



Secretariat Unit

Bill Essentials

**The Trinidad and Tobago Panama Partial Scope Trade Agreement Bill
2014**

**An Act to give effect to the Partial Scope Trade Agreement between the Republic of
Trinidad and Tobago and the Republic of Panama for related matters.**

Bill No: 23 of 2014

Introduced in: The House of Representatives

Introduced by: The Minister of Trade, Industry, Investment and Communication

Introduced on: Friday November 7, 2014

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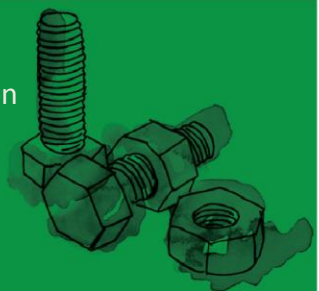


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BACKGROUND

The Trinidad and Tobago Panama Partial Scope Trade Agreement Bill, 2014 was introduced and read a first time in the House of Representatives on November 7, 2014 by Sen. the Hon. Vasant Bharath, Minister of Trade, Industry, Investment and Communication .

THE PURPOSE OF THE BILL

The Bill seeks to give effect to the Partial Scope Trade Agreement between the Republic of Trinidad and Tobago and the Republic of Panama.

The Partial Scope Trade Agreement between the Republic of Trinidad and Tobago and the Republic of Panama was executed on October 3, 2013 by the Honourable Winston Dookeran, Minister of Foreign Affairs of the Republic of Trinidad and Tobago and His Excellency Ricardo Quijano Jimenez, Minister of Commerce and Industry, in Panama City, Panama. The Agreement provides for the preferential treatment that exporters from Trinidad and Tobago will enjoy in the Panamanian market and the reciprocal preferential treatment that Panamanian exporters will receive in the Trinidad and Tobago market. Trinidad and Tobago has consistently enjoyed a favourable balance of trade with Panama. In 2009 imports from Panama totalled \$51,706,988 and exports to Panama amounted to \$317,453,887.¹

The Agreement, which has been approved by CARICOM, is expected to provide access into Panama for 230 products from Trinidad and Tobago, while offering reduced tariffs on 248 products from Panama. Some of the products which were granted access to the Panama market include chewing gum, peanut butter, doors and windows, building blocks, bitumen and aerated water.²

¹ <http://www.news.gov.tt/content/prime-minister-signs-partial-scope-trade-agreement-panama#.VFDn7hawTzA>

² <http://tradeind.gov.tt/Portals/0/Documents/Investment/2014%20BILATERAL%20TRADE%20AGREEMENTS.pdf>

The Partial Scope Trade Agreement is one of the many agreements which govern the diplomatic relationship between Trinidad and Tobago and Panama, including the Bilateral Air Services Agreement which was established in 2005, the Visa Waiver Agreement which allows citizens to visit either country for up to ninety (90) days without a Visa and the Enhancing Economic Cooperation Agreement which was concluded in 1999 where both countries pledged to deepen economic interaction for the mutual benefit of the two sovereign territories.

KEY FEATURES OF THE PROPOSED LEGISLATION:

The Bill consists of seven (7) clauses and makes the following provisions:

- ✓ The Bill once passed, will come into operation on such date as is fixed by the President by Proclamation.
- ✓ It also provides for the provisions of the Partial Scope Trade Agreement to have the force of law in Trinidad and Tobago.
- ✓ The President may by Order grant tariff preferences to goods originating from Panama as set out in the Agreement.
- ✓ The Minister with responsibility for trade is empowered to amend the Schedule by Order. Orders to amend the Schedule shall be subject to the affirmative resolution of Parliament.
- ✓ The Minister is also empowered to make Regulations for giving effect to the purposes and provisions of the Agreement. Regulations made by the Minister shall be subject to the negative resolution of Parliament.

CONSIDERATIONS

- ✓ Although Partial Scope Trade Agreements may promote development, they necessarily discriminate against non-members and can therefore lead to trade diversion in a way that hurts both member countries and excluded countries.

- ✓ Partial Scope Trade Agreements can create larger and more competitive markets and benefit producers and consumers through economies of scale and lower prices.
- ✓ Partial Scope Trade Agreements are increasingly used as engines of change in many developing countries to promote regional integration and have become a key means of promoting economic growth and transfer of improved technology and increased competition.
- ✓ Many developing countries find that a multitude of Partial Scope Trade Agreements becomes cumbersome to manage. As agreements proliferate, countries become members of several different agreements which creates what has been referred to as a “spaghetti bowl” of overlapping arrangements, often with different tariff schedules, different exclusions of particular sectors or products and different periods of procedures. An increase of overlapping Partial Scope Trade Agreements may undermine progress toward a more open, transparent, and rules-based multilateral trading system.³

TRINIDAD AND TOBAGO’S BILATERAL TRADE AGREEMENTS⁴

AGREEMENT	DESCRIPTION	TERMS
Trinidad and Tobago and El Salvador Partial Scope Trade Agreement	Trinidad and Tobago and El Salvador Partial Scope Trade Agreement was signed October 15, 2014.	The aim of this Agreement is to increase the trade relations between these two countries which is currently valued at 60 million US dollars per year. The products are to include metal containers, plastic products, cosmetics, pharmaceuticals, furniture, tuna and leather packaging from El Salvador and oil and lubricants, natural gas, matches, condiments and spices and other items from Trinidad and Tobago.
CARICOM/ Colombia Trade, Economic and Technical Cooperation Agreement	This Agreement was initially a non-reciprocal agreement granting preferential tariff rates to CARICOM exports into the Colombian market. It was re-negotiated in 1998 to provide for duty elimination/reduction on	The Agreement encourages economic cooperation and the eventual negotiation of a bilateral treaty on the promotion and protection of investment and trade in services.

³ Jean-Pierre Chauffour and Jean-Christophe Maur, eds. *Preferential Trade Agreement: Policies for Development. A Handbook*. (Washington, D.C.: The International Bank for Reconstruction and Development/The World Bank, 2011) pg. 38

⁴ <http://tradeind.gov.tt/Portals/0/Documents/Trade/T&T%20Bi-Lateral%20Trade%20Agreements.pdf>

AGREEMENT	DESCRIPTION	TERMS
	<p>an agreed list of products from Colombia into the CARICOM MDCs (namely, Jamaica, Barbados, Guyana and Trinidad and Tobago) markets.</p>	
<p>CARICOM/ Dominican Republic Free Trade Agreement</p>	<p>The CARICOM-Dominican Republic Free Trade Agreement came into force on August 22, 1998 and its implementing Protocols on April 28, 2000. This Free Trade Agreement signified a new era in trade arrangements for CARICOM, effectively providing for more than 85% of the items traded between CARICOM and the Dominican Republic, to be free from duty and quantitative restrictions. This Agreement was given effect by the Caribbean Community (CARICOM) Dominican Republic Free Trade Act Chap 81:06⁵</p>	<p>In addition to trade in goods, the Agreement makes provision for future liberalization of trade in services and includes a commitment to develop areas such as the promotion and protection of investment and government procurement.</p>
<p>CARICOM/ Venezuela Agreement on Trade and Investment</p>	<p>The CARICOM-Venezuela Agreement on Trade and Investment was signed in October 1992 and entered into force on January 1, 1993.</p>	<p>This Agreement is a preferential agreement aimed at promoting CARICOM exports to Venezuela by providing one-way duty-free access to this market. Tariffs have been eliminated on 22% of products, (mostly fresh produce, confectionery, cosmetics, jams and jellies, medicines, wooden furniture, horticultural products, spices, processed foods, and toiletries). The other 67% of products enjoy tariff reductions while the remaining products face the full tariff duty upon entry into Venezuela.</p>
<p>CARICOM/ Cuba Trade And Economic</p>	<p>The CARICOM-Cuba Trade And Economic Cooperation Agreement</p>	<p>The Trade and Economic Cooperation Agreement between CARICOM and Cuba provides for duty-free treatment on certain goods with provisions for</p>

⁵ http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/81.06.pdf

AGREEMENT	DESCRIPTION	TERMS
Cooperation Agreement	was signed in 2000. This Agreement was given effect by the Caribbean Community (CARICOM) Cuba Trade and Economic Cooperation Act Chap 81:12. ⁶	agricultural products to be afforded duty free treatment at specified times for the year. It also covers trade promotion and facilitation, services, tourism, investment, intellectual property rights and the promotion and development of co-operative activities between the parties.
CARICOM/Costa Rica Free Trade Agreement	This Agreement, which was signed in 2004, allows Trinidad and Tobago and CARICOM manufacturers access to the Costa Rican market. This Agreement was given effect by the Caribbean Community (CARICOM) Cuba Trade and Economic Cooperation Act Chap 81:10. ⁷	The Agreement provides for free trade or preferential access for a wide range of goods into both CARICOM and Costa Rica markets. At present, essentially 95% of products are traded duty free between the two Parties. A limited number of sensitive products, such as fish, chocolate, cigarettes and certain agricultural commodities continue to attract duty. The Agreement currently provides for trade in goods and contains provisions for anti-dumping and dispute settlement.

USEFUL REFERENCE MATERIAL

Links to articles and other resources

Trinidad and Tobago Bilateral Trade Agreements

[http://tradeind.gov.tt/Portals/0/Documents/Investment/2014%20 BILATERAL%20TRADE AGREEMENTS.pdf](http://tradeind.gov.tt/Portals/0/Documents/Investment/2014%20BILATERAL%20TRADE%20AGREEMENTS.pdf)

An Exporter’s Guide to Panama. The Partial Scope Agreement between Trinidad and Tobago and Panama.

<http://www.exportt.co.tt/sites/default/files/TT%20and%20Panama%20booklet%20draft.pdf>

ABC of preferential Trade Agreements: Frequently Asked Questions

http://www.cuts-citee.org/pdf/monograph09-ABC_of_Preferential_Trade_Agreements.pdf

Preferential Trade Policies and Agreements

⁶ http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/81.12.pdf

⁷ http://rgd.legalaffairs.gov.tt/Laws2/Alphabetical_List/lawspdfs/81.10.pdf

http://www.unescap.org/sites/default/files/10%20-%20Part%20I%20Chapter%206_Preferential%20trade%20policies%20and%20agreements.pdf

Preferential Trade Policies and Agreements, Asia-Pacific Trade and Investment Report 2013
<http://www.unescap.org/sites/default/files/Preferential%20Trade%20Policies%20and%20Agreements.PDF>

El Salvador and Trinidad and Tobago conclude partial scope trade agreement
<http://winhd.tt/el-salvador-tt-conclude-partial-scope-agreement/>

Trinidad and Tobago Guatemala Partial Scope Trade Agreement
<http://www.exportt.co.tt/sites/default/files/TT%20Guatemala%20booklet%20draft.pdf>

Partial Scope Agreement between Cuba and CARICOM under the Montevideo Treaty of 1980
http://www.caricom.org/jsp/secretariat/legal_instruments/partialscopeagreement_caricom_cuba.pdf

Books

Jean-Pierre Chauffour and Jean-Christophe Maur, eds. *Preferential Trade Agreement: Policies for Development. A Handbook*. (Washington, D.C.: The International Bank for Reconstruction and Development/The World Bank, 2011)

Karsten Steinfatt, "Preferential and Partial Scope Trade Agreements", in *Toward Free Trade in the Americas*, ed. José Manuel Salazar-Xirinachs and Maryse Robert. (Washington, D.C.: Brookings Institution Press, 2001), 108-122
<http://www.sedi.oas.org/dttc/belizecourse/textbooks/TFT/chap5.pdf>