

## THE GEORGETOWN ACCORD

**THE GOVERNMENTS OF THE COMMONWEALTH CARIBBEAN COUNTRIES THROUGH THEIR HEADS OF DELEGATIONS TO THE EIGHTH CONFERENCE OF HEADS OF GOVERNMENT OF COMMONWEALTH CARIBBEAN COUNTRIES ASSEMBLED IN GEORGETOWN, GUYANA, FROM 9<sup>TH</sup> TO 12<sup>TH</sup> APRIL, 1973 -**

**DETERMINED** to consolidate and strengthen the bonds of unity which have historically existed among their peoples;

**SHARING** a common determination to fulfil within the shortest possible time the hopes and aspirations of the people of the Caribbean Territories for industrial and agricultural development, full employment and improved living standards;

**CONSCIOUS** that these goals can most rapidly be attained by the optimum use of available human and natural resources of the Region and by accelerated, co-ordinated and sustained economic development;

**RECOGNISING** that over the past five years the Caribbean Free Trade Association has laid the foundation for further progress in regional integration;

**COMMITTED** to ever-widening programmes of functional co-operation and common services;

**AWARE** of the vital necessity of enhancing the bargaining power of the Region in relation to third countries, groups of third countries and extra-regional entities providing goods, services and funds to the countries of the Region;

**MINDFUL** of their different levels of development and of the need to enable all Member States to share equitably in the benefits of regional economic integration;

**CONVINCED** that closer economic integration among Member States will contribute to the creation of a viable economic community of the Commonwealth Caribbean Countries;

**ACKNOWLEDGING** that it is the intention to establish a Common External Tariff as an integral feature of the Caribbean Common Market;

**COGNISANT** of the need to elaborate an effective regime by establishing and utilising institutions designed to enhance the economic, social and cultural development of their people;

**RE-AFFIRMING** the commitment progressively to advance the self-determination of all the peoples of the Caribbean:

**HAVE AGREED** as follows:

1. (1) The Caribbean Community, including the Caribbean Common Market, shall be established on the basis of the Draft Treaty set out in Annex I hereto, hereinafter referred to as 'the Community Treaty'.

(2) The Treaty will be open for signature not later than 1<sup>st</sup> July, 1973.

(3) The Governments of Barbados, Guyana, Jamaica and Trinidad and Tobago agree and undertake to sign and ratify the Treaty subject to and in accordance with their constitutional procedures so as to enable the Caribbean Community and Caribbean Common Market to be established on 1<sup>st</sup> August, 1973 with these countries as Founder Members.

(4) The Governments of Belize, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent agree and undertake to sign and ratify the Community Treaty subject to and in accordance with their constitutional procedures so as to become contracting parties thereto on 1<sup>st</sup> May, 1974.

(5) All Signatory Governments note the declared intention of the Governments of Antigua and Montserrat to give urgent consideration to joining this Accord, signature of which by either Government at any time prior to 1<sup>st</sup> May, 1974, will constitute agreement and undertaking to sign and ratify the Community Treaty subject to and in accordance with its constitutional procedures so as to become a Contracting Party thereto on 1<sup>st</sup> May, 1974.

(6) The Government mentioned in sub-paragraphs (4) and (5) hereof who sign and ratify the Community Treaty pursuant to this Accord shall be deemed to be Founder Members of the Caribbean Community.

2. (1) The Caribbean Community and the Caribbean Common Market shall replace the Caribbean Free Trade Association which shall cease to exist on 1<sup>st</sup> May, 1974 and which, prior thereto, shall cease to apply as between States who shall have become Contracting Parties to the Community Treaty.

(2) On and after 1<sup>st</sup> August, 1973, the Commonwealth Caribbean Regional Secretariat shall continue to be the administrative organ of the Caribbean Free Trade Association; but the Secretariat shall, in addition, become the principal administrative organ of the Community and thereupon shall be known as the Caribbean Community Secretariat.

(3) The Secretariat shall establish administrative procedures designed to facilitate the transitional arrangements for the continued operation of the Caribbean Free Trade Association until 1<sup>st</sup> May, 1974, and for the enlargement of the Caribbean Common Market on that date.

(4) States, parties to this Accord, shall take all appropriate steps to achieve these objectives.

3. (1) A Caribbean Investment Corporation shall be established by 1<sup>st</sup> June, 1973, on the basis of the Agreement for the establishment of the said Corporation considered at the Eighth Conference of Heads of Government of Commonwealth Caribbean Countries.

(2) The Corporation shall be required to proceed expeditiously with a programme for the promotion and establishment in the Less Developed Countries of industries based on, but not limited to, the list set out in Annex II hereto.

(3) Enterprises entitled to benefit from the Caribbean Investment Corporation shall be enterprises located in Less Developed Countries who are Member States of the Caribbean Common Market and, prior to 1<sup>st</sup> May, 1974, in Less Developed Countries parties to this Accord.

4. (1) The Agreement for the Harmonisation of Fiscal Incentives considered at the Eighth Conference of Heads of Government of Commonwealth Caribbean Countries shall be applied with effect from 1<sup>st</sup> June, 1973, among all States parties to this Accord:

Provided that such Agreement shall cease to have application to any Less Developed Country, who, after 1<sup>st</sup> May, 1974, is not a Member State of the Caribbean Common Market.

(2) It shall be a feature of the Scheme established by the Agreement that no enterprise within the industries listed in Annex II hereto shall be eligible for the receipt of new or extended fiscal incentives in the form of income tax holidays or tax free dividends from the Governments of the More Developed Countries for a period of five years in the first instance:

Provided that, after 1<sup>st</sup> May, 1974, such obligations shall only apply in relation to Less Developed Countries who are Member States of the Caribbean Common Market.

5. (1) For the purpose of promoting industrial development in the Less Developed Countries industries which answer to the following criteria are approved for treatment under the provisions of Article 56 of the Common Market Annex to the Community Treaty and, prior to 1<sup>st</sup> May, 1974, under Article 39 of the CARIFTA Agreement:

(a) an industry identified in the Report of the Economist Intelligence Unit Team on Industrial Development in Less Developed Countries as requiring a substantial part of the market of the Less Developed Countries for viability;

(b) an industry already established in a Less Developed Country which requires a substantial part of the market of the Less Developed Countries for expansion; and

(c) an industry requiring a substantial part of the market of the Less Developed Countries for viability and in respect of which negotiations for its establishment in a Less Developed Country are in an advanced stage.

(2) Nothing in this paragraph shall be deemed to derogate from the rights of Less Developed Countries under, or the procedures established by, the provisions of Article 56 of the Common Market Annex to the Community Treaty or, prior to 1<sup>st</sup> May, 1974, of Article 39 of the CARIFTA Agreement.

6. With a view to facilitating the flow of investment capital from the More Developed Countries to the Less Developed Countries, parties to this Accord, a Double Taxation Treaty with tax-sparing facilities shall be concluded between the former and the latter by 1<sup>st</sup> June, 1973;

Provided that such Treaty shall cease to have application to any Less Developed Country, who, after 1<sup>st</sup> May, 1974, is not a Member State of the Caribbean Common Market.

7. For the purpose of safeguarding the rights of Caribbean consumers with regard to standards and prices there shall be established not later than 1<sup>st</sup> May, 1974, a Regional Commission constituted under the provisions of the Common Market Annex to the Community Treaty.

8. Special arrangements or mechanisms shall be adopted to meet the particular position of Montserrat.

9. With a view to safeguarding the special interests of the Less Developed Countries, the Common Market Annex to the Community Treaty shall provide as follows:-

(a) In so far as the Less Developed Countries, except Belize and Montserrat, are concerned, their existing ECCM Tariffs shall be deemed as fulfilling their initial obligations in relation to the Common External Tariff of the Caribbean Common Market.

(b) Wherever the Plan and Schedule of rates in the existing ECCM, Common External Tariff differ from those in the Common External Tariff of the Caribbean Common Market, the Plans and Schedule of rates in both the ECCM and the Caribbean Common Market Tariffs will be subject to annual review in the light of the prevailing economic situation of the Less Developed Countries for the purpose of determining the appropriate Plan and Schedule that will be introduced; provided that the introduction of such a Plan and Schedule will commence not later than 1<sup>st</sup> August, 1977, and the phasing period will end not later than 1<sup>st</sup> August, 1981.

(c) In so far as Belize and Montserrat are concerned, their existing Tariffs on 1<sup>st</sup> May, 1974, shall be deemed as fulfilling their initial obligations in relation to the Common External Tariff of the Caribbean Common Market. They shall progressively phase their tariffs in accordance with the annual reviews mentioned in (b) above; provided that, in

the case of Montserrat, the introduction of the Plan and Schedule will commence not later than 1<sup>st</sup> August, 1981, and the phasing period will end not later than 1<sup>st</sup> August, 1985.

(d) There shall be an annual review by the Heads of Government Conference of the need for strengthening existing mechanisms or introducing new ones to provide greater benefits to the Less Developed Countries.

10. A Scheme for the Rationalisation of Agriculture in the Region, containing special provisions for the Less Developed Countries, shall be introduced not later than 1<sup>st</sup> July, 1975, and adequate protection afforded thereunder for intra-regional trade in agricultural products.

11. Immediate steps shall be taken to commence the technical work on a Regional Perspective Plan designed to make the fullest use of the Region's resources, paying special regard to the need to achieve specific development targets in the Less Developed Countries.

12. Notwithstanding the commitment herein re-affirmed of all Member States to seek a group relationship with the European Economic Community, the right of the Less Developed Countries to choose their form of Association with the European Economic Community is reaffirmed and provision made to ensure that nothing in the Treaty establishing the Caribbean Community qualifies or in any way derogates from the exercise of this right by the Less Developed Countries.

13. Consistent with the principles and understandings concerning the Membership of Belize in the Caribbean Free Trade Association, nothing in this Accord or in the Community Treaty shall impair the right of Belize to enter into arrangements for closer economic relations with other economic groupings of the Western Hemisphere; provided that no more favourable treatment is accorded under these arrangements to other regional economic groupings than is accorded to Member Countries of the Caribbean Common Market.

14. In this Accord, references to "More Developed Countries" and "Less Developed Countries" have the meanings assigned to them under the Community Treaty.

REACHED at Georgetown, Guyana, this 12<sup>th</sup> day of April, 1973.

Sgd. George C.R. Moe  
For the Government of Barbados

Sgd. George Price  
For the Government of Belize

Sgd.  
For the Government of Dominica

Sgd. Robert L. Bradshaw  
For the Government of St.  
Kitts/Nevis/Anguilla

Sgd.  
For the Government of St. Lucia

Sgd.  
Government of St. Vincent

Sgd.  
For the Government of Grenada

Sgd. L.F.S. Burnham  
For the Government of Guyana

Sgd. Michael Manley  
For the Government of Jamaica

Sgd.  
For the Government of Trinidad and  
Tobago

For the Government of Antigua

Sgd.  
For the Government of Montserrat

**ANNEX I**

**TREATY ESTABLISHING THE  
CARIBBEAN COMMUNITY**

**ANNEX II**

**INDUSTRIES FOR PROMOTION IN THE  
LESS DEVELOPED COUNTRIES**

Aluminum Products:

- (1) Tubular Furniture
- (2) Window Frames
- (3) Hollow Ware

Automobile Muffler Systems

Clocks

Hats and Caps

Shirts and Knitted Underwear

Packaging Materials:

- (1) Plastic film
- (2) Twine
- (3) Paper bags
- (4) Cardboard boxes
- (5) Corrugated cardboard containers

Tissue Paper Products

Umbrellas

Wire Products: Nails

Brushes and Mops

Coir Products, mats and matting

Mattresses

Drinking straws

Aerated waters

Rum

Beer

Bakery Products

Cigarettes

Concrete Blocks

Concrete Pipes (non-asbestos)

Concrete Tiles

Copra

Edible Oils and Fats from Copra

Handicraft Items  
Phonograph Records  
Pop Corn  
Printing  
Stationery (excluding continuous business forms)  
Syrups