



OFFICE OF TRADE NEGOTIATIONS

... for trade matters

# **Developing the Export Readiness of Trinidad & Tobago's Enterprises for the European Union Market**

## **FIT 4 EUROPE**

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# Presentation Outline

- About the OTN
- EPA Overview
- EU Major Economic and Demographic Indicators
- Bilateral Trade
- Q&A

# About the OTN

- The OTN now has responsibility for the coordination, development, and execution of negotiating strategies for **ALL** Community external trade negotiations.

# EPA Overview

- EPA signed in 2008 between 15 CARIFORUM (CF) countries and 27 European Union (EU) Member States at the time.
- The EPA provides a comprehensive framework for trade and investment and related cooperation between CF and the EU.

# EPA Overview Con't

- The EPA covers areas such as:
  - ▣ trade in goods
  - ▣ trade in services
  - ▣ investment
  - ▣ e-commerce
  - ▣ Development Cooperation
  - ▣ trade-related issues – competition policy, innovation and intellectual property, government procurement, labour, environment
  - ▣ Protocol on Cultural Cooperation

# EPA Overview Con't

- Under the EPA, the EU offers 100% duty free/quota free access for CARIFORUM goods.
- The Agreement provides for CARIFORUM states to liberalise 86.9 percent of trade with the EU, with 82.7 percent being liberalized within the first 15 years and the other 4.2% over a 20-25 year period.

# EPA Overview Con't

- 13.1% of CARIFORUM's imports from the EU have been excluded from liberalization.
- Excluded products include fresh fruits and vegetables; dairy and cheese; wines and spirits; bread, biscuits and pastry; wheat or meslin flour; tomato ketchup and tomato sauces; prepared sauces, mixed condiments and seasonings; curry; non alcoholic beverages; cosmetics and garments.

# EPA Overview Con't

- Products subject to phased reduction of duty include:
  - ▣ Extracts and essences (25 years)
  - ▣ Soya sauce
  - ▣ Mustard (20 years)

# EPA Overview Con't

- Products subject to immediate liberalization include (T&T specific):
  - Clay products
  - Paprika
  - Vanilla
  - Mixtures of different types of spices
  - Spices

# EPA Overview Con't

| Baskets     | % of EU Imports | Implementation Period |
|-------------|-----------------|-----------------------|
| Zero basket | 52.8            |                       |
| Exclusions  | 13.1            |                       |
| 5 years     | 56.0            | Jan 1, 2013           |
| 10 years    | 61.1            | Jan 1, 2018           |
| 15 years    | 82.7            | Jan 1, 2023           |
| 20 years    | 84.6            | Jan 1, 2028           |
| 25 years    | 86.9            | Jan 1, 2033           |

# Key Features of EPA

- Rules of origin permit cumulation, i.e. goods can qualify as originating in the CARIFORUM States if they incorporate materials from the CARIFORUM States, EU Overseas Countries and Territories (OCTs), other ACP countries and neighbouring Latin American countries.
- Opportunities for investment from/partnerships with firms seeking to capitalise on preferential access of CARIFORUM goods to the EU market.

# Promoting Consultations & Cooperation

- The EPA provides for:
  - Consultations between the Parties to solve specific SPS problems or problems related to technical measures that may affect CARIFORUM-EU trade;
  - Collaboration between the Parties to enable specific products to meet technical regulations and standards required to access the EU market; and
  - Cooperation to develop the capacity of CARIFORUM enterprises to meet regulatory and market requirements in the EU.

# Market Access for Investors

- Trinidad & Tobago committed to grant market access to EU investors establishing a commercial presence in (including through capital participation in local enterprises).
- Trinidadian investors wishing to set up a commercial presence in the EU (including to provide related or auxiliary services) also afforded access.

# Temporary Entry for Business Persons

- Provision for temporary entry of employees of Trinidadian firms setting up a commercial presence in the EU to work in the commercial presence there (business visitors, intra-corporate transfers, graduate trainees).
- Opportunities for Trinidadian entrepreneurs to enter the EU on a short-term basis for business purposes, e.g. negotiating or concluding sales agreements, market research, trade fairs, exhibitions.

# Services

- The EU made commitments on more than 90% of sectors found in the WTO's W/120 list of service sectors.
- In the case of the CARIFORUM states, the respective levels of market access by lesser (LDCs) and more developed members (MDCs) reached 65% and 75% respectively.

# Services Con't

- Services sectors and sub-sectors liberalized by the EU include Business Services, Communications, Construction, Distribution, Environmental, Financial, Transport, Tourism and Recreation Services.

# Commercial Service Suppliers

- The EU has granted market access for Caribbean professionals in 29 sectors for employees of Caribbean firms (Contractual Service Suppliers - CSS).

# CSS Con't

- In order to gain temporary entry into the EU, CARIFORUM CSS must:
  - Be employed at least for one year by a company which has a service contract in an EU Member State where the duration of the contract does not exceed one year;
  - Be employed by the company supplying the service to the EU for at least one year before submission for visas and temporary entry into the relevant EU state. The individual should also have at least three (3) years relevant experience within the respective field of service;
  - Contractual service providers entering the EU, apart from those supplying fashion model services, Chef de cuisine services and entertainment services(other than audio-visual services), must possess a university degree or an equivalent qualification and professional certification in the relevant area which meets the legal or regulatory requirements of the relevant EU state;
  - Persons are required to provide only the services contracted and should not receive payment for any other apart from those stipulated in the contract and any Trinidadian company which employs the CSS in the EU to fulfil a contract; remains responsible for their remuneration.

# Subsectors Liberalized for CSS

| Nursing           | Tour Guides                | Advertising                               | Accounting & Bookkeeping          | Medical & Dental              | Entertainment (except audio-visual) |
|-------------------|----------------------------|---|-----------------------------------|-------------------------------|-------------------------------------|
| Fashion model     | Higher education (private) | Environmental                             | Maintenance & Repair of Equipment | Translation & Interpretation  | Management Consulting               |
| Architectural     | Mid-wives                  | Market Research & Opinion Polling         | Taxation Advisory                 | Veterinary                    | Research & Development              |
| International Law | Integrated Engineering     | Services Related to Management Consulting | Urban Planning & Landscaping      | Physiotherapy and Paramedical | Technical Testing & Analysis        |
| Engineering       | Computer Related           | Travel Agencies, Tour Operators           | Chef de Cuisine                   | Site Investigation            |                                     |

# Independent Professionals

- Covers:
  - international law
  - architectural services
  - urban planning and landscaping
  - engineering services
  - integrated engineering
  - computer related services
  - research and development services
  - market research and opinion polling
  - management consulting services
  - services related to management consulting
  - translation and interpretation

# Key Personnel and Graduate Trainees

- The temporary entry and stay of key personnel and graduate trainees shall be for a period of up to three years for intra-corporate transfers, ninety days in any twelve-month period for business visitors, and one year for graduate trainees.

# Short term visitors for business purposes

- Facilitation of the following activities for up to 90 days in a calendar year:
  - Research and Design
  - Marketing Research
  - Training Seminars
  - Trade Fairs and Exhibitions
  - Sales
  - Purchasing
  - Tourism Personnel

# The EU Society and Economy

- Single market with 28 countries
- Population of over 500 million people
- The EU's economy is among the largest globally and was bigger than the US's in 2014
- EU GDP in 2014: €13,920,541 million
- The EU is also a major trading nation – accounts for 20% of global trade in goods

# The EU Society and Economy

- ❑ Sluggish economic growth since the global economic and financial crises
- ❑ Weaker euro
- ❑ Ageing population
- ❑ However, decline in oil prices may give some stimulus to EU economy in 2016
- ❑ Based on Q4 2015 data, U.K., Germany, and Spain are growing well

# CARICOM-EU Trade

| Year | Exports to EU<br>(USD1000) | Imports from EU<br>(USD1000) | Trade Balance<br>(USD1000) |
|------|----------------------------|------------------------------|----------------------------|
| 2010 | 2,041,105                  | 2,106,533                    | -65,428                    |
| 2011 | 3,784,031                  | 2,410,641                    | 1,373,390                  |
| 2012 | 2,976,467                  | 2,494,049                    | 482,418                    |
| 2013 | 3,778,248                  | 2,893,369                    | 884,879                    |
| 2014 | 3,080,302                  | 2,592,954                    | 487,348                    |

# Main CARICOM Exports to EU

- Mineral fuels, oils, distillation products
- Organic chemicals
- Non-organic chemicals, precious metal compound
- Sugars and sugar confectionary
- Iron and steel
- Fertilizers
- Beverages, spirits and vinegar
- Edible fruit, nuts, peel of citrus fruit, melons
- Cereals
- Ores, slag and ash

# T&T – EU Trade

| Year | Exports to EU<br>(USD1000) | Imports from EU<br>(USD1000) | Trade Balance<br>(USD1000) |
|------|----------------------------|------------------------------|----------------------------|
| 2011 | 2,507,013                  | 685,550                      | 1,821,463                  |
| 2012 | 1,739,881                  | 778,822                      | 961,059                    |
| 2013 | 2,636,216                  | 893,718                      | 1,742,498                  |
| 2014 | 1,966,836                  | 752,090                      | 1,214,746                  |

# Main Exports from T&T to EU

- ❑ Mineral fuels, oils, distillation products (53% of total exports in 2014)
- ❑ Organic Chemicals
- ❑ Iron and Steel
- ❑ Fertilizers
- ❑ Inorganic chemicals, precious metal compound
- ❑ Beverages, spirits and vinegar
- ❑ Miscellaneous edible preparations
- ❑ Copper and articles thereof
- ❑ Cocoa and cocoa preparations
- ❑ Optical, photo, technical, medical, etc apparatus

## Exports from T&T to EU of Interest to Participants (2014 only)

| Product   | Exports from T&T (USD 1000) | Exports from Rest of the World (USD 1000) |
|---|-----------------------------|---|
| Candles   | 0                           | 13,770,276                                |
| Sugar confectionery (incl white choc), not containing cocoa | 20                          | 4,413,652                                 |
| Sauces, mixed condiments, mixed seasoning                   | 3,550                       | 4,756,639                                 |
| Essences  | 0                           | 3,052,540                                 |
| Non-alcoholic beverages                                     | 1,666                       | 7,383,914                                 |
| Juices  | 38                          | 9,075,652                                 |
| Bakery items  | 6                           | 15,903,468                                |

# Exports from T&T to EU of Interest to Participants Con't

| Product  | Exports from T&T (USD 1000) | Exports from Rest of the World (USD 1000) |
|--|-----------------------------|---|
| Soaps  | 3                           | 3,455,380                                 |
| Personal toilet preparations<br>shaving preparations,<br>deodorants etc.         | 2                           | 4,817,981                                 |
| Hair preparations  | 0                           | 5,122,231                                 |
| Beauty, make-up & skin-<br>care preparations;<br>sunscreens, manicure or<br>pedi | 11                          | 13,535,771                                |

# Protocol III: Cultural Cooperation

- The Protocol only addresses cultural practitioners that are not involved in commercial activities and wish to carry out cultural activities in the EU.
- Protocol III provides for greater cooperation on all cultural fronts and with special provisions on the audio-visual sector. It covers music, performing arts, visual arts and cultural heritage.
- In particular, Caribbean-European co-produced audio-visual works can enter the European market as a “European work” in accordance with the provisions of EU Audiovisual Media Services Directive and benefit from the broadcasting quotas. The Caribbean partner needs to fund at least 20% and the European partner a maximum of 80% of the total film budget.
- When co-production agreements are completed between individual EU states and Caribbean states or regions, it will also make it possible for Caribbean audio-visual producers to access funding for creative projects.

# Protocol III: Cultural Cooperation Con't

- Through the Protocol, artistes and other cultural practitioners (who are not involved in commercial activities in the EU) will be able to enter EU Member States to collaborate on projects, get training, and pursue other activities.
- They will also be allowed to stay in the EU for periods up to 90 days in 12-month period.
- The scope of coverage for cultural cooperation under the Protocol was deliberately structured to cover the broadest range of creative expression, including activities particularly relevant to the Caribbean, such as carnivals and mas costume design.

# Entertainment Services

- The entertainment services (other than audiovisual services) cover the services provided by: theatrical producers, singer groups, bands, orchestras, authors, composers, sculptors, entertainers, circuses, amusement parks, ballrooms, discotheques and dance instructors etc.
- In practice the EPA commitments will increase the possibility for CARIFORUM entertainment businesses to set up an agency to provide entertainment services in the EU and increase the temporary presence of Caribbean natural persons for business purpose in the EU.

# Summary of Implications for Industries

- Duty-free/quota-free access to EU market
- Flexible Rules of Origin
- Development support to private sector
- Opportunities to invest in EU
- Cooperative activities in the areas of entertainment, culture, audio-visual services
- Temporary movement of people
- Opportunities to expand business operations and pursue new market entry models

# Q&A

THANK YOU!

# Useful Links

- CARICOM Office of Trade Negotiations

[www.crnw.org](http://www.crnw.org)

- Caribbean Community (CARICOM) Secretariat

[www.caricom.org](http://www.caricom.org)