

**Press release 49/2000**

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**CARICOM/DOMINICAN REPUBLIC TRADE RELATIONS ENTER NEW ERA**

Trade Relations between the Caribbean Community (CARICOM) and the Dominican Republic entered a new era on 28 April 2000, when the Foreign Minister of the Dominican Republic, Hon. Eduardo Latorre and the Secretary-General of CARICOM, Mr. Edwin W. Carrington, signed in Santo Domingo, the capital of the Dominican Republic, the Protocol to Implement the Agreement Establishing the Free Trade Area between CARICOM and the Dominican Republic.

The Protocol, together with the Framework Agreement which was signed on 22 August 1998, by President Leonel Fernández of the Dominican Republic and the then Chairman of CARICOM, Heads of Government, Dr. Kenny D. Anthony, Prime Minister of Saint Lucia, constitute the most ambitious and wide-ranging bilateral Trade Agreement concluded by CARICOM.

The Protocol, the essence of which is to facilitate free trade between the eight million market of the Dominican Republic and the six million market of CARICOM (before taking account of Haiti), specifies the tariff treatment which would be extended to every category of goods that would be traded between CARICOM and the Dominican Republic. It is estimated that more than 85% of the trade between CARICOM and the Dominican Republic would now be free of duty and of quantitative restrictions.

The Protocol also sets out the Rules of Origin for each tariff heading of goods. In addition, it provides an agreed timetable for negotiating a Trade in Services regime and commits the Parties to doing the same for Reciprocal Promotion and Protection of Investment and for Government Procurement.

To give practical effect to the arrangements agreed on, the Protocol makes special provision for the Temporary Entry of Business Persons into the countries of the Contracting Parties.

The Protocol is particularly sensitive to the interests of the farming community and provides for Special Trading Arrangements for Selected Agricultural Products. Those arrangements would allow a selected list of agricultural products which would normally be traded duty-free to be subject to duty (the most favoured nation rate) in times of glut. These special arrangements relate to trade only between the Dominican Republic and the CARICOM More Developed Countries as the CARICOM Less Developed Countries are not required to grant duty-free treatment to any imports from the Dominican Republic even though their exports would benefit from such preferential treatment in the Dominican Republic market.

Although the Protocol has been signed, there still remains to be resolved the treatment to be extended to aerated beverages - from Trinidad and Tobago in particular - entering the market of the Dominican Republic, and the issue of the continued though limited application of the restrictive Law 173 to CARICOM businessmen doing business in the Dominican Republic - a situation not faced by the Dominican Republic businessmen operating in the CARICOM market. These two issues will be further addressed with a view to an effective and satisfactory resolution in the first meeting of the Joint Council provided for in the agreement.

In remarks after the signing, both the Foreign Minister of the Dominican Republic and the CARICOM Secretary-General called on their respective private sectors to strive to take advantage of the opportunities provided by the Agreement.

The Secretary-General also stated that he saw the instrument as serving to bring CARICOM and the Dominican Republic ever closer into common trading and other arrangements. He noted that CARICOM and the Dominican

Republic are beneficiaries under the ACP/EU Convention and the Caribbean Basin Initiative (CBI), and they are also involved in the negotiations for the Free Trade Area of the Americas. The signing of the Protocol according to the Secretary-General represented the corner stone in this mosaic of trade and economic relations between the Dominican Republic and CARICOM, a truly historic conjuncture.

The Protocol will enter into force upon the completion of internal legislative procedures within the Contracting Parties.

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