

CARICOM Secretariat, Georgetown, Guyana

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## **BASIC INFORMATION ON FREE TRADE AGREEMENT BETWEEN CARICOM AND THE DOMINICAN REPUBLIC**

The Free Trade Agreement (FTA) signed on August 22, 1998 between the Caribbean Community (CARICOM) and the Dominican Republic will establish a Free Trade Area composed of 14 million people when it comes into effect.

The FTA will come into effect either on January 1, 1999 or upon completion of a plan of action scheduled to be completed ninety days after the signing of the Agreement. Both parties will then take the necessary administrative and legal action to give effect to the Agreement.

The fundamental objective of the FTA is to strengthen trade relations between the Parties in conformity with the principles, rights and obligations of the World Trade Organisation (WTO). With the Agreement, CARICOM and the Dominican Republic are seeking to promote and expand the sale of goods between them through, *inter alia*, free access to each other's markets, (with some exceptions of goods), elimination of the non-tariff barriers of trade, the establishment of a system of Rules of Origin, Customs Cooperation and the Harmonization of the Technical Sanitary and Phyto-sanitary Processes. The goods excluded will eventually enter the Area, in a gradual manner until 2005.

The Parties have proposed the progressive liberalization of trade in services, the liberalization of movement of capital, the promotion and protection of investment aimed at improving the opportunities that their markets offer, and the strengthening of their competitiveness. Each party will confer to the service providers of the other, full market access and equal treatment.

Neither party will require service providers to establish or maintain offices in participating countries as a condition for the provision of services.

Further, they are looking towards promoting the active participation of the private sector with the objective of deepening and expanding economic relations, including the promotion and establishment of joint investments.

The Agreement also includes safeguard mechanisms to protect the local producers of each nation against illegal competition, harmful importations, subsidies for exports and other internal practices that cause distortion or menace to trade. Each country will also be able, in conformity with the agreement of Sanitary and Phyto-sanitary Measures of the World Trade Organisation, to establish, adopt, maintain, or apply any sanitary or phyto-sanitary measures needed for the protection of human and animal life and health, or to preserve produce in their territory.

CARICOM and the Dominican Republic will co-operate in: agriculture, mining, industry, construction, tourism, transportation, telecommunications, banking, insurance, capital markets, professional services, and science and technology.