

The Economic Partnership Agreement and Trade in Services
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Trade in services is one of the important areas covered under the recently initialled Economic Partnership Agreement (EPA) between CARIFORUM (CARICOM and the Dominican Republic) and The European Community (EC). The inclusion of services represents a new era in the trade relationship between these parties as there were no commitments on trade in services in the previous LOME and Cotonou Agreements between the EC and African Caribbean and Pacific (ACP) Countries. This article will address some of the aspects of the services agreement and highlight some of the issues that may arise from this arrangement.

The services agreement can be divided in two broad areas: rules and commitments. The rules determine the scope and coverage of the agreement, the nature of the commitments taken between the parties and establish guidelines on the regulatory frameworks of select services sectors and on Ecommerce. With respect to the commitments taken, the parties to the EPA have agreed to remove or not to impose in the future, any discriminatory measures that may prevent a service provider from gaining access in the respective markets of the Parties.

The EPA covers a significant amount of services with CARIFORUM agreeing to liberalise 65-75% of its services sector under the EPA depending on the development status of each country. On the other hand the EC has committed a vast number of sectors to its liberalisation schedule thereby providing service providers from CARIFORUM with market access in the EC market. Commitments have been taken in a number of sectors including: Professional (Engineering, Accounting, Architectural, Medical and Dental, Legal), Entertainment, Advertising, Management Consulting, Environmental, Tourism and Financial services. The commitments cover all modes of supply including the right to establish a firm in the export market as well as the right to temporarily offer the service in the export market (Movement of Natural Persons).

Notwithstanding the market access commitments and the potential benefits that could arise from this agreement, its scope does not include the liberalisation of domestic regulations, neither does it cover rules relating to citizenship and residency requirements or immigration measures such as visa requirements and work permits. Therefore, the guarantee that a service provider can offer cross border services is limited by the fact that they may still have to seek visas and other documentation required to enter the jurisdictions of the EC.

In addition, these domestic regulations are well established and regulated in the EC market and are far more developed in the EC than in CARIFORUM. As a result, there is the concern that EC service providers and investors would be in a better position to make use of the EPA than CARIFORUM service providers seeking to do business in the EC Market. It must be noted however that the Agreement provides for development

assistance to help CARIFORUM countries implement the necessary regulatory framework required to manage trade in services between the two Regions.

Furthermore, the EPA does not cover in a detailed manner, matters relating to mutual recognition. If the qualifications of our professional service providers are not recognised, this would negatively impact on their ability to take advantage of the market access provided for in the Agreement. The EPA however, provides a window of opportunity for service providers to further negotiate mutual recognition agreements and this should be of priority.

It is still too early to determine the extent to which Barbadian service providers will fully benefit from the agreement. Given the onerous nature of the EC regulations however, Barbadian service providers should take advantage of the development cooperation package offered in the EPA and Cotonou Agreements; a package intended to build the capacity of local firms and strengthen their ability to compete.