



THE

GEORGETOWN ACCORD

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THE GOVERNMENTS OF THE COMMONWEALTH CARIBBEAN COUNTRIES
THROUGH THEIR HEADS OF DELEGATIONS TO THE EIGHTH CONFERENCE OF
HEADS OF GOVERNMENT OF COMMONWEALTH CARIBBEAN COUNTRIES ASSEMBLED
IN GEORGETOWN, GUYANA, FROM 9TH TO 12TH APRIL, 1973 -

DETERMINED to consolidate and strengthen the bonds of
unity which have historically existed among their peoples;

SHARING a common determination to fulfil within the
shortest possible time the hopes and aspirations of the people
of the Caribbean Territories for industrial and agricultural
development, full employment and improved living standards;

CONSCIOUS that these goals can most rapidly be attained
by the optimum use of available human and natural resources of the
Region and by accelerated, co-ordinated and sustained economic
development;

RECOGNISING that over the past five years the Caribbean
Free Trade Association has laid the foundation for further progress
in regional integration;

COMMITTED to ever-widening programmes of functional
co-operation and common services;

AWARE of the vital necessity of enhancing the bargaining
power of the Region in relation to third countries, groups of
third countries and extra-regional entities providing goods,
services and funds to the countries of the Region;

MINDFUL of their different levels of development and
of the need to enable all Member States to share equitably in
the benefits of regional economic integration;

CONVINCED that closer economic integration among Member
States will contribute to the creation of a viable economic
community of the Commonwealth Caribbean Countries;

/ACKNOWLEDGING ...

ACKNOWLEDGING that it is the intention to establish a Common External Tariff as an integral feature of the Caribbean Common Market;

COGNISANT of the need to elaborate an effective regime by establishing and utilising institutions designed to enhance the economic, social and cultural development of their peoples;

RE-AFFIRMING the commitment progressively to advance the self-determination of all the peoples of the Caribbean:

HAVE AGREED as follows:

1.(1) The Caribbean Community, including the Caribbean Common Market, shall be established on the basis of the Draft Treaty set out in Annex I hereto, hereinafter referred to as 'the Community Treaty'.

(2) The Treaty will be open for signature not later than 1st July, 1973.

(3) The Governments of Barbados, Guyana, Jamaica and Trinidad and Tobago agree and undertake to sign and ratify the Treaty subject to and in accordance with their constitutional procedures so as to enable the Caribbean Community and Caribbean Common Market to be established on 1st August, 1973 with these countries as Founder Members.

(4) The Governments of Belize, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent agree and undertake to sign and ratify the Community Treaty subject to and in accordance with their constitutional procedures so as to become contracting parties thereto on 1st May, 1974.

(5) All Signatory Governments note the declared intention of the Governments of Antigua and Montserrat to give urgent consideration to joining in this Accord, signature of which by either

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Government at any time prior to 1st May, 1974, will constitute agreement and undertaking to sign and ratify the Community Treaty subject to and in accordance with its constitutional procedures so as to become a Contracting Party thereto on 1st May, 1974.

(6) The Governments mentioned in sub-paragraphs (4) and (5) hereof who sign and ratify the Community Treaty pursuant to this Accord shall be deemed to be Founder Members of the Caribbean Community.

2.(1) The Caribbean Community and the Caribbean Common Market shall replace the Caribbean Free Trade Association which shall cease to exist on 1st May, 1974 and which, prior thereto, shall cease to apply as between States who shall have become Contracting Parties to the Community Treaty.

(2) On and after 1st August, 1973, the Commonwealth Caribbean Regional Secretariat shall continue to be the administrative organ of the Caribbean Free Trade Association; but the Secretariat shall, in addition, become the principal administrative organ of the Community and thereupon shall be known as the Caribbean Community Secretariat.

(3) The Secretariat shall establish administrative procedures designed to facilitate the transitional arrangements for the continued operation of the Caribbean Free Trade Association until 1st May, 1974, and for the enlargement of the Caribbean Common Market on that date.

(4) States, parties to this Accord, shall take all appropriate steps to achieve these objectives.

3.(1) A Caribbean Investment Corporation shall be established by 1st June, 1973, on the basis of the Agreement for the establishment of the said Corporation considered at the Eighth Conference of Heads of Government of Commonwealth Caribbean Countries.

(2) The Corporation shall be required to proceed expeditiously with a programme for the promotion and establishment in the Less Developed Countries of industries based on, but not limited to, the list set out in Annex II hereto.

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(3) Enterprises entitled to benefit from the Caribbean Investment Corporation shall be enterprises located in Less Developed Countries who are Member States of the Caribbean Common Market and, prior to 1st May, 1974, in Less Developed Countries parties to this Accord.

4.(1) The Agreement for the Harmonisation of Fiscal Incentives considered at the Eighth Conference of Heads of Government of Commonwealth Caribbean Countries shall be applied with effect from 1st June, 1973, among all States parties to this Accord:

Provided that such Agreement shall cease to have application to any Less Developed Country, who, after 1st May, 1974, is not a Member State of the Caribbean Common Market.

(2) It shall be a feature of the Scheme established by the Agreement that no enterprise within the industries listed in Annex II hereto shall be eligible for the receipt of new or extended fiscal incentives in the form of income tax holidays or tax free dividends from the Governments of the More Developed Countries for a period of five years in the first instance:

Provided that, after 1st May, 1974, such obligations shall only apply in relation to Less Developed Countries who are Member States of the Caribbean Common Market.

5.(1) For the purpose of promoting industrial development in the Less Developed Countries industries which answer to the following criteria are approved for treatment under the provisions of Article 56 of the Common Market Annex to the Community Treaty and, prior to 1st May, 1974, under Article 39 of the CARIFTA Agreement:

- (a) an industry identified in the Report of the Economist Intelligence Unit Team on Industrial Development in Less Developed Countries as requiring a

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substantial part of the market of the
Less Developed Countries for viability;

- (b) an industry already established in a Less Developed Country which requires a substantial part of the market of the Less Developed Countries for expansion; and
- (c) an industry requiring a substantial part of the market of the Less Developed Countries for viability and in respect of which negotiations for its establishment in a Less Developed Country are in an advanced stage.

(2) Nothing in this paragraph shall be deemed to derogate from the rights of Less Developed Countries under, or the procedures established by, the provisions of Article 56 of the Common Market Annex to the Community Treaty or, prior to 1st May, 1974, of Article 39 of the CARIFTA Agreement.

6. With a view to facilitating the flow of investment capital from the More Developed Countries to the Less Developed Countries, parties to this Accord, a Double Taxation Treaty with tax-sparing facilities shall be concluded between the former and the latter by 1st June, 1973:

Provided that such Treaty shall cease to have application to any Less Developed Country, who, after 1st May, 1974, is not a Member State of the Caribbean Common Market.

7. For the purpose of safeguarding the rights of Caribbean consumers with regard to standards and prices there shall be established not later than 1st May, 1974, a Regional Commission constituted under the provisions of the Common Market Annex to the Community Treaty.

8. Special arrangements or mechanisms shall be adopted to meet the particular position of Montserrat.

9. With a view to safeguarding the special interests of the Less Developed Countries, the Common Market Annex to the Community Treaty shall provide as follows:-

- (a) In so far as the Less Developed Countries, except Belize and Montserrat, are concerned, their existing ECCM Tariffs shall be deemed as fulfilling their initial obligations in relation to the Common External Tariff of the Caribbean Common Market.
- (b) Wherever the Plan and Schedule of rates in the existing ECCM, Common External Tariff differ from those in the Common External Tariff of the Caribbean Common Market, the Plans and Schedule of rates in both the ECCM and the Caribbean Common Market Tariffs will be subject to annual review in the light of the prevailing economic situation of the Less Developed Countries for the purpose of determining the appropriate Plan and Schedule that will be introduced; provided that the introduction of such a Plan and Schedule will commence not later than 1st August, 1977, and the phasing period will end not later than 1st August, 1981.
- (c) In so far as Belize and Montserrat are concerned, their existing Tariffs on 1st May, 1974, shall be deemed as fulfilling their initial obligations in relation to the Common External Tariff of the Caribbean Common Market. They shall progressively phase their

/tariffs

tariffs in accordance with the annual reviews mentioned in (b) above; provided that, in the case of Montserrat, the introduction of the Plan and Schedule will commence not later than 1st August, 1981, and the phasing period will end not later than 1st August, 1985.

- (d) There shall be an annual review by the Heads of Government Conference of the need for strengthening existing mechanisms or introducing new ones to provide greater benefits to the Less Developed Countries.

10. A Scheme for the Rationalisation of Agriculture in the Region, containing special provisions for the Less Developed Countries, shall be introduced not later than 1st July, 1975, and adequate protection afforded thereunder for intra-regional trade in agricultural products.

11. Immediate steps shall be taken to commence the technical work on a Regional Perspective Plan designed to make the fullest use of the Region's resources, paying special regard to the need to achieve specific development targets in the Less Developed Countries.

12. Notwithstanding the commitment herein re-affirmed of all Member States to seek a group relationship with the European Economic Community, the right of the Less Developed Countries to choose their form of Association with the European Economic Community is re-affirmed and provision made to ensure that nothing in the Treaty establishing the Caribbean Community qualifies or in any way derogates from the exercise of this right by the Less Developed Countries.

13. Consistent with the principles and understandings concerning the Membership of Belize in the Caribbean Free Trade Association, nothing in this Accord or in the Community Treaty shall impair the right of Belize to enter into arrangements for closer economic relations with other economic groupings of the Western Hemisphere; provided that no more favourable treatment is accorded under these arrangements to other regional economic groupings than is accorded to Member Countries of the Caribbean Common Market.

14. In this Accord, references to "More Developed Countries" and "Less Developed Countries" have the meanings assigned to them under the Community Treaty.

/Reached

Reached at Georgetown, Guyana, this 12th day of April, 1973.

George C.R. Moore
.....
Government of Barbados

Robt. L. Bradshaw
.....
Government of St. Kitts/
Nevis/Anguilla

George Price
.....
Government of Belize

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Government of St. Lucia

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Government of Dominica

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Government of St. Vincent

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Government of Grenada

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Government of Trinidad
and Tobago

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Government of Guyana

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Government of Antigua

[Signature]
.....
Government of Jamaica

P. L. Baulle 10/12/73
.....
Government of Montserrat

ANNEX I

TREATY ESTABLISHING

THE

CARIBBEAN COMMUNITY

ANNEX II

Industries for Promotion in the Less Developed Countries

Aluminium Products:

- (1) Tubular Furniture
- (2) Window Frames
- (3) Hollow Ware

Automobile Muffler Systems

Clocks

Hats and Caps

Shirts and Knitted Underwear

Packaging Materials:

- (1) Plastic film
- (2) Twine
- (3) Paper bags
- (4) Cardboard boxes
- (5) Corrugated cardboard containers

Tissue Paper Products

Umbrellas

Wire Products: Nails

Brushes and Mops

Coir products, mats and matting

Mattresses

Drinking straws

ANNEX II

Aerated waters

Rum

Beer

Bakery Products

Cigarettes

Concrete Blocks

Concrete Pipes (non-asbestos)

Concrete Tiles

Copra

Edible Oils and Fats from Copra

Handicraft Items

Phonograph Records

Pop Corn

Printing

Stationery (excluding continuous business forms)

Syrups