



Office of Trade Negotiations  
Caribbean Community (CARICOM) Secretariat

... for trade matters.

## TRADE NEWS ROUNDUP

MAY 12, 2017

### **Africa Ponders Challenges As WTO Steps in Way of AU Self-Financing Model**

In July last year, the African Union adopted a self-financing mechanism proposed by Dr Donald Kaberuka whereby a 0.2 per cent levy on eligible imports would be imposed on products from outside Africa. Implementation of the directive is expected to begin in January next year. The mechanism was initially supposed to take effect in January this year but most member states asked for more time to make necessary internal preparations. However, the World Trade Organisation (WTO) has written to member countries, complaining that the move is not entirely compatible with its principles.

<http://allafrica.com/stories/201705090021.html>

### **EU and Mexico to wrap up new free trade negotiations by close of year**

Mexico and the European Union (EU) are expected to wrap up by the end of this year negotiations for a new free trade agreement to replace the one signed over 17 years ago, officials from the two sides announced here on Monday. In a joint press conference, Mexican Economy Minister Ildefonso Guajardo and EU Trade Commissioner Cecilia Malmstrom said both sides were committed to reaching a deal. The two sides have "agreed to accelerate the pace of negotiations even further," said Malmstrom. Referring to the anti-trade sentiment in some countries, the EU's envoy said: "We want to send a clear signal to the world about the importance of strengthening, not weakening, the rules that govern international trade."

<http://famaqusta-gazette.com/eu-and-mexico-to-wrap-up-new-free-trade-negotiations-by-close-of-year-p40203-69.htm>

### **Mexico warns US of alternatives on trade, points to China**

Mexico sent a stark message to U.S. President Donald Trump on Thursday, saying an upcoming visit by Mexican officials to China showed Latin America's second largest economy had other places to export to if he tore up the NAFTA trade deal. The North American Free Trade Agreement (NAFTA) underpins Mexico's economy, prompting the government to try and diversify away from the United States, which takes 80 percent of its exports. Trump indicated in an interview with The Economist published on Thursday that he wanted to get the U.S.-Mexico trade deficit down to about zero. He wants to renegotiate NAFTA to get a better deal for U.S. companies and workers, and has threatened to end the agreement if he does not get his way. "We will use (the China visit) geopolitically as strategic leverage" said Mexican Economy Minister Ildefonso Guajardo, answering questions on trade at the Mexico Business Forum. "It sends the signal that we have many alternatives."

<http://www.cnbc.com/2017/05/12/mexico-nafta-trade-united-states-trump-china-world-economy.html>

### **Canada, Mercosur Eye Renewed Trade Talks**

Canada and the South American trading bloc Mercosur have recently resumed preparations for potentially negotiating a future trade agreement, officials say, nearly five years after exploratory talks were held between them. These efforts were restarted after a technical working meeting was held between Canadian and Mercosur officials in Palacio San Martín of the Argentine Foreign Ministry, according to a press release issued last month. Argentine foreign ministry official Daniel Raimondi commented on the talks, noting the meeting was "highly productive" and that both Mercosur and Canada had expressed interest in moving forward. The press release reported that delegates exchanged information on their respective positions and negotiating experiences in this field, along with non-tariff barriers, investment and government procurement, and labour and environmental issues.

<http://www.ictsd.org/bridges-news/bridges/news/canada-mercotur-eye-renewed-trade-talks>

---

## Here's who wins with the new US-China trade deals

As businesses in the United States, China and beyond sorted through the details of the new U.S.-China trade agreements, many said they are disappointed that the 100-day plan missed larger issues such as overcapacity, forced technology transfer and equal treatment of U.S. companies. "Meaningful, yes. All progress on market access is well-received by the business community. However, many of these issues have been part of ongoing bilateral discussions for years and many more barriers need to be resolved," said James Zimmerman, a Beijing-based lawyer and former chairman of the American Chamber of Commerce in the Chinese capital.

<http://www.cnn.com/2017/05/12/heres-who-wins-with-the-new-us-china-trade-deals.html>

## US slams CARICOM as money launderers

In one fell swoop the United States government has condemned 14 of the 15 CARICOM states as major money laundering countries, and Barbados government minister, Donville Inniss, is calling for joint regional reaction. In its March 2017 International Narcotics Control Strategy Report of the US Department of State omitted only Montserrat in its broad brush across the region that hit every CARICOM member along with other Caribbean states, and Inniss noted that such charges carry severe consequences for financial operations of these countries. "This is an issue that affects the survival of each economy in the region," he said recently in a comment on the issue. "Our health-care systems in the region are at risk of not being adequately financed if we do not get it right in international finance and business. Our agricultural sector would be under immense pressure if we don't get it right in these areas," he told the Barbados Advocate newspaper. The State Department stated that as of 2016 major money laundering countries included Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago.

<http://www.caribbeanlifeneews.com/stories/2017/5/2017-05-12-ga-caricom-money-launderers-cl.html>

## CCJ Orders Guyana Government to Return Paid Taxes to Beverage Companies

The Caribbean Court of Justice (CCJ) has ordered Guyana to refund Trinidad beverage manufacturer SM Jaleel & Co Ltd (SMJ) and its subsidiary Guyana Beverages Inc. (GBI) the money they paid in an "unlawful" environmental tax imposed by the Guyana government. The CCJ said in a judgment on Tuesday that the GUY\$10 tax on non-returnable beverage containers was illegal and contrary to the principles of the CARICOM Single Market and Economy (CSME), since it was only applied to imported goods and not to similar items produced by local manufacturers. "The Court holds that Guyana has been clearly unjustly enriched at the expense of SMJ and GBI, having collected an unlawful tax directly from them in clear breach of the Articles of the RTC [Revised Treaty of Chaguaramas]," CCJ President, Sir Dennis Byron said, adding that the tax did not promote cross-border trade but tended to frustrate free movement of goods, distorted competition and discriminated against the companies that should have been protected as belonging to CARICOM.

<https://www.caribbean360.com/news/ccj-orders-guyana-government-repay-taxes-beverage-companies>

## A tide in the affairs of men

A little over a month ago I attended two meetings in Europe and they both underscored the necessity for the Caribbean private sector to urgently reconstitute a representative body that is able to actively engage with and advocate on behalf of the sector's interests over the next 18 to 24 months. There will be two major issues affecting the region's trading relationships over this period: the first being the Brexit negotiations, and the second being the Post-Cotonou negotiations, both occurring simultaneously and having a direct impact on the future of the Caribbean. The Brexit process and its eventual outcome will no doubt recast the region's trading arrangements under the CARIFORUM-European Union Economic Partnership Agreement. Our ability to exert some influence on the decisions taken will be limited and peripheral, with initial entrees suggesting that the UK wishes to retain and replicate the current economic partnership agreement undertakings with the Caribbean.

[http://www.jamaicaobserver.com/opinion/a-tide-in-the-affairs-of-men\\_98160?profile=1096](http://www.jamaicaobserver.com/opinion/a-tide-in-the-affairs-of-men_98160?profile=1096)

---