US\$5.7m (€4m) project to assist with the implementation of the CARIFORUM EPA with a focus on services exports including tourism specifically.

The project is likely to field six long term advisers in the region and will be implemented in close cooperation with the CARICOM Secretariat in Guyana and Caribbean Export in Barbados. It is expected to begin operations early in 2010 and last for three years.

Contact Point:

Mr Robert Glass
GTZ Project Manager
CARIBBEAN EXPORT DEVELOPMENT AGENCY
Barbados Headquarters
Hastings
Christ Church
Barbados
Tel: +1(246) 436-0578
Fax: +1(246) 436-9999
E-mail: Robert.glass@gtz.de

HOW WILL THE AGREEMENT AFFECT TOURISM INDUSTRIES IN THE FRENCH CARIBBEAN OVERSEAS REGIONS, THE OCT AND CUBA

The French Caribbean Overseas Regions (FCOR) (Martinique, Guadeloupe, and Guiane (and Saint-Barts and Saint -Marten), the Overseas Countries and Territories (non-independent Caribbean) and Cuba all have very significant tourism industries of their own and are in direct competition with tourism providers across the CARIFORUM states which have signed the EPA. As non-EPA signatories, how will this trade agreement and its provisions affect them?

As has been noted above, for the tourism industry, the principal advantages of being in a CARIFORUM country which has signed an EPA are as follows:

- a) Reduced import duties on goods imported from Europe
- b) Access to new competitive EU service providers in key sectors such as IT, telecoms, environmental services.
- c) The possibility to expand into Europe and provide services there
- d) Substantial aid-for-trade support in the form of technical assistance, training and capacity building.

Of these advantages, points a) and b) (ie. reductions on import duties and providing market access to EU service providers in certain key sectors) are the responsibility of the Caribbean countries concerned and should they wish, the OCTs, FCOR and Cuba could also decide to put in place similar market access conditions for European goods and services.

For points c) and d) the picture varies significantly between the OCTs, FCOR and Cuba as follows:

c) The possibility to expand into Europe and provide services there

French Caribbean Overseas Regions (FCOR)

The FCOR are considered to be part of the EU and as such tourism providers in the FCOR have full market access to provide their services in Europe.

Interestingly, as European providers, FCOR companies will now be able to provide services in CARIFORUM countries where these have been liberalised.

OCT

The OCTs formal trade relationship with the EU is governed by the OCT Decision of 2001. This does not grant any provisions to allow OCT companies to provide their services in Europe.

The EPA includes a provision to possibly include the OCTs into the Agreement at a later date.

Cuba

Cuba trade relationship with the EU is governed by the rules of the World Trade Organisation to which both sides are signatories. On this basis, Cuba's tourism industry has no access to the EU market for services.

d) Substantial aid-for-trade support in the form of technical assistance, training and capacity building

French Caribbean Overseas Regions (FCOR)

As an “outermost region” of the EU, the FCOR have a separate package of funding support which also includes support towards regional integration and addressing the impacts of the EPA.

In the period 2007-2013, the outermost regions will benefit from EU funding totalling some US\$11.6 billion (€7.8 billion) under the European Regional Development Fund (ERDF), European Social Fund (ESF), European Agricultural Fund for Rural Development (EAFRD), European Fisheries Fund (EFF) and the Programme of Options Specifically Relating to Remoteness and Insularity (POSEI). Specific public aid schemes and special tax regimes are also in place to support them.

The funding which is most relevant to the tourism industry is allocated via a European programme called INTERREG which has three core priorities:

- Economic Development
- Regional Competitiveness and Employment
- Territorial Cooperation with neighbouring CARIFORUM states

This support can take the form of:

- direct aid to investments in companies (in particular SMEs) to create sustainable jobs
- infrastructures linked notably to research and innovation, telecommunications, environment, energy and transport
- financial instruments (capital risk funds, local development funds, etc.) to support regional and local development and to foster cooperation between towns and regions
- technical assistance measures

More information about the specific assistance which is available to the FCOR tourism industry can be found at: http://www.interreg-caraibes.org/IMG/pdf/Interreg_IV_Caribbean_programm_Strategic_orientations.pdf

OCT

The OCTs have a separate funding allocation within the European Development Fund for the period 2008-13. For 2008-13, OCTs have been allocated US\$351m (€286m) of funding as follows:

- US\$239m (€195m) for specific programmes (all OCTs with a per capita GNP < the EU's)
- US\$49m (€40m) for regional cooperation and integration
- US\$37m (€30m) is allocated to finance the OCT Investment Facility managed by the European Investment Bank (EIB); it should be noted that the EIB also makes available EUR 30 million for loans from its own resources.
- US\$7.3m (€6m) for technical assistance
- US\$18.4m (€15m) for emergency aid

It should be noted that the majority of this funding is not available to Caribbean OCTs (other than Montserrat) because they enjoy a per capita income which is higher than that of the EU and are therefore not eligible for this support. They are however eligible for support from the ‘regional cooperation and integration’ window, for support from the European Investment Bank and for ‘technical assistance’.

The support of tourism services is a major element of the long-term EU-OCT development cooperation strategy (as set out in the 2001 OCT Decision). In particular, the EU has committed to support measures and operations to develop and support sustainable tourism from the identification of the tourist product to the marketing and promotion stage. Their support is focussed on:

(a) human resource and institutional development, including:

- professional management development in specific skills and continuous training at appropriate levels in the private and public sectors to ensure adequate planning and development;
- establishment and strengthening of tourism promotion centres;
- education and training for specific segments of the population and public/private organisations active in the tourism sector, including personnel involved in sectors that support tourism;
- inter-OCT and OCT-ACP cooperation and exchanges in the fields of training, technical assistance and the development of institutions.

(b) the development of products including, including:

- identification of the tourism product, development of non-traditional and new tourism products, adaptation of existing products including the preservation and development of cultural heritage, ecological and environmental aspects, management, protection and conservation of flora and fauna, historical, social and other natural assets, development of ancillary services
- promotion of private investment in the OCTs' tourist industries, including the creation of joint ventures
- production of crafts of a cultural nature for the tourist market

(c) market development including, including:

- assistance for the definition and execution of objectives and market development plans at local, sub-regional, regional and international levels;
- support for the OCTs' efforts to gain access to services for the tourist industry such as central reservation systems and air traffic control and security systems;
- marketing and promotional measures and materials in the framework of integrated market development plans and programmes with a view to improved market penetration, aimed at the main generators of tourism flows in traditional and non-traditional markets as well as specific activities such as participation at specialised trade events, such as fairs, production of quality literature, films and marketing aids

(d) research and information including, including:

- improving tourism information and collecting, analysing, disseminating and utilising statistical data;
- assessment of the socio-economic impact of tourism on the economies of the OCT with particular emphasis on the development of linkages to other sectors in the OCT and the surrounding regions, such as food production, construction, technology and management.

The EPA states specifically that wherever possible the EU and CARIFORUM will seek to facilitate the involvement in all areas of the agreement with the OCTs.

The specific detail of funds which are being allocated to programmes which are of relevance to the tourism industry is contained in the Single Programming Documents (not yet available, see: http://ec.europa.eu/development/geographical/regionscountries/regionscountriesoctsspd_en.cfm)

Separately, the OCTs are eligible for support from bilateral aid-for-trade programmes from European member states as detailed in the section on Development.

Cuba

For the time being, Cuba remains outside the Cotonou Convention and is therefore not eligible to participate in the 10th European Development Fund through which the Aid-for-Trade assistance attached to the Economic Partnership Agreement is being delivered.

Cuba could potentially be eligible for bilateral programmes from EU member states which are detailed in the section on Development.

ANNEX I

Title II, Chapter 5, Section 6, on Tourism Services

TOURISM SERVICES

Article 49

Scope

This Section sets out the principles of the regulatory framework for all tourism services liberalised in accordance with Chapters II, III and IV of this Title.

Article 50

Prevention of anticompetitive practices

In accordance with the provisions of Chapter 1 of Title IV, appropriate measures shall be maintained or introduced for the purpose of preventing suppliers, in particular in the context of tourism distribution networks⁸, to affect materially the terms of participation in the relevant market for tourism services by engaging in or continuing anti-competitive practices, including, inter alia, abuse of dominant position through imposition of unfair prices, exclusivity clauses, refusal to deal, tied sales, quantity restrictions or vertical integration.

Article 51

Access to technology

The EC Party and the Signatory CARIFORUM States shall endeavour to facilitate the transfer of technology on a commercial basis to establishments in the Signatory CARIFORUM States.

Article 52

Small and medium-sized enterprises

The EC Party and the Signatory CARIFORUM States shall endeavour to facilitate the participation of small and medium-sized enterprises in the tourism services sector.

Article 53

Mutual Recognition

⁸ For the purpose of this section, tourism distribution networks means tour operators and other tourism wholesalers (both out-bound and in-bound), computer reservation systems and global distribution systems (whether or not connected to airlines or provided through the internet), travel agencies and other distributors of tourism services.

The Parties shall cooperate towards the mutual recognition of requirements, qualifications, licenses or other regulations in accordance with Article 24 of this agreement.

Article 54

Increasing the Impact of Tourism on Sustainable Development

The Parties shall encourage the participation of CARIFORUM services suppliers in international, regional, sub-regional, bilateral and private financing programs to support the sustainable development of tourism.

Article 55

Environmental and quality standards

The EC Party and the Signatory CARIFORUM States shall encourage compliance with environmental and quality standards applicable to tourism services in a reasonable and objective manner, without constituting unnecessary barriers to trade, and shall endeavour to facilitate the participation of the Signatory CARIFORUM States in relevant international organizations setting environmental and quality standards applicable to tourism services.

Article 56

Development cooperation and technical assistance

1. The Parties shall cooperate for the advancement of the tourism sector in the Signatory CARIFORUM States, given the inherent asymmetries in respective levels of development of the Parties.
2. Subject to the provisions of Article 7 of this Agreement, the Parties agree to cooperate, including by facilitating support in the following areas:
 - i. The upgrading of national accounting systems with a view to facilitating the introduction of Tourism Satellite Accounts (TSA) at the Regional and local level;
 - ii. Capacity building for environmental management in tourism areas at the Regional and local level;
 - iii. The development of Internet marketing strategies for small and medium-sized tourism enterprises in the tourism services sector;
 - iv. Mechanisms to ensure the effective participation of Signatory CARIFORUM States in international standard setting bodies focused on sustainable tourism standards development; programmes to achieve and ensure equivalency between national/regional and international standards for sustainable tourism; and for programmes aimed at increasing the level of compliance with sustainable tourism standards by regional tourism suppliers;
 - v. Tourism exchange programs and training, including language training, for tourism services providers.

Article 57

Exchange of information and consultation

1. The Parties agree to exchange experiences, information and best practices and to consult on issues covered by this section and relevant to trade between the Parties. The Joint Committee shall develop modalities for this regular dialogue on the issues covered by this section.
2. The Parties shall invite private and other relevant stakeholders to this dialogue, where relevant and agreed by them.
3. The Parties agree further that regular dialogue would be useful on the issuance of travel advisories.

ANNEX II

List of Duty Waivers Applicable to Tourism Providers in Caribbean Jurisdictions

Antigua and Barbuda

The Antigua and Barbuda government offers a number of concessions to new businesses involved in the tourism industry. Potential benefits include:

- freedom from the payment of Corporate Tax on the profits arising out of the profitable operations of a new company for a period of 15 years in the first instance which is eligible for renewal for a further 15 years;
- waiver of all import duties on consumption tax on the importation of materials and equipment used in the operations of the company;
- Grant of an export allowance in the form of an extended tax holiday on the exportation of goods produced in Antigua and Barbuda;

For more information contact the Ministry of Tourism.

The Ministry of Tourism
Government Complex
Queen Elizabeth Highway
St. John's, Antigua, West Indies
Tel: 268-462-0480
Fax: 268-462-2483
Email: deptourism@antigua.gov.ag

<http://www.tourismantiguabarbuda.gov.ag/index.html>

Bahamas

The Bahamas government has introduced a number of policies to encourage internal and foreign investment into the Tourist Industry.

The Hotels Encouragement Act provides for duty-free entry of approved construction materials, furnishings, and fixtures for hotel development. Recent amendments to the Act have reduced the number of rooms required for new hotels to access this incentive to five rooms for hotels in the Family Islands.

The Promotion of Tourism Act established the Minister for Tourism with the responsibility of promoting The Bahamas and increasing tourist traffic. The Act also provides the basis for co-operation between the Ministry of Tourism and the hotel industry.

Additionally, under the Hotel & Tourism Investment Incentives companies that locate in The Bahamas pay no taxes on personal or corporate income, capital gains, dividends, interest, royalties, sales, estate, inheritance or payrolls.

Finally, funding is available from the Inter-American Development Bank for establishing environmentally-sensitive hotel and resort ventures in The Bahamas. Such funding no longer requires government guarantees.

For further information on incentives and policies contact the Ministry of Tourism:

P.O. Box N-3701
Nassau, Bahamas
Tel: 242-302-2000
E-mail: tourism@bahamas.com
www.bahamas.com

Barbados

Through the Tourism Development Act, companies may be excluded from payment of customs duty on a range of items.

- For hotels, key items include kitchen appliances, food beverage equipment, furnishings and sports and leisure equipment.
- Restaurants may import the following without payment of customs duty once every 5 years: kitchen appliances, food beverage equipment and furnishings.
- For villas, a number of items may be imported without payment of customs duty once every 5 years, including: cooking equipment, furniture and bedding.
- Attractions and enterprises involved with Sport and Leisure are also eligible for concessions.

For further information contact Invest Barbados:

P.O. Box 1009
Bridgetown, St. Michael
BARBADOS, BB11142
Tel: (246) 626-2000
E-mail: info@investbarbados.org
Website: www.investbarbados.org

Belize

Investment is encouraged through the Fiscal Incentives Act. Incentives include Tax Holidays and Duty Exemptions. Tax Holiday periods may be extended from the normal 5 years to an extended term of 10 years for new companies involved in tourism.

In addition to tax holidays, the Act allows duty exemptions to every company which has been granted an Approved Enterprise Order (Development Concession) to import into Belize. The following items are excluded from paying import duty:

- All building materials, utility and transport vehicles;
- fixtures and fittings, office equipment and appliances; and
- any raw materials or other items for the sole use of the approved enterprise.

An additional Fiscal Incentives Act has been devised for Small and Medium Enterprises. The SME Program was designed and created to encourage investments by Belizeans who are investing below USD\$150,000.00. To qualify, companies should not employ more than 15 persons and should not have an annual turnover which exceeds USD\$250,000.00.

For information on how to become eligible for either of the Fiscal Incentives Acts contact:

Permanent Secretary
Ministry Of Economic Development
Belmopan, BELIZE C.A.
Tel: (501)-8-22526

For further information contact:

Belize Trade and Investment Development Service
14 Orchid Garden, Belmopan City
Cayo District, Belize
Tel: (501) 822-3737
Website: www.belizeinvest.org.bz
Email: beltraide@belizeinvest.org.bz

Dominican Republic

The Tourism Development Law supports scarcely developed tourist destinations and new destinations in provinces and locations that are considered to have great potential.

The purpose of the law is to increase the pace of the development of the tourist industry in regions with great potential or with excellent natural conditions for tourism exploitation. A number of incentives and benefits are being offered to entrepreneurs and businesses to help achieve this.

Tourist activities which are being encouraged include the development of hotel facilities, resorts or hotel complexes; businesses engaged in the promotion of cruises and small-and medium-sized businesses whose market is fundamentally related to tourism.

Businesses qualifying for this law may be exempted one hundred percent from paying income tax; national and municipal taxes levied on the use and issuance of construction permits; and import duties and other taxes that are applicable to the equipments, materials and furnishings needed for initially equipping and putting into operation the tourist resort concerned.

The Council on Tourism Development (Consejo de Fomento Turístico-CONFOTUR) is in charge of applying the law. However, all applications for qualification should be filed at the Ministry of Tourism (<http://www.godominicanrepublic.com>).

Dominica

The Government of Dominica provides a range of fiscal incentives to investors for new and existing enterprises under the following legislations:

- The Fiscal Incentives Act;
- The Hotels Aid Act;
- The Income Tax Act;
- Value Added Tax Act.

Examples of the incentives that are available include:

- The granting of a tax holiday of up to twenty years for approved hotel and resort developments;
- Exemption from payment of import duties on building materials, furniture & fittings, and operation vehicles;
- Equipment and machinery are provided for the construction, upgrading, expansion and renovation of hotel properties;

For further information contact the Invest Dominica Authority:

1st Floor Financial Centre
 Roseau
 Dominica
 Phone: 17674482045
 Email: investdominica@investdominica.dm
 Website: http://investdominica.dm/index.php?option=com_frontpage&Itemid=1

Grenada

Tourism projects which are in excess of EC\$500,000 or employing in excess of 20 Grenadians may be eligible for a number of benefits and incentives. Including:

- Fiscal incentives under the Income Tax Act;
- Investment Allowance of 100% of the cost of building, plant and equipment to be written off against taxable income for a period of ten years.
- Tax credit of 15% of qualifying training expenditure (all projects)
- Carry forward of 100% of assessed losses for five years (all projects)
- Exemption from withholding tax on interest payments on initial loan financing
- Exemption from customs duties, consumption tax, exercise tax under the Customs Tariff

Projects which may be entitled to support include hotels, villas, restaurants, attractions and sport and leisure facilities.

For further information contact the Grenada Board of Tourism:

Grenada Board of Tourism
 Burns Point
 PO Box 293
 St. George's
 Grenada, West Indies
 Tel: 473 440 2279/2001/3377

Email: gbt@caribsurf.com

Website: <http://www.geographia.com/grenada/>

Guyana

Companies involved in tourism may be eligible once every five years for a package of incentives, comprised mainly of Duty and Consumption Tax waivers on basic furnishing, equipment, and building materials. Concessions are limited to 50% of the value of the items for new projects and 25% for renovations and extensions to existing hotels.

The following businesses are eligible for tourism concessions:

- An existing guest house or hotel with no less than 15 rooms;
- An existing resort development in interior locations;
- Existing tour operators and tourist facilities approved by the Ministry of Tourism or its designated authority.

The following minimum characteristics for a new investment are required:

- A guest house or hotel must be for at least 15 rooms;
- The new investment must be for a resort development in an interior location.

Items which are eligible for consumption tax and duty free importation include electronic goods, cooking equipment, furniture and building materials.

For further information contact:

The Guyana Office for Investment
190 Camp and Church Streets
Georgetown, Guyana
South America
Tel: +592 225 0658; 227 0653/4
Website: <http://www.goinvest.gov.gy/>

Jamaica

The Jamaican Government operates a number of incentives acts which may extend benefits to enterprises engaged in the tourism industry.

The Hotels Incentives Act provides income tax relief and import duty concessions for up to ten years for approved hotel enterprises, and 15 years for convention-type hotels having an aggregate number of not less than 350 bedrooms and facilities for the holding of conferences. Approved hotel enterprises must have ten or more bedrooms with facilities for meals and accommodation for transient guests, including tourists.

The Resort Cottages Incentives Act provides recognized resort cottages with income tax relief for up to seven years and import duty concessions on imported building materials and furnishings.

The Attractions Incentive Regulation was introduced to stimulate growth in the attractions industry. Benefits under the regulation include the importation of specific items free of general consumption tax and customs duty for five years and a five-year exemption from corporate taxes for investors.

For further information visit the Jamaica Trade and Investment website at:
<http://www.jamaicatradeandinvest.org/home>

St Kitts & Nevis

St Kitts and Nevis operates a Hotels Aids Act. The Act provides relief from customs duties on items brought into the country for use in construction, extension and equipping of a hotel of not less than 10 bedrooms. In addition, the Income Tax Act provides special tax relief benefits for hotels of more than 30 bedrooms. These hotels are exempt from income tax for 10 years. If the hotel contains less than 30 bedrooms, gains or profits would be exempt from income tax for 5 years.

For further information contact the St. Kitts Tourism Authority:

St. Kitts Tourism Authority
Pelican Mall, Bay Road
P.O. Box 132
Basseterre, St. Kitts, W.I.
Phone: 869-465-4040
Email: minister@stkittstourism.kn
Website: <http://www.geographia.com/stkitts-nevis/index.html>

St Vincent and Grenadines

Companies engaged in tourism may be eligible for the following benefits:

- Complete or partial exemption from income tax on profits;
- Significant Tax holidays ;
- Import tax concessions on various items.

For further information contact the Government of St Vincent and the Grenadines:

Ministry Telecommunications, Science, Technology & Industry
Telephone: (784) 456-1223, 456-1111 Ext. 404/405
E-mail: webunit@mail.gov.vc
Website: <http://www.gov.vc/pages/index.html>

St Lucia

Under the Tourism Incentive Act, approved tourism products are eligible to receive tax exemptions. The Cabinet of Ministers determine the period of the exemption from tax on income, customs duties and consumption tax on an approved tourism product.

An investor who wishes to own or operate a tourism product must apply for approval of the tourism

project, by submitting a proposal to the Minister of Tourism.

Under the Fiscal Incentives Act a number of concessions may be granted to enterprises:

- Tax holiday up to a maximum of fifteen (15) years
- Waiver of Import Duty and Consumption Tax on imported raw and packaging materials.
- Export Allowance or Tax relief on export earnings.

For further information contact the Ministry of Tourism:

Ministry of Tourism and Civil Aviation
4th FL, Heraldine Rock Building
Waterfront, Castries
Saint Lucia, West Indies
Tel: (758) 453-6644 or (758) 451-6849
Email: psmot@gosl.gov.lc

Trinidad and Tobago

The Tourism Development Act was introduced to support the development of tourism in Trinidad and Tobago. The Act provides for benefits to be granted to the owners/operators of various types of tourism projects, once these projects have the potential of contributing substantially to the development of the tourism sector.

The benefits being offered are as follows:

- Tax Benefits
- Customs and Excise Duty Exemptions
- Other Tax Benefits

For further information contact the Tourism Development Company:

TDC, Level 1
Maritime Centre
29 Tenth Avenue
Barataria
Republic of Trinidad and Tobago
Tel: (868) 675 7034-7
Email: info@tdc.co.tt
Website: www.tdc.co.tt

Annex III

Web-links to relevant EPA-related sites

- Full text of the European Commission-CARIFORUM Economic Partnership Agreement

http://trade.ec.europa.eu/doclib/cfm/doclib_results.cfm?docId=137971

- European Commission background information on the EPA

http://ec.europa.eu/trade/issues/bilateral/regions/acp/news_epa_en.htm

- CARICOM Office of Trade Negotiations information and briefing papers on the EPA

http://www.crnw.org/index.php?option=com_docman&Itemid=95

- National Indicative Programmes under the 10th European Development Fund

http://ec.europa.eu/development/geographical/methodologies/strategypapers10_en.cfm

- Full text of the Cotonou Agreement

http://ec.europa.eu/development/geographical/cotonou/cotonoudoc_en.cfm

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