BUSINESS VISAS FOR BUSINESS PERSONS AND INVESTORS IN THE GREATER CARIBBEAN: AN OPPORTUNITY FOR ESSENTIAL TRADE LIBERALISATION



Globalisation has brought about changes in all aspects of our lives, where international trade has been one of the most strongly affected. This has inevitably involved the opening up of countries' markets at the international level, with the consequent progressive dismantling of tariffs and obstacles that hinder the free flow of goods, services and capital.

Recent data provided by the World Trade Organisation (WTO) indicates that there is an undeniable statistical link between freer trade and economic growth. Liberal trade policies — which allow the unrestricted flow of goods and services — sharpen competition, motivate innovation and breed success. They multiply the rewards that result from producing the best products, with the best design, at the best price.

Moreover, and according to the recent Economic Study of Latin America and the Caribbean for the 2012-2013 biennium, provided by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), it is necessary to further open up the Greater Caribbean Region in order to benefit more extensively from foreign direct investment (FDI). This involves greater ease for the free flow of capital, especially for business persons and investors, the key players in the generation of employment and trade.

FDI is crucial for the economic development of the Member States of the Greater Caribbean, not only due to its role of complementarity with domestic investment, but also because of the contribution it makes to boosting the export sector. In this regional space, FDI increased from US$25.58 billion in 2009 to US$49.3 billion in 2013.

Nevertheless, in order for the Greater Caribbean Region to reap the full benefits of this flow, and in

order for FDI to increase significantly, the Member States of the Greater Caribbean must continue the processes for liberalising their economies, including greater promotion of their businesses and the simplification of the entry and free movement of their nationals, especially business people and investors. Other Studies have demonstrated that the liberalisation of the trade and investment regimen is measured by the lowest levels of regulation, linked significantly to FDI inflows.

This international flow has obviously had its implications in the Caribbean Region. Within the Greater Caribbean, for many years, the movement of business persons has played a pivotal role in the development of immigration strategies. Among those implemented separately thus far, we can highlight those agreed upon by countries in the framework of the Organisation of Eastern Caribbean States (OECS), outlined in the Treaty of Basseterre, established two years ago, which allows the free movement of persons.

Additionally, we should also underscore the advancements made by the Caribbean Community (CARICOM), where the free movement of persons is facilitated within the context of the CARICOM Single Market and Economy (CSME).

In other parts of the hemisphere, we can find concrete examples recently approved and implemented by countries. Such is the case of the Pacific Alliance, a commercial bloc created in 2011 by four Latin American countries: Chile, Colombia, Mexico and Peru, with the possible incorporation of Costa Rica before the close of 2013. This ambitious project is seeking to become an important leader in exports and foreign trade in Latin America, characterised by the pro-activity of its members.

The Pacific Alliance has included among its main pillars, becoming a space for co-operation in areas such as the “free movement of persons”. Chile, Colombia, Mexico and Peru eliminated the requirement for nationals to present a visa for entry into said countries as visitors without a permit, to conduct remunerated activities and to stay for a period not exceeding 180 days.

To that extent, this regional bloc was recorded among countries’ efforts to advance gradually toward the free flow of goods, services, capital and persons, for the purpose of promoting the economic and social development of their peoples.

During the 26th Meeting of the Special Committee on Trade of the Association of Caribbean States (ACS), held in 2011, the Member States agreed to create a Working Group to examine the need to issue business visas to persons in order to increase their awareness of markets and to facilitate their interest and participation as exporters, importers, service providers or investors.

Since this first meeting, ACS countries raised awareness of the need to commence discussions to

address the issue of facilitating the movement of business persons and investors in the Greater Caribbean Region, identifying in particular, the obstacles existing in the bureaucratic process regarding the acquisition of information and subsequent approval of visas, which would ultimately allow the business community in the Greater Caribbean to move legally, during a specific period of time.

Among the other important conclusions reached, the Member States agreed to commence discussions toward merging immigration and trade policies, in such a manner that the administrative procedures would be consistent with the amount of time used by business persons and investors to conduct their operations.

Recently, on the 4th September of this year, the 2nd Working Group of ACS countries met in Port of Spain to continue the discussion process launched at the start of 2013, with a view to presenting concrete recommendations to improve the movement of business persons and/or investors in the ACS region.

In the presentations delivered during said meeting of the Working Group, emphasis was placed on private sector participation through the interventions of the major exporter associations of the Dominican Republic, Guatemala and Trinidad and Tobago, who agreed on the call being made to Member States to establish instruments to facilitate the issuing of business visas. Mention was made of the Central American model referred to as CA 4, as a potential successful example, which could be studied as a solution for its possible implementation in the Greater Caribbean region.

The Convention for the Creation of the Single Central American Visa for the Free Movement of Foreigners among the Republics of El Salvador, Guatemala, Honduras and Nicaragua, (referred to as the Group of 4), makes it easy for a foreigner to apply to the immigration department, in any of the territories of the parties, for the single visa and allows the free movement of foreigners in the territory of the parties. Toward that end, the parties agree to standardise the classification regarding visa exemption and mandatory visas, requirements and procedures for their acquisition and free movement.

The single visa does not involve temporary or permanent residence in the territory of the Parties. Consequently, foreigners wishing to enjoy a status other than that of entry, must meet the requirements established by the legislation of each of the Parties.

The ACS will continue the dialogue and consultation process with its Member States, with the best intention of being able to determine whether or not this first development of consensus, (the CA4 model), could be potentially applicable and extended to the rest of the Greater Caribbean region, always in observance of the legislation and relevant provisions in each Member State.