RESOURCE CENTRE – SECTORS – CONSTRUCTION

TITLE:

THE IMPACT OF THE ECONOMIC PARTNERSHIP AGREEMENT (EPA) ON THE CONSTRUCTION SECTOR

SUMMARY:

An examination of the treatment afforded products imported into Barbados from the European Union in the construction sector. The tables contain the liberalization timetables for the products.

DOCUMENT:

What is Trade Liberalisation?

Trade liberalisation' is the term for the process whereby a country opens up its markets to international trade i.e. reduces the taxes (known as tariffs) and other limits (such as quotas) on goods coming in.

Products imported into Barbados from the European Union (EU) were treated in several ways under the EPA. They were either:

I. Excluded from liberalisation: Customs duties will continue to be applied to products that have been excluded from liberalisation. In most instances, locally produced goods were excluded from liberalisation.
II. Subject to phased liberalisation of up to 25 years: Tariffs will be eliminated on goods subject to phased liberalisation over a specified period of time, at the end of which duties will no longer apply. Products subject to phased liberalisation were either locally produced or revenue sensitive products (goods on which the government derived significant income due to the high tariffs charged).

or

III. Subject to immediate liberalisation: A customs duty of o% would be applied to goods subject to immediate liberalisation. Goods treated in this manner were either not locally produced or, already attracted very low duties.

The tables below detail the manner in which a number of inputs used in the construction sector were scheduled under the EPA. An attempt is also made towards the end of this brief to outline some of the potential benefits that can be derived for local contractors under the Agreement.

Table 1:

Construction Products that are Excluded from Liberalisation
▪ **3925.20 – doors, windows and their frames and thresholds for doors, of plastic** ▪ **4412.13 – plywood consisting solely of sheets of wood** ▪ **4418.10 – windows, French windows and their frames, of wood** ▪ **4418.20 – doors and their frames and thresholds, of wood** ▪ **4418.30 – parquet panels of wood** ▪ **7213.10 – bars and rods, hot rolled, in irregular round coils of iron or non-alloy steel** ▪ **7213.20 – bars and rods, hot rolled, in irregular round coils, of non-alloy free cutting steel** ▪ **7213.91 – bars and rods, hot rolled, in irregular round coils, of iron or non-alloy steel, of circular cross section…** ▪ **7213.99 – bars and rods, hot rolled, in irregular round coils, of iron or non-alloy steel…** ▪ **7214.10 – bars and rods, of iron or non-alloy steel, not further worked than forged** ▪ **7214.20 – bars and rods, of iron or non-alloy steel, with indentations, ribs, groves or other deformations produced during the rolling process** ▪ **7214.91 – bars and rods of iron or non-alloy steel, not further worked than hot rolled, hot-drawn or hot-extruded, of rectangular 'other than square' cross section** ▪ **7214.99 – bars and rods, of iron or non-alloy steel, only hot-rolled, only hot-drawn or only hot-extruded** ▪ **7217.10 – wire of iron or non-alloy steel, in coils, not plated or coated, whether or not polished** ▪ **7217.20 – wire of iron or non-alloy steel, in coils, plated or coated with zinc** ▪ **7217.30 – wire of iron or non-alloy steel, in coils, plated or coated with base metals** ▪ **7217.90 – wire of iron or non-alloy steel, in coils, plated or coated** ▪ **7227.10 – bars and rods of high-speed steel, hot rolled, in irregularly round coils** ▪ **7227.20 – bars and rods of silico-manganese steel, hot rolled, in irregularly wound coils** ▪ **7227.90 – bars and rods of alloy steel other than stainless, hot-rolled, in irregularly wound coils** ▪ **7306.30 – tubes, pipes and hollow profiles** ▪ **7312.10 – stranded wire, ropes and cables, of iron or steel** ▪ **7320.20 – helical springs, of iron or steel** ▪ **7610.10 – doors, windows and their frames and thresholds for door, of aluminium**

Table 2:

Construction Products that are Subject to Phased Liberalisation
▪ **2523.10 – Cement Clinkers -** This product will be progressively liberalised over a period of twenty years (2009-2028). ▪ **2523.29 – Portland Cement** (Excluding White), **2523.30 – Aluminous Cement** & **2523.90 - Cement, Whether or not Coloured** (Excl. Aluminous Cement And Portland Cement) – These products have been subject to phased liberalisation over a period of twenty years (2009-2028). ▪ **7308.10 – Bridges & Bridge Sections, of iron or steel –** subject to phased liberalisation over 15 years (2009-2023) ▪ **7308. 20 - Towers & Lattice Masts, of iron or steel** – subject to phased liberalisation over 10 years (2009-2019) ▪ **7308.30- Doors, Windows and their Frames and thresholds for doors, of iron or steel** – subject to phased liberalisation over 15 years (2009-2023) ▪ **7308.90 – Structures and parts of Structures, or iron or steel** – subject to phased liberalisation over 15 years (2009-2023) ▪ **7313 – Barbed Wire, of iron or steel…** - subject to phased liberalisation over 20 years (2009-2028) ▪ **7314.31 – Grill netting and Fencing, of iron or steel, welded at the intersection, plated or coated with zinc** - subject to phased liberalisation over 20 years (2009-2028) ▪ **9406 – Prefabricated Buildings, whether or not complete or already assembled** – subject to phased liberalisation over 15 years (2009-2023)

Table 3:

Construction Products that are Subject to Immediate Liberalisation
▪ 2523.21 – White Portland Cement ▪ 7317.00.10 – Masonry & Roofing Nails ▪ 7317.00.30 – Tacks ▪ 7318.11 – Coach Screws, of iron or steel ▪ 7318.12 – Wood Screws, of iron or steel ▪ 7318.13 – screw hooks & screw rings, of iron or steel ▪ 7318.14 – Self tapping Screws, of iron or steel ▪ 7318.15 – Threaded Screws & Bolts, of iron or steel ▪ 7318.16 – Nuts of iron or steel ▪ 7320.90 – Springs & Leaves for Springs, of iron or steel

Benefits:

- Provision allowing local firms to establish (i.e. set up operations) in the EU (including the overseas territories)
- Opportunities for joint venture initiatives with EU firms
- Possibility of sourcing cheaper inputs from Europe or the Dominican Republic (especially cement and steel products)
- Access to Development Cooperation/Financing:
  - the provision of support measures aimed at promoting private sector and enterprise development, in particular small economic operators, and enhancing the international competitiveness of CARIFORUM firms;
  - enhancing the technological and research capabilities of the CARIFORUM states to facilitate development of and compliance with technical standards (such as labeling requirements etc)