

**AGREEMENT BETWEEN THE CARIBBEAN COMMUNITY (CARICOM) AND THE
GOVERNMENT OF THE REPUBLIC OF COLOMBIA ON TRADE, ECONOMIC AND
TECHNICAL CO-OPERATION (1994)**

The Caribbean Community (CARICOM) and the Government of the Republic of Colombia (hereafter called the Parties);

AWARE of the necessity to accelerate the Caribbean and Latin American integration process and of the significance accorded by the Parties to the various sub-regional integration processes, as a means of achieving greater international competitiveness of the Region and facilitating their full development;

TAKING INTO ACCOUNT the different levels of economic development between the Member States of CARICOM and Colombia;

DESIROUS of achieving a more dynamic, commercial and economic relationship between them;

CONSIDERING the advantage of formulating clear and accurate guidelines that permit their different economic entities greater involvement in the economic development of the Member States of CARICOM and Colombia;

HAVING REGARD to the rights and obligations of Colombia under the Cartagena Agreement (Andean Group), the Montevideo Treaty 1980, that establishes the Latin American Integration Association (ALADI) which allows the conclusion of Partial Scope Agreements with other countries and integration areas of Latin America, and Resolution 2 of the Council of Ministers of Foreign Relations of the Contracting Parties of the said Treaty; to the rights and obligations of the Member States of CARICOM under the Treaty establishing the Caribbean Community; and also the rights and obligations of Colombia and those Member States of CARICOM which are Contracting Parties to the General Agreement on Tariffs and Trade (GATT);

DECIDING to establish closer trade and economic relations and promote greater technical cooperation between the Parties;

HEREBY undertake to implement this Agreement:

CHAPTER I

**ARTICLE 1
OBJECTIVES**

The fundamental objective of this Agreement shall be to strengthen the trade

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and economic relations and technical cooperation between the Parties through:

- (a) the promotion and expansion of the sale of goods originating in CARICOM and Colombia with particular emphasis on exports from CARICOM States in the early stages of the implementation of this Agreement;
- (b) the promotion and protection of investments aimed at taking advantage of the opportunities offered by the markets of the Parties and strengthening their competitiveness in the international market;
- (c) the facilitation of the creation and operation of regional joint ventures;
- (d) the development of technical and scientific cooperation activities which may be agreed upon between the Parties;
- (e) the promotion of private sector activities, including business exchanges between the Parties.

**ARTICLE 2
THE JOINT COUNCIL**

1. A CARICOM-Colombia Joint Council on Trade, Economic and Business Cooperation (hereinafter called the Joint Council) is hereby established and shall be responsible for the administration of this Agreement.

2. The Joint Council shall consist of representatives of Colombia and CARICOM.

3. The functions of the Joint Council shall be:

- (a) to ensure compliance by the Parties with the provisions of this Agreement;
- (b) to recommend solutions to any problems which may arise in relation to the provisions of this Agreement;
- (c) to review this Agreement periodically, assess its functioning and recommend measures considered appropriate for the achievement of its objectives;
- (d) to implement any other functions which the Parties may assign to it.

4. The decisions of the Joint Council shall have the status of recommendations to the Parties.

**ARTICLE 3
MEETING OF THE JOINT COUNCIL**

1. The Joint Council shall meet at least annually, on such dates as may be determined by the Parties.

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2. The meetings of the Joint Council shall be chaired jointly by the Parties.
3. Meetings of the Joint Council shall be held alternately in Colombia and in a Member State of CARICOM or in such other place as may be agreed by the Parties.
4. The Agenda for each meeting of the Joint Council shall be agreed on by the Parties, at least one (1) month before each meeting.
5. The Joint Council shall establish and regulate its own procedures and may create subsidiary bodies to assist it in the execution of its functions.

CHAPTER II

**ARTICLE 4
TRADE LIBERALISATION**

The Parties agree to promote a programme of trade liberalisation taking into account the difference in the levels of development between Colombia and CARICOM generally, and, in particular, those countries designated the Less Developed Countries (LDCs) of CARICOM.

**ARTICLE 5
TREATMENT OF IMPORTS INTO COLOMBIA FROM CARICOM**

1. Colombia agrees to grant products originating in Member States of CARICOM free access to its market by means of the implementation of programmes for the elimination of non-tariff barriers and for the elimination of tariff as set out in Annex I and Annex II to this Agreement.
2. The tariff on the products listed in Annex I shall be eliminated on the entry into force of this Agreement.
3. The tariff on the products listed in Annex II shall be eliminated through three equal annual reductions commencing on the date of the entry into force of this Agreement.
4. Most Favoured Nation treatment will be applied to products listed in Annex III. This is an additional list of products chosen from CARICOM's exportable offer, which may receive preferential treatment in Colombia beginning in the fourth year after the entry into force of this Agreement, following negotiations between the Parties.
5. The Joint Council may review any request made by the Parties to modify the treatment granted to any of the items listed in Annexes II and III to this Agreement.

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6. For products other than those listed in Annexes I, II and III to this Agreement, Most Favoured Nation treatment shall be applied unless the Joint Council decides to improve the treatment.

**ARTICLE 6
TREATMENT OF IMPORTS INTO CARICOM FROM COLOMBIA**

1. The Parties agree that CARICOM shall grant Most Favoured Nation treatment in the application of the customs tariff in respect of all imports from Colombia.
2. CARICOM further undertakes that Member States of CARICOM shall not, without prior consultation with Colombia, apply any non-tariff barriers with respect to imports from Colombia beyond those currently in place or those authorised under the Treaty establishing the Caribbean Community.
3. The More Developed Countries (MDCs) of CARICOM namely, Barbados, Guyana, Jamaica and Trinidad and Tobago, shall introduce a programme to eliminate or reduce tariffs on an agreed list of products of export interest to Colombia, commencing at the beginning of the fourth year after the entry into force of this Agreement.
4. The list of products to be offered preferential treatment by the CARICOM MDCs shall be agreed during the evaluation of the Agreement by the Joint Council in the third year after the entry into force of this Agreement. To this end, CARICOM consider favourably the proposals by Colombia in order to bring into effect the reciprocity in this Agreement.
5. The CARICOM LDCs shall not be required to grant tariff concessions to exports of Colombia into their territories.

**ARTICLE 7
TREATMENT OF USED GOODS**

The reduction of duties provided for in Articles 5 and 6 of this Agreement shall not apply to used goods. For the purposes of this Agreement, used goods are defined as those which, on importation, show evidence of wear and include those goods which are irregular, imperfect or discarded from the production process, and in the case of motor vehicles, those which were produced more than one year before their importation.

**ARTICLE 8
DUTIES**

For the purposes of this Agreement, duties shall be understood as customs

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duties and any other charges of equivalent effect, whether fiscal, monetary, foreign exchange or of any other nature that affect imports. This does not include fees and charges when they represent the cost of services rendered.

**ARTICLE 9
RULES OF ORIGIN**

1. The Parties shall apply to imports covered by this Agreement, a regime of rules of origin which is designed to strengthen their mutual trade flows.

2. The determination of the origin of goods during the first three years of the implementation of the Agreement shall be in accordance with the provisions set out in Annex IV to this Agreement. The Joint Council will, at the beginning of the second year, commence the review of those provisions in order to establish those which will apply from the beginning of the fourth year.

3. The certification and verification procedures shall be in accordance with those established in Annex IV to this Agreement.

4. Rules of origin will be determined based on the general principle of change of customs classification heading, whenever this involves a substantial transformation process. The establishment of specific requirements by product may be necessary.

5. The origin regime shall include the concept of cumulative origin to favour production linkages among the Parties.

6. The Rules of Origin will be adjusted in the light of technological change, as well as changes in the production structure of the Parties.

7. A review mechanism is established in Annex IV.

**ARTICLE 10
TECHNICAL STANDARDS**

The Joint Council shall review the technical, industrial, commercial and public health standards, as well as sanitary and phytosanitary measures of the Parties and shall recommend the actions which it considers appropriate to ensure that these standards and measures do not constitute obstacles to trade between the Parties.

**ARTICLE 11
GENERAL EXCEPTIONS**

This Agreement allows the adoption or enforcement by Colombia or by any

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Member State or CARICOM of the following measures, provided they are not used as obstacles to trade.

- (a) those required to protect public morale;
- (b) laws and regulations necessary for security purposes and for the prevention of disorder or crime;
- (c) those needed to ensure compliance with laws and regulations related to customs control, or pertaining to the classification, grading or marketing of goods, or for the operation of monopolies by state enterprises or enterprises legally granted exclusive or special privileges;
- (d) those required to protect intellectual property rights;
- (e) those relating to gold or silver production or trade;
- (f) those relating to products from prison labour;
- (g) those aimed at the protection of national treasures of artistic, historical or archaeological value;
- (h) those required to prevent or alleviate critical shortages of foodstuffs in any of the exporting Parties; or
- (i) those relating to the conservation of non-renewable natural resources.

**ARTICLE 12
TRADE PROMOTION**

The Parties agree to establish trade promotion programmes to facilitate the activities of official and private trade missions, the organisation of fairs and exhibitions, the continuous exchange of information, market studies and other activities leading to the optimal utilisation of the preferences of the liberalisation programme, and the opportunities offered by the trade measures agreed on.

**ARTICLE 13
TRADE FINANCING**

1. The Joint Council will periodically review trade financing between the Member States of CARICOM and Colombia and recommend those mechanisms which may be implemented to facilitate this.
2. The Parties recognise the importance of timely payments for the development of trade and undertake to ensure that neither Colombia nor any Member State

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of CARICOM will establish undue impediments to the prompt payment for goods traded pursuant to this Agreement.

**ARTICLE 14
TRADE IN SERVICES**

1. The Parties recognise the importance of trade in services for the development of their economies.
2. The Parties further recognise that it will be opportune and necessary to develop cooperation in this sector based on the results of the Uruguay Round of the GATT. To this end, the Parties will negotiate amendments or further expansion of this Agreement.

**ARTICLE 15
TRANSPORTATION**

1. The Parties recognise the importance of improving transportation services as a means to facilitate trade between the Member States of CARICOM and Colombia.
2. The Joint Council shall identify the measures that contribute to improved transportation services, including the negotiation of air and maritime transport agreements between Colombia and the Member States of CARICOM.
3. The Parties further undertake to explore the possibility of creating joint enterprises in the area of transport and to promote the establishment of warehouses for the consolidation of freight.

**ARTICLE 16
SAFEGUARD CLAUSES**

1. The Member States of CARICOM and Colombia may apply bilateral safeguard measures of a temporary nature when:
 - (a) imports of products from any Member State of CARICOM or Colombia are made in such quantities that such products cause or may cause damage to the national production of like or directly competitive products of the importing country;
 - (b) it is necessary to redress balance-of-payment deficits or to protect the external financial position of the importing country.
2. Safeguard measures shall consist of the temporary suspension of the tariff preferences and the reinstatement of the Most Favoured Nation duties for the specific product.

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3. Safeguard measures shall be applied for an initial period of no longer than one year. This term may be renewed for an additional year, if the causes that motivated the imposition of the safeguard clause persist.

4. The importing country seeking to impose or renew any safeguard measure shall request a meeting of the Joint Council in order to have consultations on the imposition or renewal of such measures. This imposition or renewal does not require consensus.

**ARTICLE 17
UNFAIR TRADE PRACTICES**

In cases where situations of dumping, as well as distortions from the application of export subsidies or from domestic subsidies equivalent in nature arise in the trade between the Parties, the affected party may apply the appropriate measures in conformity with its domestic legislation, if it exists, which in any case, shall be in conformity with the provisions of the GATT.

CHAPTER III

**ARTICLE 18
ECONOMIC COOPERATION**

1. The Parties agree to encourage investments by their nationals in each other's territory through, inter alia, the consideration of eventual negotiations of Bilateral Treaties on the Promotion and Reciprocal Protection of Investments, investment promotion activities and the exchange of information on investment opportunities. To this end, similar agreements between individual Member States of CARICOM and Colombia will be encouraged.

2. The Parties agree to encourage joint production of goods and collaboration in the provision of services, especially those aiming to take advantage of market opportunities in third countries.

**ARTICLE 19
TECHNICAL COOPERATION**

1. The Parties agree to encourage and promote cooperation in areas such as human resource development, institution building, science and technology, research and development, environmental management, disaster preparedness and management, health research and management, energy, tourism and agricultural development.
2. Technical cooperation shall be implemented through the conclusion of agreements which will elaborate the modalities for dealing with, inter alia, exchanges among universities, training and research institutions, the

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provision of experts, the granting of training awards, graduate studies, strengthening of information systems and participation in seminars and workshops.

CHAPTER IV

**ARTICLE 20
PRIVATE SECTOR ACTIVITIES**

The Parties agree to promote the active participation of the private sector in the fulfilment of the objectives of this Agreement. To that end, they will consider the possibility of establishing a Colombia-Caribbean Business Council to analyse trade and investment opportunities, supply business information and organise business exchanges.

**ARTICLE 21
SETTLEMENT OF DISPUTES**

1. Any dispute which may arise between the Parties concerning the interpretation, application, execution or breach of the provisions of this Agreement may, if the dispute is not resolved by the Parties, be referred by either Party to the Joint Council for its consideration and recommendations.
2. In the exercise of its powers under this Article, the Joint Council shall define guidelines and mechanisms for the settlement of disputes within six (6) months after the entry into force of this Agreement. Such mechanisms may be negotiation, mediation, conciliation and the formulation of recommendations by groups of experts.
3. The recommendations of the Joint Council or any group of experts nominated by the Joint Council with respect to the settlement of disputes shall not be binding.

**ARTICLE 22
EVALUATION OF THE AGREEMENT**

The Joint Council shall periodically undertake an evaluation of the implementation of this Agreement and the achievement of its objectives. On the basis of such evaluation, the Joint Council shall recommend the measures it considers necessary to improve trade and economic relations and technical cooperation between the Parties.

**ARTICLE 23
ADHERENCE TO THE AGREEMENT BY OTHER ALADI MEMBER STATES
AND THE BAHAMAS**

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1. In order to facilitate the convergence of this Agreement with other integration schemes of the Latin American countries, it remains open to the adherence of other ALADI Member Countries, subject to prior negotiations between the Parties and those countries which demonstrate their intention to become members, in accordance with the provisions of paragraphs (a) and (b) of Article 9 of the Treaty of Montevideo 1980.

2. This Agreement shall not apply to The Bahamas, unless it adheres thereto subject to prior negotiations between the Parties and The Bahamas.

**ARTICLE 24
ANNEXES**

The Annexes to this Agreement are an integral part thereof.

**ARTICLE 25
TERMINATION**

1. Any Party may terminate this Agreement, through written communication of its decision to the other Party. Termination shall take effect six (6) months after such notice is received by the other Party. In that event, Colombia shall inform the General Secretariat of ALADI.

2. All rights and obligations acquired by virtue of this Agreement shall automatically cease, on the effective date of termination, except with regard to those obligations pertaining to the importation of products which shall be in force for a further period of one (1) year unless the Parties agree to a longer period.

**ARTICLE 26
ENTRY INTO FORCE**

This Agreement shall enter into force when the Parties have notified each other that all internal legal procedures have been completed.

**ARTICLE 27
DURATION**

This Agreement shall be of indefinite duration.

**CHAPTER 28
AMENDMENTS**

Any addition, amendment or modification of this Agreement shall be done through Protocols to this Agreement.

