

DECIDING to establish closer trade and investment relations between them;

AGREE to implement the following:

Article 1: OBJECTIVE

The fundamental objective of this Agreement shall be to strengthen the economic and trade relations between the Parties through:

- (a) the promotion and expansion of the sale of goods originating in CARICOM through, inter alia, oneway dutyfree access to the Venezuelan market;
- (b) the stimulation of investments aimed at taking advantage of the markets of the Parties and strengthening their competitiveness in world trade;
- (c) the facilitation of the creation and operation of regional joint ventures; and
- (d) the encouragement of mechanisms for the promotion and protection of investments by nationals of the Parties.

Article 2: THE JOINT COUNCIL

1. The CARICOM/Venezuela Joint Council on Trade and Investment (The Joint Council) established by the Principles for a Multilateral Agreement between Venezuela and CARICOM shall be responsible for the administration of this Agreement.

2. The Joint Council consists of representatives of Venezuela 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 resolve any problems which may arise out of the application of this Agreement;
- (c) to keep this Agreement under constant review, evaluate the functioning of this Agreement and recommend measures it considers suitable to better achieve the objective of this Agreement;
- (d) to carry out any other functions which may be assigned to it by the Parties.

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

Article 3: MEETINGS OF THE JOINT COUNCIL

1. The Joint Council shall meet at least annually at such time as may be agreed between the Parties.

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 Venezuela and a Member State of CARICOM or such other place as may be agreed between Venezuela and CARICOM.
4. The Agenda for each meeting of the Joint Council shall be settled by the Parties at least one month before each proposed meeting.
5. The Council may regulate its own procedures and may establish subsidiary bodies to assist it in the execution of its functions.

Article 4: LIBERALISATION PROGRAMME

1. Venezuela agrees to grant products originating in Member States of the Caribbean Community (CARICOM) free access to its market by means of the implementation of programmes of tariff reduction and the elimination of non-tariff barriers. To this end:

A. the CARICOM Exportable offer will have the following treatment:

- (i) immediate dutyfree access for products set out in Annex I;
- (ii) phased reduction of the duties applicable on products set out in Annex II as follows:
 - (a) starting 1 January 1993 - 75 per cent of the MFN rate of duty will apply;
 - (b) starting 1 January 1994 - 50 per cent of the MFN rate of duty will apply;
 - (c) starting 1 January 1995 - 25 per cent of the MFN rate of duty will apply;
 - (d) starting 1 January 1996 - dutyfree treatment will apply;
- (iii) the MFN rate will apply to the products set out in Annex III;
- (iv) the Joint Council, at its Meetings may consider and decide on any requests by the Parties for the modification of the treatment to be accorded to any item referred to in subparagraphs (i), (ii), and (iii) above;

B. for products other than those listed in (A) above, the MFN rate will apply unless otherwise decided by the Joint Council.

2. For the purposes of this Agreement "duty" shall be understood to mean the customs duties and any other charges of equivalent effect, whether fiscal, monetary, exchange or of any kind, which are incurred by imports. Not included under this concept are rates and analogous charges when they represent the cost of the services rendered.

Article 5: RULES OF ORIGIN

The Rules of Origin to be applied under this Agreement shall be those set out in Annex IV.

Article 6: TREATMENT OF IMPORTS INTO CARICOM FROM VENEZUELA

1. The Parties agree that CARICOM will grant most-favoured-nation treatment in the application of the Customs Tariff in respect of all imports from Venezuela.