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Organization of American States

Assessment of the Opportunities for the CARIFORUM Maritime Sector in Exporting Services to the European Union (EU) under the CARIFORUM-EC EPA

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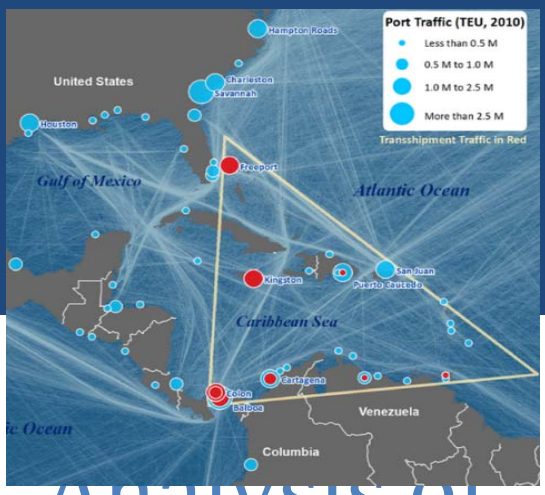

Analysis of Maritime Services in the between CARIFORUM and Selected EU Members

November 2013

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Acronyms

ACS	Association of Caribbean States
APORDOM	Autoridad Portuaria Dominicana (Dominican Port Authority)
BIA	Bahamas Investment Authority
BMA	Bahamas Maritime Authority
CARIFORUM	Caribbean Forum (CARICOM and the Dominican Republic)
CLC	Caucedo Logistics Centre
CMI	Caribbean Maritime Institute
CPC	Central Product Classification
CSME	Caribbean Single Market and Economy
DEVCO	Grand Bahama Development Company
Dwt	Deadweight tonnes
EC	European Commission
EPA	Economic Partnership Agreement
EU	European Union
GATS	General Agreement on Trade in Services
GBPA	Grand Bahama Port Authority Limited
Grt or GT	Gross Registered Tons
IMLI	International Maritime Law Institute
IMO	International Maritime Organisation
ITC	International Trade Centre
JAMPRO	Jamaica Trade and Investment Promotion Agency
JSR	Jamaica Ship Registry
KCT	Kingston Container Terminal
LHI	Logistics Hub Initiative (Jamaica)
LSCI	Liner Shipping Connectivity Index
MAFC	Mid-America Freight Coalition
MLC	Maritime Labour Convention
OECD	Organisation of Economic Cooperation and Development
PAJ	Port Authority of Jamaica
PATT	Port Authority of Trinidad and Tobago
Ro/RO	Roll On/Roll Off
SAG	Shipping Association of Guyana
SLASPA	St. Lucia Air and Sea Ports Authority
STCW	International Convention on Standards of Training, Certification and Watch keeping for Seafarers
TEU	Twenty feet equivalent unit
TPR	Trade Policy Review (of the WTO)
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development

WTO World Trade Organisation

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EXECUTIVE SUMMARY

As the Caribbean countries cruise toward CSME implementation, and the new free flow of trade it brings, ports in the region are investing in new facilities, services, and security. Momentum has picked up on the expansion of port infrastructure with the anticipated completion of the expansion of the Panama Canal in 2015 which is, without question, the most important development within the Latin America and Caribbean region within the maritime sector. Major ports, specifically Kingston Container Terminals, Freeport, and Puerto Caucedo, which are also classified as global hubs, have detailed expansion proposals and foreign investment required to provide them with the capability of accommodating the larger vessels which will pass through these ports.

However, not all Caribbean countries possess the capability of heavy investment to expand their ports, notwithstanding the overall need to improve upon trade facilitation. As such, investment opportunities are more prominent in some CARIFORUM countries than others at this juncture, as driven by the market realities of the industry.

From the perspective of trade policy, the Economic Partnership Agreement (EPA) signed between CARIFORUM members and the European Union (EU) marks a significant change in trade relations between the parties. In the context of trade in services, commitments were undertaken in various service sectors, including maritime transportation. Commitments varied, with some members from both of the parties not liberalizing market access, or where this has been done, they included specific requirements and limitations for market entry and on the treatment of nationals vis-a-vis European service providers.

The principle of differentiation between the parties also impacts the expectations of the direction of trade flows. This is particularly important for a sector such as maritime services where the CARIFORUM group's level of development, capacity and trading activities are far below that of their European counterparts. The study has remained cognizant of this, and as such explores opportunities in sub-sectors and modes of greatest relevance and potential. This means greater focus has been given on encouraging trade and investment between the CARIFORUM and EU8. From the CARIFORUM side, there is a closer look at how the region can access the EU8 market for the supply of natural persons.

As it pertains to maritime services, coverage is provided through substantive obligations and schedules of commitment for liberalization as reflected in Annex IV of the Agreement. Section 6 of the EPA (International Maritime Transport Services) provides that the following services are covered under the agreement: ***international maritime transport; maritime cargo handling services; customs clearance services***; ***container station and depot services; maritime agency services and freight forwarding services.***

Essentially therefore, the conduct of trade in maritime services is marshaled by these commitments undertaken. However, this market opening does not necessarily mean that either party will actually seek entry into the market, through any of the four modes of supply. This will be influenced and dictated by market forces. As such, the study has assessed the current status of the sector for each country within the scope of the study, namely, All CARIFOURM countries and, from the EU side Estonia, France, Germany, Italy, Malta, Netherlands, Spain and the United Kingdom (UK), hereinafter called the EU8.

The industry is impacted by significant developments beyond the domestic sphere. The ongoing economic downturn has led to a contraction in trade and an attending contraction in maritime services. Global container-handling activity has slowed down, including with European players, with the main terminal operating companies focusing on investing in emerging markets. A rebound and positive effect on the industry is in fact being anticipated with the expansion of the Panama Canal, which will facilitate passage of larger carriers to the Caribbean region and by extension, the East Coast of the United States. To this end, some CARIFOURM countries are at advanced planning (not execution) stages for expansion and upgrading of port facilities and infrastructure. Liberalization under the EPA in maritime services has been more open on the CARIFORUM side with EU8 requiring a high level of nationality conditionality, or remaining uncommitted in most sub-sectors. CARIFORUM on the other hand has sought to support its domestic providers in part by requiring joint venture establishment for entry into some activities. Both sides retain the space to commission economic needs tests prior to permitting market entry. In sum, the opportunities for trade will be highly dependent on the tangible response by CARIFORUM to expansion of the Panama Canal and as such EU8 countries may be well positioned to capitalize on the EPA in the provision of goods and services to the Caribbean region.

What is urgently required is sizeable investment in the expansion of these port facilities. The Bahamas, Trinidad and Tobago and the Dominican Republic are also actively expanding port facilities. Countries, such as Jamaica, have been negotiating with major investors, particularly the Chinese government and Chinese investors, to provide the requisite financing. Essentially, Asia has emerged as the 'go-to' investor globally. Undoubtedly, any investor of this magnitude will also seek to be a part of the operationalization of the sectors which will emerge. This will likely pose competition from new portfolio owners to both the established and potential European maritime investors. Of note, investment models are currently being assessed within the region, with some countries exploring, for example, a Public-Private Partnership (PPP) framework for investment collaboration.

The approach taken by the Consultant in assessing market opportunities between the parties included a prioritization of the CARIFORUM countries which should be more closely focused on. This process was informed by the following variables: (i) the state of development of ports and by extension maritime services; (ii) the current reality and development plans being executed by Governments and (iii) the current direction of maritime services. The methodology was further informed by the very limited likelihood that CARIFORUM countries will actually penetrate the EU market, possibly with the exception of temporary movement of people. As such the study does not

attempt to identify where CARIFORUM can enter the EU market but focuses on how CARIFORUM can attract investment into maritime, auxiliary services to maritime and services sectors which will inevitably emerge as a result of the current expansion in ports in the region.

Additionally, there are two (2) separate but related occurrences which have informed the study. The first is the port expansion activities which have been indicated above. The second is the service activities which will now provide and facilitate trade as a result of the port expansion. The creation of Economic and Enterprise Zones within and contiguous to the ports and the need for administrative and operational services which support maritime activities, create investment and trade opportunities which may not be immediately associated with direct maritime services but are important considerations for potential investors. The study holds that the latter set of activities offers sustainable opportunities for European investors, particularly smaller investors who may not have the capital to finance major construction works under port expansion and infrastructure development.

Therefore, having assessed the current global environment, the domestic sphere and liberalization commitments, analysis of opportunities for trade in maritime services between the parties can be summarized as follows.

As it pertains to port expansion and infrastructure development:

1. ***Investment in ports and port facilities.*** Some countries within CARIFORUM are currently putting plans in place for the expansion of existing facilities. This will require tremendous levels of investment in the project design, execution and implementation process. The construction, engineering and related sectors will also be heavily impacted as there will be a significant increase in demand of both goods (including equipment) and services (expertise and manpower). European firms should position themselves to capitalize on these ongoing and pending activities.

2. ***Invest in 'feeder' shipping services.*** With the (expected) increase in activity through the creation of transshipment hubs, for example in Jamaica and the Bahamas, opportunities to provide shipping services to the other islands (Eastern Caribbean) will become apparent and should be analyzed by EU8 countries.

3. Supply of ***maritime educational services*** by EU institutions and professionals to CARIFORUM. This service can be supplied through all modes of supply. Although not analyzed in detail, it is important to highlight the potential trade opportunity in maritime educational services through export of European service providers to CARIFORUM. The study has highlighted the maturity of the European maritime industry with reference to human resource development. It has also highlighted the limited educational opportunities within the region, with the Caribbean Maritime Institute playing a leading role and located only in Jamaica and Trinidad and Tobago. By virtue of its geographic location, the region should develop its comparative advantage in offering this type of specialized training.

Taking into account the expansion of the industry within the Caribbean, the need for a higher number of trained personnel in the sector will also expand over time. Providing educational services through all modes of supply, such as through establishment of institutions (Mode 3), offering specialized training through distance/online learning (Mode 1) which can be coupled with or independent of CARIFORUM students studying in the EU (Mode 2) and European instructors travelling to the region (Mode 4). These should be viewed as potential opportunities for European services providers and for CARIFORUM to expand its human resource capabilities.

4. ***Provision of auxiliary services.*** The structure of the industry is such that auxiliary services are typically provided by larger established entities which cover the gamut of services related to maritime, resulting in market penetration not being easy. Notwithstanding, there is the expected increase in demand within the region as transshipment hubs are enhanced in some countries.

When taken from a wider vantage point, it is imperative to further disaggregate the other service sectors which will be impacted by the expansion of port facilities in anticipation of widening of the Panama Canal. Therefore as it pertains to the sectors which will be expanded or created as a result of the expanded infrastructure opportunities can be seen in:

5. ***Inland transportation***, supply of goods and services, other professional and ***business services (legal, accounting etc.),*** will be in high demand to accommodate the increase in activity for countries which will now provide transshipment and logistics services. See Table 1 listing Freight Services and Corporate Services.

As it pertains to how market entry should be pursued:

6. ***Establishing joint ventures*** by EU with domestic CARIFORUM service suppliers should be further explored, cognizant of the entry requirements of each state, including as listed in its schedule of commitments. It is highly unlikely that there will be similar interests or capability by CARIFORUM to become established in the EU. There already is a strong European presence in the region in the sector, particularly shipping, influencing the trajectory of further relations.

7. New business through ***green-field investment*** by European service providers is an entry option which EU service providers should explore. The attractiveness of the various hub and transshipment facilities is enhanced by countries already offering and gearing up to offer investment incentive packages.

As it pertains to how investors and service providers can be attracted to the CARIFORUM region:

8. Although CARIFORUM members are individually pursuing expansion of port facilities and the creation of new investment and service opportunities, regional organizations can support the process by facilitating business-to-business meetings of stakeholders and investment forums in the various sub-sectors.

9. Consideration should be given to leveraging the regional space and encouraging collaboration in regional investment opportunities between regional bodies and the various national investment promotion agencies, port authorities and agencies responsible for promoting the industry.

10. Support dialogue between regional and European educational institutions on collaboration in the supply of maritime educational services. Support at the regional level for internships and job placement opportunities to facilitate greater skill transfer to CARIFORUM professionals should also be explored.

A notable limitation of the study is the restriction to desk research which prevented interaction with domestic service providers, including in services which support the maritime sector and the new areas which will be supported in order to create trade to capitalize on the current port expansions. Accordingly, a field research-based approach may produce a framework for further and more detailed evaluation to unearth real opportunities, including engagement with private sector entities already in the market.

In a nutshell, the legislative framework of the sector within CARIFORUM countries is generally geared towards encouraging investment into the sector. The policy environment is increasingly supportive of the evolving market conditions being given effect through port expansion and as new areas of conducting business are created.

1. PROJECT OVERVIEW

1.1.Background of the Project

CARIFORUM States and the European Commission (EC) concluded an Economic Partnership Agreement (EPA) in December 2007. The EPA is heralded as being more than a trade agreement by setting out objectives geared towards, inter alia, reducing and eventually eradicating poverty through trade partnerships; promoting regional integration, sustainable development, economic cooperation and good governance; promoting the integration of CARIFORUM States into the world economy; providing support for increasing investment and private sector initiative; and strengthening relations taking into consideration levels of development and international obligations (TOR).

With a view to implementing the agreement to ensure that CARIFORUM services providers take advantage of the opportunities that have become available, the task is to assist CARIFORUM service

providers in identifying opportunities for the export of services and in particular, utilizing the EU offer with respect to access into EU Member States.

Maritime and Yachting services are among those priority sectors identified with the need for analysis placed on select EU countries, namely Estonia, France, Germany, Italy, Malta, Netherlands, Spain and the UK.

Broadly, and within the context of this submission, analysis seeks to gather information on trade in Maritime services between the selected Member States and more importantly address the development of the sectors in the CARIFORUM Region through trade.

1.2.Project Objective

Pursuant to the TOR, the objective of this project is to gather information on trade in Maritime services between the selected Member States and more importantly address the development of the sectors in the CARIFORUM Region through trade.

Scope of work

The discussion below provides a summary of the execution of the scope of work as per the TOR. Comments and recommendations for further action are also provided for consideration.

1.3.Research Methodology

Cognizant of the perennial challenge of ascertaining trade in services data, in accordance with the TOR, the work analysis undertaken was conducted using secondary data obtained through desk search, primarily via the internet. Data and statistics were sourced predominantly from international databases, such as UNCTAD, ITC and the WTO's Trade Policy Reviews. Data has also been obtained from the websites of organizations within the maritime industry, including Caribbean Maritime and Lloyd's List with current data on CARIFORUM's port facilities accessed primarily from the Caribbean Shipping Association's website. Information was also ascertained from regional and national bodies, including those with the mandate to regulate the maritime sector. Some limitations in the research method experienced include language barrier, primarily with information on Italy and Estonia.

The main source of data for the value of sea transport services has been the ITC website. (Sources: ITC calculations based on Eurostat, United Nations Statistics Division, Organisation for Economic Co-operation and Development (OECD) statistics.) The aggregated data for Sea Transport – '206' in the nomenclature, is comprised of:

-- -- Sea transport – Freight
-- -- Sea transport – Supporting, auxiliary and other sea transport services
-- -- Sea transport – Passenger

As such, the value of Sea Transport does not make reference only to freight but also to 'Supporting, auxiliary and other sea transport services' and 'Passenger' services.

Owing to the lack of highly disaggregated data, particularly on support services, and especially as defined in the EPA, analysis of Sea Transport data as provided by the ITC is used as a proxy to give an indication of the level of activity in the sector on the whole and thus to deduce the likely presence of related services. This approach is in an attempt to circumvent the lack of detailed information. In addition to an analysis of schedules of commitments, which reflect market opening and thus trade and investment opportunities, the level of development of port infrastructure and current expansion plans are used as an indication of the trajectory of the sector and thus opportunities for growth and investment.

1.4.Limitations of the Study

The methodology applied to conduct the study was desk review. In applying this methodology, secondary information was ascertained primarily from the websites of national, regional and international organizations which provide both quantitative and qualitative data on maritime services trade. Information sources were therefore primarily governmental and non-governmental organizations.

Maximum benefit of the study, based on the objectives, would be realized if the private sector was able to indicate its own preparedness for the expansion of the respective ports and thus any likely plans for engaging in partnership or investment arrangements with European partners. Absent such data, the study has focused on conducting a desk review. The following limitations have therefore curtailed any investment specific information. It is recommended that further work be carried out in select CARIFORUM member states which are embarking on the expansion of their respective maritime industries in order to present more tangible market opportunities:

- Inability to collect primary data
- Inability to engage with existing service suppliers to identify potential opportunities for collaboration

1.5.Structure of the Report

The Report is structured into four (4) main sections:

Section 1 – Overview, definition and description of the sector- including within the context of the CARIFORUM-EU EPA.

Section 2 – CARIFORUM Maritime Industries – This section is further divided into two components.

- *Tier 1* examines in detail four (4) selected CARIFORUM countries (the Bahamas, Jamaica, Trinidad and Tobago and the Dominican Republic) which have indicated concrete initiatives for the expansion of the sector from which specific investment opportunities can be derived.
- *Tier 2* provides an overview of the other CARIFORUM countries which, notwithstanding indications of the need to expand the sector, have not yet formulated concrete expansion plans. Even so, gaps which are identified can be converted to opportunities for investment by European interests.

Section 3 – A synopsis of the EU8 countries is provided with the intention of highlighting the level of interest which there may be for expanding services into the Caribbean.

Section 4 – An assessment of the EPA commitments, cognizant of the market realities is provided.

Section 5 – Concludes the report by highlighting specific investment opportunities within the Caribbean.

SECTION 1

2. AN INTRODUCTION TO MARITIME

2.1.Maritime Services

2.1.1.Definition of Maritime Services

Recent progress in transportation and communications technologies has allowed the fragmentation of production in tasks, which can now be performed in different locations, influencing the "geographical pattern of production and income" (Carsten et al 2001). The connection among tasks requires an efficient logistic services sector inclusive of maritime transport and its tied-in services.

Fink et al aptly defines maritime transport services in three types of activities: *international maritime transport* (freight and passengers), i.e. the actual transportation service performed once the commodity is on board of a ship in a country until the moment when the vessel reaches the destination port of a different state; *maritime auxiliary services*, i.e. any activities related solely to cargo manipulation in ports and on ships; and *port services*, i.e. activities related solely to ship management in port. According to Dr. Jean Paul Rodrigues, "the enduring tenet of maritime transportation is its ability at moving large quantities of cargo over long distances…this reduced the discontinuity imposed by geography on global trade" Rodrigues (2012).

The development of ports and the construction of canals along with the introduction of increasingly larger carriers have greatly impacted sea-borne trade and increased the circulation time across the global seas. According to UNCTAD's Review of Maritime Transport 2012, maritime trade is the backbone of international trade and a key engine driving globalization. The report also estimated that 80 per cent of global trade by volume and over 70 per cent by value is carried by sea and is handled by ports worldwide.These shares are even higher in the case of most developing countries. We discuss below highlights of the growth of maritime trade and its relatedness to both world merchandise trade and the growth in the world gross domestic product (GDP).

Essentially, maritime services involve several different kinds of services, from shipping to port facilities with each being organized in complex ways. Within the context of the WTO negotiations, the maritime transport sector has been negotiated through three (3) pillars, which provide a definitional framework for the sector. These are:

i. ***International shipping***: transporting passengers or freight between ports in different countries.
ii. ***Auxiliary services*** such as cargo-handling, storage and warehousing, stevedoring, freight forwarding, customs clearance services, container-station and depot services. Negotiations

also deal with foreign operators' rights to establish their own facilities and supply these services.

iii. ***Access to and use of port facilities***, such as pilotage, towing and tug assistance, provisioning, garbage collection, port captain's services, and anchorage. Negotiations deal with rights of foreign ships to gain access to these services without discrimination.

Multi-modal transport also became a fixture of the process and involves door-to-door service, which itself involves the use of one or more "modes" (i.e. road, rail, air, or inland water transport) in addition to shipping by sea. Domestic coastal shipping (cabotage) as a highly protected sector has been excluded from the scope of the negotiations with countries typically reserving this sector for national-flag ships.

In assessing the benefits of logistics investment, Rodrigues (2012) highlights that the maritime freight market is divided into two (2) segments, namely bulk shipping and containerized cargo. Firstly, bulk shipping trade logistics generally involve raw materials and are structured as point-to-point services between ports of loading and unloading. The market, including in the Caribbean, is often operated by large conglomerates that own and operate the facilities and terminals. Secondly, containerized cargo involves a wider range of goods and according to Rodrigues, is the market segment which is currently witnessing significant development of opportunities such as backhaul movements. However other contributors to the discussion on maritime trade point to anticipated slow growth in the container terminal management business but also highlight the direction of the industry towards greater automation and investment of Asian companies (Fossey 2012). This is supported by Neil Davidson of Drewry Shipping Consultants who opines that infrastructure investors are still enthusiastic about the sector given that such investment is of a long-term nature (Fossey 2012). Within the context of the EPA between CARIFORUM and the European Union, Maritime Services are covered under Title II: Investment, Trade in Service and E-commerce. Maritime Transport falls under the broad umbrella of Transport Services, along with Internal Waterways, Rail Transportation, Road Transportation and Pipeline Transportation. For the varied modes of transportation both international passenger transportation and international freight transportation are given consideration. And whilst maritime transportation is the major concern, the definition of maritime transport as stated within the EPA, and adopted in this discourse, is "…a door-to-door and multi-modal transport operations, which is the carriage of goods using more than one mode of transport, involving a sea-leg, under a single transport document". Here, all five modes of transport services are important, as at any given time maritime transport may incorporate one or the other modes of transportation.

Coverage is provided through substantive obligations and Annex IV schedules of commitment for liberalization. Section 6 of the EPA (International Maritime Transport Services) provides that the following services are covered under the agreement:

a) "***international maritime transport"*** includes door to door and multi-modal transport operations, which is the carriage of goods using more than one mode of transport, involving

a sea-leg, under a single transport document, and to this effect includes the right to directly contract with providers of other modes of transport;

b) "***maritime cargo handling services"*** means activities exercised by stevedore companies, including terminal operators, but not including the direct activities of dockers, when this workforce is organised independently of the stevedoring or terminal operator companies. The activities covered include the organisation and supervision of:
   i. the loading/discharging of cargo to/from a ship;
   ii. the lashing/unlashing of cargo;
   iii. the reception/delivery and safekeeping of cargoes before shipment or after discharge;

c) "***customs clearance services***" (alternatively "customs house brokers' services") means activities consisting in carrying out on behalf of another party customs formalities concerning import, export or through transport of cargoes, whether this service is the main activity of the service provider or a usual complement of its main activity;

d) "***container station and depot services"*** means activities consisting in storing containers, whether in port areas or inland, with a view to their stuffing/stripping, repairing and making them available for shipments;

e) "***maritime agency services***" means activities consisting in representing, within a given geographic area, as an agent the business interests of one or more shipping lines or shipping companies, for the following purposes:
   i. marketing and sales of maritime transport and related services, from quotation to invoicing, and issuance of bills of lading on behalf of the companies, acquisition and resale of the necessary related services, preparation of documentation, and provision of business information;
   ii. acting on behalf of the companies organising the call of the ship or taking over cargoes when required;

f) "***freight forwarding services***" means the activity consisting of organising and monitoring shipment operations on behalf of shippers, through the acquisition of transport and related services, preparation of documentation and provision of business information.

Like the WTO level, Articles 66 and 75 of the EPA provide that within the scope of the agreement, national maritime cabotage services are not covered under the agreement.

Within the above-listed categories, services which form a part of the industry and which European investors should explore include those listed in the table below. There are two (2) broad categories, namely Freight Services and Corporate Services.

Table 1: Types of Services associated with logistics activities

FREIGHT SERVICES	
Trucking services	Drayage and long distance truck services for supplies and customers. Shuttles to nearby rail and maritime terminals.

Loading/consolidation	Packing, palletizing and stuffing cargo into containers and trailers. Cargo consolidation from multiple suppliers. Mostly linked to exports.
Unloading/ Deconsolidation	Unpacking, de-palletizing and de-stuffing cargo in distribution centers. Mostly linked to imports.
Trans-loading/ cross-docking	Transfer from one cargo unit to another, such as a maritime container into a domestic container.
Warehousing	Protects the integrity of cargo units (e.g. damage, theft) while waiting to be released to customers.
Bonded warehousing	Cargo waiting to be released by customs. In a free trade zone, cargo can be transformed for re-export.
Container and chassis depot	Storage of empty containers waiting to be reused. Transfer custody of containers between shippers. Consolidation center for containers used by maritime and rail terminals.
Container and chassis maintenance	Container preparation and inspection before usage; cleaning and repair. Chassis inspection and repair.
Equipment maintenance	Maintenance of vehicles and intermodal equipment.
Fabrication	Light manufacturing activities often undertaken at the distribution center. Include labeling, assembly, testing and quality control. Can also include the bagging of bulk cargo. Provides added value.
Cold chain	Activities maintaining the thermal integrity of cargo.
Recycling	'Green logistics' activities (reverse distribution).
CORPORATE SERVICES	
Office space	Space and services for managers involved in logistics activities
Customs clearance	Services supporting compliance with customs-clearance procedures for imports and exports.
Security	Site integrity (e.g. access).
Site maintenance	General activities related to cleaning and garbage collection as well as technical maintenance such as utilities.
Parcel services	Support the high transactional level of logistical activities.
Certification and quality control	Certifying and benchmarking agencies to ensure that users meet recognized criteria.
Cargo inspection	Expert assessment in cargo losses and damages. Specialized laboratories.
Logistics equipment location	Sale and location of logistical equipment, such as racks, fork lifts, conveyors, etc. Maintenance of this equipment.
Container and chassis location	Availability of maritime and domestic containers for export and import activities. Availability of chassis.
Export facilitation	Activities promoting exports, such as certification, financing and marketing.
Work supplies	Uniforms, work equipment (e.g. gloves), wraps, labels, boxes, security equipment (fire extinguishers), etc.
Temporary workers agencies	Supplying temporary workers to cope with fluctuation in demand.
Office supplies	Sale and rental of office equipment and supplies
IT equipment	Sale and rental of computers, telecommunication equipment, and software. IT network setting and management.
Human resources	Personnel management from recruiting to payroll. Labour training and certification.
Accounting	Management of transactions and finances.
Insurance and financial services	Variety of insurance products for people and merchandises. Activities facilitating commercial transactions at the national and international levels.
Legal services	Expertise for contract redaction and commercial dispute resolution.

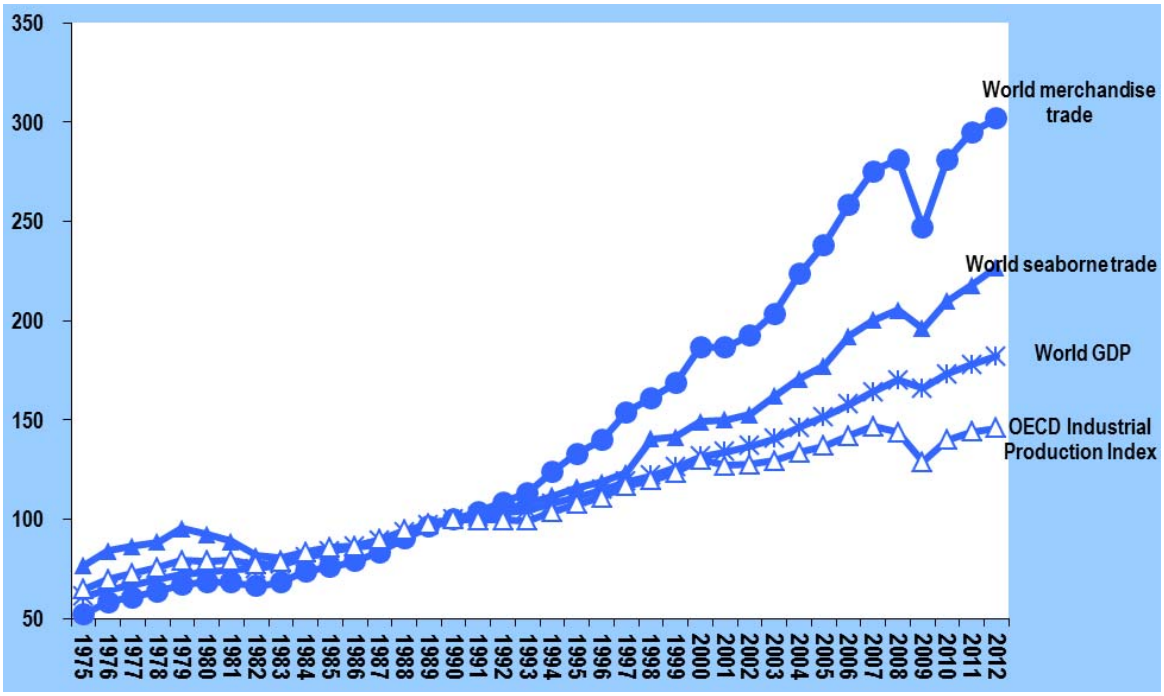
Hospitality	Availability of hotel and meeting facilities to support transactional intensity of logistics zones. Extended-stay facilities.
Restoration	Availability of restaurants for workers and truckers.
Personal Services	Array of services for workers.

Source: Adapted from Rodrigues (2012)

2.1.2. Global Outlook of Maritime Services

Within the 'non-negotiations' arena, maritime transport is recognized as a component of international logistics. According to UNCTAD, maritime transport accounts for approximately 80% of the volume of global trade and over 70% by value is carried by sea and handled by ports worldwide (UNCTAD 2013 – Review). Undoubtedly, shipping therefore serves as the backbone of international trade. As such the supporting and attending services of shipping are equally important. The impact of global consumption and thus production extends to the maritime sector with UNCTAD establishing a direct association between world gross domestic product (GDP), world merchandise trade and seaborne shipments. See Figure 1 below.

Figure 1: Organization for Economic Cooperation and Development (OECD) Industrial Production Index and indices for world GDP, merchandise trade and seaborne trade (1975–2012) (1990 = 100)



Source: UNCTAD 2013 – Recent Developments

Globally, world seaborne shipments rose from 2.6 billion tons in 1970 to 8.4 billion tons in 2010, reflecting an annual average growth rate of 3 per cent. As indicated in the table below, in 2011, volumes increased at an annual rate of 4 per cent to reach 8.7 billion tons attributed to growth in

dry cargo volumes, containerized trade and major bulk commodities, as well as oil and gas (UNCTAD 2013). The trend however indicates the major impact which dry cargo and main bulk items have had on maritime trade. While growth projections are positive, the likely effect of economic uncertainly, limited trade finance and maritime piracy, to name a few, are not overlooked and as highlighted in subsequent sections, have had a contractual effect on various aspects of the industry.

Table 2: Development in international seaborne trade, selected years (Millions of tons loaded)

Year	Oil and gas	Main bulks[a]	Other dry cargo	Total (all cargoes)
1970	1 440	448	717	2 605
1980	1 871	608	1 225	3 704
1990	1 755	988	1 265	4 008
2000	2 163	1 295	2 526	5 984
2005	2 422	1 709	2 978	7 109
2006	2 698	1 814	3 188	7 700
2007	2 747	1 953	3 334	8 034
2008	2 742	2 065	3 422	8 229
2009	2 642	2 085	3 131	7 858
2010	2 772	2 335	3 302	8 409
2011	2 796	2 477	3 475	8 748

Source: UNCTAD 2013

Another significant trend is the specializing by both developed and developing countries in a selection of maritime businesses. UNCTAD highlights, for example, that "a typical ship servicing international trade may actually be built, owned, manned, insured, operated and registered in different countries" (UNCTAD 2013). Specific and significant activities include ship building, registration, ownership, operation, liner shipping companies, seafarer supply, and other maritime services. According to data released by UNCTAD (2013), ship owners from developing countries account for one third of the world fleet and 12 of the top 20 container operators. Further, Panama, Liberia and the Marshall Islands, account for approximately 42% of the world fleet registration.

A global trend also identified by UNCTAD is the increasing contribution of developing countries to world GDP, merchandise trade and world seaborne trade, with 60% of the volume of world seaborne trade originating in developing countries in 2011 (UNCTAD 2013). This is heightened by changes in production and consumption patterns, such as China's steady movement up the manufacturing value chain. Fundamentally and of utmost importance to the EU-CARIFORUM trade and investment opportunities, the Panama Canal expansion expected in 2015 will entail global changes which stand to directly impact the Caribbean maritime sector. Similarly, and on a regional level, the general realization of export-led development (including as intended by Caribbean states), continued energy needs and expansion of South-South trade will continue to chart new trade routes.

According to the Association of Caribbean States (ACS 2013), numerous factors influence the cost of maritime transport. These include the type of vessel, distance travelled, the characteristics of the goods (weight, fragility, etc.), quantity transported, and shipping route (quality of infrastructure, frequency of passage, transportation opportunities on the return trip). Given the size of their economies, the inadequacy of economies of scale constitutes, for the Caribbean countries, an important factor in the high costs of regional transport.

Another trend which has been noted is the creation of economies of scale by investing in large capacity ships which has also led to a substantial reduction in freight rates. Following on this trend of large ships is the need to ensure that ports are of the capacity and scale to accommodate such vessels. Smaller vessels, in serving many kinds of ports owing to their size and thus flexibility experienced significantly higher earnings than large Capesize vessels. For the Caribbean region, the expansion of the Panama Canal embodies the trajectory of the potential for large vessels on the brink of the region and an increase in opportunities for smaller vessels. Overall, an increase in activity will have a positive ripple effect on the maritime industry and attending sub-sectors.

While the nature of the industry in principle (and based on its importance to international trade), creates opportunities for countries, firms and individuals to tap into the maritime value chain, the Maritime industry has not been immune to the global recession. Within the context of this study, this impact is particularly important given the impact on European shipping companies and thus the ability to feasibly create and capitalize on opportunities under the EPA.

As indicated above, the changes within the maritime sector create both challenges and opportunities for countries and firms themselves. UNCTAD has highlighted the evolution of different sectors within the maritime industry and emphasized factors which developing countries in particular may wish to consider in assisting national industries. These include: development of maritime clusters and supporting labour productivity. Several of the current main players in some maritime sectors have benefited from industrial policies and government support to establish and expand their exports of, for example, ships, port operating services, or seafarers (UNCTAD 2013).

While factors such as geographical location may be beyond countries' determination, "investments in port infrastructure and modernization, combined with trade and transit facilitation that enhance a port's hinterland, can have an important impact on the services and vessel deployment of liner shipping companies" (UNCTAD 2013).

Within the Caribbean region, the nature and extent of freight traffic is related to the level of economic activity (Rodrigues 2012). Notwithstanding the importance which the tourism sector's demand for imported goods plays in the overall freight traffic and thus distribution and logistical services, at this juncture the main growth driver of maritime services within the region stems from the transshipment through the Panama Canal.

There a need for significant investment in CARIFORUM countries and currently some states are in the process of improving upon and expanding infrastructure. Investment in human resources will

be a needed complimentary activity, which also offers opportunities for educational services from European suppliers, both individuals and educational institutions. The EU8, which is more advanced in the industry, is positioned to provide and capitalize on investment opportunities within the CARIFORUM region.

2.1.3. Importance of Maritime Services to the Caribbean

The Association of Caribbean States (ACS) estimates that transportation by sea accounts for approximately 90% of goods circulation, demonstrating the level of importance attached to maritime services in international trade and economic growth and development. This is particularly significant to the CARIFORUM Island States where access is limited to air and sea. It is further argued that the region is plagued by high transportation costs, which on average are approximately three times higher than in other regions (ACS 2013). According to Pinnock and Ajagunna (2012) a fundamental challenge within the Caribbean is being able to connect to global supply chains and maximize the opportunities presented by transshipment hubs. Furthermore, the level of competitiveness of CARIFORUM economies is directly affected by their ability to be competitive in maritime services.

Chaitoo and Remy (2004) have pointed out the important role which maritime services play in the ability of CARICOM firms to supply goods to other economies within the region. This analysis must be extended to the export of goods and services beyond the Caribbean region, including to Europe given, in particular liberalization of goods, services and investment under the EPA. In 2004, a paper presented by Chaitoo and Remy pointed to the trend towards larger cargo ships, containerization and the growing role of transshipment in maritime cargo services. Further, the authors highlighted the ability for the region to attract investment and revenue generation in Caribbean ports owing to developments within maritime services as highlighted above. The impact of this (which was conceived of within the context of the FTAA but also applicable to the EPA) would also be felt in the lowering of unit costs of exporting and importing of goods. The possible marginalization of smaller Caribbean countries which are not serviced by larger carriers was also expressed with one proposed solution being investment (public or private) in regional feeder or connector services which would link the major transshipment ports to small ports. In our view, this rationale remains valid and as such creates the opportunity for attracting investment from the EU8 into the Caribbean.

Keaser, in his study on logistics services highlights three distinct advantages of maritime services, including multimodal transport as it relates to the EPA. He holds that “First, given that multimodal transport is planned and coordinated as a single operation it minimizes both the loss of time and cargo. Second, multimodal transport speeds up the transit discussion … focuses on goods and thus decreases the disadvantages of distance. Third, it reduces the costs associated with issuing various documentation or other formalities. All this taken together significantly decreases trade costs, a burden developing states can ill-afford in light of current economic realities” (Keaser). This in essence facilitates trade. The Caribbean region is of particular importance in maritime activities

owing to its location and service point for trade routes and shipping lines between the Atlantic and the Pacific oceans. In particular, container port traffic and transshipment traffic.

The importance of maritime services is not restricted to small island economies or developing states such as those of CARIFOURM but also to European counterparts, both from the perspective of facilitating trade and also investment. This is demonstrated in the level of interest expressed in accessing the Caribbean market by European firms, including through liberalization requests, offers and commitments at both the multilateral level (WTO GATS) and within the EPA. The implications and opportunities arising from these commitments are analyzed below.

2.1.4. International Legal Framework

The International Maritime Organization (IMO) is the United Nations specialized agency with responsibility for the safety and security of shipping and the prevention of marine pollution by ships. The IMO is the first ever international body devoted exclusively to maritime matters and currently has a membership of 169 States with 3 Associate Members. The legal framework within which maritime services is situated is continuously impacted by developments within the sector, including: (i) shifts towards sustainable freight transport; (ii) climate change impacts and adaptation; and (iii) energy, fuel prices and transport costs.

The Maritime Labour Convention (MLC), adopted in 2006 under the joint auspices of the International Labour Organization and IMO, was set to enter into force on 20 August 2013. More than 65 international labour standards impacting seafarers were consolidated and updated within the ambit of the 2006 MLC. The MLC complements three major IMO conventions, namely the International Convention for the Safety of Life at Sea (SOLAS), 1974; the International Convention on Standards of Training, Certification and Watch keeping for Seafarers (STCW), 1978; the International Convention for the Prevention of Pollution from Ships (UNCTAD 2013). One core aim of the MLC is to ensure achievement of decent work conditions for seafarers and create conditions of fair competition for ship-owners. Other important instruments include the International Ship and Port facility (ISPS) Code and the Convention on facilitation of International Maritime Traffic.

3. KEY ISSUES FOR CONSIDERATION

3.1.Caribbean Ports

It is no secret that the ports within CARIFORUM states are not as developed as they should be and are by far less advanced than their EU8 counterparts. Pinnock and Ajagunna (2012) indicate that this feature of Caribbean economies has been impacted by the fact that import parcel sizes are small by global standards. They also posit that the concept of 'containerisation' has been one of the greatest impacts on small Caribbean ports through the effect of colonial economic source of basic items of bulk import and export of bananas and sugar. As Caribbean economies become more integrated into the global economy, improvements and developments of ports have been undertaken with ongoing efforts at modernizing old cargo ports to accommodate newer ships within the region. This is quite evident today with the high level of preparation being undertaken across the region for the opportunities to be created with expansion of the Panama Canal, as well as the general trends within the industry of larger and more advanced ships. A cursory review of Caribbean economies points to intense expansion works being undertaken in Jamaica, the Bahamas, the Dominican Republic, Guyana, Trinidad and Tobago and Barbados to name a few.

Pinnock and Ajagunna (2012) have classified Caribbean ports into three (3) categories, namely: global hub port, sub-regional hub ports and service ports, as shown in the table below.

Table 3: Global Shipment Hub Port, Sub-Regional Hub Port and Service Ports

Ports	Countries	Global Hub	Sub – Regional Hub	Service
Kingston Container Terminal	Jamaica	*		
Free Port	Bahamas	*		
Manzanillo	Panama	*		
Colon	Panama	*		
Caucedo	Dom. Rep.	*		
Cartagena	Colombia	*		
Port of Spain	Trinidad		*	
Point Lisas	Trinidad		*	
Kingston Wharves	Jamaica		*	
Bridgetown	Barbados			*
Rio Haina	Dom. Rep			*
Puerto Plata	Dom. Rep.			*
La – Roman	Dom. Rep.			*
Boca – Chica	Dom. Rep.			*
Georgetown	Cayman			*
St. John	Antigua			*
Castries	St. Lucia			*
Vieux Fort	St. Lucia			*
George Town	Guyana			*
Havana	Cuba			*
Willemstad	Curacao			*
Pointe – A- Pitre	Guadeloupe			*

Source: Table adopted from Pinnock and Ajagunna (2012)

Container port throughput is an important measure of a country's capacity to accommodate vessels. Table 4 below supports Pinnock and Ajagunna's classification by providing an enumeration of the capacity of the region's ports. The capacity is clearly directly related to the size of the economy as well as the geographical location within the region.

Table 4: Container Traffic in the Caribbean by Port 2008-2011 (TEU)

Rank	Ports	Country	2008	2009	2010	2011	%Change 2011/2010
1	Kingston	Jamaica	1,915,951	1,728,042	1,891,770	1,756,832	-7.10
2	Freeport	Bahamas	1,702,000	1,297,000	1,125,000	1,116,272	-0.80
3	Port of Spain	Trinidad & Tobago	385,000	401,206	388,960	-	-
4	Point Lisas	Trinidad & Tobago	166,655	164,183	184,257	170,581	-7.40
5	Jarry	Guadeloupe	170,729	142,692	150,534	165,096	9.70
6	Willemstad	Curacao	102,082	97,913	93,603	-	-
7	Bridgetown	Barbados	87,253	82,832	80,430	77,051	-4.20
8	Phillipsburg	St. Maarten	-	68,253	70,862	76,701	8.20
9	Georgetown	Guyana	55,530	52,000	59,850	-	-
10	Oranjestad	Aruba	49,300	51,164	49,558	53,952	8.90
11	Georgetown	Cayman Islands	54,584	51,198	45,649	44,766	-1.90
12	Vieux Fort	St. Lucia	34,255	21,756	21,831	33,047	51.40
13	Castries	St. Lucia	35,977	30,186	30,648	27,295	-10.90
14	St. John	Antigua & Barbuda	35,350	31,332	26,366	21,824	-17.20
15	CPCP	St. Vincent & the Grenadines	11,426	14,704	15,569	15,345	-1.40
16	Long Point Port	St. Kitts and Nevis	2,353	3,002	2,424	3,046	25.70
17	Road Bay Port	Anguilla	-	-	2,863	2,543	-11.20
18	Kingstown	St. Vincent & the Grenadines	5,084	1,534	1,398	1,070	-23.50

Source: ECLAC, 2012

According to Pinnock and Ajagunna, "based on the interest and Investments in the harbor area by global operators, there will be no single global hub port in the Caribbean." Furthermore, it is opined that based on terminal capacity, no single harbor has the capacity to serve the entire region.

Table 5: Selected top six Caribbean region competing global hub ports

Location	Gantry Cranes	Terminal Area (HA)	Berth (M)	Depth (M)	Current Capacity (TEUs)	Planned Capacity	Global Port Operator Interest
Kingston, Jamaica	19	185	2,455	14.5	2,800,000	5,200,000	Self
Freeport, Bahamas	10	49	1,036	16	1,500,000	3,500,000	Hutchinson Whampoa Ltd
Manzanillo, Panama	14	52	1,940	14	1,300,000	4,000,000	Self
Colon, Panama	10	74	982	15	400,000	1,300,000	Evergreen Group
Caucedo, Dominica Republic	7	50	922	13.5	1,250,000	-	Dubai Port
Cartagena, Colombia	6	86	1,200	11.8	1,200,000	3,200,000	Self
Mariel, Cuba -Projected	6	Not available	700	15	-	850,000	PSA International

Source : Pinnock & Ajagunna 2012 from Port Authorities & website

The table above lists Jamaica and Bahamas within the top six with Jamaica emerging ahead in key indicators, such as number of gantry cranes, terminal area, berth and TEU (capacity). Further improvements by both Jamaica and Bahamas (as indicated in sections below) will improve their capacity to accommodate increasingly large vessels, requiring the development in human capital to provide services.

Liner Shipping Connectivity Index (LSCI), developed by UNCTAD, is another important measure used to assess the current status of regional maritime services. The LSCI aims at capturing the level of integration of a country into liner shipping network by measuring liner shipping connectivity. It is generated from five components: (a) the number of ships; (b) the total container-carrying capacity of those ships; (c) the maximum vessel size; (d) the number of services; and (e) the number of companies that deploy container ships on services from and to a country's ports.

Table 6: Liner shipping connectivity index, 2004-2012

ECONOMY	YEAR										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	% change (04' to 12)	% change (11 to 12)
Antigua and Barbuda	2.33	2.56	2.43	3.76	3.82	2.66	2.40	2.40	2.41	3%	0.36%
Bahamas	17.49	15.70	16.19	16.45	16.35	19.26	25.71	25.18	27.06	55%	7.48%
Barbados	5.47	5.77	5.34	5.79	5.36	4.75	4.20	5.85	4.82	-12%	-17.52%
Belize	2.19	2.59	2.62	2.61	2.32	2.30	3.95	3.85	9.99	356%	159.47%

Dominica	2.33	2.51	2.33	2.40	2.31	2.73	1.88	2.08	2.08	-10%	0.21%
Dominican Republic	12.45	13.95	15.19	19.87	20.09	21.61	22.25	22.87	23.72	91%	3.71%
Grenada	2.30	2.52	3.37	4.09	4.20	4.13	3.71	3.93	4.04	76%	2.74%
Haiti	4.91	3.43	2.91	2.87	3.44	4.40	7.58	4.75	5.08	3%	6.87%
Jamaica	21.32	21.99	23.02	25.50	18.23	19.56	33.09	28.16	21.57	1%	-23.41%
Montserrat	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Saint Kitts and Nevis	5.49	5.32	5.59	6.16	6.19	3.08	2.84	2.66	2.67	-51%	0.48%
Saint Lucia	3.70	3.72	3.43	4.21	4.25	4.25	3.77	4.08	4.55	23%	11.56%
SVG	3.56	3.58	3.40	4.34	4.52	4.13	3.72	3.95	4.02	13%	1.79%
Suriname	4.77	4.16	3.90	4.29	4.26	4.16	4.12	4.16	4.48	-6%	7.59%
Trinidad and Tobago	13.18	10.61	11.18	13.72	12.88	15.88	15.76	17.89	18.90	43%	5.66%

Source: UNCTAD, UNCTADstat. UNCTAD.org. Retrieved July 2013

Unsurprisingly, the region on the whole has a low connectivity within the global shipping network, again with Jamaica, Bahamas and the DR being the most integrated. Trinidad and Tobago has also been increasing in its level of connectivity over the last decade. Importantly, notwithstanding Jamaica's dominant position, there has been only a 1% improvement between 2002 and 2012, unlike the DR which has experienced a 91% improvement over the same period.

This low level of connectivity is further compounded by what is considered as the poor performance of most Caribbean container terminals reflected, *inter alia*, in the high handling charges relative to similar ports in other regions. According to Pinnock and Ajagunna (2012), the overall insurance and transportation cost in the Caribbean is 30% higher than the world average. Furthermore, the fact that no intra-regional services directly interconnect all CARIFORUM countries creates a lack of economies of scale which is compounded even further by negative container trade imbalances, demonstrating the need to increase production for export.

The challenge of improving upon technology in tandem with that demanded by the sizes of ships and level of specialized container ships puts pressure on Caribbean ports to provide shore based cranes, cargo port configuration and the supporting pier side container handling infrastructure. This challenge can however be seen as opportunities for European firms with capital for investment and expertise to provide services.

In an attempt to mitigate these challenges, the ACS is implementing projects within the sector to increase trade opportunities and connectivity in the region. As reported by the ACS, the project has already created a digital map of maritime routes in the Caribbean. The map highlights the existence of 167 services, divided among 55 shipping companies comprising 614 ships, 37 countries and 71 ports of the Greater Caribbean, with a capacity of 1,357,992 TEUS, of which 149,649 TEUS are refrigerated (ACS 2013).

Table 7: Maritime transport services by area

ZONE	REGION	No of ROUTES	SHIPPING LINES	NO OF VESSELS	Total TEU Capacity	Total TEU REEFER Capacity	Frequency
A	Caribe/USA/A.Sur/CA	94	53	196	259,190	38,172	7 a 19
B	Caribe/A. Sur/Mex/CA	17	16	52	74,779	7,825	7 a 14
C	Caribe/Europa/USA/Can/Mex/CA	38	28	203	404,214	48,994	7 a 28
D	Caribe/Asia/Europa/USA/Can/CA	13	12	125	543,160	43,596	7 a 8
E	Caribe/Oceanía/Africa/Asia/USA/A. Sur	5	5	38	76,649	10,522	7 a 45
TOTAL		167	114	614	1,357,992	149,649	

Source: Central American Commission of Maritime Transport (COCATRAM). Retrieved at www.cocatram.org July 2013

Fundamentally, the project aims to, *inter alia*, support the attainment of world standards within the sector, develop port infrastructure, and promote maritime routes and connectivity in order to accommodate the increase in traffic expected from the expansion of the Panama Canal.

3.2.Panama Canal Expansion

The much anticipated completion of the US$5.3 billion Panama Canal expansion may usher in a new phase for transshipment in the region by presenting new alternatives for the global movement of goods (Rodrigues and Notteboom 2011). The expansion is expected to exert pressure on global shipping networks and trade flows underscored by the fact that less than 20% of global commercial relations involve direct connections between ports, with transshipment playing a pivotal role in maritime shipping networks. The continued growth of the Caribbean as a part of a "transshipment triangle" is anticipated to increase as Latin American economics grow. Rodrigues and Notteboom point out that, with Latin America positioned at the crossroad of transatlantic and North-South trade flows, the need of shippers to service numerous inbound and outbound trade flows within their networks, stands to be fundamental for Caribbean maritime services.

Figure 2 Latin American Container Port Traffic and Transshipment

According to Steve Wagner of the Mid-America Freight Coalition (MAFC), "routing decisions following the expansion will ultimately be determined by the demands of the shippers and receivers in the interior of the United States. Shippers control supply-chain decisions that will influence the use of the canal." (Wagner 2013). A critical facet of the potential impact of the Panama Canal expansion relates to transshipment and the possible (and anticipated) role which the Caribbean will play in trade and distribution. According to MAFC, one interesting potential is the development of large transshipment and relay services points in the Caribbean area. The

organization posits that under this model, larger container services would transit the canal and their cargoes would be divided at several ports of call and loaded on smaller feeder vessels. By allowing ships with lower TEU's and draft size to participate, countries with smaller ports will not be marginalized from the process (Wagner 2013).

It is expected that with the expansion of the Panama Canal a new configuration of multiple global hub ports will be created. The further impact of this is the creation of "a new layer of sub-regional hub ports", forcing upgrading of existing ports in order to remain competitive, creating the potential for increased alliances between operators. For Pinnock and Ajagunna (2013), it means an alteration in the current "transshipment triangle", possibly to that of a "transshipment pentagon" as investment is directed to new terminals and operators. In relation to opportunities emanating from the Panama Canal expansion, one general sentiment is that the Caribbean forms the most likely transshipment hub to serve the United States' east coast, by virtue of its proximity.

Anticipated impact of the canal expansion includes wider container ships within the region, declining freight rates, carrier consolidations and alliances as well as vessel-sharing agreements. From the perspective of CARIFORUM and EU trade relations, the liberalization of the maritime services offers tremendous opportunities for, inter alia, investment into facilities, provision of auxiliary services and the establishment/provision of further supporting services, such as maritime cargo handling, customs clearance, container station and depot, maritime agency and freight forwarding. Possible agreements with American customs authority to pre-clear cargo at the transshipment hubs within the Caribbean would result in more direct container movement from an American East or Gulf Coast port increasing opportunities for ports such as Kingston and Freeport (Rodrigues 2012).

At the time of writing the dredging of the Atlantic entrance of the Panama Canal has been officially declared complete on April 25, 2013 by the Panama Canal Authority. The dredging contract was awarded to the Belgian company Jen De Nul NV on 25 September 2009 and was completed at a cost of $109.3 million (Caribbean Maritime 2013).

Without doubt, the expansion of the Panama Canal is the current driving force behind investment opportunities in the maritime sector. Importantly and what potential investors, government officials and regulators should not lose sight of, are the spin-off industries which will be created and which will require investment. Thus while the immediate assessment may be limited to the service sectors liberalized pursuant to the EPA, investment opportunities in these other sectors should be packaged and sold to European investors.

3.3.Human Resource Development

3.3.1.Caribbean Maritime Institute, Jamaica and Trinidad

As trade relations between the EU8 and CARIFORUM expand in maritime services, an important facet is the region being able to provide adequate human resources to render the necessary

services which the sector needs. Within the Caribbean, specialized training institutions are few with the Caribbean Maritime Institute (CMI), Jamaica and Trinidad, being the only distinct training and certification institutions.

There is noted collaboration between the EU and CF in the area of human resource development in the industry. The CMI and the Port Institute for Education and Research (IPER), an integral part of École de Management de Normandie in Le Havre, France have recently signed a memorandum of understanding (MoU) in an attempt for CMI to "remain relevant in meeting the needs and expectations of the maritime and land-based shipping industry of the Caribbean and the world." The MoU covers the following areas:

i. Organisation and development of executive training programmes
ii. Joint research and development projects
iii. Joint consultancy projects
iv. Faculty and student exchanges

An important element of the collaboration is the institutions' plan to access financial support for joint projects from the International Maritime Organisation (IMO), the European Commission and other third-party funding bodies. Providing a sustainable supply of labour is critical for the industry. Furthermore, notwithstanding the relatively high literacy level, the Caribbean ranks lowly in the supply of seafarers.

As it pertains to investment opportunities, human resource development will be critical for the successful implementation of expansion plans as well as in providing the requisite labour for the operation of the new sectors and industries which will be created.

SECTION II

4. CARIFORUM

4.1.Introduction

In reinforcing Article 140 of the Revised Treaty, CARICOM's Programme for the Implementation of Protocol VI – Transport Policy outlines a core objective as being "the development and expansion of air and maritime transport capabilities in the Community".

Article 8, Development of Maritime Transport Services provides for, *inter alia*,
(a) the establishment and improvement of port facilities;
(b) the establishment of effective maritime administrations for the regulation of shipping in the respective jurisdictions of maritime safety and marine environmental protection;
(c) the implementation of relevant international maritime instruments related to the safety of shipping and the prevention of vessel source pollution; and
(d) encouraging improved efficiency in ports and in related services to reduce maritime transportation costs.

As it pertains to CARIFORUM, there are both divergences and differences and similarities and convergences between CARIFORUM Members in relation to maritime services. As is demonstrated below, various CARICOM countries plus the DR are currently pursuing the development and expansion of port facilities including through support from regional and multilateral development partners.

The EPA, by creating trade and investment opportunities, can play a significant role in this regional process through provision of investment capital, goods and services. The individual schedules of commitment within the EPA provide the level of commitment to liberalization on which the EU8 can capitalize. It is also noteworthy that most established shipping companies within CARIFORUM provide a wide range of services, including being owners, operators and agents. Typically, services such as Stevedoring, Terminal operators with road transportation links, Customs brokerage and Insurance Services are also offered.

Ultimately, the opportunities within the industry are inextricably linked to the movement of goods and the demand of attending and auxiliary services. Thus being able to capitalize on a liberalized environment depends in great part on market forces. Opportunities to attract investment and trade in maritime services of EU8 firms to CARIFORUM will therefore be directly related to increasing trading needs. Another significant indicator is the ability to improve upon existing services, with the trend being movement towards larger container ships and where this is coupled with the

expansion of the Panama Canal, EU8 firms may see opportunities for greater involvement in the industry within CARIFORUM.

An overview of the current status of maritime services within each CARIFOURM state is provided below.The objective is to present an assessment of potential opportunities based on what currently obtains in the industry to compliment analysis of the liberalization commitments states have made in an attempt to attract European investors.

The prospects for attracting investment into the Caribbean in the maritime and related sectors are more evident with four (4) countries owing to the extensive expansion agendas which are being advanced, particularly in light of the expected opportunities which will arise from the completion of the expansion of the Panama Canal. As such, these countries: (i) the Bahamas; (ii) Dominican Republic; (iii) Jamaica and (iv) Trinidad and Tobago, are proposing extensive infrastructure development and economic zones and activities as key components of the expansion of their maritime sectors. Considering the significant levels of investment that are required to implement the port expansion plans, these countries have been actively proposing opportunities to potential investors, at the State and firm levels. The rationale for the project's Two-Tiered Approach is therefore centred on this current market and development reality, with emphasis on investment opportunities being more clearly articulated in the four (4) countries. The approach is also supported by the fact that the ports within the Bahamas (Free Port), the Dominican Republic (Caucedo) and Jamaica (Kingston Container Terminal) are classified as global hubs with Trinidad and Tobago's Port of Spain and Port Lisas, along with Jamaica's Kingston Wharves being the sub-regional hubs of the region.

TIER I COUNTRIES

4.2.Bahamas

Sector Overview

The Bahamas consists of a string of 700 islands and cays extending across an area of about 80,000 square miles in the Atlantic Ocean. Owing to its location, the Bahamas offers easy access to the huge consumer markets on the North and South American continents, particularly the former. With hundreds of ports and cays, the Bahamas' focus is highly on yachting services. This focus will be discussed under separate analysis. The Bahamas holds a strategic location at the entryway to the Americas. This is an incentive for development and investment as Freeport, for example, is the closet offshore port to the United States and is at the crossroads of shipping routes linking North and South America, Europe and Asia.

Maritime services are within the Ministry of Transport and Aviation. Importantly, The Bahamas is a member of the IMO and as such adheres to the relevant international conventions, including SOLAS, MARPOL and STCW. International Labour Organisation (ILO) Conventions which impact the industry and which have also been ratified include Conventions 7 (Minimum age at sea), 22 (Seaman's articles of agreement), 92 (Accommodation of crew), 147 (Merchant Shipping) and the ILO Maritime Labour Convention, 2006.

Regulation of the sector is executed by the Bahamas Maritime Authority (BMA) which was established in July 1995. The BMA has responsibility for the registration of vessels, enforcement of ship safety requirements and monitoring and improvement of standards. The industry is legislated primarily through the Bahamas Maritime Authority Act, Bahamas Merchant Shipping Act and the Bahamas Merchant Shipping (MLC) Regulations 2012. Other pertinent legislation includes the Bahamas Merchant Shipping (Training, Certificate, Manning and Watch keeping) Regulations 2011, Boat Registration Act and Merchant Shipping Oil Pollution Act with attending Regulations. Currently, a National Maritime Policy is being designed to ensure, inter alia, sustainable economic development of the all-encompassing marine space.

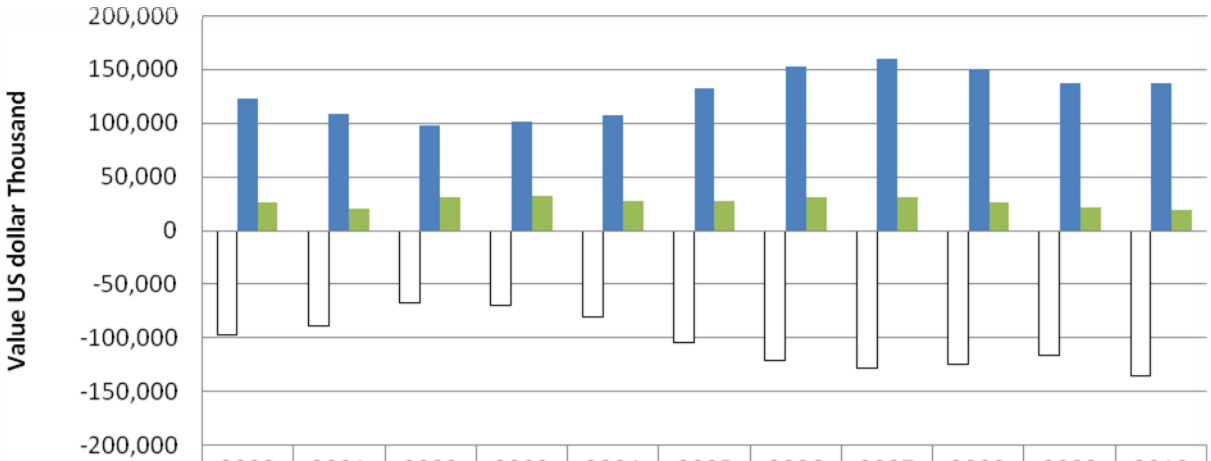
A key stakeholder in the industry is the Bahamas Ship-owners Association, which is a full member of the International Chamber of Shipping. The core objectives of the Association are to: "promote the interests of owners of Bahamian registered vessels and to facilitate dialogue between the Bahamas Maritime Authority and ship-owners; offer owners the chance to be proactive in discussing prospective international policy changes, especially with regard to IMO deliberations and meet with international bodies such as the European Community and the US Coast Guard to lobby on behalf of the interests of Bahamas flagged vessels."

According to Anthony Kikivarakis, Chairman of the BMA, the shipping industry and related services is the third pillar of the Bahamian economy following tourism and financial services (The Flag, 2013). In particular, the Bahamian Ship Registry and Freeport, its main trans-shipment port, are the driving forces behind the performance and planned expansion of the maritime industry.

The Bahamas Maritime Trade

The Bahamas' trade balance in relation to sea transport services has experienced a decline between 2008 and 2010. This is attributable to a reduction in exports and to imports remaining high, even though there is a noticeable reduction in the negative balance between 2008 and 2009.

Figure 3: Bahamas - Sea Transport Services (USD '000)



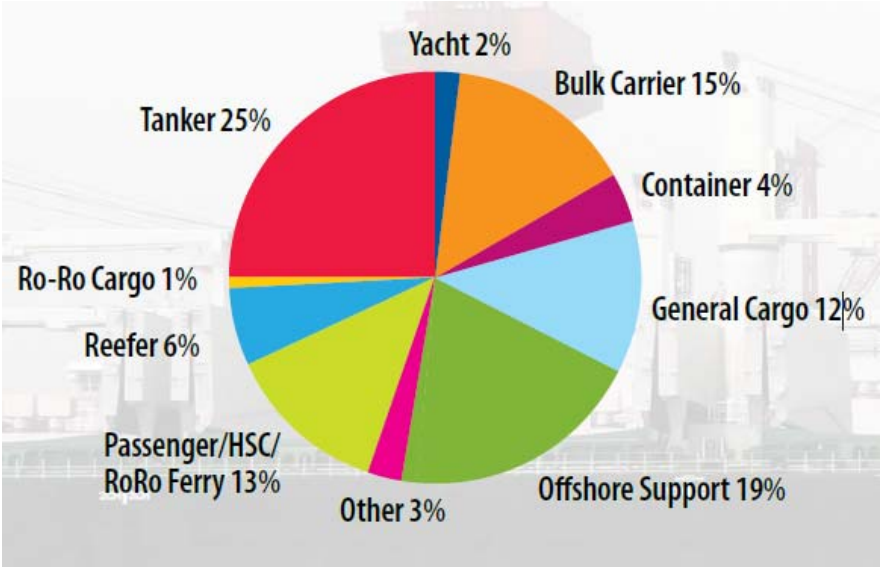
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Trade Balance	-96,68	-88,45	-67,14	-69,28	-80,80	-104,7	-120,8	-127,7	-124,0	-115,5	-135,4
Import	123,03	108544	98188	100945	107598	131640	152226	159138	150295	137433	137232
Export	26,353	20,094	31,041	31,656	26,798	26,916	31,405	31,357	26,218	21,920	19,439

Sources: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Freeport, the main transshipment port in the Bahamas, recorded a slight decline in its TEU for 2011 with 1.12 million, representing a decline of 0.7% over the previous year. Given that the country experienced a hurricane the previous year, industry experts opine that it being able to maintain the volumes was a significant achievement. This positive show was attributed to the delivery of a new super-post-panamax crane, with full repairs carried out to cranes which were damaged. High levels of productivity, averaging 30+ moves per crane hour have also significantly contributed to the Bahamas' ability to maintain its volume.

See: http://europe.nxtbook.com/nxteu/informa/ci_top100ports2012/index.php?startid=1#/88 for further information.

The overall structure of the Bahamas fleet is depicted below:



Tankers (25%), General Cargo (12%) and Bulk Carriers (15%) are the primary types of ships in the Bahamian fleet. Importantly Offshore support and technical expertise accounts for 19% as well as Passenger/HSC/RoRo Ferry (13%) of the sector. Essentially, passenger ships account for 9% of ship numbers on the Bahamas Register.

The Bahamas Ship Registry

In the Bahamas ship registration is governed by the Merchant Shipping Act andthe registry is administered by the BMA. The Bahamas is seen as an attractive maritime center owing to, amongst others:

1. its location between North and South America and being a major destination for cruise ships;
2. it houses one of the largest oil storage, blending and trans-shipment facilities in the region which is capable of managing the largest ships in the world;
3. world-class banking services; and
4. state of the art facilities at the two leading harbours, situated at Nassau, New Providence and Freeport, Grand Bahama. This includes excellent telecommunications and transportation infrastructure.

One of the reasons for the popularity of the Bahamas Ship Register is that the legislative and judicial systems in The Bahamas are closely modeled on that of the United Kingdom and are therefore familiar to most ship owners, banks and lawyers. The Merchant Shipping Act provides, in material part that to be registered as a Bahamian ship, the ship should be wholly owned by persons or authorities, which are:

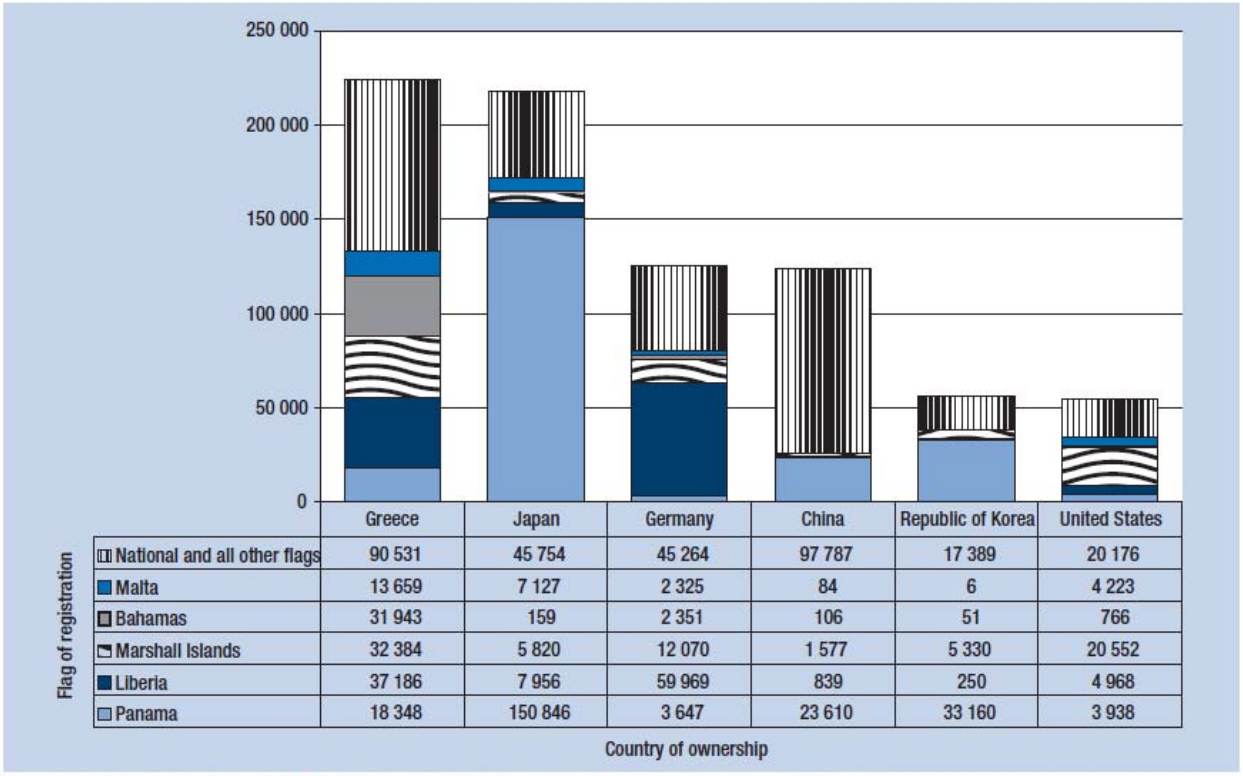
(a) citizens of The Bahamas; or

(b) bodies corporate established under the laws of The Bahamas, and having their principal placeof business in The Bahamas, of which thebeneficial ownership belongs wholly to citizensof The Bahamas. Additionally, the Act provides that:

> *"any ship may, regardless of the nationality of her owners, register as a Bahamian ship if she is a ship of 1600 or more net register tonnage and is engaged in the foreign-going trade:*
> *Provided that subject as aforesaid where a ship is —*
> *(i) seagoing and engaged in the foreign-going trade; or (ii) ordinarily characterised or classified as a yacht and is not engaged in commercial activities (other than under a charter for the carriage of persons for pleasure) and would be registered but for being less than 1600 net register tonnage the Minister may approve of the registration of that ship if it is owned otherwise than as mentioned in subsection."*

Data compiled by UNCTAD indicates that the Bahamas ship registry ranks among the highest number of flags of registration of foreign ships measured in dwt with over 57 million in gross tonnage; a significant volume carried by Greek ships (31, 943dwt) registered under the Bahamas. According to the Bahamas Investment Authority, the register lists more than 1,600 vessels making the Bahamas one of the largest fleets in the world with a fifth place ranking globally (The Flag 2013).

Figure 4: Major countries of ownership and their flags of registration, 2012* (Thousands of dwt)



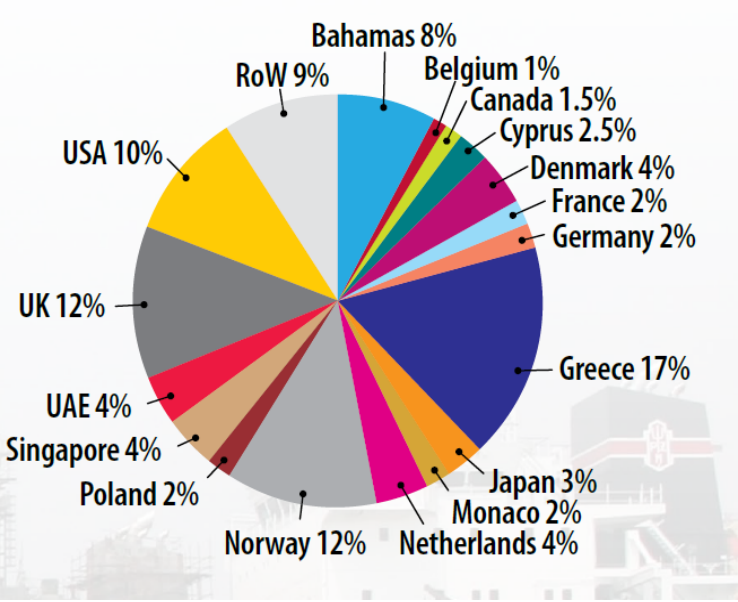
Flag of registration	Greece	Japan	Germany	China	Republic of Korea	United States
National and all other flags	90 531	45 754	45 264	97 787	17 389	20 176
Malta	13 659	7 127	2 325	84	6	4 223
Bahamas	31 943	159	2 351	106	51	766
Marshall Islands	32 384	5 820	12 070	1 577	5 330	20 552
Liberia	37 186	7 956	59 969	839	250	4 968
Panama	18 348	150 846	3 647	23 610	33 160	3 938

Source: Compiled by the UNCTAD secretariat, on the basis of data supplied by *IHS Fairplay*.
[a] Seagoing propelled merchant ships of 1000 GT and above.

From the EU8, German ships, amounting to 2,351 dwt, are also located in the Bahamas ship registry. This is an indicator of the level of competitiveness and attractiveness of the Bahamas flag, which serves as an important signal to foreign ships of the services provided by Bahamas and the country's reputation as an important player in offering maritime services.

Pursuant to the Bahamas National Requirements, recognized Organisations which are authorized to carry out statutory certification services on behalf of the BMA on vessels and mobile offshore units registered with The Bahamas include American Bureau of Shipping (ABS), Bureau Veritas (BV), China Classification Society (CCS), Det Norske Veritas (DNV), Germanischer Lloyd (GL), Korean Register (KR), Lloyds Register (LR), Nippon Kaiji Kyokai (NK), Registro Italiano Navale (RINA) and Russian Maritime Register of Shipping (RS).

Many of the most established ship-owning companies fly the Bahamian flag, including Exxon International, MSC, Maersk Line, Cunard Lines, The East Asiatic, Company, Teekay Shipping, Chevron, Disney, Cruise Line and Holland-America Cruises. In encouraging participation in the industry through the Bahamian flag, investors operate in a tax free environment with flexibility in crewing. This is a significant strength of the Bahamian industry as more than 40% of its fleet comes from Norway, Greece and theUnited Kingdom. North America and Asia account for approximately 10%.



Source: Bahamas Maritime Authority

In the context of trade relations with the EU8, there already is a strong presence of the UK (with a significant 12%), Netherlands (4%) and Germany and France (2% each). These countries should thus be able to reap benefits from increased liberalization of the Bahamian market under the EPA.

Freeport, Grand Bahama

Freeport, which was established in 1995, is a 230-square mile free trade zone on Grand Bahama Island. Freeport is located Latitude: 26° 31' N - Longitude: 78° 46' W with port activities administered by the Freeport Harbour Company. Freeport Harbour and Container Port is one of the largest man-made harbours in the world and the deepest harbour in the region. It is accessible to even the largest ocean going vessels. Businesses at the harbour include wet docking and ship repair. Freeport Container Port is a major container transshipment hub between the Eastern Gulf coasts of the United States, the Gulf of Mexico, the Caribbean, South America and trade lanes to Europe, the Mediterranean, Far Eastern and Australasian destinations. The port is privately owned and operated by Hutchison Port Holdings, the world's leading port investor, developer and operator with interests in 25 countries.

Freeport's Maritime Centre on Grand Bahama Island which includes Freeport Container Port, Freeport Harbour Company, Bradford Marine Limited, Hemisphere Container Repair, along with the Grand Bahama Shipyard where the largest floating dry dock on the Eastern Seaboard and in the region is located, all serve to make The Bahamas an ideal port of call for the maritime industry.

The Grand Bahama Port Authority Limited (GBPA) operates the free trade zone under special powers conferred by the Hawksbill Creek Agreement Act. Under the Act, the Port Authority acquired approximately 149,000 acres of land to encourage investment and development. Concessions provided include customs duties exemption on certain goods/supplies as well as waiver of numerous taxes. The customs duty exemption will expire in 2054 whilst the other exemptions will be extended from 1995 to 2015 (Guide Bahamas 2012).Essentially therefore, foreign shipping groups that take ownership of a vessel through a Bahamian corporation do not pay any corporate income or dividend taxes or capital gains tax on the sale of the vessel or shares of the holding company of the vessel under the laws of The Bahamas.

In relation to attributes of the port environment, anchorage is approximately 2,500 feet to the NW from the entrance channel for a distance of 1.5 miles with depths of 14.6 to 18.3 meters being available. Pilotage is compulsory and is required to be ordered through Harbour Control one hour prior totime of arrival and departure. Pilotage charges are calculated according to draft and grt.

The Freeport channel and turning basin has been dredged to a depth of 16.0 metres. The terminal has nine post panamax cranes, one super post panamax crane, 72 straddle carriers, a stacking area of 72 hectares and a berth length of 1,036 metres. It has 47 acres for expansion of the stacking area and 1,125 metres for berths. Freeport offers covered storage through seven warehouses totaling 37,847 square meters. The maximum draft alongside is 9 meters with capacity to accommodate a vessel with maximum of 360 meters long.

These attributes support the provision of a wide array of maritime services by the Grand Bahama Island. These include:

- Vessel Ownership Changes
- Dry-docking &Wet-docking

- Various wet and dry cargo operations
- Logistical support
- Harbor Launch and Ground Transportation for Spares and Equipment
- Underwater surveys
- Various Vessel Inspections
- Hull Cleaning & Prop Polishing
- Protected Harbour Lay berths
- Protected Anchorage area
- Vessel bunkering
- Vessel lightering
- Vessel Provisioning
- Third Party Logistics
- Warehousing & Re-distribution

Businesses which have capitalized on the benefits of the harbor include Cruise, RO/RO facilities for containerized and LTL cargo, Car and Container Transshipment, Dry-docking and Ship Repair Facilities, as well numerous wet-docking berths located within the harbour area.

Major companies located on Grand Bahama include:

- Bahamas Oil Refining Company International Ltd (BORCO)–oil refining and storage facility to the west of Freeport owned by US company Buckeye Partners Ltd. With more than 21 million barrels of storage capacity and eight berths, BORCO is Buckeye's flagship marine terminal and is one of the largest crude oil and petroleum products storage facilities in the world.

- PharmaChem Technologies (Grand Bahama) Ltd–one of the key suppliers of active pharmaceutical ingredients (APIs) and registered intermediates in the global fight against AIDS. PharmaChem has invested about $56 million in creating a state-of-the-art plant on its 62-acre Freeport site.

- The Grand Bahama Shipyard–one of the biggest ship repair companies in the region, with three floating docks with a maximum lifting capacity of close to 90,000 tonnes and support services for repairs, upgrades and conversions.

- The largest of these docks can handle vessels up to 300m in length, and has an internal width of 56m. Estimated contribution to local economy-$240 million since opening in 2000.

- Freeport Container Port–opened in 1997 by Hutchison Port Holdings. Serving as a major hub for worldwide transshipment of containerized cargo, Freeport Container Port contains

more than 1,000m of berths, with 15.5m of depth alongside. It contains 49 hectares of stacking area and capacity to handle 1.5 million TEUs per year.

- Polymer's International Ltd–one of the largest companies in Freeport and a major contributor to Grand Bahama's economy, providing employment opportunities and vocational training for the local community. The company produces expandable polystyrene used in foam products, which are exported to Europe, the US, Argentina and beyond.

Investment Opportunities

The steady growth of the Freeport container terminal is bringing to fruition the Bahamas' drive to be the world's number one transshipment terminal.This growth is reflected in the recently approved investors by Bahamian authorities. These include: Buckeye Partners, L.P., owner of one of the largest independent refined petroleum pipeline systems in the US and 69 refined products terminals, has acquired 100% of the BORCO fuel storage facility. It plans to invest US $400 million over 3 years into the facility. Statoil Hydro ASA, a Norwegian based international energy company, in 2009, acquired South Riding Point crude oil storage and transshipment terminal in East End, Grand Bahama, and has commenced a US $150 million upgrade and expansion (BIA 2013). Additionally, the BMA has sent signals of its efforts to increase its tonnage with recent visits to potential partner trading nations such as Brazil.

Therefore, one of the areas targeted for international investors for The Bahamas is ship repair and other services. This is creating tremendous investment opportunities in the Bahamas, including as the wider region anticipates benefitting from the Panama Canal expansion. European investors should consider exploring opportunities as guided by the following:

1) The Grand Bahama Port Authority Ltd which attracts investors, the Grand Bahama Development Company (DEVCO) makes land available for lease or sale for development.

2) Pursuant to the Hawksbill Creek Agreement Act, businesses in the free zone enjoya waiver of taxes on profits, capital gains, inheritance, income, earnings, distribution, or on exported goods.

3) There is planned infrastructure expansion through the addition of 3 super post panama cranes and 60 straddle carriers (Caribbean Maritime 2013). Yard stacking of full containers will be facilitated through 15.2 hectare of land, 8.5 hectares for empty stacking and 285 meters for berths. Long term plans point to expanding the terminal to 12 berths (total length of 3,847 meters) and 45 gantry cranes with the projection being handling capacity of 6.7 million TEU per year.

4) In ensuring that requisite capacity exists to supply the industry, the College of the Bahamas launched a new maritime degree course in 2012 pursuant to a Memorandum of

Understanding signed with State University of New York (SUNY) Maritime College. The two disciplines which can be studied at the level of Bachelor of Science (BSc) degree are Maritime Operations Unlimited Deck License and Maritime Operations Engine License.

5) Investment opportunities are touted as also including those being created through a state-of-the-art logistics centre where cargo can be stored, redistributedand manufactured and value-added servicesprovided in a zoned, duty-free environment.

6) Continued expansion of new berths to increase the TEU capacity.

Additionally, The Bahamian authorities have indicated plans to establish a logistics centre in close proximity to the Freeport container terminal. Sea Air Business Center (S/ABC) is a tax-free 741 acre park earmarked for manufacturing, warehousing and distribution of goods for buyers worldwide (Caribbean Maritime 2013). S/ABC is located only 60 miles off the coast of Florida.It offers scope for the development of the state of the art logistics center where cargo can be stored and redistributed and manufacturing and value added services provided in a zoned duty-free environment.

4.3.Dominican Republic

Sector Overview

The DR's Trade Policy Review indicates that while maritime cabotage services are limited to domestic flag vessels in principle, the service may be provided by foreign flag vessels on a provisional basis. Similarly, there are no limitations on foreign capital participation in ports and as such international maritime transport services are supplied by foreign operators. Additionally, legislation provides for a discount on certain tariffs relating to port services for Dominican-flag vessels.

In relation to the Dominican Republic's Market Access EPA Commitments,market access for passengertransportation services have been liberalized by the Dominican Republic through modes 1 – 3 (no limitations) with mode 4 subject to horizontal commitments. With regards to commercial presence, the DR has placed limitations on national treatment with the following "When loading and unloading passengers, Dominican Republic flag vessels pay 50 per cent of the related fees and charges set for foreign-flag vessels. The fees and charges related to loading andunloading paid by foreign-flag vessels shall be elicited in a non-discriminatory manner in respect of the nationality of the flag."

For Freighttransportation (less cabotage), is liberalized through modes 1, 2 and 3 without limits. As applied to passenger transportation, in relation to national treatment, "When loading and unloading merchandise, Dominican Republic flag vessels pay 50 per cent of the related fees and charges set for foreign-flag vessels. The fees and charges related to loading and unloading paid by foreign-flag vessels shall be elicited in a non-discriminatory manner in respect of the nationality of the flag that those foreign-flag vesselsfly." Temporary supply of persons is also subject to an economics needs tests.

With the exception of mode 4 which is subject to horizontal commitments, there are no limitations on the supply of services for the Rental of vessels with crew, Vessel salvagingand refloating services or for the maintenance andrepair of vessels. The same applies for Pushing and towingservices for modes 1, 2 and 4. For commercial presence however, the DR has indicted full liberalization with the exception that "tugboats, boats, and ships of any class and gross ton, destined for the operations of pushing and towing in Dominican ports must be Dominican flagged vessels."

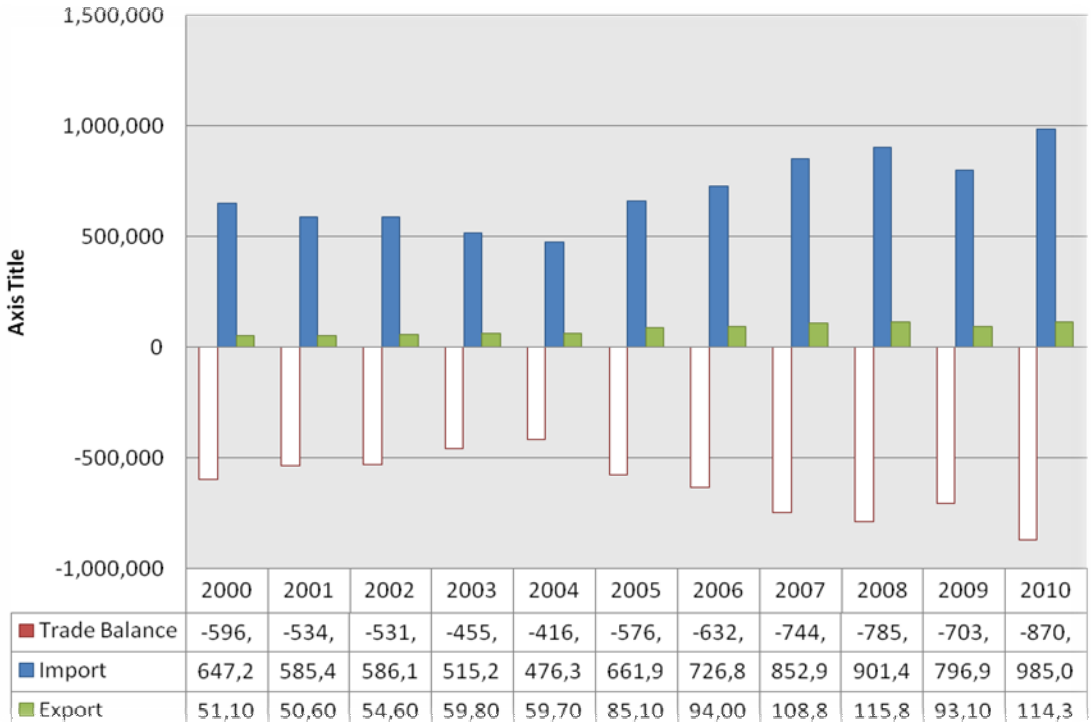
In relation to internal waterways, the DR has liberalized mode 3 "except that boats, and ships of any class and gross ton, destined for the transport of passengers in the rivers of the Dominican Republic, must be Dominican flagged vessels." The same level of commitments is applicable to freight transportation and Pushing and towingservices. Rental of vessels with crew has been liberalized by the DR with no limitations for modes 1, 2 and 3 and horizontal commitments

dictating the level of entry for natural persons. The same applies to Cargo handling, Freight transport agency and Trans-shipment services which are auxiliary to all modes of transport have also been committed by the DR with modes 1, 2 and 3 being subject to no limitations.

Maritime Trade

Approximately 90 per cent of the Dominican Republic's foreign trade volume is transportedby sea. In 2007, the volume of cargo handled by Dominican ports amounted to 23.6 million tonnes.

Figure 5: Dominican Republic - Sea Transport



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Trade Balance	-596,	-534,	-531,	-455,	-416,	-576,	-632,	-744,	-785,	-703,	-870,
Import	647,2	585,4	586,1	515,2	476,3	661,9	726,8	852,9	901,4	796,9	985,0
Export	51,10	50,60	54,60	59,80	59,70	85,10	94,00	108,8	115,8	93,10	114,3

Services

Sources: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

CARGO HANDLED (TEU) 2007 TO 2012

2007	798,803
2008	860,916
2009	960,967
2010	1,049,967
2011	993,554
2012	1,153,795

Source: Caribbean Maritime Issue 19, 2013

Table 8: Dominican Republic's Fleet Variables 2011-2012

	Number of ships		Gross Tonnage ('000)		% of total fleet		% of total world		Dead weight tons ('000)	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Total fleet	21	21	6.092	5.328	100.0	100.0	0.0	0.0	1.891	0.821
Oil tankers	..	..	..	..	0.0	..	0.0	..	0	..
Bulk carriers	..	..	..	..	0.0	..	0.0	..	0	..
General cargo	2	1	1.189	0.198	67.2	..	0.0	..	1.27	..
Container ships	..	..	..	..	0.0	..	0.0	..	0	..
Other types of ships	19	20	4.903	5.13	32.8	100.0	0.0	0.0	0.621	0.821

Source: Caribbean Maritime Issue 19, 2013

Port Facilities

The *Autoridad Portuaria Dominicana*– APORDOM (Dominican Port Authority) implementsport policy and is authorized to put out ports on concession to private companies. It supervises theoperation of ports that have been put out on concession and operates the rest. The number of providers of scheduled or non-scheduledinternational maritime transport services in the Dominican Republic is not restricted. However companies providinginternational maritime transport services that are not domiciled in the Dominican Republic mustappoint a shipping agent to represent them.

The traffic indicated above is facilitated through 14 main ports with Caucedo and Río Haina, handling approximately 72 per cent of the total cargo volume with the majority of container traffic passing through Caucedo. Puerto Caucedo was opened in 2003.It is the most modern port facility, and is responsible for 30% of all maritime cargo handling in the Dominican Republic. The Port handles both local and transshipment cargo. The marine terminal consists of a quay apron, container stacks and roads spanning 80.5 hectares. Currently, Port infrastructure and equipment include the following:

Infrastructure

- Berth: 922 metres (main berth 622 metres and breakwater berth 300 metres).
- Depth: 13.5 metres
- Container yard: 50 acres with capacity for 40,000 teu.
- Reefer plugs: 654 plus a further 350 connections with mobile generators.

Equipment

- 5 post panamax cranes
- 1 super post panamax
- 2 mobile harbour cranes

- 23 rubber tyred gantries
- 9 reach stackers
- 5 empty handlers.

There is 100% private capital investment by DP World Caucedo in the port. Carriers in Caucedo include Hanjin Shipping, CMA CGM, Tropical Shipping, HMM, CSAV, Hamburg Sud, China Shipping (Group) Company, Bernuth Lines, Zim, Hapag-Lloyd, Maersk Line, Caribbean Feeder Services and Evergreen, to name a few.

The main passenger ports are La Romana, Samaná and Santo Domingo. In terms of ownership structure, the majority of providers of maritime transport services are private companies, some with foreign capital, thus ports such as Caucedo and La Romana are privately owned.

Cabotage services are reserved for Dominican-flag vessels. Where there is inability to offer the services, provisionalregistration of a foreign-flag vessel under the Dominican flag to enable it to provide that service may be determined by the Admiralty. While there are no limits on foreign participation in Dominican-flag vessels, the DR has an establishment requirement. Furthermore, Law No. 3003 prohibits foreign-flag vessels fromcarrying out "towing, passenger transport and loading or unloading operations within the ports". However, given that there is no national merchant fleet, foreign vessels canprovide these services.

Investment Opportunities

Expansion plans for DP World Caucedo is expected to move the facility from its current handling capacity of 1.255 million TEU per year to up to 1.45 million TEU per year by 2014 and more than 2 million by the following year. Plans also include an additional 300 metres of berth, to be equipped with 3 super panamax cranes and dredging to 16.0 metres. To complement this port expansion, establishment of a 30 acre logistics centre is also anticipated to be operational in 2014.

The DR is currently constructing its first logistical centre which is a joint venture between DP World and the Caucedo Development Corporation. The Caucedo Logistics Centre (CLC)is located between Port Caucedo and Las Americas International Airport. The CLC is estimated to cost US$100 million, in addition to US$400 million already invested in the port. The proposed 30 acre facility will benefit from being located next to the ocean terminal and will provide regional distribution facilities for businesses.

The first phase of construction will focus on the development of warehousing over 40 hectares (about 99 acres) in the next three to five years, with a further 198 acres developed in the second phase. The CLC is scheduled to commence operation in 2014 when the first warehouse is scheduled to be completed. This includes warehousing and distribution; consolidation from different suppliers; transportation planning and coordination; labeling; maritime shipping coordination; trucking and inspection of cargo; and inventory administration and returns.

4.4.Jamaica

Sector Overview

Jamaica's water-based transport sub-sector is almost entirely represented by deep-sea maritime transport, as inland waterways and short-sea coastal shipping currently play insignificant roles in the island's transport sector. Jamaica's National Development Plan, Vision 2030,identifies Jamaica as a maritime state and emphasizes the important role which maritime transport plays in the country's long term development, including as a dominant regional trans-shipment hub. The anticipated transformational nature of the logistics hub and attending logistics services which the country can offer, has influenced the strategic direction of the Medium Term Socio-Economic Framework for the country. According to Caribbean Maritime (2012) Jamaica's logistics hub is a significant and compelling investment opportunity that will be frame-worked by modern legislation and executive policy.

The maritime transport sub-sector has made a major commitment to establishing Jamaica as a global trans-shipment and logistics hub, including significant investment in expansion of the Port of Kingston. The expansion of maritime transport faces a number of constraints in the supporting domestic environment, including lack of adequate and modernized maritime legislation, delays in approval process for construction of maritime infrastructure and inefficient customs procedures.

The successful execution of the logistics hub initiative requires significant investment, including for infrastructure upgrading, adoption of global standards, improved customs facilitation mechanisms and human resource upgrading.

Legislative and Policy Environment

The Shipping Act 1998 established the Maritime Authority of Jamaica as a statutory body with separate legal existence to administer the registration of ships, regulate matters relating to merchant shipping and seafarers and to administer policy for the development of shipping in general. The Shipping Act specifically incorporates provisions relating to the registration of ships, ownership requirements and mortgage registration and enforcement, which allow for the commercial operation of an international ship registry within a sound legal framework. The Shipping (Registration of Ships) Regulations 2006 makes provision for Bareboat (In) and (Out) Registration. Shipping Act implements the IMO and ILO conventions. However,the Jamaica Ship Registry (JSR) recognizes the need to give its ship owners the freedom to use the corporate vehicle of their choice so the use of a Jamaican company is optional. Owners may therefore use Foreign Maritime entities and foreign corporations to own and operate Jamaican ships.

Key Regulatory Bodies

- The *Ministry of Transport and Works,* is responsible for maritime, road, and air transport policy formulation and implementation along with its statutory bodies, the Maritime Authority and the Port Authority of Jamaica in the context of maritime services with the former established pursuant to the Shipping Act. Participation of foreign ships in local trade is contingent on meeting the conditions established by the Shipping (Local Trade) Regulations, 2003.

- The *Maritime Authority of Jamaica* is responsible for registration of ships and regulating seafarers' certification; regulating the safety of shipping as regards construction and navigation; inspecting ships for the purposes of maritime safety and prevention of marinepollution; and administering policy for the development of shipping in general. It also administers an international Ship Registry.

- The *Port Authority of Jamaica (PAJ)* has regulatory responsibility for the operation of Jamaica's ports. It is also mandated to provide and operate, and to maintain and improve port facilities and other services. Pursuant to the Shipping Act, recognition as a Jamaican ship requires registration or licensing. Apart from Jamaican nationals and persons recognized as such, for foreign nationals to qualify to own a Jamaican ship a resolution is required from the House of Representatives. Specific fiscal incentives can be accessed by owners of Jamaican ships with those engaged in foreign trade having the possibility of being deemed "exempted ships."

- The *Shipping Association of Jamaica (SAJ)* has a membership of more than 60 private sector companies, including shipping agents, terminal operators, stevedoring companies, ship owners and operators, and providers of ancillary services to the Port of Kingston. The SAJ has the responsibility to, *inter alia*, regulate the daily supply and management of labour at Port Bustamante (otherwise known as the Port of Kingston).

As it pertains to the trade landscape, Jamaica's liberalization schedule in the EPA provides for relatively extensive commitment in comparison to most other CARIFORUM states. For passenger transportation, Freight transportation services and rental of vessels with crew, Jamaica has liberalized Modes 1, 2 and 3 without limitations. However, entry of contractual service suppliers from the EU for both sub-sectors is subject to economic needs tests.

EU service providers are uninhibited in supplying maintenance andrepair of vessels via modes 1 and 2.However,for Mode 3 there is the requirement for joint venture with Jamaican service providers. Entry of contractual service suppliers from the EU (mode 4) for both sub-sectors is subject to economic needs tests.

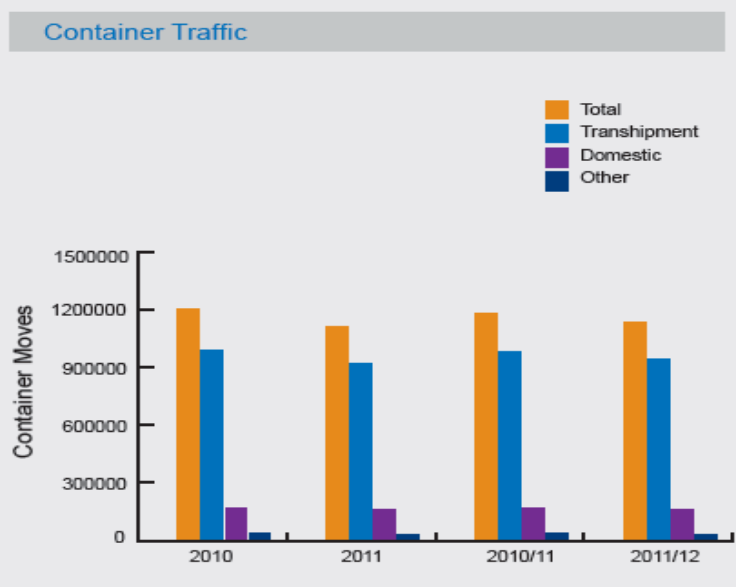
Jamaica is the only CARIFORUM country to have undertaken commitments in Home-porting, Bunkering, Short-sea, and Ship Chandlering services. The country has fully liberalized entry by Modes 1 and 2 with entry for establishment (Mode 3) subject to economic needs tests, excluding home-porting. Mode 4 entry is as indicated in its horizontal commitments. This Mode 4 requirement is the same for Freight transport agency services (as services auxiliary to all modes of transport but for maritime only), with Modes 1 to 3 being subject to no limitations.

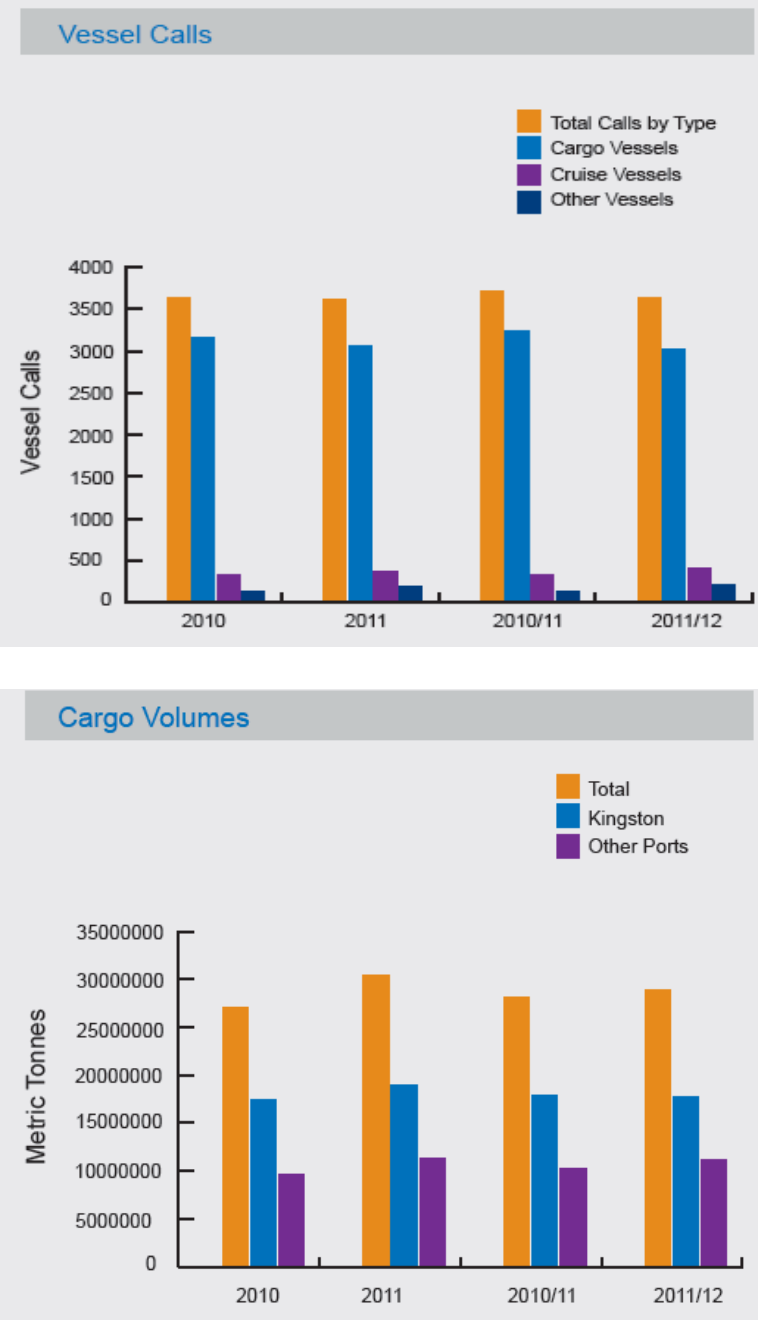
Any assessment of potential investment opportunities for European services providers must take into account the binding market opening commitments undertaken as well as the developments in the sector. For Jamaica, within the context of this study, the focus needs to be on the Logistics Hub and the subsequent spin-off activities.

Port Activities

Jamaica has a well-developed infrastructure which comprises 14 seaports, including 3 cruise-ship facilities. Containerized Cargo activities are undertaken at the Port of Kingston, through the Kingston Container Terminal (KCT) which is a wholly owned subsidiary of the Port Authority of Jamaica and at the Port of Montego Bay. (PAJ 2012)

In 2009, Jamaica accommodated 3,397 vessels, and about 25 million tonnes of cargo was handled with transshipment cargo accounting for about 10.5 million tonnes. The year 2010 saw an increase in vessel calls to 3,714 but then experienced a decline in 2011/2012 to 3,639 vessels. In comparison to 2009, a total of 30,413,713 metric tonnes of cargo was handled by Jamaica's ports; an increase of 12.4% over 2010. The PAJ attributed this positive movement to an increase in exports and imports which rose by 13% and 11.6% respectively (PAJ 2012).





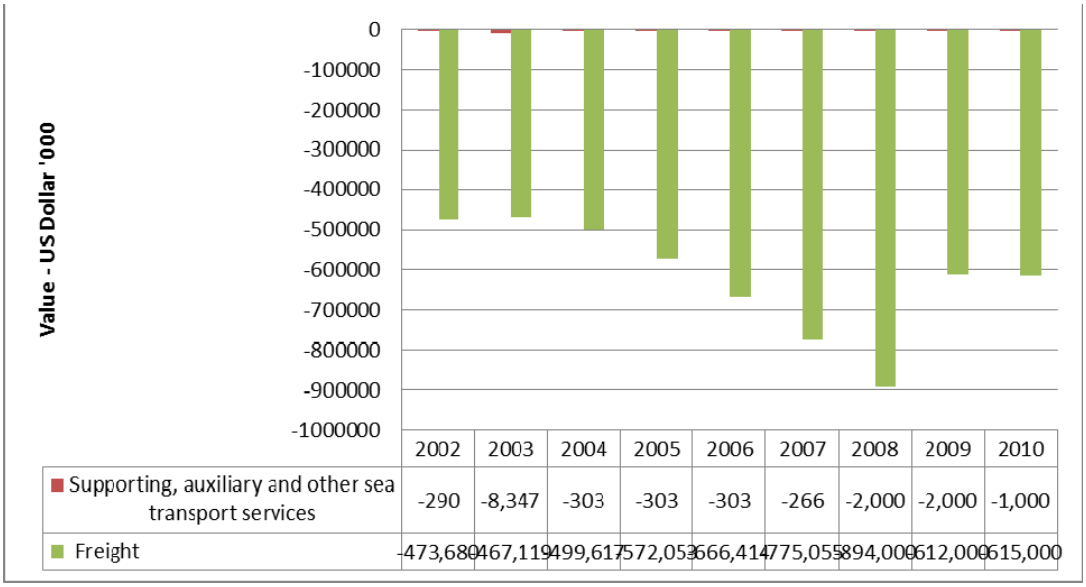
Source: Port Authority of Jamaica

In 2010, Jamaica was ranked 66th of 97 ports in handling more than one million TEU (full and empty, loaded and discharged, including transshipment) with a TEU of 1,891,800, an increase over its 2009 value of 1,689,700. However, Jamaica experienced a decline in TEU in 2011, down by

43,539 TEU.For 2013, Kingston Container Terminal in particular, has a capacity of 2.8 million TEUs while Kingston Wharves has an approximate capacity of 200,000 TEUs (JAMPRO 2013).

The PAJ, in its 2011/2012 Annual Report, indicates that operations were negatively impacted by slow global output which grew by only 3.9% in comparison to 5.3% the previous year. A slow rate in international growth (7%) in 2011 was also recorded, down from 9.2% in 2010.

Figure 6: Jamaica Sea Transport Services Trade Balance



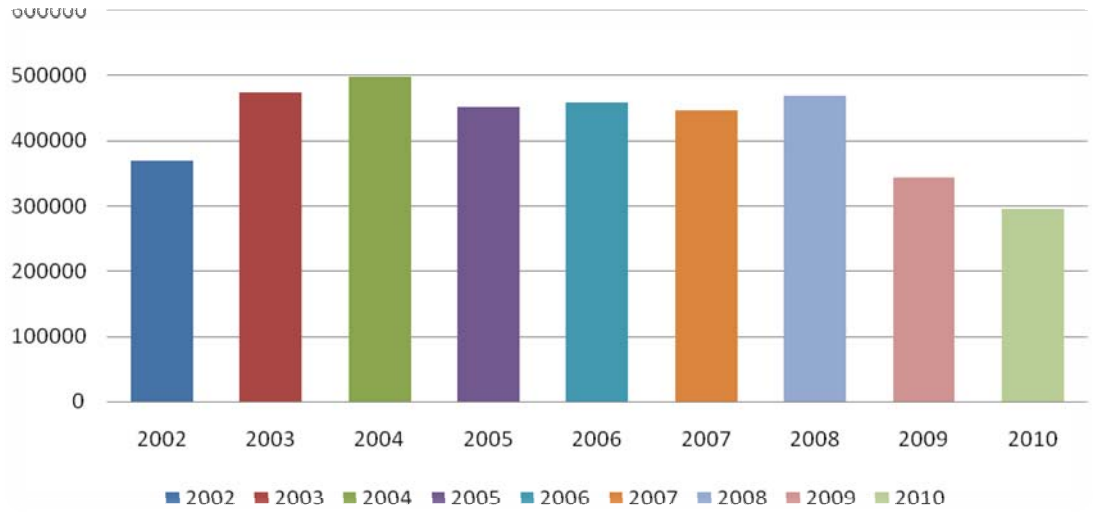
Sources: ITC calculations based on United Nations Statistics Division. http://unstats.un.org/unsd/servicetrade/default.aspx

According to ITC data, Jamaica's negative balance in sea transport services is lessened by its positive export of supporting and auxiliary services. A review of the export value demonstrates that exports in 2010 were significantly below the export values from 2002.

Table 9: Jamaica Export of Other supporting and auxiliary transport services

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010
Value (USD'000)	368680	474300	497266	451078	458964	447158	469200	344200	295200

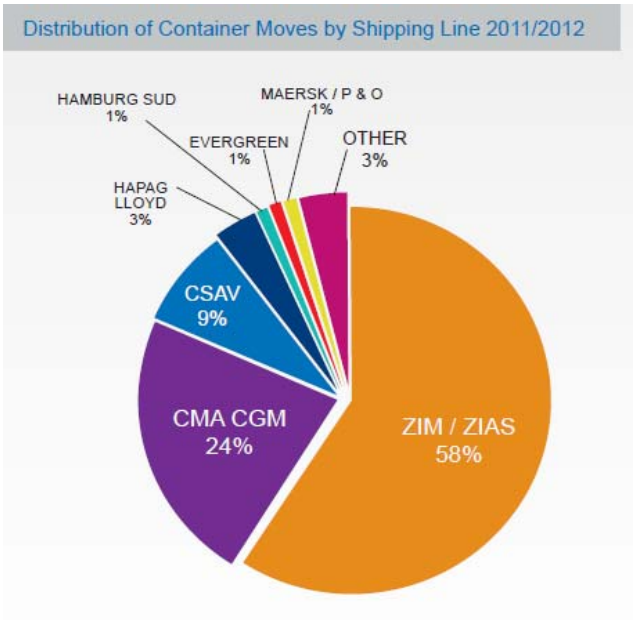
Figure 7: Jamaica Sea Transport Services Trade – Auxiliary Services



Sources: ITC calculations based on United Nations Statistics Division. http://unstats.un.org/unsd/servicetrade/default.aspx

Major shipping lines during 2011/2012 were CMA CGM, CSAV, Hapag Lloyd, Hamburg Sud, Maersk, Zim/Zias and Evergreen. Other container ships to Jamaica include Aegean X, Asian Moon, Camelot, Caribbean Sea Harbour Cloud and Stradt Rensburg. For the period 2011-2012, the PAJ reports that all shipping lines incurred severe financial losses, owing to, inter alia, the increase in containership capacity without the supporting increase in cargo volume. This created a forced reduction in freight rates to ensure sustainability of the lines. "Indications are that 22 of the world's premier container lines experienced combined operating losses of approximately US $5.6 billion in 2011. This reflects a significant dissimilarity to US$12.1 million in earnings in 2010. Only a minute number of shipping lines managed to generate a profit, during the year. This includes CMA CGM, one of the Authority's main clients" (PAJ 2012).

Notwithstanding the slow growth of global output, Jamaica continues to benefit from new investment commitments with CMA CGM of Marseilles signing a 35-year operating development lease with the Port Authority and Kingston Wharves. The deal involved the investor, CMA CGM, pledging investment of USD100 million to upgrade and expand the handling capacity for larger vessels than the 10,000 TEU capacity. As such, during 2011/2012, CMA CGM joined ZIM Integrated Shipping Services Limited in dominating container volumes at the KCT, commanding 58% and 24% respectively.



Source: Port Authority of Jamaica (PAJ) 2012

The registration and annual fee for a Jamaican ship are determined according to its gross tonnage and are outlined in the fee schedule. Discounts on initial registration are subject to meeting certain criteria, including the age of the ship and number of vessels being registered. Discounts are available to the ship-owners on Initial Registration or Annual Fees where:

- The ship being registered is less than 9 years old
- More than one vessel is being registered
- The ship being registered is a passenger ship exceeding 10,000 gross tonnes
- The ship has, in the preceding 5 years, consistently met the requirements of the Shipping Act and any regulations made thereunder relating to the maritime safety and pollution prevention
- The technical management or crewing of the ship is carried out by an entity established and operating in Jamaica
- A minimum of 20% or five members (whichever is greater) of the crew and including at least one officer, are Jamaican Nationals;
- In the case of a passenger ship over 10,000 gross tonnes, the home port during the 12 month period prior to the anniversary due date, was in Jamaica.

Port Facilities

Of the 14 seaports in Jamaica nine are active port facilities with the Port of Kingston being the largest. It is located Latitude: 17° 58' W - Longitude: 76° 48' N with administration executed by the Port Authority of Jamaica. The Kingston port is 21 square kilometres of navigable water and stands as the seventh largest natural harbour worldwide. This in itself offers tremendous opportunities for trade and supporting ancillary services to facilitate utilization, management and expansion of businesses.Two terminals are located at the Port of Kingston namely (i) the Kingston Container Terminal (KCT)and Kingston Wharves Ltd. The KCT is government owned and operated by the PAJ while Kingston Wharves is a private company.

As it pertains to the operational procedures of the Port, the estimated time of arrival and departure need to be notified to the Pilotage Department at least three hours prior to such movement by agents in order for pilots to board and guide ships in and out of the channel. Pilotage rates are levied according to grt while towage services are provided by the Maritime Towing Co Ltd.

In relation to cargo handling capacity, the Kingston Port handles over 1 million tonnes per annum and in excess of 10,000 tonnes per day. An indication of the equipment used at the port is listed below:

EQUIPMENT: (Kingston Terminal Operators North/South Terminal)

TYPE	UNITS	CAPACITY (TONNES)
Ship-to-shore cranes	10	40
Front loader	1	28
Straddle carriers	38	Various
Chassis	38	Various
Link belt crawler cranes	11	140
Mobile cranes	11	140-200
Fork-lift trucks	40	2.5
Fork-lift trucks	6	8-12
Clamp	1	25
Clamp	1	4
Super-stacker	1	49
Top loaders	2	40
Blade	1	28

Covered storage is provided in nine (9) areas with capacity between 31,727.88 and 82,690.02 square metres. Berths located at the Kingston Wharves Ltd (Berths 1-7) and Terminal Operators Ltd (Berths 8-11) measure between 165 and 183 metres in length at depths between 7.6 and 12.6 metres. The berth at the South Terminal has a length of 305.5 metres and depth of 12.6 metres.

Tanker berths are reflected below:

Tanker Berth	Length (metres)	Depth (metres)
Petrojam	229	11.1
Texaco East Pier	167.6	8.3
Esso Bunker Pier	167.6	10.6
Shell Pier	152	9.0

The Montego Bay Port facility is located Latitude: 18° 28' W - Longitude: 77° 56' N accommodates cruise ships primarily, with between 300,000 and 399,999 tonnes of cargo handled per annum, or between 1,000 and 1,999 tonnes per day. Both open and covered storage is available with the latter being 23,000 square feet. The port also offers refrigeration capacity of 87,000 cubic feet. For tankers and LPG carriers, there is one berth with a depth of 10.36 meters. While there is no dry dock facility, minor repairs can be undertaken alongside.

The Ocho Rios port, which is located at Latitude: 18° 25' N - Longitude: 77° 07' W, can be approached through easy access via open water. The requisite alerttime of 12 hours for ETA and ETD is required for pilotage. Like Montego Bay, ships which call at port are primarily cruise vessels. Ocho Rios handles between 200,000 and 299,999 tonnes per annum. Cruise ship berths are between 222 and 274.3 metres with depths of between 9.7 and 11.6 metres. Total berthing capacity for tankers and LPG carriers is 311 metres.

Other ports worth mentioning are Port Antonio, located Latitude: 18° 11' W - Longitude: 76° 27' N, Port Esquivel, found at Latitude: 17° 53' N - Longitude: 77° 08' W, Port Kaiser, Latitude: 17° 53' N - Longitude: 77° 36' W, Port Rhoades at Latitude: 18° 28' N - Longitude: 77° 24.5' W and Rocky Point, Latitude: 17° 49' N - Longitude: 77° 08' W. These ports typically accommodate bulk shipping and are utilized to a great extent for alumina shipping.

Potential Investment Opportunities

As indicated above, Jamaica's Logistics Hub Initiative (LHI) is seen as an evolution of the transport sector which offers the opportunity of creatinga premier hub for the Caribbean. Jamaica's strategic geographic location and proximity to the main East-West shipping lanes between the Far East, Europe and Eastern North America confers some advantages. This is supported by the extensive

cargo networks which support the value proposition of providing a "seamless, integrated strategy of linking all modes of cargo transportation: sea, air and land" (PAJ 2012).

Consistent with the Government's Vision 2030 NDP, plans for the development of a 'global shipping and logistics hub' for Jamaica, are steadily underway with the government pursuing the necessary capital and investors. The 'flag ship' project is geared towards preparing to capitalize on the expansion of the Panama Canal but positioning Jamaica as the logistical centre for trade in the Americas. The proposed transshipment and logistics hub will have six discrete but complementary elements, namely:

(i) Expanding the port facilities to include the Port of Kingston and Port Esquivel, through the dredging of the Kingston Harbour;

(ii) Port facility expansion at Fort Augusta and Gordon Cay;

(iii) A Dry Dock facility at Jackson Bay, Clarendon;

(iv) Establishment of a transshipment commodity port facility near Yallahs, St Thomas;

(v) Establishment of the Caymanas Economic Zone (CEZ) and other special economic zones;

(vi) Construction of a cargo and maintenance, repair and operations (MRO) facility at Vernamfield, Clarendon.

The PAJ's Annual Report (2012) indicates that China Harbour Engineering Company Limited (CHEC) submitted a proposal for the development of a container terminal at Fort Augusta. It is anticipated that this development will further strengthen the Port of Kingston as a preeminent regional transshipment hub. In addition to the new port, a 200 acre Enterprise Zone in the Caymanas area is being proposed to facilitate and support transshipment activities.

More specifically, the LHI will support and facilitate industrial clusters within special economic zones. It is expected that the following industries will be located within the Hub: Food processing, biomedical, consumer electronics, shipping, aviation, and pharmaceutical, to name a few. Attending services within the logistics hub include:

- Maintenance, repair and aircraft overhaul;
- Ship repair and dry docking;
- Value-added services;
- Business supporting services, such as financial, legal, accounting;
- Training and human resource development.

The Jamaican government has been deliberately encouraging investors to capitalize on the opportunities presented by the LHI. Thus, in addition to the capital investment required to establish the logistics hub and undertake expansion of the port and its facilities, investors in manufacturing, air cargo operators, shipping agents and lines, logistic support service providers and support service suppliers are being encouraged to position themselves to enter the market. The LHI therefore expands beyond maritime and maritime related services.

In exploring investment and trade opportunities, European service providers should remain cognizant of the relationship being established between the Government of Jamaica and the Chinese Government for the development of the logistics hub. In addition to the fact that the Chinese are aggressive investors in developing countries, a significant percentage of cargo which will be handled by the Jamaican port originating in China with the destination being North and South America and to the flow of bulk commodities back to the Asian market. As such European interests should anticipate a high level of competition from Chinese investors. Given the EPA, potential European service providers should therefore seek to understand the related concessions and market access requirements of these other sectors.

4.5.Trinidad and Tobago

Sector Overview

Transportation policy formulation and implementation is the responsibility of the Ministry of Works and Infrastructure. Port administration is the responsibility of the Port Authority of Trinidad and Tobago (PATT), which administers the Port Authority Act of 1961. Under the provisions of the Act, authorization from the PATT is needed to discharge and load general cargo and to supply other port services at any port in Trinidad and Tobago except Point Lisas, where authorization from Point Lisas Port Development Company (PLIPDECO) is required. The registration and licensing of ships is covered under the Shipping Act, 1987 and is administered by the Maritime Services Division in the Ministry of Transport (MOT). Pursuant to the Act, registration of ships is contingent on ownership by Trinidad and Tobago or CARICOM nationals. Foreigners may also register provided they engage in joint venture shippingarrangements with Trinidad and Tobago nationals.

An important aspect of the legal framework stems from the EPA. Trinidad and Tobago has liberalized passenger transportation services under Modes 1 and 2 without limitations.However, Mode 3 has remained unbound with access via Mode 4 being subject to limitations inscribed in the horizontal commitments. Provision of freight transportation services (less cabotage) is required through establishment, which must be done in partnership with local service suppliers. All 4 modes are scheduled without limitations for the supply of maintenance and repair of vessels services by European suppliers. Establishing pushing and towingservices however requires partnership with Trinidadian suppliers. European contractual service suppliers are also limited to the extent of being subject to economic needs tests. Trinidad and Tobago is the only CARIFORUM state to liberalize Ship Surveys services where Modes 1 and 2 are fully liberalized. Like Belize, Trinidad and Tobago has also fully liberalised Navigation Aid and Communications/Meteorological Services across all 4 modes of supply. Commitments under freight transport agency services (services auxiliary to all modes of transport) have been taken by Trinidad and Tobago to the extent of non-establishment, with the same level of commitment applied to Trans-shipment services.

The Port Authority of Trinidad and Tobago (PATT) is responsible for inter-island routes between the twin-island Republic. Furthermore, Trinidad and Tobago's location also creates a clear advantage as a natural transshipment hub vis-s-vis Guyana and Suriname, owing to its proximity to South America.

The country's thrust in promoting the maritime industry is reflected in the level of public sector support being provided. This support includes expediting legislation which reduces cargo processing time at container ports. Additionally, customs approval process has been reduced to a one-day length by being facilitated through TTBizLink. Freight and transportation networks are

facilitated by an extensive network of paved roads and direct air connections to major cities of New York, Miami, Toronto and London.

A core advantage of the maritime landscape in Trinidad and Tobago is its location as the country lies outside the hurricane belt, providing insurable marine space from disasters. This inherently reduces the risk exposure to be faced by investors and creates high confidence, particularly given the nature of the industry. Being located off the coast of Venezuela and within 12 miles of major shipping lines is an additional advantage being highlighted by InvestTT in an attempt to woo investors to the industry within the bulk cargo transshipment sector.

An important feature is the country's experience in marine oil and gas which has created significant expertise in marine repair and maintenance as evidenced by the Chaguaramas cluster which serves as a one-stop-shop. These features support Trinidad's attractiveness in offering dry-docking services. A supporting feature is the relatively low energy cost in comparison to other regional counterparts.

Being able to source requisite skills and human resource is critical in deciding whether investment may take place in a jurisdiction. There are approximately 16 major local institutions producing graduate welders, 2 local institutions offering training for new commercial divers and nine (9) local dive companies.

Over 350 companies are reported to be directly and indirectly involved in the maritime industry in Trinidad and Tobago (InvestTT 2013), particularly the transshipment sector. Companies which have already successfully located in Trinidad and Tobago include Alcoa, National Fisheries and Oldendorff.[12] Close to 50 shipping lines utilize Trinidad and Tobago's ports. These include Maersk,

[1]See

ZIM, Bernuth, CMA-CGM, Hapag Lloyd, Sea Board Marine and Crowley. Of the total, only 3 are European with France (CMA-CGM) and Germany (Hapag Lloyd) from the EU8.

2011 Port Entries

Vessel Type	Number
Bulk Cargo	130
Cargo	271
Container	136
Tanker	350
Tug	75
Offshore Supply	99
CAR	28
Passenger	28
Other	99
Total	**1216**

Oldendorff is the most recent major investor in the maritime industry in Trinidad and Tobago.

Investment Case Synopsis - Oldendorff

In 2012, world drybulk cargo leader, Oldendorff Carriers invested US$45 million in a new transshipment hub at Pt. Lisas Trinidad to move iron ore from Brazil to China and the Middle East. Headquartered in the Hanseatic City of Lubeck in northern Germany, Oldendorff Trinidad's parent, Oldendorff Carriers, has been a privately-held, family-owned operation for over 90 years, moving more than 200 million tonnes of cargo between 125 countries every year. To do it, about 400 ships call at ports around the world. World drybulk cargo leader, Oldendorff Carriers, has invested US $45 million in a new transshipment hub in Trinidad and Tobago to move iron ore from Brazil to China and the Middle East. It is the first such investment in the country's history and is expected to stimulate the growth of the transshipment industry, one of government's new priority sectors. Approximately 85 local employees are engaged.

Scott Jones, CEO of Oldendorff Carriers Trinidad told InvestTT last October, that Trinidad was chosen primarily for its labour pool, its strategic location below the hurricane belt as well as its proximity to Brazil and the Amazon River where iron ore is loaded onto medium-sized ships - it is the first such investment in the country's history and is expected to stimulate the growth of the transshipment industry, one of government's new priority sectors.

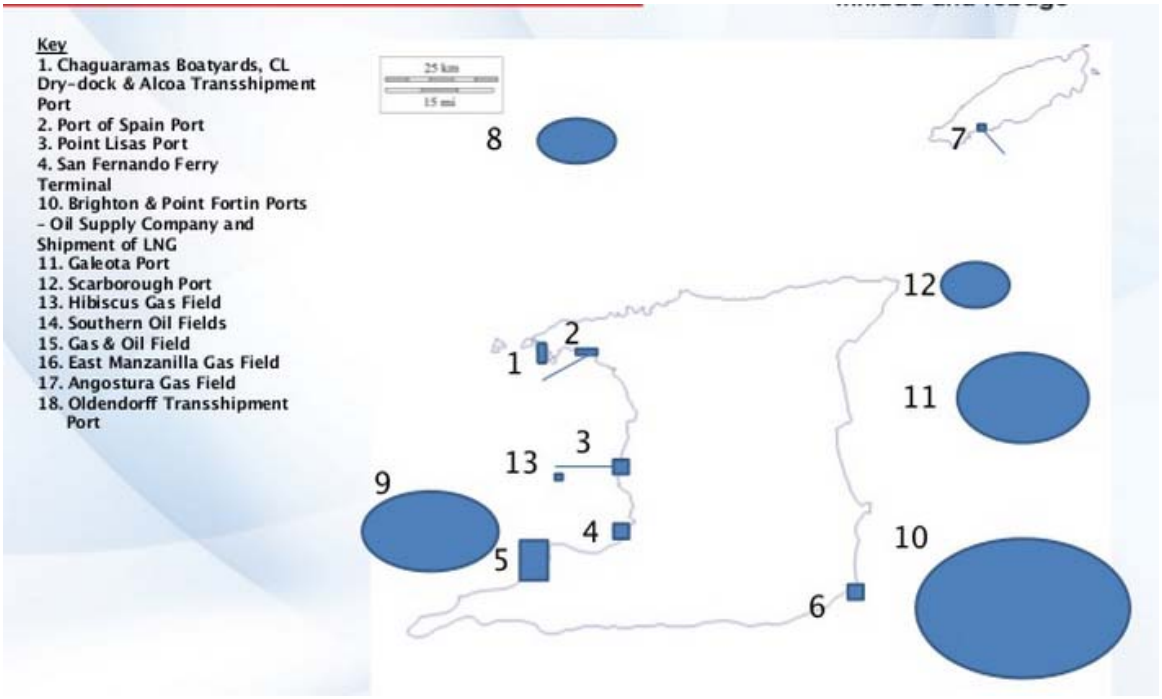
Of the 6 domestic players in the dry docking sector, only 1 is reported as having the capacity to accommodate ships greater than 2000 dwt. As it pertains to vessels, according to the WTO TPR, as

http://www.slideshare.net/investt/investment-opportunities-in-trinidads-maritime-industry

at December 31, 2010, there were 255 ships on the Trinidad and Tobago register with a gross tonnage of 97,000 gt. A total of 1,216 different vessels called at the various ports of entry to Trinidad and Tobago. (InvestTT 2013)

Port Facilities

Trinidad and Tobago has six (6) ports of entry; 4 in the Gulf of Paria, 1 at Galeota and 1 in Tobago. The three (3) major ports are Port of Spain (PoS) and Point Lisas in Trinidad, and Scarborough in Tobago. Trinidad and Tobago's port facilities include 2 international container ports, 1 LNG Terminal, 1 Bauxite Transshipment Facility, 1 Petrochemicals loading port, and 1 dedicated port for an oil refinery.



Port of Spain handles the major dry cargoes, containers and general cargo, break bulk cargo, liquid bulk cargo and passenger traffic. Data indicates that, in recent years, Port of Spain has become a major regional hub for trans-shipment, and is the only such hub in the Eastern side of the Caribbean. Point Lisas has specialized installations for loading industrial cargo and infrastructure for the handling of containers and general cargo. Scarborough is used mainly for inter-island passenger and cargo transport, and international cruise ships.

The WTO TPR indicates that in 2010, cargo handled at the ports amounted to 577,000 TEUdemonstrating a steady increase and of which over 42% was transshipment cargo. The review

also indicated a fall-off in vessel turnaround time which stood at 26 hours in 2010. The then productivity challenge was highlighted as resulting from an increase in cargo volumes, inadequate storage space, inadequate equipment and counter-productive industrial contracts.

Point Lisas is located Latitude: 10°24.2'N and Longitude: 61°29.6'W. There are two anchorages with depths between 4 and 23 metres, located NW (for inward bound vessels) and SE (for outward bound vessels) of the entrance to the dredged channel. Towage at Point Lisas is provided by two harbour tugs rated at 2,250 and 4,600 hp each, bollard pull of 40 tonnes each. There are also two workboats/launches rated at 500 hp each, bollard pull of 12 tonnes each. The port accommodates approximately 1,500 to 2,000 vessel calls per year.

An indication of types, quantity and capacity of equipment is listed below:

TYPE	UNITS	CAPACITY
Ship to Shore Gantry Cranes (LIEBHERR), rail-mounted, Post and Super Panamax sized cranes.	2	Safe working load under telescopic spreader: 40 tonnes (single lift), 50 tonnes (twin lift).
Rubber Tyred Gantry Cranes (KONECRANE)	6	5 high; 7 wide; safe working load 50 tonnes.
Mobile Harbour Cranes: (FANTUZZI REGGIANE) GOTTWALD)	1 2	Maximum capacity - 120 tonnes 63 to 100 metric tonnes
Reach Stackers (four high)	1	PPM stacker
Reach Stackers (five high)	4	Comprises: 3 Terex Stackers; 1 Kalmar Stacker
Forklifts	11	3 to 30 tonnes
Empty Container Handler (four high)	2	Comprises: 12 Capacity Tractor Trucks 5 Kalmar Tractor Trucks
Tractor Trucks	17	Comprises: 12 Capacity Tractor Trucks 5 Kalmar Tractor Trucks
Trailers (40 feet)	23	Comprises: 4 flat beds 11 Busby 8 CC

Source: Caribbean Maritime, 2012

Covered and open storage facilities of 3,100 and 139,674 square metres respectively are provided. Commercial berths are operated by PLIPDECO while specialized berths are owned by the National

Energy Corporation. Berths are designed to hold vessels between 30 and 245 metres long with a maximum draught of between 4.5 and 11.59 metres. The port can accommodate vessels up to 75,000 dwt with maximum draft alongside of 11.59 metres.

As it pertains to port services, stevedoring is offered by Point Lisas Terminals Ltd. Ship repair services can be arranged through agents with facilities available at Chaguaramas. Trinidad's dry-dock and ship repair facilities have acquired significant experience having been operational for over 100 years. Similarly, offshore drilling and the numerous downstream industries are pursued by more than 38 oil and gas companies which have established in Trinidad. Unlike the other Caribbean countries, Trinidad's maritime sector is particularly attractive to investors with interest in the gas and oil and related downstream activities.

Investment Opportunities

The Trinidadian government has committed US$3 billion to maritime projects in pursuit of creating the requisite climate to support trade and investment. Specific investment opportunities include:

1) The development of the Galeota Port along the South-East cost is being constructed by the National Energy Corporation of Trinidad and Tobago (NEC). The first phase of the project, at an estimated cost of US$80M will comprise a 200 metre-wide turning basin and draught of 7.6MSL. Berths will measure between 102 and 148 meters. It is expected that the Port will be completed by December 2013.

2) The construction of a transshipment port at La Brea, South Trinidad estimated to cost US$1.7 billion scheduled to begin in 2014;

3) The construction of a maintenance ship repair facility at a cost of US$1.2 billion, just off Sea Lots at the gateway to the capital Port-of-Spain scheduled to begin in 2014;

Like the rest of the Caribbean, Trinidad and Tobago seeks to attract investment into its maritimeindustry, especially with the projected increase in maritime activity with the expansion of the Panama Canal. The government has indicated its willingness to partner with investors on the Chaguaramas marina development and is also pouring billions into maritime development to strengthen infrastructure. The Trinidadian government is attracting investment in various activities, including:

1) bulk transshipment,
2) ship repair and
3) leisure craft anchorage (under separate focus)

TIER II COUNTRIES

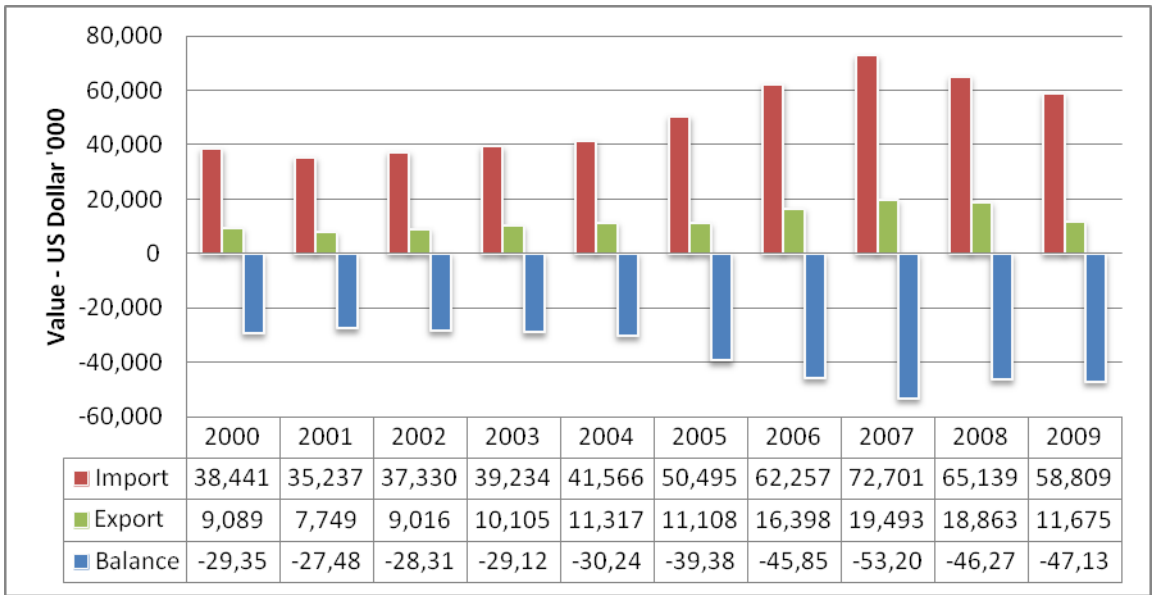
4.6.Antigua and Barbuda

Sector Overview

Antigua and Barbuda is located Latitude: 17; 07' N - Longitude: 61° 52' W. The Ministry of Finance is responsible for shipping while the Ministry of Public Works and Transportation has responsibility for the Port Authority which manages St. John's Port. The institutional structure also comprises of the Antigua and Barbuda Cruise Tourism Association. Operations at the Port are executed through two entities, namely, (i) The Antigua Port Authority provides the shores side labour with longshoremen and equipment operators and (ii) The local shipping agencies which provide the stevedoring onboard the ships and husbandry services for vessels calling at St John's. In terms of operations and management of the sector, shipping agents meet and discuss matters affecting the operations of the port on a regular basis.

Information obtained from the ITC indicates that Antigua and Barbuda has maintained a negative trade balance in sea transport services from 2000 to 2009 which peaked at US$53M in 2007. Exports have fluctuated only marginally over the period and amounts to approximately one quarter of imports over the time.

Figure 8 Antigua & Barbuda Sea Transport Services Trade (USD '000)



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Import	38,441	35,237	37,330	39,234	41,566	50,495	62,257	72,701	65,139	58,809
Export	9,089	7,749	9,016	10,105	11,317	11,108	16,398	19,493	18,863	11,675
Balance	-29,35	-27,48	-28,31	-29,12	-30,24	-39,38	-45,85	-53,20	-46,27	-47,13

Sources: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Antigua and Barbuda's EPA Commitments – Synopsis

Antigua and Barbuda has liberalized the establishment of firms wishing to provide passenger transportation services (less cabotage) provided that there is registration of the company under the national flag of the State where establishment took place. The country has scheduled no limitations on the cross-border supply of liner shipping, bulk tramp and other international shipping, including passenger transportation or the rental of vessels with crew. As it pertains to freight transportation (less cabotage), Antigua and Barbuda has not undertaken any commitments and as such has not liberalized the sub-sector.

Ship registration scheduling has been done by only three (3) CARIFORUM countries, including Antigua and Barbuda. There is no limitation on cross-border supply of the service, with no commitment taken for the establishment of ship registration. Antigua and Barbuda has fully liberalized establishment of companies offering freight transportation under the ambit of internal waterways.

In relation to services auxiliary to all modes of transport, the country has not undertaken commitments on: cargo handling services, freight transport agency services, trans-shipment services or maritime agency services.

Sector Structure

Antigua and Barbuda's maritime sector is comprised of the typical spread of fleet with general cargo ships (799 in 2012) accounting for the majority of vessels to the country. Container ships, which totaled 409 in 2012, were of second most importance with the highest GT and dwt and accounting for 53% of fleet to Antigua and Barbuda. Between 2011 and 2012, Antigua experienced a marginal increase in the number of vessels, from 1,293 ships to 1,322.

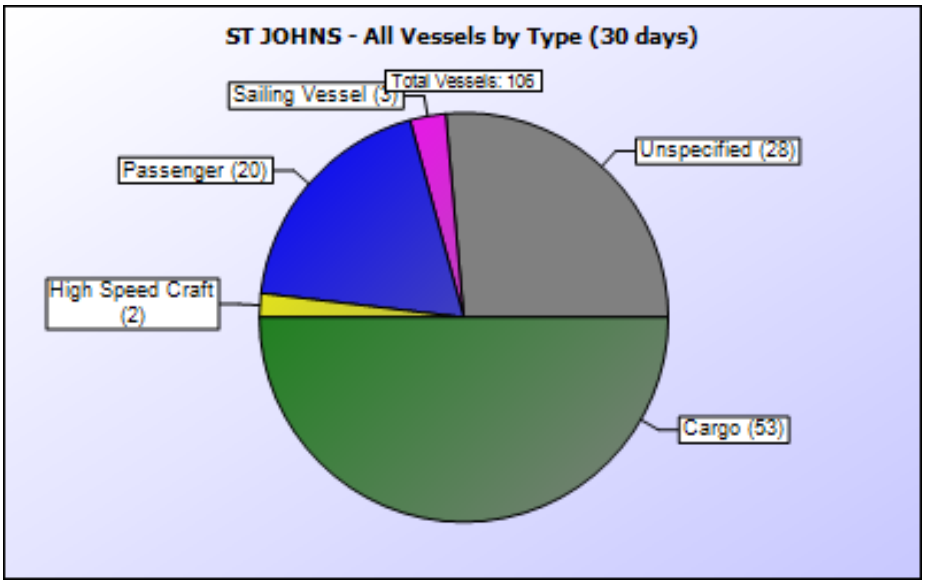
Table 10 Antigua & Barbuda's Fleet Variables 2011-2012

	Number of ships		Gross Tonnage ('000)		% of total fleet		% of total world		Dead weight tons ('000)	
Year	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Total fleet	1293	1322	10737.659	11163.314	100	100	1.0	0.9	13892.277	14402.352
Oil tankers	7	5	14.55	10.843	0.2	0.1	0.0	0.0	22.836	16.489
Bulk carriers	51	42	900.656	902.369	10.5	10.4	0.3	0.2	1453.581	1499.253
General cargo	767	799	3797.129	4216.31	34.7	36.9	4.4	5.0	4823.631	5308.199
Container ships	406	409	5892.235	5875.431	53.6	51.4	4.1	3.7	7448.357	7403.794
Other types of ships	62	67	133.089	158.361	1.0	1.2	0.1	0.2	143.872	174.617

Source: UNCTAD, UNCTADstat. Computed from "Merchant fleet by flag of registration and by type of ship, annual, 1980-2012"

Within Antigua and Barbuda, there already is a strong European presence in the sector. The main lines operating in Antigua and Barbuda are: CMA CGM lines- represented by Bryson Shipping; Seaboard- represented by Carb Seas; Crowley - represented by Caribbean Maritime Services; Tropical Shipping - represented by Antigua Maritime services; Geest Line represented by Francis Trading Agencies ltd.

Of the three ports in Antigua and Barbuda, commercial traffic is most active in St. Johns as shown in the diagram below where cargo vessels account for more than 50% of arrivals over a 30 day period.



Source: http://www.marinetraffic.com/ais/portdetails.aspx?port_id=454

Antigua and Barbuda primarily export petroleum products, manufactured goods, food and live animals, machinery and transport equipment with imports being centred on oil, chemicals, manufactured goods, machinery and transport equipment. Thus to support the movement of these commodities, service providers need to have the requisite infrastructure and capacity, which includes potential investors and service suppliers.

Port facilities

Anchorage for St John's Port is located about 0.7 nautical miles NNW of Pillar Rock Light with depths to 13.72 meters. Additionally, further anchorage area is located two nautical miles north of Sandy Island with depths to 16.46 meters. Pilotage within Antigua and Barbuda is mandatory with towage offered by two tugs through the Port Authority. This status has been preserved in the EPA with no commitments having been made to open up pushing and towing services.

As it pertains to the Port's capacity, between 200,000-300,000 tonnes of cargo are handled annually with approximately 1,000-2,000 tonnes handled per day as below:

Equipment Type	**Units**	**Capacity (tonnes)**
Mobile crane	1	140
Handlers	2	15/40
Reach stackers	2	45
Fork-lift trucks	3	2.5
Fork-lift trucks	5	3.5
Fork-lift trucks	3	7
Tractor heads	5	-

Source: Caribbean Maritime, 2012

Port facilities at St. John's include three hectares for open storage and 3,720 square metres for covered storage. There is a three hectare container terminal with storage for 410 TEU with three berths available at Sea Island for tankers and LPG carriers. Refrigeration capacity is provided through eight power outlets. The facilities and resources available as well as the carrying capacity of the port, should serve as indicators of the potential tangible market opportunities within Antigua and Barbudafor new service providers.

4.7.Barbados

Sector Overview

At the Ministerial level, the Ministry with responsibility for shipping is International Business and International Transport while administrative matters are handled by the Barbados Port Authority. Maritime activities are governed by: the Shipping Act, Cap. 296 (as amended); the Shipping Regulations, 1994; the Shipping (oil pollution) Act, Cap.296A; the Shipping Corporations Act; and the Shipping Corporations Regulations, 1997.Under the Shipping Incentives Act Cap. 90A (as amended by the Shipping (Incentives)(Amendment) Act 2005-5), approved shipping companies are entitled to a number of tax benefits, when involved in the operation or leasing of ships for carriage of passengers or cargo, commercial shipping and boating in the tourist industry, the leasing of ships or in shipbuilding, including the reconstruction, alteration, refitting, equipping, maintenance or repair of ships.

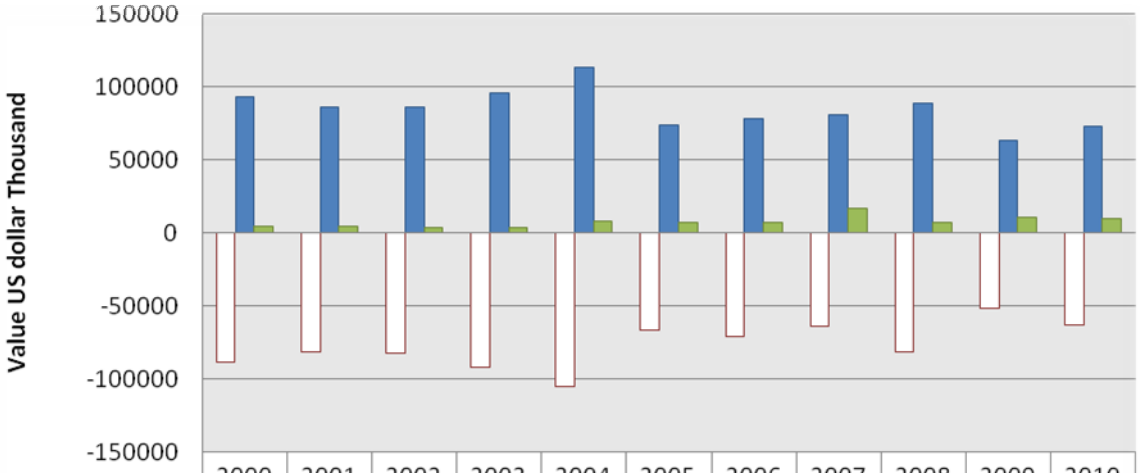
These benefits include: duty-free imports of ships or any articles to be used in reconstruction, etc. of ships and exemption from tax on dividends and interest. An approved shipping company is any company that is engaged in shipping activities, or that is wholly owned by the Crown or in which the Government has a majority interest. According to the authorities, the purpose of the Act was to encourage the development of a shipping industry in Barbados, and an indigenous industry for ship repairs.

Barbados administers an international ship registry. The Registry deals with all foreign-going ships and all coastal and Caribbean ships over 150 tonnes. There are no restrictions on the ownership of vessels. Vessels over 20 years of age on initial registration may be accepted by the Principal Registrar, providing they meet the requirements of Conventions to which Barbados is party.

Private stevedoring contractors, typically supply services pertaining to loading and offloading cargo to and from ships. The Barbados Port Inc., the sole employer of labour at the Bridgetown Port, and the Shipping Association of Barbados (acting on behalf of its member stevedoring contractors) entered into an agreement whereby the port authority would provide the stevedoring contractors with all the labour needed to carry out their business in the port. In order to ensure the smooth running of the stevedoring operations, the association holds monthly meetings with the management of the port authority at which problems encountered by members are aired, discussed and, in most cases, resolved.

In relation to the value of trade in sea transport services, Barbados has continued to experience a negative trade balance in the amount of US$6.35 million in 2010. Exports experienced a noticeable growth after 2003 and peaked in 2007 at US$16 million. The rate of imports has continued to outpace exports however, maintaining the negative trade balance.

Figure 9: Barbados' Sea Transport Services Trade



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Trade Balance	-8810	-8140	-8216	-9207	-105,	-66,6	-70,9	-63,8	-81,7	-52,1	-63,5
Import	92,65	85,65	85,66	95,67	113,0	73,86	78,14	80,49	89,01	62,96	72,78
Export	4550	4250	3500	3600	8,080	7,200	7,230	16,65	7,280	10,84	9,280

Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Port Facilities

The Bridgetown Harbour, Barbados' only port, is owned by the Government of Barbadosand is located Latitude: 13° 06' 5" N - Longitude: 59° 38' 2" W. Sole responsibility for providing port services rests with Barbados Port Inc.Barbados Port Inc. wasestablished in 2003 as company incorporated under the Companies Act, but is owned by theGovernment of Barbados.

The general anchorage area is located off Carlisle Bay. Pilotage is compulsory with pilots required to board half a mile south-west of the fairway buoy. Vessels should submit Form 'A' prior to arrival and contact signal station as soon as possible after entering national waters.

Berth	Length (m)	Depth Alongside (metres)
Cross berth	152	11
Berth 2	182	11
Berth 3	182	11
Berth 4	182	11
Berth 5	76	11
Sugar Berth	304	11
Breakwater berth	825	11

Port equipment includes:

Type	Units	Capacity (tonnes)
Gantry crane	1	40
Mobile crane	1	104
Mobile crane	1	100
Straddle carrier	7	40
Empty container handler	1	10

Source: Caribbean Maritime, 2012

The Port offers open storage of 47,348 square meters. The capacity of covered storage for 4 warehouses range from 3,972 to 5,314 square meters. Refrigeration capacity is 4,958 square meters with96 reefer plugs.

For Barbados, oil tankers accounted for 23% of total ships calling at the port in 2012 with bulk carriers being twice that with 44.8% or 26 ships in 2012 as per dead weight tons. In relation solely to number of ships, general cargo accounted for 64 of 144 ships but only 17% of tonnage.

Table 11 Barbados' Fleet Variables 2011-2012

	Number of ships		Gross Tonnage ('000)		% of total fleet		% of total world		Dead weight tons ('000)	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Total fleet	140	144	1283.479	1399.03	100.0	100.0	0.1	0.1	1881.769	2040.121
Oil tankers	23	18	430.626	307.642	35.8	23.2	0.1	0.1	674.342	473.197
Bulk carriers	20	26	366.62	535.755	32.8	44.8	0.1	0.1	617.838	913.841
General cargo	63	64	249.056	260.069	17.1	16.8	0.3	0.3	320.852	342.778
Container ships	6	6	156.926	156.926	11.2	10.3	0.1	0.1	211.134	211.134
Other types of ships	28	30	80.251	138.638	3.1	4.9	0.1	0.1	57.603	99.171

Source: UNCTAD, UNCTADstat. Computed from "Merchant fleet by flag of registration and by type of ship, annual, 1980-2012"

TONNAGE HANDLED (D.W.H. & S.D.)	*CONTAINERS (T.E.U.s) HANDLED

MONTH	2009	2010	% CHANGE	MONTH	2009	2010	% CHANGE
JANUARY	77,942	72,626	-7%	JANUARY	8,475	5,923	-30%
FEBRUARY	80,838	75,919	-6%	FEBRUARY	6,340	6,240	-2%
MARCH	88,655	98,084	11%	MARCH	7,054	7,277	3%
APRIL	84,935	82,171	-3%	APRIL	6,258	5,819	-7%
MAY	77,657	85,194	10%	MAY	6,038	6,543	8%
JUNE	88,830	92,878	5%	JUNE	6,479	6,136	-5%
JULY	90,541	93,458	3%	JULY	6,310	7,118	13%
AUGUST	82,514	91,553	11%	AUGUST	6,391	6,611	3%
SEPTEMBER	88,351	97,968	11%	SEPTEMBER	6,766	7,066	4%
OCTOBER	97,366	81,675	-16%	OCTOBER	6,648	6,447	-3%
NOVEMBER	108,300	107,314	-1%	NOVEMBER	8,257	7,769	-6%
DECEMBER	99,214	103,335	4%	DECEMBER	7,816	7,478	-4%
TOTAL Y-T-D	**965,929**	**1,082,175**	**12%**	**TOTAL Y-T-D**	**75,015**	**80,424**	**7%**

Source: Barbados Port Inc. http://www.barbadosport.com/index.php?option=com_rokdownloads&view=folder&Itemid=103

***EXCLUSIVE OF SHIFTED UNITS. INCLUSIVE OF EMPTY UNITS, T/S IN AND OUT.**

*CARGO VESSEL CALLS (D.W.H.)				CARGO VESSEL CALLS (S.D.)			
MONTH	2009	2010	% CHANGE	MONTH	2009	2010	% CHANGE
JANUARY	51	45	-12%	JANUARY	11	10	-9%
FEBRUARY	44	39	-11%	FEBRUARY	13	9	-31%
MARCH	49	46	-6%	MARCH	15	12	-20%
APRIL	47	44	-6%	APRIL	15	11	-27%
MAY	48	48	0%	MAY	11	10	-9%
JUNE	55	44	-20%	JUNE	15	11	-27%
JULY	48	47	-2%	JULY	11	11	0%
AUGUST	46	42	-9%	AUGUST	14	10	-29%
SEPTEMBER	48	46	-4%	SEPTEMBER	12	12	0%
OCTOBER	47	37	-21%	OCTOBER	16	10	-38%
NOVEMBER	50	42	-16%	NOVEMBER	16	9	-44%
DECEMBER	46	41	-11%	DECEMBER	16	12	-25%
TOTAL Y-T-D	**533**	**521**	**-2%**	**TOTAL Y-T-D**	**149**	**127**	**-15%**
*INCLUSIVE OF CARGO VESSELS AT BULK FACILITY AND RUBBLE BANK							
*INCLUSIVE OF BULK SUGAR VESSELS							

Source: Barbados Port Inc. http://www.barbadosport.com/index.php?option=com_rokdownloads&view=folder&Itemid=103

Synopsis of Barbados' Market Access EPA Commitments

In relation to commitments for the establishment of businesses, Barbados' liberalization commitments under the EPA can be described as conservative at best. The country's schedule reflects no limitations on entry for establishing an operation to provide services for the maintenance andrepair of vessels and freight transportation. The limited commitments which have also been taken include on modes 1 and 2 which for some sub-sectors are fully liberalized.

4.8.Belize

Sector Overview

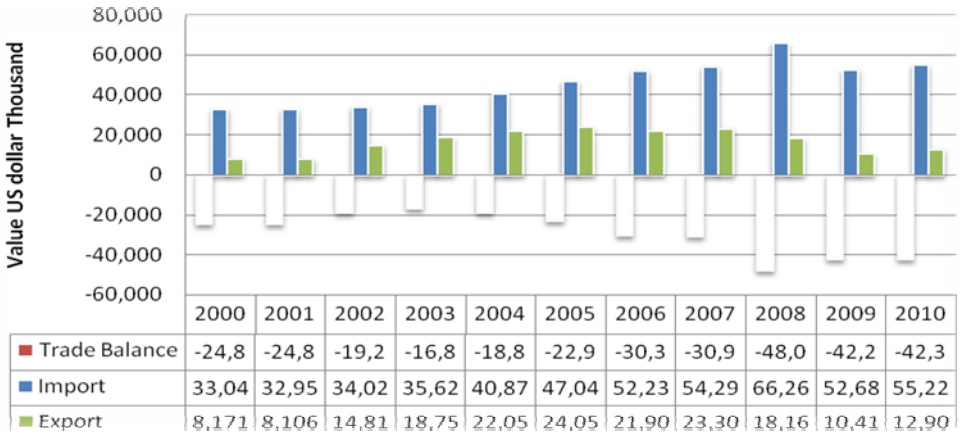
Maritime transport in Belize is governed by various pieces of legislation. There are the Harbours and Merchant Shipping Act which was amended in 2007; the Belize Port Authority Act; the Registration of Merchant Ships Act (under IMARBE); the Wrecks and Salvage Act; and the Abandoned Wreck Act.

Unlike most Caribbean countries, cabotage transport is very prevalent in Belize given its many inhabited cays, such as Independence and Placencia. The legislation does not limit cabotage transport to service providers based on nationality, residency or registration criteria. In fact, foreign shipping companies are allowed to undertake cabotage operations.

Responsibility with the appointment and delineation of harbours and ports rests with the Minister of Public Utilities, NEMO, Transport and Communication. Belize's International Merchant Marine Registry of Belize (IMMARBE) ship registry is within the Ministry of Finance and is regulated by the Registration of Merchant Ships Act. Belize's Trade Policy Review indicates that, through offices which are located worldwide, applications and registration of documents are processed. Belize's open economy status is also reflected in its maritime legislation with no restrictions on ownership, participation in ownership and, investment or personnel.

Belize's sea transport trade balance, based on ITC data, has persistently been negative with imports increasing at a faster rate than exports.

Figure 10: Belize Sea Transport Services



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Trade Balance	-24,8	-24,8	-19,2	-16,8	-18,8	-22,9	-30,3	-30,9	-48,0	-42,2	-42,3
Import	33,04	32,95	34,02	35,62	40,87	47,04	52,23	54,29	66,26	52,68	55,22
Export	8,171	8,106	14,81	18,75	22,05	24,05	21,90	23,30	18,16	10,41	12,90

Sources: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Port facilities

The Ministry of Public Utilities, Transport, Communications and National Emergency has responsibility for shipping in Belize. The Port of Belize is located at latitude 17Âº.30ÂºN and Longitude 88Âº .12W and is administered under the Laws of Belize, Chapter 233 Revised edition 2000. The Port has a wharf length 500ft./150m and draft of 6ft. / 2m. Warehouse space amounts to 4,000 sqft/1,212 sq m.

While ports are predominately owned and managed by private companies, the Belize Port Authority has responsibility for regulating all ports (including regulation of pilotage, ISPS compliance and approval of port fees). Main ports of entry are located at Belize City, Punta Gorda, Big Creek, and San Pedro.

Belize City Port is the country's major port and has deepwater facilities to handle containerized shipping and cruise ships. Nine major shipping lines provide cargo services to this port.

Table 12 Belize's Fleet Variables 2011-2012

	Number of ships		Gross Tonnage ('000)		% of total fleet		% of total world		Dead weight tons ('000)	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Total fleet	426	446	1373.981	1481.552	100.0	100.0	0.1	0.1	1627.873	1815.197
Oil tankers	15	21	36.065	80.628	3.7	7.1	0.0	0.0	60.987	128.464
Bulk carriers	39	37	258.325	303.352	24.2	26.3	0.1	0.1	393.852	477.268
General cargo	197	210	799.576	800.125	57.9	53.5	0.9	0.9	943.352	970.839
Container ships	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Other types of ships	175	178	280.015	297.447	14.1	13.1	0.2	0.2	229.682	238.626

Source: UNCTAD, UNCTADstat. Computed from "Merchant fleet by flag of registration and by type of ship, annual, 1980-2012"

Belize's ports are both underdeveloped and under-utilized, notwithstanding its competitive advantage and strategic location. In 2009, the volume of container traffic stood at 31,344 twenty-footequivalent units (TEUs) with an average of just 16 container moves per hour. Turnaround time for ships was registered at an average of 14 hours. Medium-sized vessels can be accommodated within Belize's ports however they are predominately inactive.

There is very little indication of any expansion plans or port development initiatives being undertaken generally or in light of the expected expansion of the Panama Canal.

Synopsis of Belize's Market Access EPA Commitments

Establishment to provide freighttransportation services has been fully liberalized by Belize in the EPA. Similarly, the EU8 countries may establish within Belize in order to provide for rental of vessels with crew and vessel salvagingand refloating services. Here, Belize also indicates that such rental is applicable to passenger transportation for abroad being limited to class 2 boats under 100 passengers but with multiple days on the itinerary. Pushing and towing services under modes 1 and 2 are also fully liberalized. While Belize is only one (1) of two (2) CF countries to have taken commitments in Navigation Aid and Communications/Meteorological Services, only modes 1 and 2 are scheduled without limitations. Mode 3 is listed as unbound (no commitment to liberalize) while mode 4 is as provided in the horizontal commitments. The same commitments apply to freight transport agency services within the context of auxiliary services.

4.9.Dominica

Sector Overview

The Ministry responsible for shipping: Ministry of Tourism, Ports & Employment. The International Maritime Act of 2000 and the Dominica Maritime Regulations, 2002 govern the shipping industry in Dominica. Dominica Maritime Registry Inc. (DMRI), which operates exclusively as "The Flag of Responsibility.TM," is accountable to the Dominica Maritime Administration, which is the enforcement agency for all matters concerning seaworthiness, safety, and seafarer qualification. Dominica's open international ship registry is reported as one of the fastest growing registries. Pursuant to Part 1 (2) (2(a)) of the Act, "Vessels eligible to be documented or re-documented under the provisions of this Chapter include yachts, fishing vessels, and vessels built anywhere and operated under the flag of the Commonwealth of Dominica".

In the context of the EPA, Dominica has signaled that there are no limitations on passenger transport services for modes 1 to 3. There are no limitations on the establishment of services for the rental of vessels with crew or for the maintenance and repair of vessels. The establishment of freight transport agency services is also scheduled as without limitations. It is important to note that in relation to limitations on national treatment, Dominica has recorded very little reservations across all modes and for most sub-sectors.

Table 13: Dominica's Fleet Variables 2011-2012

	Number of ships		Gross Tonnage ('000)		% of total fleet		% of total world		Dead weight tons ('000)	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Total fleet	108	102	907.917	1030.914	100.0	100.0	0.1	0.1	1602.65	1842.965
Oil tankers	10	8	268.47	381.788	29.7	38.0	0.1	0.1	476.561	701.233
Bulk carriers	11	13	512.249	531.868	60.4	54.4	0.2	0.2	968.582	1003.267
General cargo	37	30	81.031	71.862	7.2	5.5	0.1	0.1	115.44	100.505
Container ships	..	..	..	..	0.0	..	0.0	..	0	..

Source: UNCTAD, UNCTADstat. Computed from "Merchant fleet by flag of registration and by type of ship, annual, 1980-2012"

Roseau is located Latitude: 15° 17' N - Longitude: 61° 24' W and is administered by the Dominica Port Authority. Anchorage through Open roadstead has a depth of 74 meters. Prince Rupert Bay/Portsmouth port is located Latitude: 15° 34' N - Longitude: 61° 28' W. Woodbridge Bay provides access to the port and has a located anchorage of Latitude: 15° 18' 36" N - Longitude:61° 23' 63" W.

Port Facilities

The Ports offer open roadstead anchorage and pilotage and is compulsory for all vessels over 100 grt. A two hour notice of estimated arrival time is required by the port. No towage services are provided. Dominica's maritime industry is dominated by cruise shipping and ferries, with service of the latter particularly destined for Martinique. The port also offers a maximum draft alongside of 15.2 metres with the ability to accommodate 100 metres LOA. There is an indication of WoodBridge Bay being equipped with three cranes of up to 55 tonnes capacity with the largest vessel being 43,000 dwt. Container park is provided on 2.5 hectares.

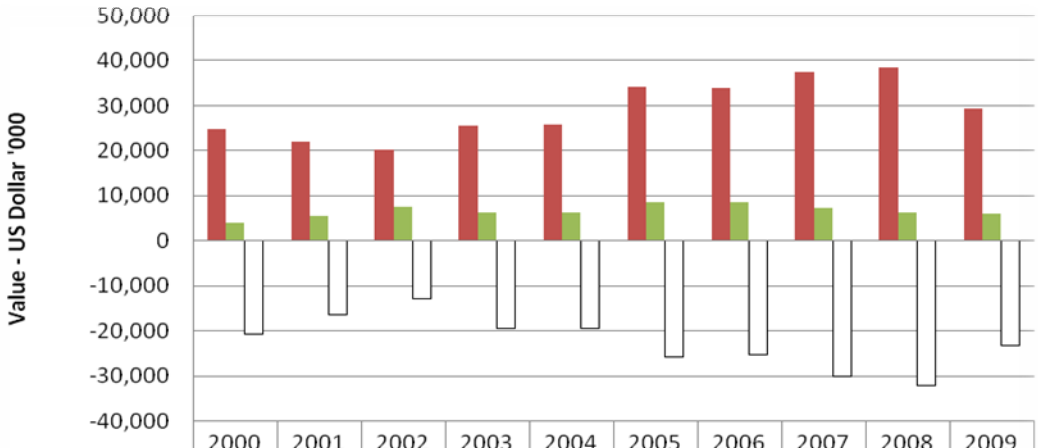
4.10. Grenada

Sector Overview

The Ministry of Finance is responsible for the formulation of maritime transport policy. The Grenada Shipping Act of 1994 provides the legislative framework for merchant shipping. Under the Shipping Act, in order to be registered in Grenada, vessels must be substantiallyowned by Grenadian citizens or public bodies, or a company established in and with its principal place of business in Grenada, where the majority of the ownership of the company is vested inGrenadian citizens and the company is managed by Grenadian citizens. Cabotage services are reserved for Grenadian registered ships.

Pursuant to Grenada's schedule of commitment, European Union countries can provide passenger transportation services (less cabotage) subject to the requirement of a joint venture with provision of the service via modes 1 and 2 being without limitations. This requirement is however not made for the provision of freight transportation services via mode 3. In order to establish to rent vessels with crew or to provide maintenance and repair of vessels European service providers are required to enter into partnerships or joint ventures with Grenadians.

Figure 11: Grenada Sea Transport Services Trade



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Import	24,596	21,919	20,202	25,442	25,767	34,087	33,760	37,260	38,341	29,274
Export	3,811	5,463	7,293	6,041	6,263	8,361	8,334	7,111	6,090	5,894
Trade Balance	-20,78	-16,45	-12,90	-19,40	-19,50	-25,72	-25,42	-30,14	-32,25	-23,38

Sources: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Grenada is a net importer of sea transport services with exports declining since 2001 to a 2009 value of US$5,894,000. The import bill has remained high, notwithstanding a marginal decline in 2009 from an eight year high in 2008. Again, and what remains constant for CARIFOUM countries is the challenge of increasing the export of maritime services.

Table 14: Grenada's Fleet Variables 2011-2012

	Number of ships		Gross Tonnage ('000)		% of total fleet		% of total world		Dead weight tons ('000)	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Total fleet	8	7	1.7	1.578	100.0	100.0	0.0	0.0	0.995	0.995
Oil tankers	..	..	..	..	0.0	..	0.0	..	0	..
Bulk carriers	..	..	..	..	0.0	..	0.0	..	0	..
General cargo	3	3	0.621	0.621	95.5	95.5	0.0	0.0	0.95	0.95
Container ships	..	..	..	..	0.0	..	0.0	..	0	..
Other types of ships	5	4	1.079	0.957	4.5	4.5	0.0	0.0	0.045	0.045

Source: UNCTAD, UNCTADstat. Computed from "Merchant fleet by flag of registration and by type of ship, annual, 1980-2012"

Grenada does not command a strong fleet, with the deduction that this is owed in part to the absence of a ship registry facility. Notwithstanding, data ascertained reveals that General cargo ships account for 95% of Grenada's fleet, which in 2012 totaled 7 ships of 1,578 gross tonnage. Other types of ship completed the fleet with no container ships or bulk carriers flying under Grenadian flag.

Port facilities

Grenada's principal port is St. Georges with commercial ports managed by the Grenada PortAuthority. The Grenada Port Authority has the responsibility to, inter alia, operate and administer ports; regulate andcontrol navigation; maintain, improve, and regulate the use of ports, and the services and facilitiestherein; and provide pilotage services and navigational services and aids. Private companies are required to be incorporated as local subsidiaries with activities restricted to providing services within privately owned terminals.

St. Georges is located 12° 03' N - Longitude: 61° 45' W and is under the administration of the Grenada Ports Authority. On average, the port handles 368,013 tonnes per year and is equipped with the typical heavy duty machinery for a relatively small port. Both open and covered storage facilities are provided at the port. There are two tanker berths with Grand Mal berth having a depth of 8 meters and Queen's Park berth 6 meters.

In the past, Grenada has been negatively impacted by what has been termed a high level of inefficiency with the Caribbean Shipping Association having levied a Port Inefficiency Surcharge of US$250.00 per 20 ft container landed in Grenada by its ships.

4.11. Guyana

Sector Overview

Overall responsibility for Guyana's maritime sector rests with the Ministry of Transport and Hydraulics in the Ministry of Public Works and Communications. The Guyana Shipping Act (1998) provides the legal framework for maritime services. The sector is also regulated by the Maritime Guyanese Registered Ships Boundaries Act Cap. 100:01, of 1977, which is administered by the Maritime Administration Department (MARAD) as well as any other law relatingto maritime affairs. The Transport and Harbours Act sets out the various shipping-related levies imposed; these include tonnage and light dues and shipping fees. Provision of cabotage services is limited to Guyanese citizens, residents,and companies. This is however subject to regulations, exemptions, or anybilateral or multilateral treaty or agreement.

Under the EPA, and as per Guyana's schedule of commitments, European Union countries can provide passenger transportation and freight transportation services (less cabotage) through modes 1, 2 and 3 without limitations. In order to offer vessel rental services, with crew, EU service providers are required to become established within Guyana. However, to establish the same service as it relates to internal waterways, there are no market access requirements. Services for the maintenance and repair of vessels can be provided by EU foreign firms partnering with Guyanese as joint ventures are required for entry.

Port facilities

Georgetown harbour is Guyana's main portthrough which most cargois transported in and out of Guyana.However land and berths are mostly privately owned. As it pertains to port operations, pilotage is not compulsory for vessels under 1,500 tons gross (1,250 tons gross for Guyana-registered coasting-trade vessels), provided the masterof the vessel has the requisite certification.

Port Georgetown is situated on the north coast of Guyana along the east bank of the Demerara River at a location of Latitude: 06° 49' N - Longitude: 58° 10' W. It stretches for 16 km inward from the river mouth along the Demerara ship channel, with an average depth of 6.21 metres at low tide. Administration is done through the Transport & Harbours Department. There are five anchorage points with water depths of 58 meters, 6.4 meters, 6.7 meters, 61 meters and 5.5 meters. Cargo handling capacity is 400,000 to 500,000 tonnes per year and 1,000 to 2,000 tonnes per day. An indication of port equipment is listed below:

Equipment Type	Units	Capacity (tonnes)
Stackers	3	40 (John Fernandes)
Stacker	1	40 (Guyana National Shipping Corp)
Crawler crane	2	40 (John Fernandes)
Crawler crane	1	40 (Guyana National Shipping Corp)
Crawler crane	1	30 (Guyana National Shipping Corp)
Crawler crane	1	30 (Guyana National Industrial Co Inc)
Crawler cranes	2	30 (Demerara Shipping Co Ltd)
Crawler crane	1	8 (John Fernandes)
Fork-lift trucks	20	3-5 (John Fernandes)
Fork-lift trucks	18	3-5 (Guyana National Shipping Corp)
Fork-lift trucks	6	3-5 (National Industrial Co Inc)
Fork-lift trucks	6	3-5 (Demerara Shipping Co Ltd)

As it pertains to storage, the port offers open storage of 62,087 square meters with covered storage ranging between 2,700 and 11,152 square meters. There is a maximum draft alongside of 8.0 meters, with the longest vessel accommodated being 290 meters LOA.

Maritime traffic in Guyana is comprised of ships of general cargo and a category defined as 'other types of ships' by UNCTAD data. The percent of world fleet is quite negligible with total deadweight tones hovering around the 45,000 mark. Data indicates that there is no containerized traffic or bulk carriers. Oil tankers account for 20% of total fleet.

Table 15: Guyana's Fleet Variables 2011-2012

	Number of ships		Gross Tonnage ('000)		% of total fleet		% of total world		Dead weight tons ('000)	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Total fleet	121	117	42.408	42.471	100.0	100.0	0.0	0.0	44.723	45.453
Oil tankers	5	5	6.23	6.23	20.9	20.6	0.0	0.0	9.356	9.356
Bulk carriers	..	..	..	..	0.0	..	0.0	..	0	..

General cargo	39	35	22.604	22.639	62.4	63.0	0.0	0.0	27.928	28.658
Container ships	..	..	..	..	0.0	..	0.0	..	0	..
Other types of ships	77	77	13.574	13.602	16.6	16.4	0.0	0.0	7.439	7.439

Source: UNCTAD, UNCTADstat. Computed from "Merchant fleet by flag of registration and by type of ship, annual, 1980-2012"

Some of the key operators within the maritime industry are: Associated Transport Line (ATL); Bernuth Lines - USA, Caribbean; BHP Transport; BLT Enterprise; Carolina Caribbean Line; CMA/CGM; Europe Caribbean Lines; Europe West Indies Lines (EWL); HUAL Vehicle Carrier Line; J.S. Braid Shipping; Korea Shipping Company; Maersk Sealand; Mediterranean Shipping; Mitsui OSK Lines; P&O Nedlloyd Lines; P.G. Tankers; Seaboard Lines; SeaFreight Line; and Tradewind Tankers; Tropical Shipping.

Recent Developments and Potential Opportunities

According to Caribbean Maritime (2012) Guyana's maritime sector has experienced reduced growth opportunities, owing to, amongst other things, delays in dredging the Demerara Navigational Channel resulting in challenges in responding positively to international developments in the transportation sector (The Shipping Association of Guyana (SAG)). The Demerara Harbour serves as the primary hub of all import and export trade and as a result there have been calls for major work to be completed on the port including capital dredging of the channel to an adequate depth of 6.5 meters from its current 4.5 meters depth which inhibits the passage of large laden freight vessels through the navigational channel into Port Georgetown. It is estimated that this exercise will cost about US$10 million (SAG 2013).

Caribbean Maritime (2012) indicates that a tremendous boost in cargo exports is anticipated with increased relations with Brazil, lending itself to opportunities for investors. To this end, the Guyanese government has reportedly allocated an 80-acre parcel of land in the border town of Lethem for construction of a huge transshipment facility.

The Shipping Association of Guyana (SAG) indicated that strategies for the Georgetown Port were advanced in 2012 with the formation of a Port Development Working Group. Development needs include deepening the navigational channel to optimum draught in order to extend pilotage services and vessel accommodation.

In addition to the development of the Georgetown Harbour, the establishment of a modern container terminal is being planned and provides opportunities for investmentin infrastructure and particularly marine ports. The Association has also pointed to the need for advanced technological equipment and navigational aids. Attracting funding and investment into the development of the port and its facilities is being pursued by the relevant entities. This presents opportunities for investors, including from Europe.

The SAG has linked viability of the maritime sector to the skill and capabilities of its workforce. SAG is already in discussion with the CMI seeking technical assistance to resuscitate university-level programmes in Maritime Transportation and Transport Logistics. Meanwhile, private terminal

owners and all other service providers have begun to identify the skills needed at all levels of their operations. The resulting needs analysis is expected to form the basis for SAG's renewed advocacy with the country's Ministry of Education to include maritime academic programmes in the curriculum at the University of Guyana.

Investment potential in Guyana is also seen in the Berbice Deep Water Harbour as well as the container terminals at Linden and Lethem. It is anticipated that if the proposal for overland trans-shipment of cargo from Brazil comes to fruition, container traffic into and out of Port Georgetown would multiply once the plans for a modern Demerara harbour are put into effect.

Research indicates therefore, that possible investment opportunities in Guyana include primarily:

1. Investment in infrastructure for the establishment of a modern container terminal. This will require the need for services including contracting of experts (including in engineering, construction etc.), goods and equipment, among other inputs.
2. Investment in the expansion of marine ports. This will require the need for services including contracting of experts (including in engineering, construction etc.), goods and equipment, among other inputs.
3. Provision of educational services for skill development in maritime and related services, including through partnerships with the University of Guyana and other educational institutions and distance and online programmes.

4.12. St. Kitts and Nevis

Sector Overview

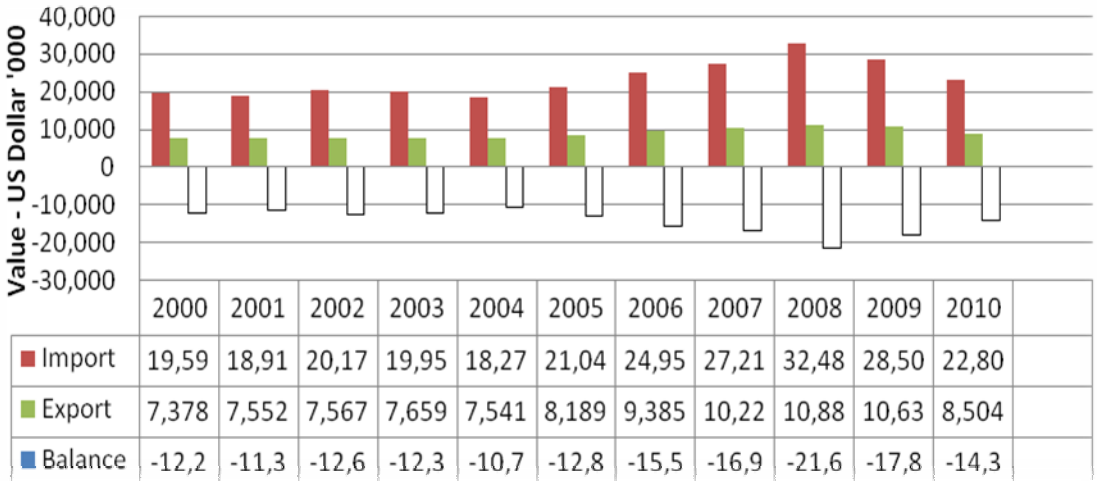
The Ministry of Public Works, Utilities, Transport and Ports is responsible for maritime transport formulation and management while the Ministry Responsible for Shipping is Trade, Industry and Tourism. The St. Kitts and Nevis economy, like most other Caribbean economies, has a perennial negative trade balance in sea transport services. As demonstrated below, information ascertained from the ITC database points to a relatively stagnant export earning in comparison to imports which tend to experience more costly activities.

The Merchant Shipping Act of 2002 (amended 2005) is the main legislation governing maritime transport. Pursuant to the Act, citizens of St. Kitts and Nevis, CARICOM citizens (with conditions), corporations established in the country and having a registered office as well as those persons so deemed by the Minister, are qualified to own ships in St. Kitts and Nevis. Non-qualified persons may register provided that over 51% of the shares of the ship are owned by qualified persons and a maritime agent who is registered in the county is appointed. Qualified individuals may access benefits such as a reduction in registration fees and duty concessions on import of spare parts, fuel and other items.

Freight transportation services can be offered in St. Kitts and Nevis through modes 1, 2 and 3 without limitations. To become established to provide maintenance services for the repair of vessels, EU services providers are required to enter into joint ventures with domestic service providers. Access to the St. Kitts and Nevis market for the provision of vessel salvaging and refloating services as well as provision of pushing and towing services is permissible through mode 3, with temporary entry of natural persons in accordance with the country's horizontal commitments. As indicated above, ship registration in St. Kitts and Nevis is contingent on the following registration requirements: (a) wholly owned by citizens of KNA; (b) bodies corporate established under the laws of KNA; (c) any ship regardless of the nationality of her owners is a sea-going ship of 1600 or more net registered tonnes and is engaged in foreign-going trade.

As it pertains to ship registration, according to St. Kitts' schedule of commitments, this is effectuated by the Director of Maritime Affairs who is the Registrar of KNA ships. The schedule also lists the following registration requirements as: (a) wholly owned by citizens of KNA; (b) bodies corporate established under the laws of KNA; and (c) any ship regardless of the nationality of her owners is a sea-going ship of 1600 or more net registered tonnes and is engaged in foreign-going trade.

Figure 12 St. Kitts & Nevis Sea Transport Services Trade



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Import	19,59	18,91	20,17	19,95	18,27	21,04	24,95	27,21	32,48	28,50	22,80
Export	7,378	7,552	7,567	7,659	7,541	8,189	9,385	10,22	10,88	10,63	8,504
Balance	-12,2	-11,3	-12,6	-12,3	-10,7	-12,8	-15,5	-16,9	-21,6	-17,8	-14,3

Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Like most CARIFORUM countries, St. Kitts and Nevis has carried a negative trade balance in sea transport services, including auxiliary services. This reflects the level of dependence on foreign services providers.

In 2012, St. Kitts and Nevis' fleet amounted to 286 with General cargo representing close to 40% of total fleet. The percentage of Oil tankers increased from 14% to 21% between 2011 and 2012 with the number of Bulk carriers decreasing marginally from 17 to 15 carriers.

Table 16: St. Kitts & Nevis' Fleet Variables 2011-2012

	Number of ships		Gross Tonnage ('000)		% of total fleet		% of total world		Dead weight tons ('000)	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Total fleet	268	286	971.988	1003.268	100.0	100.0	0.1	0.1	1300.224	1328.649
Oil tankers	51	63	119.207	175.804	14.4	21.1	0.0	0.1	186.656	280.089
Bulk carriers	17	15	285.376	227.275	36.3	28.2	0.1	0.1	471.583	374.193
General cargo	110	101	409.613	389.926	42.3	38.8	0.5	0.5	550.491	515.682
Container ships	3	3	7.728	39.265	0.8	3.3	0.0	0.0	9.784	44.498
Other types of ships	87	104	150.064	170.998	6.3	8.6	0.1	0.1	81.71	114.187

Source: UNCTAD, UNCTADstat. Computed from "Merchant fleet by flag of registration and by type of ship, annual, 1980-2012"

Port facilities

The main ports in St. Kitts are Basseterre and Port Zante which are owned and administeredby St. Christopher Air and Sea Ports Authority. The main port in Nevis isCharlestown, which is owned and administered by the Nevis Air and Sea Ports Authority.

Basseterre (St. Kitts) is located Latitude: 17° 17' N - Longitude: 62° 43' W and has a cargo handling capacity of under 300,000 tonnes per annum or between 1,000 to 2,000 tonnes per day. The port is equipped with 1 mobile crane with 101 tonne capacity, fork-lift trucks with various capacities and 1 container lifter/fork-lift. Open storage is provided on 1.2 hectares while covered storage is provided through Shed 1which has 446.52 square meters and Shed 2 which has 298.29 square meters. The largest vessels which can be accommodated are 20,000 dwt (cargoships) and 7,000 dwt (cruise ships). Seven berth facilities are between 116 and 242 metres in length and 5 and 9 metres in depth. Further, there is one berth with the capacity to accommodate one largecontainership or two small ones.

4.13. St. Lucia

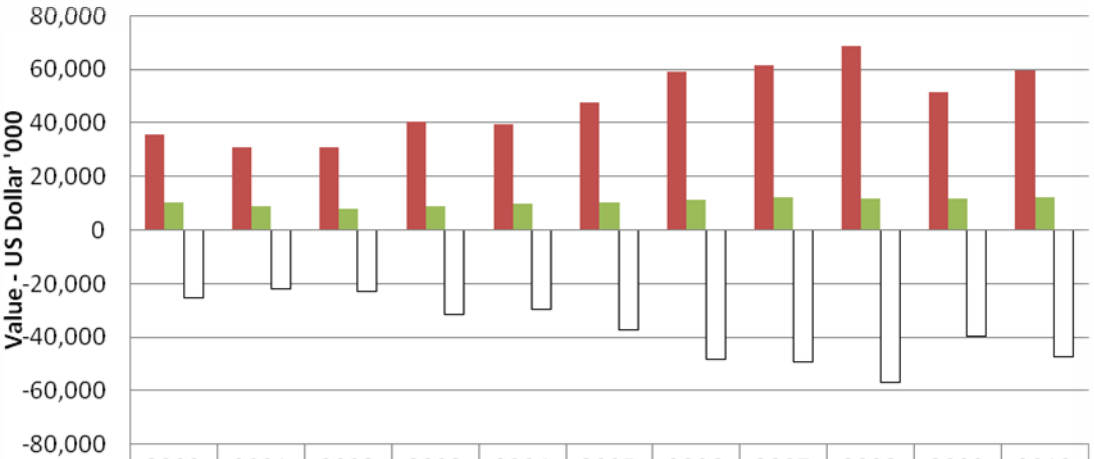
Sector Overview

St Lucia's maritime transport policy formulation and implementation is the responsibility of the Minister of Communications, Works, Transport and Public Utilities. The main legislation governing maritime transport is Shipping Act, No. 11 of 1994 (asamended by Act No.16 of 2001). Other applicable legislation includes The Maritime Areas Act No. 6 of 1984 (Section 16 - Innocent passage); The Saint Lucia Air and Sea Ports Authority Act No. 10 of 1987, 1983: Section 76 - Damage property likely to endanger life; The Saint Lucia Air and Sea Ports Authority (Seaports) Regulation No. 92 of 1985; and Regulation 77 - Submarine cables.

Unless authorization is given by the Minister, only St. Lucian shipsmay undertake local passenger and cargo transport in local waters. Ownership of St. Lucian ships is restricted to St. Lucian citizens and companies with their principal place of business within the country.

Market access for passenger transport and freight transportation services is liberalized through all modes of supply without limitations. Establishment to provide services for the rental of vessels with crew is however subject to joint venture with domestic service providers. The same requirement is applicable to maintenance and repair of vessels and the provision of vessel salvaging and refloating services. For internal waterway freight transportation, St. Lucia has liberalized, without limitations, modes 1 to 3. Services auxiliary to all modes of transport are not extensively liberalized by St. Lucia in the EPA with commitments undertaken only in cargo handling services across all 4 modes.

Figure 13: St Lucia Sea Transport Services Trade



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Import	35,50	30,91	30,89	40,28	39,54	47,51	59,20	61,55	68,73	51,30	59,26
Export	10,07	8,819	8,070	8,728	10,02	10,43	11,16	12,14	11,77	11,65	12,00
Balance	-25,4	-22,0	-22,8	-31,5	-29,5	-37,0	-48,0	-49,4	-56,9	-39,6	-47,2

Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Export of sea transport services in St. Lucia has remainedless than one quarter that of imports, a trend which is typical of the region, which again demonstrates the extent to which maritime services are not provided by nationals but by importation.

Port Facilities

St. Lucia's main commercial ports are Vieux Fort and Castries with small ports including Rodney Bay, Marigot Harbour, Soufrière, and Cul-de-sac (which is an oil terminal). Pilotage services are mandatory and can only be supplied by the St. Lucia Air andSea Ports Authority (SLASPA).

The Port of Castries is located Latitude: 14° 00' N Longitude: 60° 59' W. A combination of vessels call annually, including containers, cruise, bulk, breakbulk and naval vessels. Cargo handling per year is the region of 0.5 million tonnes or 1,000 to 2,000 tonnes on a daily basis. Equipment provided at the port includes Mobile harbour crane, Reach stacker and Fork-lift truck with varying capacities.

Vieux Fort Port is located Latitude: 13° 43' N Longitude: 60° 57' W and has an access channel of a depth of 45ft to sheltered bay. Annual cargo amounts to 243,247 tonnes. Imports are registered as

being primarily via Breakbulk 155,026 tonnes and containers 67,893 tonnes, while exports by Breakbulk (11,077 tonnes) and containers (9,251 tonnes). Open storage has a capacity of 480 TEU while covered storage is offered through two sheds. There is no indication of development plans or projects for either of the ports in St. Lucia.

4.14. St. Vincent and the Grenadines

Sector Overview

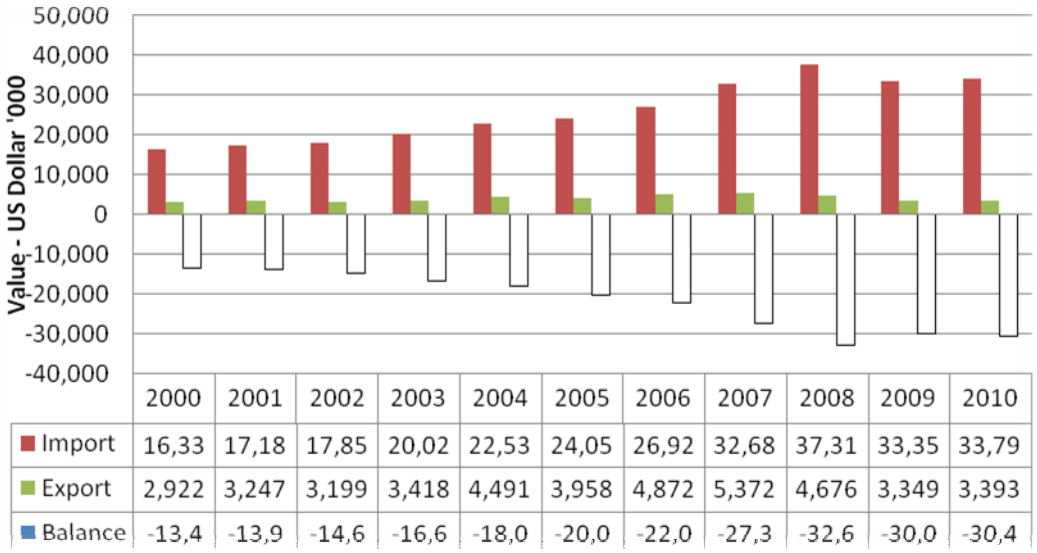
The main legislation governing maritime transport is the Shipping Act of 2004, whichreplaced the Merchant Shipping Act No. 22 of 1982 (as amended). The industry is of significant importance given that more than 90% of cargo arrives at the two main commercial ports, Port Kingstown and Campden Park in St. Vincent and the Grenadines. Another important element of the sector is the reservation of cabotage services for only St. Vincent and Grenadines' ships. St. Vincent and Grenadines established its International Ship Registry in 1982 with the Shipping Act 2004 specifying the conditions for registration.

Pursuant to the Act:
"Persons entitled to own a St. Vincent andGrenadines-registered ship are: (a) St Vincent and Grenadines nationals; (b) CARICOM citizensresident in a CARICOM state where the ship is engaged in international voyages; (c) individuals or corporations owning ships hired out on bareboat charter to nationals; (d) individuals or corporationsin joint-venture shipping enterprise relationships with nationals; (e) a body corporate, partnership orother association of individuals registered in accordance with the domestic laws and having their mainoffice in St. Vincent and the Grenadines; and (f) such other persons as the Minister may by Orderdetermine."

As it pertains to passenger and freight transportation services St. Vincent and the Grenadines has liberalized across all modes of supply, including mode 4 without limitations. For providing rental of vessels with crew services, there are no limitations on supply via mode 2 with joint venture requirement for EU service suppliers to become established in St. Vincent and the Grenadines. Vessel salvaging and refloating services are also essentially liberalized, with mode 3 supply being subject to what obtains in the horizontal commitments.

St. Vincent and the Grenadines has a growing negative balance in sea transport services with imports having more than doubled between 2000 and 2010, while exports have increased only marginally.

Figure 14: SVG Sea Transport Services Trade



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Import	16,33	17,18	17,85	20,02	22,53	24,05	26,92	32,68	37,31	33,35	33,79
Export	2,922	3,247	3,199	3,418	4,491	3,958	4,872	5,372	4,676	3,349	3,393
Balance	-13,4	-13,9	-14,6	-16,6	-18,0	-20,0	-22,0	-27,3	-32,6	-30,0	-30,4

Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Data compiled by UNCTAD (2012) points to a marginal decrease in SVG's fleet from 942 ships to 857 in 2012. General cargo ships account for 46% while Bulk Carriers amounted to 38% of gross tonnage.

Table 17: SVG's Fleet Variables 2011-2012

	Number of ships		Gross Tonnage ('000)		% of total fleet		% of total world		Dead weight tons ('000)	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Total fleet	942	857	4707.206	4020.467	100.0	100.0	0.5	0.4	6701.153	5636.168
Oil tankers	19	16	181.439	180.562	5.1	5.7	0.1	0.1	340.278	321.649
Bulk carriers	72	62	1589.973	1260.147	41.8	38.7	0.5	0.4	2804.4	2181.016
General cargo	362	319	2173.044	1958.675	42.4	46.1	2.6	2.4	2844.267	2601.062
Container ships	19	12	178.193	80.697	3.6	1.9	0.1	0.1	242.884	108.914
Other types of ships	470	448	584.557	540.386	7.0	7.5	0.5	0.4	469.324	423.527

Source: UNCTAD, UNCTADstat. Computed from "Merchant fleet by flag of registration and by type of ship, annual, 1980-2012"

Port Facilities

The St. Vincent and the Grenadines Port Authority is a statutory corporation, mandated underChapter 375 of the St. Vincent and the Grenadines Law (1990 edition), to manage and

regulate ports. It provides port services exclusively with discretionary authority to determine the provision of certain auxiliary services by domestic or foreign private companies resting with the Port Authority.

Campden Park is located Latitude: 13° 09' N Longitude: 61° 14' W with anchorage depth of 45 feet. Cargo handled per year is estimated at less than 200,000 tonnes primarily from container ships. Port equipment is basic with an indicated capacity of 35 tonnes. Both open and closed storage facilities are available with the former provided with approximately 77,868 square feet available for storage of 540 containers. The largest vessel which can be accommodated has a capacity of 10,000 dwt.

Kingstown is located at Latitude: 13° 09' N Longitude: 61° 15' W with anchorage depth of 36.6 metres in sand in the middle of the bay about one-third of a mile offshore. Annual cargo handling averages between 300,000 to 400,000 tonnes. The largest vessel which can be accommodated has a capacity of 74,000 dwt. Data available indicates a maximum draft alongside of 9.75 metres with the longest vessel which can be accommodated being 312 metres LOA .Berths are available for tankers and LPG carriers as well as cruise ships and bulk cargo.

4.15. Suriname

Sector Overview

The principal mode of transportation for goods to and from Suriname is the sea, underscoring the importance of maritime services to the Suriname economy. The indicated improvement in the policy governing the sector is therefore quite significant to Suriname's trade. Suriname's Trade Policy Review highlights that the policy focus for Suriname's maritime sector is centered on modernizing existing legislation to ensure relevance with global developments in the sector. Steps which have been undertaken to this end include the establishment of an independent regulatory body, whose primary function is to ensure safety and continuity of the sector. Responsibility also includes pilotage services, which includes education in pilotage.

Suriname has registered no limitations on liner shipping and bulk tramp and other international, shipping including passenger transportation services via mode 1. Cross-border supply through mode 2 is not limited to these sub-sectors however but full liberalization applies completely to passenger transportation (less cabotage). For establishment in Suriname, European service providers are required to meet two (2) market access requirements, namely (a) Establishment of registered company for the purpose of operating a fleet under the national flag of the State of establishment. Registration in the Surinamese ship registry is only permitted to ships with an ownership structure of 2/3 nationality of a CARICOM country and 1/3 Surinamese residency and (b) A local partner is required to establish a Surinamese company with the latter also being a National Treatment limitation. For mode 4 within the passenger transportation sub-sector, Suriname has not taken any commitments on Ship crews whilst key personnel employed in relation to a commercial presence as defined under Mode 3 is unbound except as indicted in the horizontal commitments. The above limitations are also applied to Freight transportation services. It is noticeable that Suriname, like many other CARIFORUM states, has not undertaken market access commitments in most sectors.

Table 18: Suriname's Fleet Variables 2011-2012

	Number of ships		Gross Tonnage ('000)		% of total fleet		% of total world		Dead weight tons ('000)	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Total fleet	15	16	4.687	5.015	100.0	100.0	0.0	0.0	5.687	5.687
Oil tankers	3	3	2.031	2.031	59.7	59.7	0.0	0.0	3.395	3.395
Bulk carriers	..	..	..	..	0.0	..	0.0	..	0	..
General cargo	3	3	1.313	1.313	31.3	31.3	0.0	0.0	1.782	1.782
Container ships	..	..	..	..	0.0	..	0.0	..	0	..

Other types of ships	9	10	1.343	1.671	9.0	9.0	0.0	0.0	0.51	0.51

Source: UNCTAD, UNCTADstat. Computed from "Merchant fleet by flag of registration and by type of ship, annual, 1980-2012"

In addition to large carriers, there exists a shared ferry service between Suriname and Guyana. This service, Canawaima Ferry, is maintained through a joint venture between the 2 countries.

Port Facilities

The major port facilities in Suriname are Paramaribo, Paranam, Moengo, and Nieuw Nickerie. The facilities at Paramaribo and Nieuw Nickerie are accessible to ocean-going vessels. The port facility Nieuwe Haven in Paramaribo is the most important and handles approximately 600 vessels per year.

Nieuwe Haven is located at Latitude: 5° 50' N Longitude: 55° 10' W. On average, the port handles 750,000 tonnes per year or less than 1,250 tonnes daily. Containers, Bulk and Breakbulk, as well as Reefers and Car carriers are noted as the ships which call at Nieuwe Haven.

The port's equipment (loaders, lifts etc.) has a capacity of between 2 and 45 tonnes, indicating the level of capacity which the port can accommodate with the maximum deadweight being 8,000. Open storage facilities are provided through 25,000 square meters for containers while covered storage occupies 20,600 square meters. The longest vessel which Nieuwe Haven can accommodate measures 220 meters LOA with maximum draft alongside being 6.5 meters. As it pertains to berthage, there is 1 berth which measures 520 meters long at a depth alongside of 6.5 meters.

Nieuwe Nickerie is located Latitude: 5° 57' N Longitude: 57° 01' W with average yearly traffic calls being 152, comprised of Breakbulk and Tankers. Cargo handling per year is less than 200,000 tonnes and also less than 1,000 tonnes per day. Equipment at Nieuwe Nickerie is sparse with a maximum capacity top lifter of 35 tonnes. Maximum deadweight is 5,000 dwt. The longest vessel which can be accommodated in 108 meters LOA with a maximum draft alongside of 4.0 meters.

Recent Developments

Suriname's Trade Policy Review (WTO 2013) highlights that the modernization and expansion of Nieuwe Haven (Port of Paramaribo) will increase the processing capacity of containers by an average of 25%. Expansion activities include the retrofitting of the terminal at Moengo to offer regular port services to become a major fuel distribution point. Additionally, there has been acquisition of port equipment including mobile stackers and upgrading of security systems. The aim is for the port to become Suriname's second-largest port facility and a major hub for freight destined for neighbouring French Guiana. The impact is extended to other economic growth areas, especially in the mining and forestry sectors. From its 53,000 barrels bunkering facility, Traymore distributes fuel to sand and gravel miners and other building material producers. Fuel is also sold to

small-scale gold miners and forestry companies. Each month the port handles two fuel tankers from Trinidad and Tobago.

As at 2012, cargo and packed goods were being processed with container handling envisaged for the future experienced delays owing to, inter alia, reconstruction and upgrading of the east-west highway to French Guiana.

In meeting international port standards, security at the Moengo facilities was upgraded with full monitoring of the docks electronically and armed guards on duty. Since there is no adequate hotel accommodation in Moengo, Traymore has established several fully furnished apartments on its premises to provide overnight accommodation for ship's crew. The company has also purchased two buildings in the former bauxite city to provide housing for a local manager and office accommodation (Caribbean Maritime 2013).

It is anticipated that these developments will attract investment into the industry with indications that a licensing system will be implemented to ensure reliability of inland and coastal shipping. Owing to strong Dutch connections, there should be particular interest of companies in the Netherlands to access the Surinamese maritime sector, especially in light of its location, potential for development, including with the expected increase in activities with an expanded Panama Canal.

5. SELECT EU COUNTRIES

5.1.Introduction

According to information ascertained from the Europa website, Europe has a 70,000 kilometre coastline with coastal regions accounting for some 40% of its gross domestic product and about 40% of its population. Additionally, the EU has the world's largest maritime area (1,200 ports) and the world's largest merchant fleet.

Responsibility for the implementation of the Common Fisheries policy and of the Integrated Maritime Policy is under the auspices of the Directorate-General for Maritime Affairs and Fisheries (also known in short as DG MARE). Essentially, the EU's maritime policy encompasses maritime transport, competitive maritime businesses, employment, scientific research, fisheries and the protection of the marine environment. DG MARE indicates that the goal is to ensure economic development while safeguarding environmental sustainability.

According to the European Commission, 3 % to 5 % of the EU's GDP comes from the maritime sector, employing around 5.6 million people and generating €495 billion for the European economy. Some 90 % of foreign trade and 43 % of intra-EU trade take place via maritime routes with European shipbuilding accounting for 10 % of global production.

The Management Plan 2013 for DG-MARE indicates the delivery of a Maritime Policy with focus geared towards five targeted areas – ocean energy, seafloor resources, biotechnology, marine and maritime tourism and aquaculture. As such, the Maritime Industry component of the Management Plan does not emphasize trade in maritime services as is being explored within the context of the EPA, but rather cooperation and the identification of growth opportunities in the EU's shared sea-basins, efficiency across Europe, strategies for the Baltic, North and Black Seas, the Mediterranean, Artic area, and Atlantic Ocean, to name a few.

For Europe, maritime transport has been a catalyst of economic development and prosperity throughout its history. Maritime transport enables trade and contacts between all the European nations. It ensures the security of supply of energy, food, commodities and provides the main vehicle for European imports and exports to the rest of the world. In 2004 the data suggested that seaborne trade accounted for the larger share of Extra-EU trades (see table 1). Fast-forward to six years later and the statistics reveal the same or greater: the European Commission website presumes that almost 90% of the EU external freight is seaborne. Short-seas shipping represent 40% of intra-EU exchanges in terms of ton-kilometers. The quality of life on islands and in peripheral maritime regions depends on good maritime transport services. Each year more than

400 million passengers embark and disembark in European ports. Overall, maritime industries are an important source of employment and income for the European Community.

Table 19External foreign trade of the EU by mode of transport, 2004

Extra-EU trade	Value in Mil €	Share %	Volume in Mil tons	Share %
Sea	859.1	47.1	1,430.00	71.7
Road	259.7	14.2	100.8	5.1
Rail	25.1	1.4	89.3	4.5
Inland waterway	6.5	0.4	24.9	1.3
Pipeline	53.4	2.9	279.1	14
Air	473.7	26	9.8	0.5
Other	145.4	8	59.7	3
Total	1,822.90	100	1,993.60	100

Source: Review of Maritime Transport 2012, UNCTAD. http://unctad.org/en/PublicationsLibrary/rmt2012_en.pdf

The European Commission reports that for 2010, 3.6 billion tonnes of goods were handled in EU maritime ports, of which 62% were unloaded. With 537 million tonnes, the Netherlands had the highest share (14.8%) of the goods handled in EU ports, followed by the United Kingdom (14.1%), Italy (13.6% and Spain (10.6%). With regards to passenger transport, approximately 395 million passengers passed through EU ports. Italy was the leading country with 87.7 million passengers or 22% of all passengers in EU ports.

The largest performing port in Europe is Dover, United Kingdom. It is the largest port in Europe with close to 13 million passengers through the port facilities in 2011. Malta has two ports which fall among the top 20 ports. With regards to cargo, ports in the Netherlands and Germany, 1st and 3rd respectively, were way ahead of the other six states in 2011.

Table 20: The 35 countries and territories with the largest owned fleets, as at 1 January 2012 (Dwt)

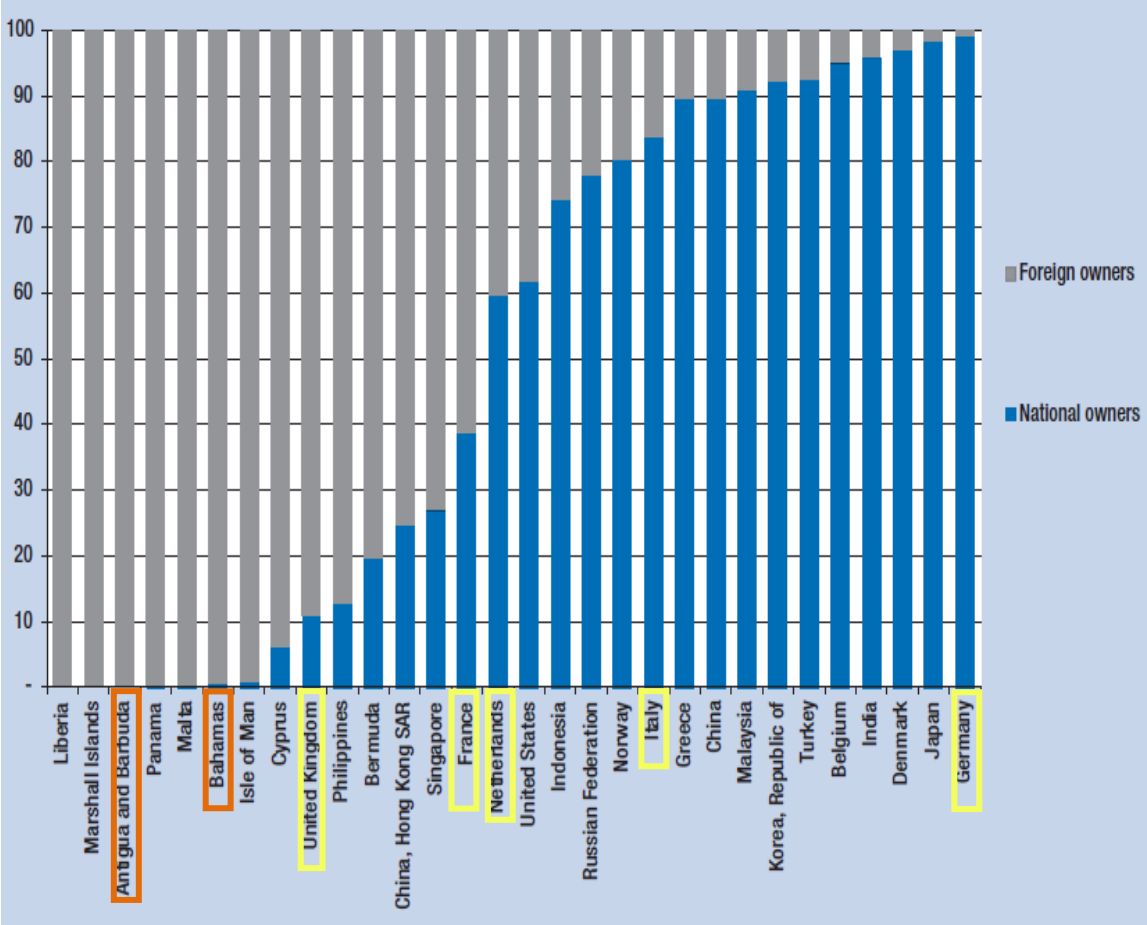
Country or territory of ownership [b]	Number of vessels			Deadweight tonnage				
	National flag [a]	Foreign flag	Total	National flag [a]	Foreign flag	Total	Foreign flag as a percentage of total	Estimated market share 1 January 2012
Greece	738	2 583	3 321	64 921 486	159 130 395	224 051 881	71.02	16.10
Japan	717	3 243	3 960	20 452 832	197 210 070	217 662 902	90.60	15.64
Germany	422	3 567	3 989	17 296 198	108 330 510	125 626 708	86.23	9.03
China	2 060	1 569	3 629	51 716 318	72 285 422	124 001 740	58.29	8.91
Korea, Republic of	740	496	1 236	17 102 300	39 083 270	56 185 570	69.56	4.04
United States	741	1 314	2 055	7 162 685	47 460 048	54 622 733	86.89	3.92
China, Taiwan Province of	470	383	853	28 884 470	16 601 518	45 485 988	36.50	3.27
Norway	851	1 141	1 992	15 772 288	27 327 579	43 099 867	63.41	3.10
Denmark	394	649	1 043	13 463 727	26 527 607	39 991 334	66.33	2.87
Chinese Taipei	102	601	703	4 076 815	34 968 474	39 045 289	89.56	2.81
Singapore	712	398	1 110	22 082 648	16 480 079	38 562 727	42.74	2.77
Bermuda	17	251	268	2 297 441	27 698 605	29 996 046	92.34	2.16
Italy	608	226	834	18 113 984	6 874 748	24 988 732	27.51	1.80
Turkey	527	647	1 174	8 554 745	14 925 883	23 480 628	63.57	1.69
Canada	205	251	456	2 489 989	19 360 007	21 849 996	88.60	1.57
India	455	105	560	15 276 544	6 086 410	21 362 954	28.49	1.53
Russian Federation	1 336	451	1 787	5 410 608	14 957 599	20 368 207	73.44	1.46
United Kingdom	230	480	710	2 034 570	16 395 185	18 429 755	88.96	1.32
Belgium	97	180	277	6 319 103	8 202 208	14 521 311	56.48	1.04
Malaysia	432	107	539	9 710 922	4 734 174	14 445 096	32.77	1.04
Brazil	113	59	172	2 279 733	11 481 795	13 761 528	83.43	0.99
Saudi Arabia	75	117	192	1 852 378	10 887 737	12 740 115	85.46	0.92
Netherlands	576	386	962	4 901 301	6 799 943	11 701 244	58.11	0.84
Indonesia	951	91	1 042	9 300 711	2 292 255	11 592 966	19.77	0.83
Iran	67	71	138	829 704	10 634 685	11 464 389	92.76	0.82
France	188	297	485	3 430 417	7 740 496	11 170 913	69.29	0.80
United Arab Emirates	65	365	430	609 032	8 187 103	8 796 135	93.08	0.63
Cyprus	62	152	214	2 044 256	5 092 849	7 137 105	71.36	0.51
Viet Nam	477	79	556	4 706 563	1 988 446	6 695 009	29.70	0.48
Kuwait	44	42	86	3 956 910	2 735 309	6 692 219	40.87	0.48
Sweden	99	208	307	1 070 563	5 325 853	6 396 416	83.26	0.46
Isle of Man	6	38	44	226 810	6 131 401	6 358 211	96.43	0.46
Thailand	277	67	344	3 610 570	1 542 980	5 153 550	29.94	0.37

Source: UNCTAD 2012

Along the spectrum of national and foreign ownership, CARIFORUM and EU8 countries are at opposite ends, for example with German fleet ownership being almost 100% national and Antigua's almost 100% foreign. Importantly and notwithstanding the type of ownership, Antigua is joined by

the Bahamas in the top 30 fleets by flag of registration, demonstrating the importance of the ship registry facility to these countries.

Figure 15: Foreign and national ownership of the top 30 fleets by flag of registration, 2012 (% of share of fleet Dwt)



Source: UNCTAD 2012

Passenger transport ports of the EU8 countries are highly represented among the top ports in passenger transportation in the EC for 2011. Dover, in the UK was ranked number 1 with Calais (France) ranked number 5. Other ports include those from Italy and Estonia.

Table 21 EC Passenger Transport 2011

Rank	Port	Total
1	Dover (UK)	12,918

2	Paloukia Salaminas (EL)	11,662
3	Perama (EL)	11,662
4	Helsinki (FI)	10,326
5	Calais (FR)	10,063
6	Stockholm(SE)	9,184
7	Piraeus (EL)	9,182
8	Helsinborg (SE)	8,339
9	Helsinger (DK)	8,324
10	Messina (IT)	8,060
11	Tallinn (EE)	8,037
12	Napoli (IT)	7,859
13	Reggio Di Calabria (IT)	7,704
14	Capri (IT)	6,576
15	Puttgarden (DE)	6,028
16	Redby (DK)	6,028
17	Palma de Mallorca (ES)	4,610
18	Algeciras (ES)	4,504
19	Santa Cruz de Tenerife (ES)	4,305
20	Cirkewwa (MT)	4,125
	Mgarr, Gozo (MT)	4,125

Source: Accessed at **www.eurostat.ec.europa.eu**

Of the top 20 cargo ports, 13 were located in four (4) of the EU8 countries under this study. This factor is a further indication of the level of maturity of the industry within these countries and a measure of their capability and experience.

Table 22Top 20 Cargo Ports in 2011 on the basis of gross weight of goods handled (in Million tonnes)

Rank	Port	2009	2010	2011
1	Rotterdam (NL)	353.9	395.8	370.3
2	Antwerpen (BE)	142.1	160	168.5
3	Hamburg (DE)	94.8	104.5	114.4
4	Marseille (FR)	79.8	82.4	84.5
5	Lageciras (ES)	55.8	58.6	68.8
6	Botas (TR)	72	68.3	65.5
7	Le Havre (FR)	69.2	65.8	63.4
8	Amsterdam (NL)	72.7	72.7	59.6
9	Immingham (UK)	54.7	54	57.2
10	Bremerhaven (DE)	42.7	45.9	55.9
11	Imzit (TR)	46.9	53.8	55
12	Valencia (ES)	48.3	53.1	54.2

13	Bergen (NO)	56	49.8	52.3
14	London (UK)	45.4	48.1	48.8
15	Milford Haven (UK)	39.3	42.8	58.7
16	Genova (IT)	42.7	41.4	42.4
17	Trieste (IT)	41	40.6	41.8
18	Goteborg (SE)	38.9	42.9	41.3
19	Taranto (IT)	38.1	34.2	41.2
20	Dunkerque (FR)	37.9	36.3	40.8

Source: Accessed at **www.eurostat.ec.europa.eu**

Recognition of Qualifications

Article 19 (3) of Directive 2008/106/EC with regard to training and certification of seafarers holds in material part that "[t]he decision on the recognition of a third country shall be taken by the Commission in accordance with the regulatory procedure referred to in Article 28(2), within three months from the date of the request for recognition. If no decision is taken on recognition of the third country concerned within the period laid down in the first subpara-graph, the Member State submitting the request may decide to recognize the third country unilaterally until a decision is taken in accordance with the regulatory procedure referred to in Article 28(2)."Pursuant to the Directive, of all the CARIFORUM countries, Estonia has recognized only Jamaica whilst on the other hand the training and certification of seafarers in Estonia have been recognized by Antigua and Barbuda, Bahamas, Barbados, Belize and St. Vincent and the Grenadines.

Summary

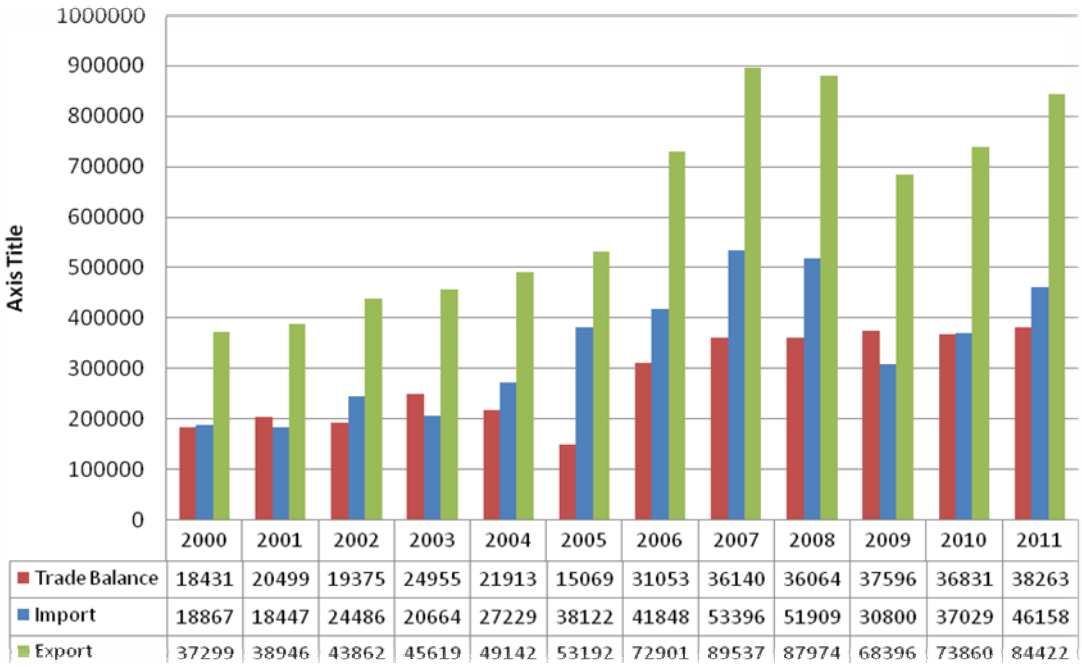
In summary, the EU maritime industry is quite matured and regulated from the level of the commission as well as member states andthere is a high level of experience within the EU on the whole, including in technical capacity. The section below assesses each of the EU8 countries with a view to highlighting the possible areas of interest for and in, CARIFORUM States.

5.2. Estonia

Sector Overview

Estonia is described as the geographical midpoint of Northern Europe. The largest port of the Baltic Sea is located in Estonia, taking into account both goods and passenger traffic. The Estonian Investment and Trade Agency highlights that the deepest Baltic Sea harbours are in Estonia, and are therefore able to receive large ocean going vessels. Estonia has a very rich shipbuilding history. The largest ship repair and construction company in the Baltics, Baltic Shipyard, has the largest part of its operations in Tallinn. The company has two major production facilities, one in Tallinn, Estonia and another in Klaipeda, Lithuania. There are also some smaller companies operating both in the ship repair and construction industry.

Figure 16 Estonia Sea Transport Services



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Trade Balance	18431	20499	19375	24955	21913	15069	31053	36140	36064	37596	36831	38263
Import	18867	18447	24486	20664	27229	38122	41848	53396	51909	30800	37029	46158
Export	37299	38946	43862	45619	49142	53192	72901	89537	87974	68396	73860	84422

Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Table 23Estonia Sea Transport Services (USD '000)

Balance	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Supporting, auxiliary *	105936	116385	103977	91465	60497	65154	176731	100307	19898	37666	28087	57136
Passenger**	72780	65350	74673	125340	98509	113149	148992	209645	281640	264219	259142	302358
Freight***	5598	23260	15108	32747	60124	-27604	-15187	51454	59108	74082	81081	23145
Total	184314	204995	193758	249552	219130	150699	310536	361406	360646	375967	368310	382639
Export	Exports	Exports	Exports	Exports	Exports	Exports	Exports	Exports	Exports	Exports	Exports	Exports
Freight	117884	119974	150303	164863	234160	229157	277649	408069	386103	252961	313064	344710
Passenger	110516	113707	129507	151312	125217	140752	183133	243172	312950	281454	279810	332360
Supporting, auxiliary	144592	155787	158811	140020	132049	162014	268235	244130	180689	149553	145735	167150
Total	372992	389468	438621	456195	491426	531923	729017	895371	879742	683968	738609	844220
Import	Imports	Imports	Imports	Imports	Imports	Imports	Imports	Imports	Imports	Imports	Imports	Imports
Freight	112286	96714	135195	132116	174036	256761	292836	356615	326995	178879	231983	321565
Supporting, auxiliary	38656	39402	54834	48555	71552	96860	91504	143823	160791	111887	117648	110014
Passenger	37736	48357	54834	25972	26708	27603	34141	33527	31310	17235	20668	30002
Total	188678	184473	244863	206643	272296	381224	418481	533965	519096	308001	370299	461581

Supporting, auxiliary * - Sea transport - Supporting, auxiliary and other sea transport services

Passenger - Sea transport - Passenger**

Freight* - Sea transport - Freight**

In 2011, Estonia's export balance in auxiliary services started to rebound after an all-time low (between 2000 and 2010). Freight transportation had a particularly upward growth in exports over the same period creating a balance ranging from US$ 5,598,000 in 2000 to US$ 23,145,000 in 2011. Passenger transportation also has a positive growth balance over the period assessed with Estonia's exports remaining ahead of its imports of maritime services.

Interestingly, data reveals that there was a slight contraction in the number of ships in Estonia's fleet, from 113 in 2011 to 107 the following year. Furthermore, its percentage of world trade remained relatively negligible.

Table 24: Estonia's Fleet Variables 2011-2012

	Dead weight tons in thousands		Number of ships		Percent of World Trade	
SHIP TYPE	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**
Total fleet	96.548	85.902	113	107	0.007	0.006
Oil tankers	12.686	12.686	5	5	0.003	0.002
Bulk carriers	0	..	..	..	0.000	..
General cargo	15.052	15.052	5	5	0.014	0.014
Container ships	0	..	..	..	0.000	..
Other types of ships	68.81	58.164	103	97	0.072	0.058

Source: UNCTAD, UNCTADstat. Computed from "Merchant fleet by flag of registration and by type of ship, annual, 1980-2012"

Legislative Framework

Estonia's legislative framework is quite extensive and includes the following: Maritime Safety Act (Entry into force: 1 January 2003); Ports Act (Entry into force: 15 June 2009); Law of Ship Flag and Registers of Ships Act (Entry into force: 1 July 1998); Law of Maritime Property Act (Entry into force: 1 July 1998); Seafarers Act (Entry into force: 1 April 2001); Merchant Shipping Act (Entry into force: 1 October 2002); Merchant Shipping Code (Entry into force: 1 March 1992); Traffic Act (Entry into force: 1 February 2001) and State Borders Act (Entry into force: 31 July 1994).

Significant Developments

A 2005 EC report on the Maritime sector in Estonia focusing on traditional maritime industries (shipbuilding, maritime equipment, shipping and seaports) estimated that the sector provided employment for approximately 20,000 persons. The shipbuilding industry is very strong in Estonia with concentration mainly in Tallinn. The largest shipbuilding company is Baltic Shipyard. The company is also one of the largest exporters, with annual sales of approximately €100 million. The company employs approximately 2,000 workers.

In Estonia, many companies work as contractors for shipbuilding companies manufacturing parts or offering specific services. Some Estonian marine equipment companies operating abroad (i.e. in Finland) specialize in building canteens and other specific purpose-built rooms in ships. Both cargo and passenger transport play a significant role in the turnover and employment of the Estonian shipping sector. These sectors also have a significant role in the country's economy. In terms of passenger transport, the Port of Tallinn is one of the busiest ports in the Baltic States with more than 7 million passengers in 2005. With reference to cargo transport, the biggest port in Estonia is the Port of Tallinn, with Parmu harbour the second largest. The transportation of goods has

increased quite rapidly in these ports. The Port of Tallinn is connected to a wide maritime and rail transport network used to move dry bulk, liquid petroleum products and containers. Most vessels operated by Estonian companies, which are sailing on international routes and waters, are registered under foreign flags (mainly Cyprus and the Bahamas). Vessels from other countries are not registered under the Estonian flag.

Seaports play an integral role in the country's maritime cluster. In 2004 the total number of seaports was 54 (the number of inland ports was only 8). In the capital city of Estonia, Tallinn, the number of ports is 11, of which 5 are privately owned harbours.

Institutions

There are only a few specialised institutions in Estonia that provide education and training for workers in the specialised areas of the shipbuilding sector. The number of graduates with skills relevant to shipbuilding from these institutes is below 100 per year in Estonia. General higher education institutes also graduate approximately 100 students per year with relevant qualifications. Post graduate degrees in ship-construction are acquired in the Russian Federation. There are training programs for middle managers of shipbuilding companies that are supported by the EU. The labour market in the passenger traffic sector is fairly tight. Recruitment problems are closely linked to qualification levels: posts requiring little or no qualification (i.e. retail and shipping services) are easily filled but there is a shortage of qualified seamen and thus training needs for seafarers and customer service staff. The Estonian Maritime Academy and Reval Maritime School provides the best training programmes for seafarers and most other technical employees on board vessels. Onshore customer service and retail staff does not tend to need external training, but language skills are highly valued by employees in the industry.

5.3. France

The French shipping industry is a vital aspect of the economy. Maritime and coastal transport contributes approximately 14.6 billion Euros. Direct French jobs in shipping companies are estimated at 16,000 for sea-going and 6,000 for onshore. In 2012, there were around one hundred French shipping companies operating 900 vessels, 581 of which were under the French flag. French shipping companies operate in all sectors: goods transport, passenger transport, vehicle transport, oceanographic research, offshore activities, assistance and salvage. The French fleet is adaptable to market conditions and give priority to safety and the environment, and work continuously to improve the operating conditions of their ships.

The Maritime Industry in France has a total value output of approximate € 51 billion, as estimated for the year 2011. This accounts for close to 2.5% of GDP with merchant fleet grossing over 300 million tonnes of goods and 12 million passengers per year. Approximately 41% of total external trade (by volume) is facilitated through the maritime industry. A 2007 value indicates that France's share of goods transported by weight by the sea with third countries amounted to 89% for import and 75% for export.

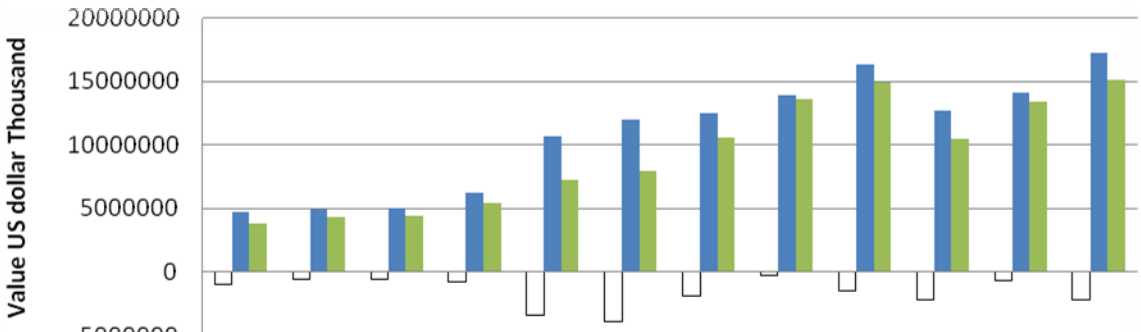
France's sea transport balance has remained in negative figures from 2000 to 2011 with freight and passenger transportation experiencing mixed export balances. Auxiliary services however recorded only negative balances.

Table 25: France- Sea Transport Services Trade

France Sea Transport Services (USD '000)												
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Balance												
Freight	-588723	210289	378335	411948	-1040522	-1782072	80286	1891497	1267075	1058564	2856784	1296730
Passenger	164916	157493	162816	199767	223501	213898	232079	250466	202146	143087	234423	-19500
Supporting, auxiliary	-534365	-976278	-1141594	-1405138	-2596338	-2364075	-2216671	-2436227	-2922327	-3409077	-3754743	-3411053
Total	-958172	-608496	-600443	-793423	-3413359	-3932249	-1904306	-294264	-1453106	-2207426	-663536	-2133823
Exports												
Freight	2751060	3170441	3249729	3987432	5747704	6065015	8742493	11566603	12672209	9008909	11955579	13107971
Supporting, auxiliary	817210	956591	964660	1174898	1144823	1590559	1491581	1617764	1762186	1179424	1125761	1621260
Passenger	222959	225501	271046	316015	352635	340745	348746	421549	414546	311179	321835	328709
Total	3791229	4352533	4485435	5478345	7245162	7996319	10582820	13605916	14848941	10499512	13403175	15057940
Imports												
Freight	3339783	2960152	2871394	3575484	6788226	7847087	8662207	9675106	11405134	7950345	9098795	11811241
Supporting, auxiliary	1351575	1932869	2106254	2580036	3741161	3954634	3708252	4053991	4684513	4588501	4880504	5032313
Passenger	58043	68008	108230	116248	129134	126847	116667	171083	212400	168092	87412	348209
Total	4749401	4961029	5085878	6271768	10658521	11928568	12487126	13900180	16302047	12706938	14066711	1719176

Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Figure 17: France Sea Transport Services



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Trade Balance	-1E+0	-6E+0	-6E+0	-8E+0	-3E+0	-4E+0	-2E+0	-3E+0	-1E+0	-2E+0	-7E+0	-2E+0
Import	5E+06	5E+06	5E+06	6E+06	1E+07	1E+07	1E+07	1E+07	2E+07	1E+07	1E+07	2E+07
Export	4E+06	4E+06	4E+06	5E+06	7E+06	8E+06	1E+07	1E+07	1E+07	1E+07	1E+07	2E+07

Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

France's fleet was recorded as comprising 819 in 2012, with a marginal increase from the previous year with 800 ships. The corresponding deadweight tonnes amounted to 0.58 of the percent of world trade. 'Other types of ships' accounted for the majority in number (676) while General cargo and Oil tankers accounted for 55 and 57 respectively.

Table 26: France's Fleet Variables 2011-2012

	Dead weight tons in thousands		Number of ships		Percent of World Trade	
SHIP TYPE	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**
Total fleet	8335.585	8890.065	800	819	0.597	0.580
Oil tankers	4986.904	5367.103	51	55	1.050	1.058
Bulk carriers	348.134	348.134	6	5	0.065	0.056
General cargo	85.936	86.047	55	57	0.079	0.081
Container ships	1993.183	2147.568	25	26	1.084	1.085
Other types of ships	921.428	941.213	663	676	0.960	0.945

Source: UNCTAD, UNCTADstat. Computed from "Merchant fleet by flag of registration and by type of ship, annual, 1980-2012"

5.4. Germany

Sector Overview

For the Federal Ministry of Transport, Building and Urban Development, the maritime industry in Germany is an industrial branch that is of great importance to the economy as a whole. Because it is closely interwoven with the rest of the economy, it is of key importance for the Federal Republic of Germany. Moreover, a sizeable proportion of German external trade goes by sea. Furthermore,the maritime industry, including maritime service providers, employs over 380,000 people.

The importance of the maritime sector to the national economy is not confined to the coastal regions. The component supply industry is located in all federal states, but its main centres are in Baden-Württemberg, Bavaria and North Rhine-Westphalia.Forecasts predict a rise in the level of traffic in the future, which means that it is necessary to shift even more freight to the seas and inland waterways. As a result, the maritime industry offers attractive prospects for training and employment. In addition, the waterborne mode – unlike the roads – is considered to be a very environment-friendly option.

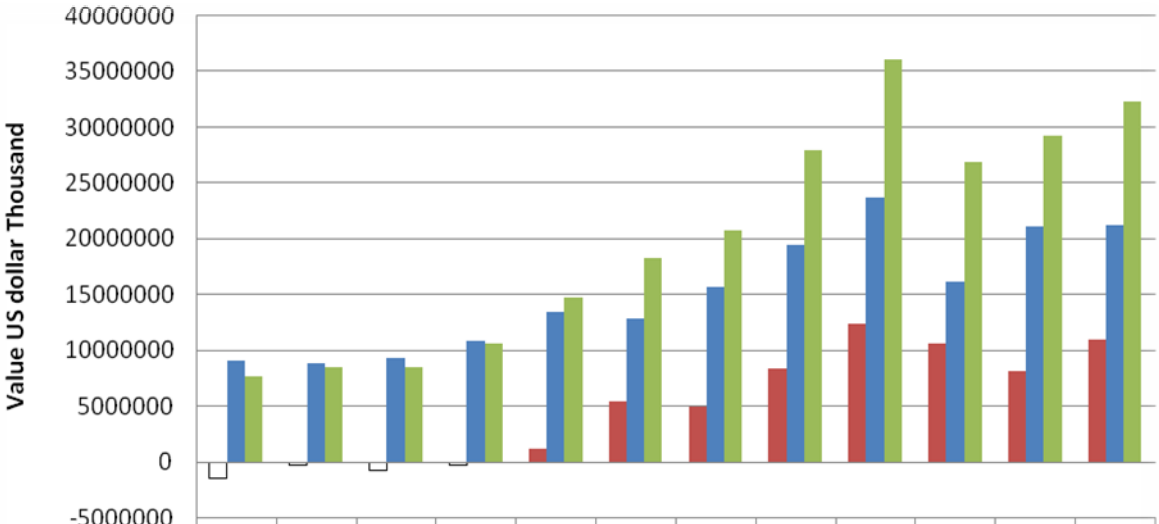
By further intensifying the cooperation between the individual components of the maritime cluster and by linking them up to form a network, the aim is to make even greater use of synergies in the future in order to enhance the competitiveness of the German maritime industry.

The maritime cluster in Germany has an annual turnover of 35.8 billion Euros, constituting 2% of national GDP. It is estimated to employ 277,000 people directly. Of these, 27% work in shipping, seaports and related services and most of the remaining employees are active in shipbuilding and supply to the shipbuilding industry.

According to the International Transport Journal (ITJ), Germany's maritime industry recorded a slight increase in freight volumes in, 2012. According to the country's federal statistical office (Federal Statistical Office), the freight volume handled by German seaports rose to 299.4 million tonnes in 2012, 1.1% more than the 296.1 million tonnes lifted in 2011. In 2008, before the worldwide economic and financial crisis set in, Germany's seaports processed a total of 320.6 million tons, 7% more than last year.

In relation to value, Germany has maintained a positive trade balance since 2004. Export of maritime services have been steadily increasing, outpacing the increase in imports. This trajectory demonstrates the stability and growth of the German maritime industry, which may therefore have the appetite for continued expansion in the CARIFORUM region.

Figure 18: Germany Sea Transport Services



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Trade Balance	-1E+0	-3E+0	-8E+0	-2E+0	1E+06	5E+06	5E+06	8E+06	1E+07	1E+07	8E+06	1E+07
Import	9E+06	9E+06	9E+06	1E+07	1E+07	1E+07	2E+07	2E+07	2E+07	2E+07	2E+07	2E+07
Export	8E+06	9E+06	9E+06	1E+07	1E+07	2E+07	2E+07	3E+07	4E+07	3E+07	3E+07	3E+07

Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Table 27: Germany Sea Transport Services

Germany - Sea Transport Services (USD '000)												
Balance	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Freight	934000	2040000	1731000	2425000	4933000	9898000	11380000	17114000	24041000	20745000	19940000	24454006
Passenger	188000	214000	211000	157000	240000	267000	290000	266000	381000	266000	238000	289710
Auxiliary	-2544000	-2552000	-2715000	-2805000	-3895000	-4737000	-6694000	-8985000	-12090000	-10360000	-12072000	-13722211
Total	-1422000	-298000	-773000	-223000	1278000	5428000	4976000	8395000	12332000	10651000	8106000	11021505
Imports												
Auxiliary	3441000	3467000	3679000	4016000	4973000	5953000	8052000	10667000	14199000	11915000	13604000	15479969
Freight	5651000	5398000	5607000	6833000	8492000	6849000	7664000	8805000	9473000	4249000	7483000	5774694
Total	9092000	8865000	9286000	10849000	13465000	12802000	15716000	19472000	23672000	16164000	21087000	21254663
Exports												
Freight	6585000	7438000	7338000	9258000	13425000	16747000	19044000	25919000	33514000	24994000	27423000	30228700
Auxiliary	897000	915000	964000	1211000	1078000	1216000	1358000	1682000	2109000	1555000	1532000	1757758
Passenger	188000	214000	211000	157000	240000	267000	290000	266000	381000	266000	238000	289710
Total	7670000	8567000	8513000	10626000	14743000	18230000	20692000	27867000	36004000	26815000	29193000	32276168

Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Industry Structure

The German merchant fleet is characterized by a high proportion of modern container ships. The German container ship fleet enjoys a leading position in the world. In international forums and European Union bodies, the Federal Ministry of Transport, Building and Urban Development, formulates and represents the German position on many maritime transport policy issues. At the International Maritime Organization (IMO), Germany plays a major role in evolving high international standards for maritime shipping. In addition to multilateral agreements, the Federal Republic of Germany has concluded numerous bilateral shipping agreements, which facilitate maritime transport with these partner countries.

Germany also has a large shipbuilding industry. The German government supports this industry through several programmes. The German government partners with members of the industry, i.e. shipyards and manufacturers, research institutions and universities to foster development of the sector. The aim of the research program is to increase the energy efficiency of ships, to produce ships built in series in a more flexible way than is done now, and to develop new transshipment technologies.

The German shipbuilding industry is important to the economy. Germany remains the number one shipbuilding nation in Europe and globally is 4th only to South Korea, Japan and China. Germany's share in the shipbuilding industry was 3.4% in 2004. Due to international competition from China and South Korea, German shipyards increasingly concentrate on the delivery of high quality, specialised vessels. Germany continues to see particular demand for ships offering a high standard of environmental safety (e.g. double hull vessels, hydrogen fuel cell propulsion) and must continue

to strengthen its position and co-operation with other countries in developing such technologies to underpin its market position.

The marine equipment supply sector in Germany is dominated by small and medium sized companies which operate in a global market. This sector has benefitted from the overall increase in shipping activity and the worldwide growth in shipbuilding. Supplies of equipment for the offshore oil and gas industry also continued to increase as a result of strong growth in demand, particularly from China and high energy prices, which stimulated investment.

Germany has 390 commercial shipping companies controlling a fleet of 2,647 ships of which just over 20% (551) operate under a German flag. A further 1,632 operate under bareboat-charter regulations and 464 under foreign flags in foreign registers. The German shipping industry runs 6.6% of the global commercial fleet and 55% of total transport tonnage (only 1.3% and 0.9% of this respectively is operated under a German flag). At the same time, German commercial shipping operators control the largest fleet worldwide, owning 30% of container capacity. Inland shipping is an important sector for the German economy, with German shipping lanes making up 50% of the key water arteries. It is a crucial sector connecting the seas with the commercial centres on the interior of the European landmass.

Seaports provide a wide variety of functions, acting primarily as a focal point for the movement of goods from sea to inland waterways or to rail and to road and vice versa. However, they also provide storage, logistics solutions, administrative and other services. The services provided by harbours in relation to the logistics of getting goods from sender to their destination have been changing, with the advance of more integrated systems the associated decline of the more 'traditional' harbour functions related to the movement of goods. Automation has also played a significant part in the changing functions of port services. At the same time, the increasing emphasis on the movement of goods by sea and inland waterways rather than by road (to ease congestion and reduce the environmental impact of road transport) has led to an increasing demand for port services. Goods turn over in German seaports continue to see increases. German harbours benefit from the country's strong export position not only with its European neighbours but in particular with the USA, China, and other Asian markets.

Institutions

German shipbuilding industry has a good tradition of exchange between scientific institutions, shipyard and supplier companies which informs the provisions of training curricula (particularly for engineers) and the development and constant updating of skills. Shipyards tend to have close ties with their local community and often have educational programmes working with local schools to encourage young people to seek careers in the sector. Work experience programmes are available for pupils as well as placements for students on a variety of courses at university. With regards to training in the marine equipment sector, because of the large number of small and

medium size enterprises the sector is seemingly hard to regularize. For the seaports, technological and logistical changes require the constant updating of skills in the sector.

In 2011, the Federal Cabinet adopted the draft National Master plan for Maritime Technologies (NMMT). The growing market for maritime technology was emphasized with it being indicated that German companies are generating an annual amount of around 11 billion euros in maritime technology which is seen as only a global market share of 4%. Importantly, and in the context of this analysis, the German NMMT defines various strategic fields of action, including the promotion of exports, the tapping of new markets and political support and a focus on expertise such as through the introduction of "dual" study courses, the expansion of curricula and additional qualifications.

Current Landscape

According to The Telegraph, Germany's shipping industry faces a wave of bankruptcies over coming months as funding dries up and deepening economic woes across the world cause a sharp contraction in container trade. It has also been indicated that over 100 German ship funds have already ceased.

A 2007 study commissioned by the Federal Ministry of Transport, Building and Urban Affairs, which contributed to the "Forecast of Germany-wide transport connectivity in 2025" determined the following trends in cargo handling to 2025:

- the total volume of cargo handled is expected to rise from 793 million tonnes (2004) to 1,658 million tonnes (2025) - equivalent to an annual average growth rate of 3.6 percent.
- outbound maritime shipments are expected to rise significantly faster than inbound maritime shipments.
- The transit volume will rise from 279 million tonnes to 758 million tonnes, as determined by the growth in container traffic.
- Growth volumes will make Bremerhaven Germany's second largest seaport by 2025.
- Hamburg will remain Germany's largest most important container seaport, with a cargo handling volume of 337 million tonnes.
- Around 44 percent of the cargo handled by all ports will consist of container loads by 2025 (15 percent in 1992, 26 percent in 2004).

The study took into account the "exogenous influences arising from foreign trade and, on the other hand, endogenous determinants deriving from the maritime transport sector (changes within the cargo structure, changes of market shares and a greater share of sea-to-sea movements)". Theforecast approach took into account anticipated trends for the regions/companies supplied via the German ports, however fundamentally, there was no forecast of the deleterious effect that the global economic crisis would have on the German maritime industry or on the wider EU.

Despite the current economic downturn and possibly owing to the importance of the industry, the Germany federal government has vowed to make about €60 million (about US$78.8 million)

available in coming years to promote the maritime shipping sector in order to reinforce the industry's competitiveness (Journal of Commerce April 2013).

5.5.Italy

Sector Overview

The maritime sector is administered mainly by the Ministry of Infrastructure and Transport and the Ministry of the Environment and Territory and Sea Protection. The Directorate with responsibility in command is, inter alia, National, Community and International Regulations on Maritime Navigation andTransport; Fleet database, and Monitoring of shipyards and shipowners' companies. Additionally, ensuring training and human resource development as well as the command and management of ports are within the purview of the Directorate.

The Federation of the Italian Maritime System was established in 1994 and is intended to give unitary representation to the maritime industry of the country, to allow the appreciation as a factor of development and affirm the commonality of values, culture and interests, which also stems from the constant confrontation with the international experience.

According to the Maritime Cluster of Italy, the maritime activities annually produce goods and services of a value of 39.5 billion euros (2.6% of GDP). Of this amount, exports amount to 9.7 billion euros or 3.3% of the country's export. Intermediate costs and fixed investment within the sector amount to 13.9 billion euros; representing 4.9% of the Italian investments. Further, the sector provides employment to over 213,000 workers directly.

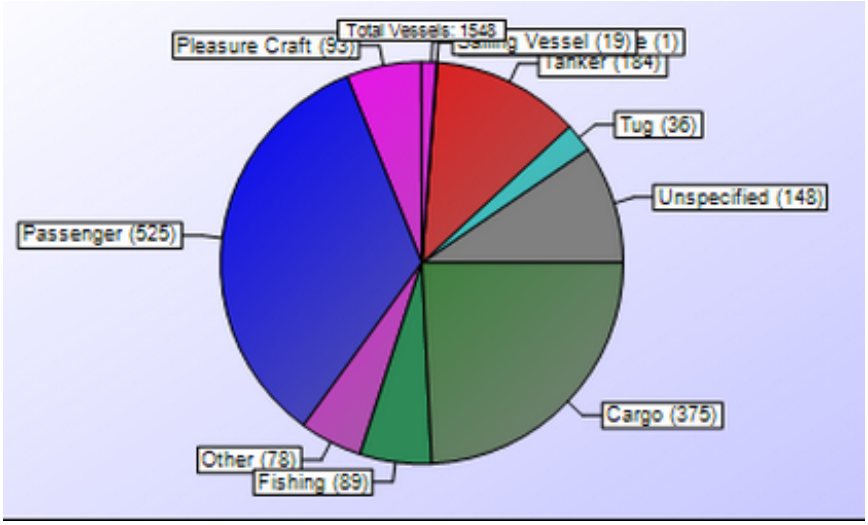
In relation to the structure of the sector, oil tankers are the predominant ships which call on Italy's ports, followed by ships with general cargo and to a much lesser extent, bulk carriers and container ships. Italy accounts for less than 2%of world trade in sea transport services.

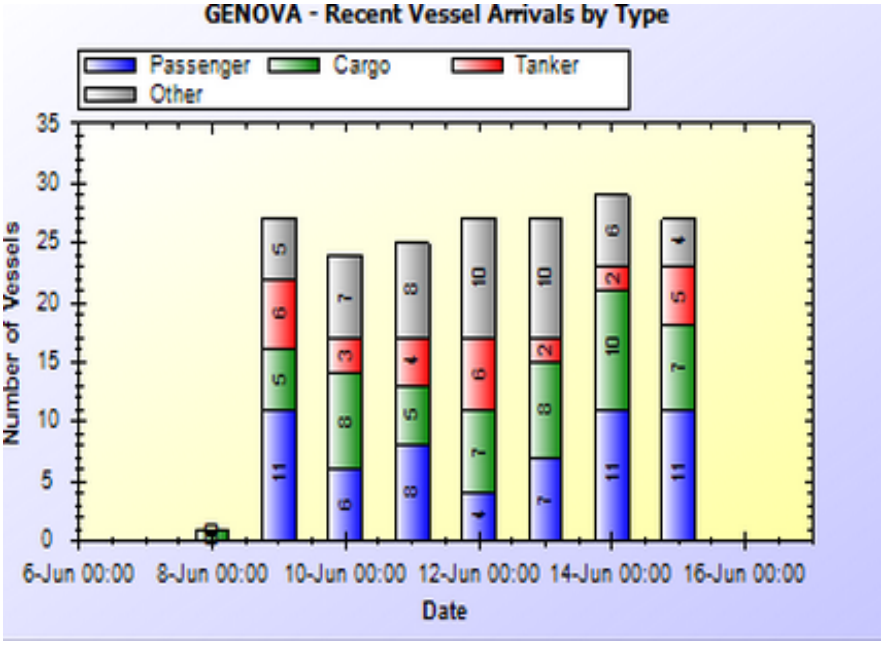
Table 28 Italy's Fleet Variables 2011-2012

	Dead weight tons in thousands		Number of ships		Percent of World Trade	
SHIP TYPE	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**
Total fleet	19440.19	21763.367	1649	1667	1.393	1.419
Oil tankers	8813.593	8895.276	250	240	1.856	1.753
Bulk carriers	6434.596	8630.212	89	112	1.209	1.386
General cargo	1645.632	1695.949	141	133	1.510	1.594
Container ships	1054.071	947.591	21	19	0.573	0.479
Other types of ships	1492.298	1594.339	1148	1163	1.554	1.600

Source: UNCTAD, UNCTADstat. Computed from "Merchant fleet by flag of registration and by type of ship, annual, 1980-2012"

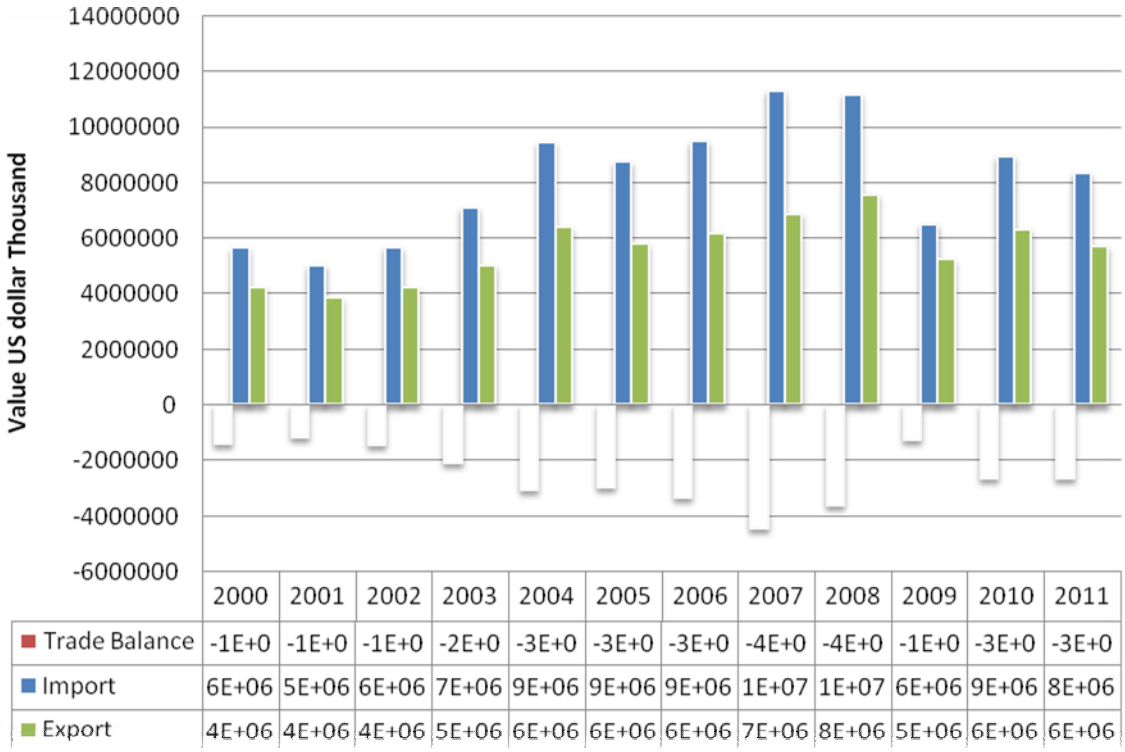
Italy's main commercial port is Genova. A 30 day record of May to June 2013 shows that total vessels visiting the port amounted to 1548 with 525 being Passenger, 375 being Cargo and the remaining vessel types amounting to less than 100 each (with the exception of 'Unspecified' vessels').





Italy's imports of maritime services continue to outweigh its exports resulting in a persistent trade deficit for that over the period 2000 to 2011. These figures are particularly interesting from the perspective of opportunities for CARIFORUM to export these services to Italy.

Figure 19: Italy Sea Transport Services



Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Table 29: Italy Sea Transport Services

Balance	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Passenger	-37774	-53691	-56468	-88033	-111751	-98244	-50179	-79382	-126561	-136836	-151911	-123210
Auxiliary	-234015	-155703	-160933	-344230	-434585	-190270	-412725	-513250	-528069	-273393	-358522	-536757
Freight	-1120325	-969119	-1229119	-1628606	-2500729	-2672487	-2852695	-3835004	-2952210	-861993	-2126761	-1985096
Total	-1392114	-1178513	-1446520	-2060869	-3047065	-2961001	-3315599	-4427636	-3606840	-1272222	-2637194	-2645063
Exports												
Freight	2032430	1765532	1751447	2146644	2641039	2932398	3183878	3730986	4245212	2659608	3161136	3050337
Auxiliary	2190897	2055463	2426239	2847521	3718811	2801821	2926709	3091818	3250156	2505824	3102464	2576592
Passenger	16584	7159	21646	20315	13658	39795	43907	42429	59765	45982	36819	61396
Total	4239911	3828154	4199332	5014480	6373508	5774014	6154494	6865233	7555133	5211414	6300419	5688325
Imports												
Freight	3152755	2734651	2980566	3775250	5141768	5604885	6036573	7565990	7197422	3521601	5287897	5035433
Auxiliary	2424912	2211166	2587172	3191751	4153396	2992091	3339434	3605068	3778225	2779217	3460986	3113
Passenger	54358	60850	78114	108348	125409	138039	94086	121811	186326	182818	188730	184606
Total	5632025	5006667	5645852	7075349	9420573	8735015	9470093	11292869	11161973	6483636	8937613	8333388

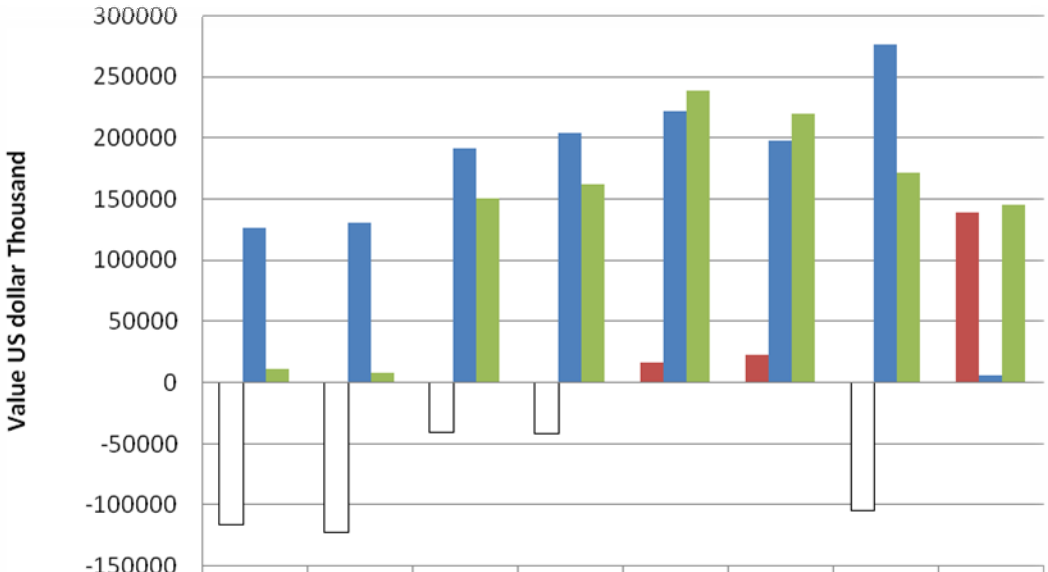
Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

5.6. Malta

Sector Overview

Malta is the largest of three islands located in the Mediterranean Sea. The island is ideally located 93km south of Sicily and 288km north of Africa. Gibraltar is 1,826km to the west and Alexandria is 1,519km to the east of Malta. In this geographic location, Malta has long been seen as an attractive place to the maritime industry. Today maritime trading is now the vital commercial backbone of the island. Malta is service oriented and its population of 412,000 is highly educated and many trained in the delivery of service across various industries. However, tourism is the main industry on which the country stands, contributing approximately 35% of Malta's GDP. With its excellent harbours and infrastructure Malta can cater for a vast range of services to the maritime industry such as bunkering, repairs, crew change, ship chandlering, warehousing, transshipment and other cargo operations. The capital of Malta was a fortified city surrounding a natural harbour in which the main port is called the Grand Harbour. The Grand Harbour is open to naval vessels and all other types of vessels.

Figure 20: Malta Sea Transport Services Trade (USD '000)



	2004	2005	2006	2007	2008	2009	2010	2011
Trade Balance	-115813	-122358	-40364	-42159	16240	22218	-104479	138900
Import	126647	130514	191134	203825	221692	197005	275996	6381
Export	10834	8156	150770	161666	237932	219223	171517	145281

Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Malta's trade balance in sea transport services has fluctuated significantly between 2004 and 2011, with a positive trade balance of USD 138.9 million for 2011. Also, Auxiliary services and passenger transportation recorded positive trade balances, while freight services recorded a negative trend.

Table 30: Malta Sea Transport Services Trade (USD '000)

Balance	2004	2005	2006	2007	2008	2009	2010
Auxiliary	-	-	80124	106770	154313	155279	113064
Passenger	-	-	12290	32038	60785	32587	24060
Freight	-115813	-122358	-132778	-180967	-198858	-165648	-241603
Total	-115813	-122358	-40364	-42159	16240	22218	-104479
Exports							
Auxiliary	-	-	120530	113822	163994	161852	126137
Passenger	-	-	19188	39392	64864	47657	38000
Freight	10834	8156	11052	8452	9074	9714	7380
Total	10834	8156	150770	161666	237932	219223	171517
Imports							
Auxiliary	-	-	40406	7052	9681	6573	13073
Passenger	-	-	6898	7354	4079	15070	13940
Freight	126647	130514	143830	189419	207932	175362	248983
Total	126647	130514	191134	203825	221692	197005	275996

Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Malta's fleet had a registered number of 1815 in 2012, representing 4.6% of world trade in deadweight tonnes. Bulk carriers and oil tankers accounted for 567 and 489 ships respectively, followed by General cargo ships, totaling 394.

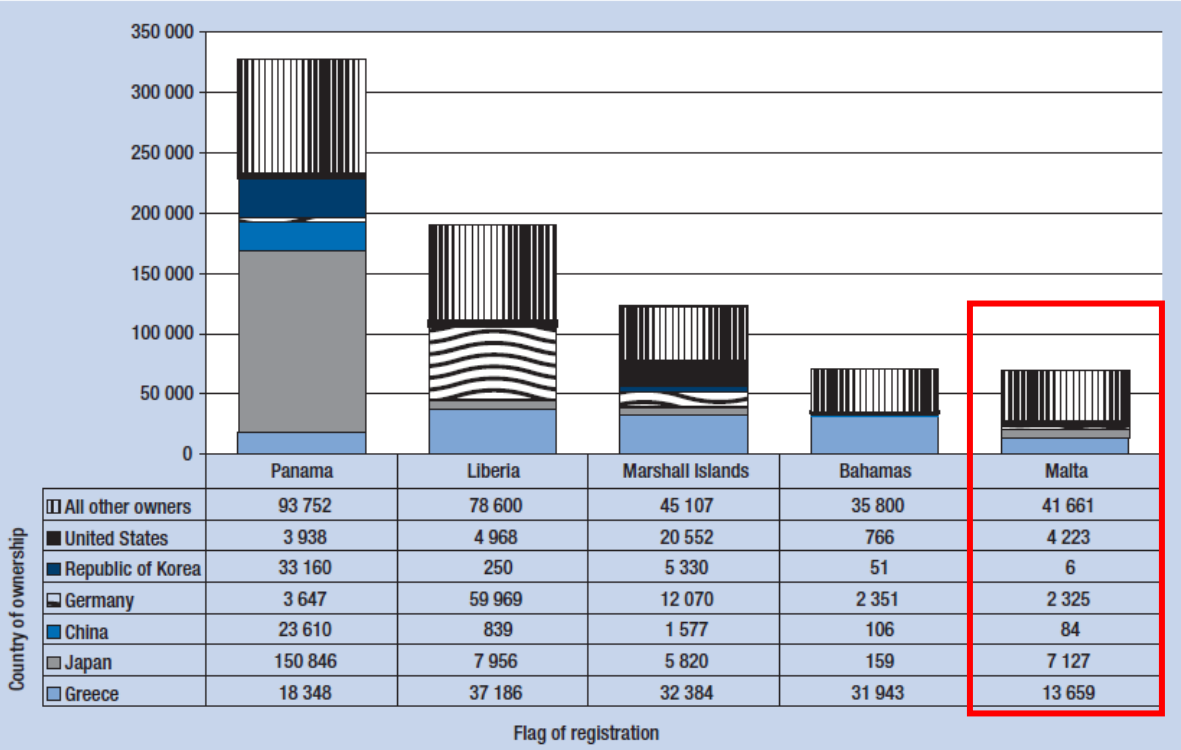
Table 31: Malta's Fleet Variables 2011-2012

	Dead weight tons in thousands		Number of ships		Percent of World Trade	
SHIP TYPE	2011	2012	2011	2012	2011	2012
Total fleet	61294.026	71286.944	1724	1815	4.391	4.647
Oil tankers	22885.832	27772.475	439	489	4.820	5.473
Bulk carriers	29533.404	33579.346	528	567	5.551	5.394
General cargo	3481.537	3255.072	424	394	3.195	3.060
Container ships	4086.615	5303.496	107	120	2.223	2.679
Other types of ships	1306.638	1376.555	226	245	1.361	1.381

Source: UNCTAD, UNCTADstat. Computed from "Merchant fleet by flag of registration and by type of ship, annual, 1980-2012"

Malta's flag of registration has attracted a relatively large number of foreign ships as measured in dwt, demonstrating that operating under Malta's flag is attractive to ship owners. Greek owned vessels account for the majority of foreign vessels, followed by Japan and Korea.

Figure 21: Major open registries and the countries of ownership, 2012 ('000s of dwt)



Country of ownership	Panama	Liberia	Marshall Islands	Bahamas	Malta
All other owners	93 752	78 600	45 107	35 800	41 661
United States	3 938	4 968	20 552	766	4 223
Republic of Korea	33 160	250	5 330	51	6
Germany	3 647	59 969	12 070	2 351	2 325
China	23 610	839	1 577	106	84
Japan	150 846	7 956	5 820	159	7 127
Greece	18 348	37 186	32 384	31 943	13 659

Source: UNCTAD 2012

International Maritime Law Institute (IMLI)

IMLI was established by IMO in 1988 in Malta, to help ensure that sufficient maritime law experts would be available to assist in the implementation and enforcement of international maritime law and, more particularly, the vast body of rules and regulations developed under the aegis of IMO, especially within developing countries. The Institute provides suitably qualified candidates, particularly from developing countries, with high-level facilities for advanced training, study and research in international maritime law. Special emphasis is given to the international regulations adopted by IMO.

5.7. The Netherlands

Overview

The Netherlands is a geographically low-lying country, with about 25% of its area and 21% of its population located below sea level, and 50% of its land lying less than one metre above sea level. This distinct feature contributes to the country's name in many other European languages (i.e. French: Les Pays-Bas and Spanish: Los Paises Bajos, literally means "The Low Countries"). In 2011, the twelve sectors under maritime services realized a total value of € 13.8 billion. This is 2.6 percent of GDP. The sector accounted for 181,000 jobs (2.2 percent of the Dutch employment) and an influx of more than 2000 workers. There are more than 12,000 companies and maritime enterprises activein the Netherlands.

Maritime Policy

The shipping industry is highly regulated with many international regulations. In securing the competitiveness of the Dutch shipping industry, the National Maritime Policy advocates a level playing field in Europe and beyond. Aiming for increasing the number of Netherlands-based ship-owners is one strategy identified to preserve and strengthen an internationally competitive business environment for the Dutch maritime industry. This initiative is embodied in both the 2008 Dutch government's Maritime Policy 'Responsible shipping and a vital fleet'which enunciated the government's ideas on the future Maritime Policy and the subsequent "Action Plan nautical ' of November 2010. The strategy documents present a large number of non-fiscal measures which contribute to the attractiveness of the Dutch flag and the Netherlands as a location of ship-owners. Further, tonnage tax keeps ship-owners within the Netherlands, with labour cost subsidies keeping Dutch seafarers affordable.

The Royal Association of Netherlands Shipowners (KVNR) is a significant player in the industry having been formed from the merger of the Royal Dutch Shipowners Association (KNRV) and the Association of Dutch Shipowners in Short Sea Shipping (VNRK).

Sub-markets

The Dutch shipping includes commercial vessels and tugging with Dutch shipping companies having secured market share in specific market segments. These include towage and salvage, liquid bulk cargo and refrigerated shipping. Commodities such as gas, paper, fruit, wood and juice are commodities which the Dutch merchant fleet is equipped to transport. Members of the KVNR are active in the following market segments:

- General cargo trade;
- Container;
- Dry-bulk shipping;

- Ferry and cruise;
- Gas shipping;
- Refrigeration and freezer vessels;
- Wet-bulk cargo (chemicals);
- Offshore services;
- Short sea shipping and sea-river shipping;
- Livestock transport;
- Towage and salvage;
- Heavy-load speed

Maritime Labour

According to KVNR, employment in the maritime sector has gradually increased in recent years to more than 25,000 people, as shown in Table 32 below, with approximately 400 ship-owners established in the Netherlands. However, the market in the past has experienced labour shortage and the expectation is that with a continued economic recovery, the labor shortage will be felt again.

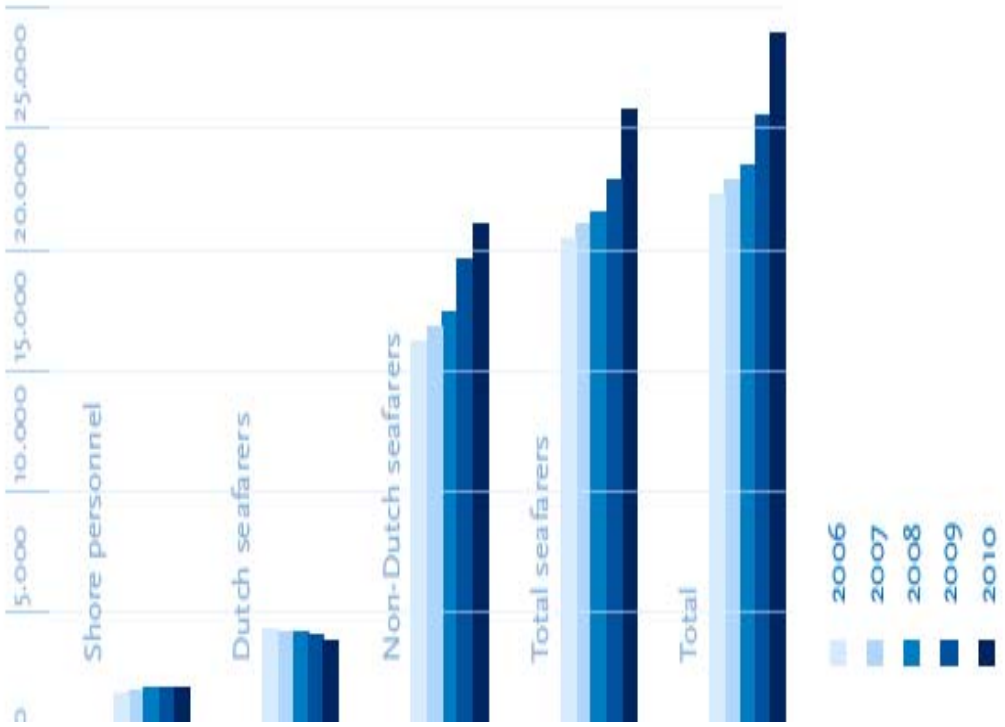
Table 32: Employment in the Dutch Maritime Sector

	2006	2007	2008	2009	2010
Dutch masters	910	890	880	850	840
EU captains	100	100	120	120	140
Non-EU captains	130	150	150	220	250
Dutch Officers	2300	2220	2190	2120	2110
EU officers	730	760	900	860	940
Non-EU officers	1250	1240	1200	1630	1770
Dutch Companions	700	590	580	530	520
EU companions	290	300	350	340	340
Non-EU companions	6630	6700	6840	7850	8490
Dutch non maritime personnel on board	160	270	260	250	240
EU non maritime personnel on board	140	150	170	170	170
Non-EU maritime personnel not on board	6740	7270	7490	8210	8490
Dutch trainees	410	470	530	540	540
EU trainees	20	20	30	20	20
Other foreign trainees	170	130	130	180	170
Total	**20,500**	**21,050**	**21,560**	**23,620**	**25,430**

Source: The Dutch maritime cluster monitor 2011, Ministry of I & M. http://www.kvnr.nl/cms/showpage.aspx?id=192

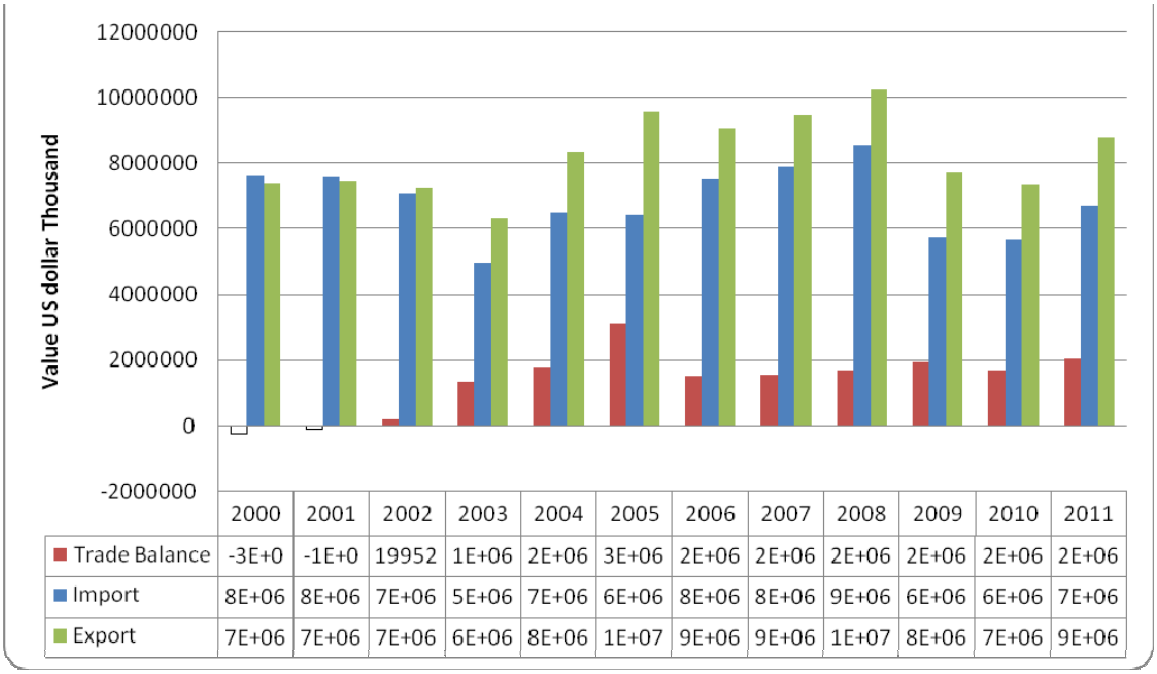
Additional data indicated in Figure 22, in 2010 total number of seafarers on Dutch flag vessels amounts to 25,430 while employment within the shipping industry amounted to 27,320. Furthermore, enrolment in nautical education increased by 4% in 2011, reflecting continued investment in training as well as cadetship and employment guarantees for persons enrolled in nautical education.

Figure 22: Employment in the Dutch Shipping Industry 2006-2010



The Netherlands has been capitalizing on the significant geographical location it occupies as it serves as a gateway to the rest of Europe. The major ports attracted about 430 million tons of cargo flow in 2010, including containers, liquid and dry bulks, specialties like fruits and juices, gas and chemicals, and so on. The port of Rotterdam ranks third in terms of total tonnage globally and holds the number one container port position in Europe.

Figure 23: Netherlands - Sea Transport Services (USD '000)



Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Table 33 Netherlands Sea Transport Services Trade (USD '000)

Balance	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Freight	-1756956	-1572245	-1404169	1540573	1771494	3228623	475198	285367	311129	1246105	1085631	1396012
Supporting Services	1592040	1528398	1699684	-231369	-46687	-180197	968085	1201279	1331526	643057	547385	599720
Passenger	-87526	-83221	-95995	42888	94367	75611	83925	66243	61083	48205	51520	64538
Total	-252442	-127068	199520	1352092	1819174	3124037	1527208	1552889	1703738	1937367	1684536	2060270
Imports												
Freight	6941220	6856314	6316879	3633043	4781435	4581157	6309800	6625306	7221592	4689495	4506486	5189754
Supporting Services	588723	640710	630559	1315977	1722076	1827464	1224250	1264922	1280551	1058703	1155560	1530379
Passenger	103188	99328	107289	2257	2732	746	627	137	293	3890	5298	2829
Total	7633131	7596352	7054727	4951277	6506243	6409367	7534677	7890365	8502436	5752088	5667344	6722962
Exports												
Freight	5184264	5284069	4912710	5173616	6552929	7809780	6784998	6910673	7532721	5935600	5592117	6585766
Supporting Services	2180763	2169108	2330243	1084608	1675389	1647267	2192335	2466201	2612077	1701760	1702945	2130099
Passenger	15662	16107	11294	45145	97099	76357	84552	66380	61376	52095	56818	67367
Total	7380689	7469284	7254247	6303369	8325417	9533404	9061885	9443254	10206174	7689455	7351880	8783232

Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

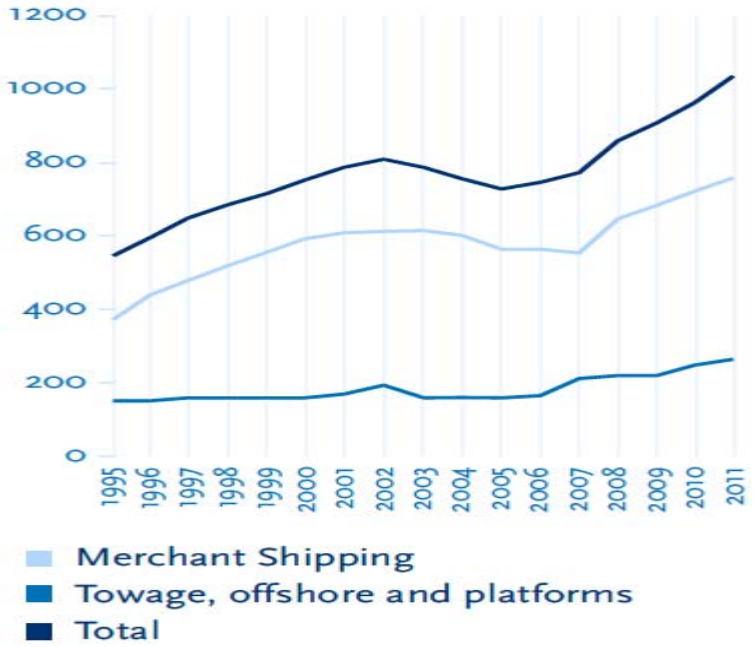
Since 2003, the Netherlands has maintained a positive trade balance in sea transport services reaching a maximum of USD 3 billion in 2005. The trade balance declined somewhat in the

following years, before recovery since 2009amid the global economic recession. This suggests that the Dutch maritime sector is quite resilient and robust.

The Dutch Fleet

As shown in Figure 24 below, the merchant fleet under Dutch flag continued to grow in 2011, largely as a result of pre-ordered ships, in the opinion of KNVL. The Dutch flag vessels involved in oceangoing towage and offshore, also increased, pushing the total number of merchant ships and tugs under Dutch flag to 1,033 by the end of 2011. There is the expectation however, of a slowdown.

Figure 24: Size of the fleet under Dutch flag 1995-2011



Source: KNVL 2012

The number of fleet calling at Dutch ports in 2012 increased to 1,382 ships representing a total of 8,279,047 in Dwt or 0.54% of world trade. General cargo and 'other types of ship' accounted for the majority of ships with minimal calls from oil tankers and container ships.

Table 34: Dutch Fleet Variables 2011-2012

	Dead weight tons in thousands		Number of ships		Percent of World Trade	
SHIP TYPE	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**
Total fleet	7036.076	8279.047	1302	1382	0.504	0.540
Oil tankers	676.896	669.28	56	53	0.143	0.132
Bulk carriers	48.59	804.011	2	10	0.009	0.129
General cargo	3899.105	4307.078	548	586	3.578	4.049

Container ships	1315.504	1256.219	68	67	0.715	0.634
Other types of ships	1095.981	1242.459	628	666	1.141	1.247

Source: UNCTAD, UNCTADstat. Computed from "Merchant fleet by flag of registration and by type of ship, annual, 1980-2012"

Furthermore, the Netherlands is renowned for its complex vessels, specifically: dredging vessels; high speed patrol boats; construction vessels for the offshore cluster; mega yachts for the rich and famous; and dedicated sea ships. The Netherlands has managed to carve a dominant position in luxury yachts, particularly (semi-) custom made vessels longer than 45 metres.

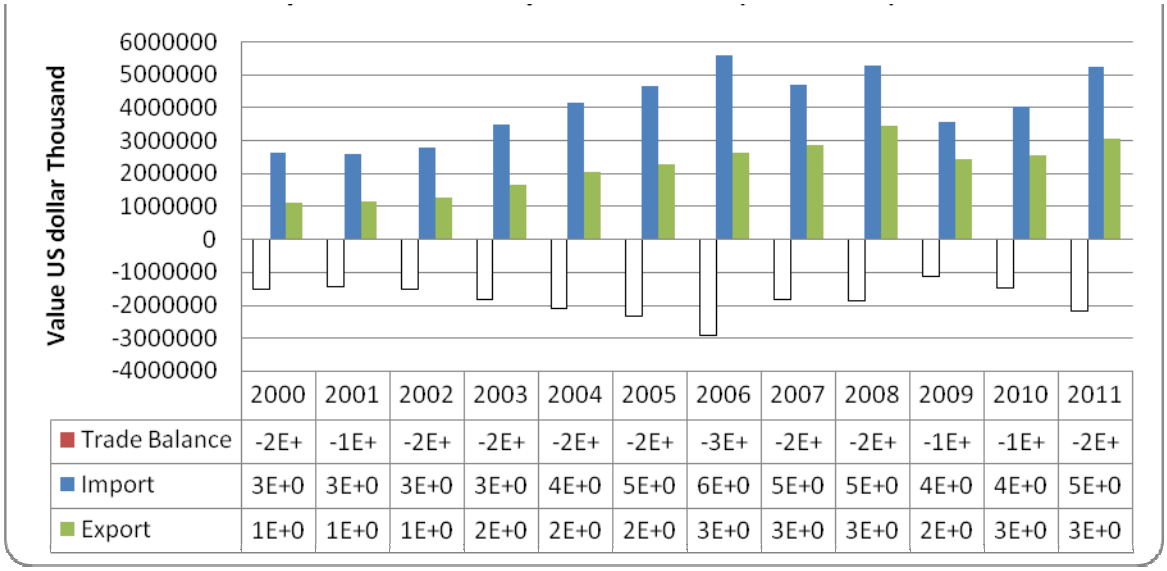
The Dutch government has introduced a specific R&D programme to stimulate innovation in certain segments of the Dutch shipbuilding industry, namely the offshore industry and complex specials. The programme is called the Maritime Innovation Programme (MIP). The program started in 2007 and ended in 2012. The goal of this programme was to strengthen the competitive position of the Dutch shipbuilding sector.

5.8.Spain

Sector Overview

The core maritime sectors (shipbuilding, maritime equipment, shipping, seaports, maritime works and recreational boating) employ some 90,486 persons. Recreational boating and seaports are the largest employers.

Figure 25: Spain - Sea Transport Services (USD '000) 2000-2011



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Trade Balance	-2E+	-1E+	-2E+	-2E+	-2E+	-2E+	-3E+	-2E+	-2E+	-1E+	-1E+	-2E+
Import	3E+0	3E+0	3E+0	3E+0	4E+0	5E+0	6E+0	5E+0	5E+0	4E+0	4E+0	5E+0
Export	1E+0	1E+0	1E+0	2E+0	2E+0	2E+0	3E+0	3E+0	3E+0	2E+0	3E+0	3E+0

Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Table 35 Spain - Sea Transport Services Trade (USD '000)

Balance	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Auxiliary services	168640	181190	222050	380250	507230	621720	626430	760979	1013659	636250	690025	809237
Passenger	-31030	-16900	19230	45770	65830	28760	75920	154659	140623	52789	41057	6964
Freight	-1645470	-1604350	-1783800	-2254160	-2673180	-2996970	-3645660	-2740071	-3016077	-1807338	-2197220	-3008523
Total	-1507860	-1440060	-1542520	-1828140	-2100120	-2346490	-2943310	-1824433	-1861795	-1118299	-1466138	-2192322
Export												
Auxiliary services	451760	482810	542430	744250	899300	1062130	1164500	1457630	1933570	1304451	1311180	1468048
Freight	622710	632820	665310	823310	1033640	1123600	1290070	1134625	1208481	969656	1117814	1463870
Passenger	29320	30410	37270	69490	99690	91420	162270	265521	273922	154200	115225	94713
Total	1103790	1146040	1245010	1637050	2032630	2277150	2616840	2857776	3415973	2428307	2544219	3026631
Import												
Freight	2268180	2237170	2449110	3077470	3706820	4120570	4935730	3874696	4224558	2776994	3315034	4472393
Auxiliary services	283120	301620	320380	364000	392070	440410	538070	696651	919911	668201	621155	658811
Passenger	60350	47310	18040	23720	33860	62660	86350	110862	133299	101411	74168	87749
Total	2611650	2586100	2787530	3465190	4132750	4623640	5560150	4682209	5277768	3546606	4010357	5218953

Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Table 36: Spanish Fleet Variables 2011-2012

	Dead weight tons in thousands		Number of ships		Percent of World Trade	
SHIP TYPE	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**
Total fleet	2750.196	2646.906	1469	1255	0.197	0.173
Oil tankers	1075.597	1023.612	38	33	0.227	0.202
Bulk carriers	41.682	46.694	9	8	0.008	0.008
General cargo	213.848	221.459	51	52	0.196	0.208
Container ships	66.259	47.616	6	5	0.036	0.024
Other types of ships	1352.81	1307.525	1365	1157	1.409	1.312

Source: UNCTAD, UNCTADstat. Computed from "Merchant fleet by flag of registration and by type of ship, annual, 1980-2012"

The Spanish shipbuilding industry builds multifunctional ships and offshore crafts, combining a variety of the most complex technologies. New advanced materials, modern propulsion systems, electronic and navigational equipment are being developed in close cooperation with the supply and manufacturing industry in and increasingly integrated approach. New generations of integrated design methods and manufacturing processes are resulting in advanced and specialised ships, from modern LNG, cargo ships and passenger vessels, to advanced fishing and other non-cargo ships, as well as sophisticated naval and offshore units. Spanish shipbuilders have their market share mainly in the segment of sophisticated ship types. The possibility of maintaining a high degree of research and development in shipbuilding is vital for the development of this kind of ships and indeed to the future of the Spanish shipbuilding industry.

The marine equipment sector has been increasing in its importance mainly because Spanish shipyards tend to subcontract a growing portion of their production. A larger majority of companies working in the marine equipment sector in Spain are highly diversified and specialised SMEs. Spain is the European Union'smember state with the longest coastline, 8,000km. This fact, together with its geographical situation close to the axis of the major shipping routes, is progressively developing the status of Spain as a strategic hub for international shipping and as a maritime logistical platform for the south of Europe.

In 2000, over 20 million people used the Spanish port facilities. In terms of trade, 51% of Spanish exports and 78% of imports were shipped by sea, in addition to 15% of the country's domestic trade. On the European level, the Spanish port system plays an important role in the supply of vessels and specifically in the provision of bunkering services. Today, the functions of ports are moving beyond their traditional role as mere points of cargo loading and unloading and passenger transfer, to become platforms where a whole range of activities generating added value for the cargo are provided, fully integrated into the logistics and intermodal transport chains. With vessel sizes gradually becoming larger, it becomes important to increase infrastructure and develop better equipped quays and terminals.

More than three quarters of the perimeter of the Spanish territory is landlocked. Spanish coasts measured 7,880 kilometers: 3,200 kilometers and 4,680 kilometers on the Mediterranean side the Atlantic side, respectively.Spanish shipyards are internationally accredited and based on the geographical location of Spain Spanish ports play an important role in international maritime traffic. The Spanish Marine sector consists of activities such as: shipping, shipbuilding, engineering and maritime auxiliary industries, capture fisheries and marine aquaculture, recreational boating industry, marinas, marine energies, the navy, the ports and port services, shipping services, as well as regional clusters, marine research, the agents of the R & D, training bodies, trade unions and professional associations, culture, heritage and social welfare.

Recent Developments

May 2013 recorded a significant addition to the trade and investment relations between Spain and Mexico (and by extension Central and South America through proximity) through the signing of a letter of intent by Petróleos Mexicanos (Pemex) to purchase 51 per cent of the shares of the shipyard Hijos de J. Barreras (HJB), the largest private shipbuilding factory in Galicia. The investment is estimated to amount to USD 240 million. Additionally, Pemex has expressed that technology transfer to Mexico will assist Mexico in launching the Mexican shipping industry.

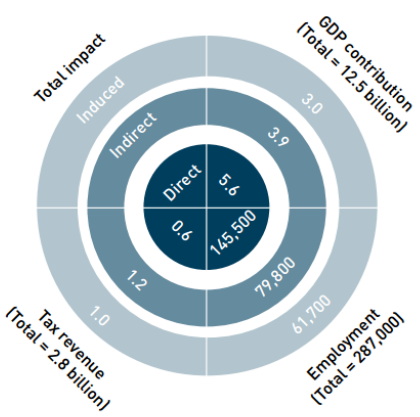
5.9.United Kingdom

Sector Overview

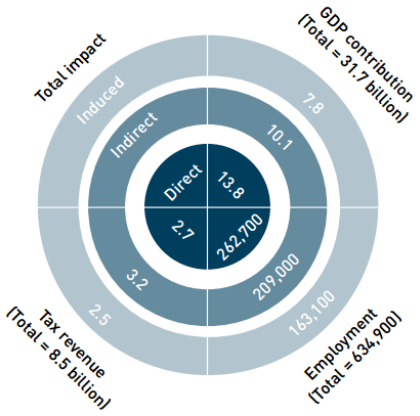
In the United Kingdom, almost 30 % of the population lives within 10 km of the coast and around 95 % of international trade to and from the UK passes through sea ports. This statistic underscores the importance of maritime services to the UK's economy. Like most European countries the United Kingdom's trade heavily depends on the sea. According to the Chamber of Shipping 95 percent of UK trade by volume and 90 percent by value, is carried by sea. This is a very substantial industry and a vital one for the well-being of UK citizens.

Latest statistics published by Maritime UK in December 2012, show that the industry directly employs 145,500 people, including 48,200 UK nationals. This figure shows a 17% rise in shipping's contribution to UK employment, with 7,000 additional jobs being created at home since 2009. The industry contributed £5.6bn towards the UK's GDP. When indirect and multiplier effects are taken into account, in 2011 the shipping industry is estimated to have supported 287,000 jobs (190,000 UK jobs), contributed £12.5bn to UK GDP and provided £2.8bn in tax receipts (UK Chamber of Shipping 2012).

Summary of the economic contribution of the UK shipping industry in 2011



Summary of the economic contribution of the UK maritime services sector (including shipping, ports and business services) in 2011



Source:UK Chamber of Shipping 2012

It has also been highlighted that , "the UK is a world-leading maritime services centre, with one of the largest clusters of marine insurance, ship finance, law, classification societies, shipbroking, education and consultancy organisations"(UK Chamber of Shipping 2012). Latest data shows that shipping, ports and the maritime business and services sectors:

i. contribute £31.7bn to the UK's GDP

ii. support 537,500 UK jobs (removing foreign officers and ratings employed on UK-registered vessels in the shipping industry)and
iii. provide £8.5bn in tax receipts to the UK exchequer

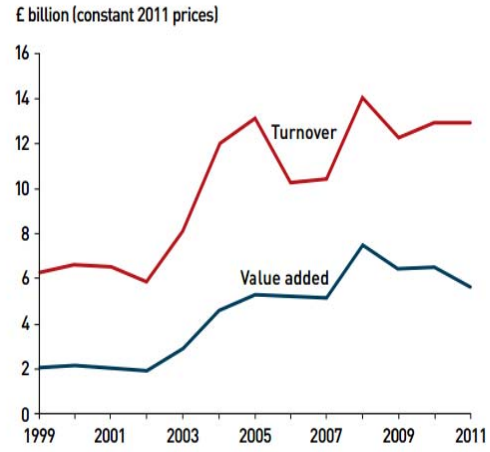
This impact, computed according to Ports, Shipping and Maritime Business Services, demonstrates the maturity and importance of the sector to the UK economy. The contribution of the industry and individual components are shown below.

Table 37: Comparison of the total economic impact of each sector in isolation versus in aggregate in 2011

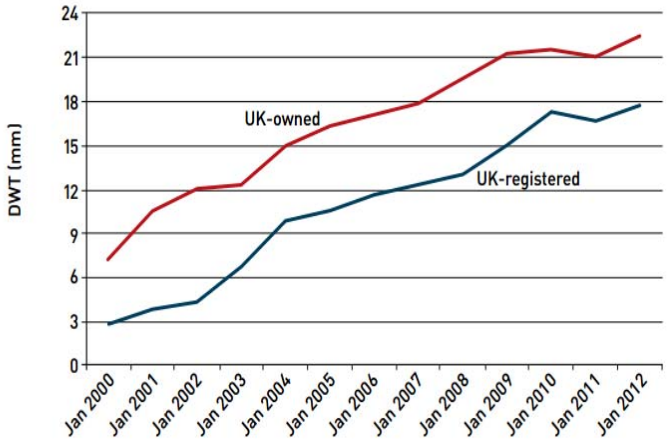
Industry	In Isolation			In Aggregate		
	Contribution to GDP	Employment	Tax Revenue	Contribution to GDP	Employment	Tax Revenue
	£ million	'000	£ million	£ million	'000	£ million
Ports	21,194	392	6,243	18,038	342	5,371
Shipping	12,484	287	2,767	10,027	238	2,003
Business Services	3,661	55	1,079	3,661	55	1,079
Maritime Services	**37,339**	**734**	**10,089**	**31,727**	**635**	**8,454**

Source: Oxford Economics 2012 Report – UK Maritime Services Sector

Direct contribution of the UK shipping industry



UK-owned and UK-registered fleets – 2000 to 2012



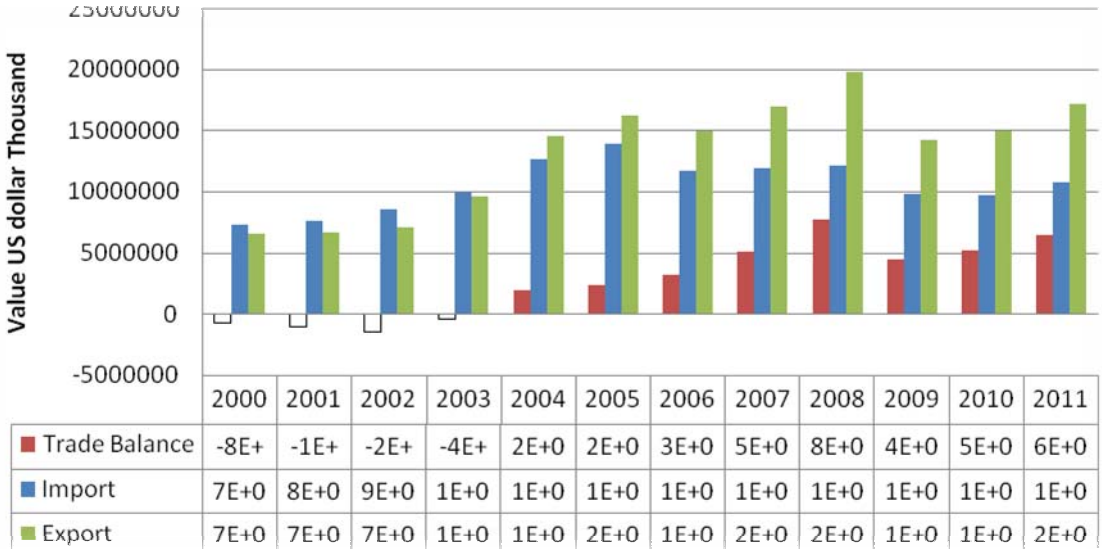
Source: Oxford Economics 2012 Report – UK Maritime Services Sector

The UK maritime industry is very diverse and covers everything from: shipping to sub-sea technology, ports to aquaculture, maritime legal and financial services to leisure, and from Royal

Navy to Commercial fishing. The UK has a great maritime history and today boasts the largest maritime sector in Europe. With a turnover of £56 billion – bigger than automotive and more than double the size of aerospace and agriculture combined – and directly employing approximately 410,000 people.

The United Kingdom has experienced significant growth in its sea transport services which has been led by continued growth of freight services. Passenger services have somewhat fluctuated between 2000 and 2011 with negative balance in 2006 and 2007. The UK appears to have lost its share of auxiliary services with some decline in exports since 2005.

Figure 26: United Kingdom Sea Transport Services 2000-2011



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Trade Balance	-8E+	-1E+	-2E+	-4E+	2E+0	2E+0	3E+0	5E+0	8E+0	4E+0	5E+0	6E+0
Import	7E+0	8E+0	9E+0	1E+0	1E+0	1E+0	1E+0	1E+0	1E+0	1E+0	1E+0	1E+0
Export	7E+0	7E+0	7E+0	1E+0	1E+0	2E+0	1E+0	2E+0	2E+0	1E+0	1E+0	2E+0

Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Table 38: UK Sea Transport Services Trade (USD '000)

United Kingdom - Sea Transport Services Trade (USD '000)												
Balance	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Freight	-984860	-741243	-722865	-135579	3500657	5520027	4182172	5790652	8517069	4470946	5369494	6270229
Passenger	304311	27752	112153	843984	677442	263575	-163694	-394223	58847	501599	911684	1551911
Auxiliary services	-73772	-286470	-900990	-1100455	-2295874	-3432813	-785607	-320144	-902605	-518809	-1110907	-1368955
Total	-754321	-999961	-1511702	-392050	1882225	2350789	3232871	5076285	7673311	4453736	5170271	6453185
Import												
Freight	4998995	5111714	5400287	6511217	7942427	8110892	8151102	8477911	8807495	7365478	6750805	6905758
Auxiliary services	1650655	1849527	2411751	2655103	3762464	4887323	2513367	2116945	2500095	1958233	2523234	3047650
Passenger	661184	674997	756794	777324	871530	841823	980661	1254557	803356	465790	458890	773547
Total	7310834	7636238	8568832	9943644	12576421	13840038	11645130	11849413	12110946	9789501	9732929	10726955
Export												
Freight	4014135	4370471	4677422	6375638	11443084	13630919	12333274	14268563	17324564	11836424	12120299	13175987
Passenger	965495	702749	868947	1621308	1548972	1105398	816967	860334	862203	967389	1370574	2325458
Auxiliary services	1576883	1563057	1510761	1554648	1466590	1454510	1727760	1796801	1597490	1439424	1412327	1678695
Total	6556513	6636277	7057130	9551594	14458646	16190827	14878001	16925698	19784257	14243237	14903200	17180140

Source: ITC calculations based on United Nations Statistics Division statistics.http://unstats.un.org/unsd/servicetrade/default.aspx

Sector Structure

The ownership and operation of ships is the primary focus of maritime business, and much of London's growth over the centuries was due in part to its role as a major financial centre – particularly in the maritime sector. Maritime business employment areas include marine insurers, shipbrokers, accountants, bankers, vessel financiers and charterers, ship managers and port managers. The port sector provides the vital transport networks which support domestic and international trade. The UK ports sector comprises ports, harbours, private terminals, stevedoring companies, and specialist labour supply organisations, in total 500 companies employing approximately 25,500 people.

The states discussed above are major players in the European seaborne trade, maritime sector and set trends in distinctive sectors of the business. Shipbuilding is strong in almost all of these states. However, specialisation and increasing use of state of the art technology keeps each ahead of the game, giving Europe advantage in the world market. The EC report on trends in 2010 states that in most countries the building of ships and floating structures was the largest sector among the maritime manufacturing sectors in terms of value added. Further, it states that more than two thirds of the value added generated by the EU maritime manufacturing sectors came from five member states: The United Kingdom, Italy, Germany, France and Spain. These states have huge impacts on cargo and passenger transport, which is split almost equally in terms of contribution to the sector. Again, top passenger and cargo ports are found across these states. The tables below highlight the happenings.

The fleet and capacity of the United Kingdom accounts for 2.8 percent of world trade with a total number of ships being 2375 in 2012. The data reflects only a marginal increase in the sector, with the expectation that there will be improvement in 2014.

Table 39: UK Fleet Variables 2011-2012

	Dead weight tons in thousands		Number of ships		Percent of World Trade	
	2011	2012	2011	2012	2011	2012
SHIP TYPE						
Total fleet	38774.298	43770.135	2331	2375	2.778	2.853
Oil tankers	14062.581	15458.616	310	318	2.962	3.046
Bulk carriers	8319.383	10978.747	88	114	1.564	1.764
General cargo	2822.14	2931.322	405	407	2.590	2.755
Container ships	10136.258	10871.105	223	208	5.513	5.490
Other types of ships	3433.936	3530.345	1305	1328	3.576	3.543

Source: UNCTAD, UNCTADstat. Computed from "Merchant fleet by flag of registration and by type of ship, annual, 1980-2012"

Human Resource Development

Since 2000, recruitment of professional seagoing officers has doubled, and the UK owned and registeredfleets have grown three and six fold respectively. Shipping now earns £1.5 million every hour of every day for the UK economy. None of this would have been possible without the tonnage tax. Essentially, tonnage tax enables companies which are 'commercially and strategically managed' within the UK to have their taxable profits from shipping activities determined according to the carrying capacity of the ships in their fleet.

The scheme is explicitly approved under the EU's state aid policy. The UK regime is considered to be unusual however as benefits are contingent on firms' training new recruits each year in order to nurture and protect UK talent. One objective of the tax is to create a positive fiscal environment to keep shipping companies within the UK and to create an incentive for inward investors, thereby generating jobs and contributing to economic growth.

The tonnage tax is also cited as the main reason for growth in the sector since 2000 with the following indicators identified:

- UK-owned fleet has grown by almost three times
- UK-registered fleet – albeit from a very low base – has grown by more than six times
- number of new entrant officer trainees has more than doubled
- shipping industry's contribution to UK GDP has been 2-3 times as large as it would otherwise have been
- this additional activity supports around 70,000 extra jobs in the UK

6. THE ECONOMIC PARTNERSHIP AGREEMENT

6.1.Scope and Coverage of Maritime Services

The scope and coverage of Maritime services in the EPA has been indicated above with the definition of the services under the agreement forming the focus of the research. In addition to the specific sub-sectors (international maritime transport, maritime cargo handling, customs clearance, container station and depot, maritime agency and freight forwarding services), the Parties agree to apply the key principles to trade between themselves, including, *inter alia*,

i. unrestricted access to the international maritime markets and trades on a commercial and non-discriminatory basis;
ii. national treatment to ships flying the flag or operated by service suppliers of either party,*inter alia*, access to ports, use of infrastructure and auxiliary maritime services of the ports, as well as related fees and charges, customs facilities and the assignment of berths and facilities for loading and unloading;
iii. agreement to not introduce cargo-sharing arrangements in future bilateral agreements with third countries concerning maritime transport services, including dry and liquid bulk and liner trade, and terminate, within a reasonable period of time, such cargo-sharing arrangements in case they exist in previous bilateral agreements;
iv. to abolish and not introduce unilateral measures and administrative, technical and other obstacles which could restrict or discriminate against services providers of either party;
v. MFN treatment in respect of "their own service suppliers or those of any third country, whichever are the better" for service suppliers to have a commercial presence under conditions of establishment and operation;
vi. Availability, in a non-discriminatory and reasonable manner, of the following services at the port: pilotage, towing and tug assistance, provisioning, fuelling and watering, garbage collecting and ballast waste disposal, port captain's services, navigation aids, shore-based operational services essential to ship operations, including communications, water and electrical supplies, emergency repair facilities, anchorage, berth and berthing services.

Europe remains the second largest trading partner of the CARIFORUM states as trade between the parties is regulated by the CARIFORUM-EU Economic Partnership Agreement (EPA) that was signed in 2008. The EPA is built on reciprocity and represents a fundamental shift from the traditional way of trade between the contracting parties. The services component of the agreement is established to facilitate and strengthen trade in services between the parties with an understood and stated agreement to grant no less favourable treatment than that accorded to local services

suppliers. However, the agreement does allow for limitations on market access across the four modes of services delivery.

The CARIFORUM-EU EPA includes, among other services sector, maritime transport. The EPA's definition of international maritime transport includes: a door-to-door and multi-modal transport operations, which is the carriage of goods using more than one mode of transport, involving a sea-leg, under a single transport document, and to this effect includes the right to directly contract with providers of other modes of transport. This is designed to cover the whole transportation/logistics chain and reflects the need for seamless transport networks for the timely delivery of goods. The EPA also provides for national treatment in the use of services at ports by international maritime service suppliers and charges and regulations related to them. This is a significant undertaking as negotiations on this particular sector have so far been inconclusive within the WTO.

6.1.1. CARIFORUM Members EPA Commitments

Table 40 below provides the details of the CARIFORUM States' schedule of commitments in the EPA negotiations. The individual country section above has summarized each country's commitments with the following section presenting the overall CF position and the opportunities which have been created for European service providers discussed in the subsequent section.

In essence, CARIFORUM has undertaken commitments in all modes including in mode 1 which may not yield substantive opportunities to EU8 countries, given some of the sub-sectors within which commitments have been taken. This is coupled with numerous commitments listed as 'unbound', thereby providing no substantive market liberalization. There are instances however where CARIFORUM commitments offer real market opening opportunities for European service providers based on both sector and mode committed.

Generally, all CARIFORUM membershave inscribed limitations onthe level of market entry requirements in their schedules to guide the liberalization process. Requirements, including for national treatment, include joint ventures or local partnerships the need for registrations, economics needs tests and specific exceptions within the sub-sector.

In relation to commitments undertaken by sector, Passenger transportation services have been somewhat extensively liberalized across all modes of supply with the same being applicable to Freight transportation, less cabotage services. Countries have taken a conservative approach to liberalizing sectors such as Ship Surveys, Home-porting,Bunkering, Short-sea, and Ship Chandlering services (both sectors committed by one (1) country each); Ship Registration and Navigation Aid & Communications/Meteorological services.

In relation to internal waterways transport and services auxiliary to all modes of transport, CARIFORUM has also taken mixed levels of liberalization. No sector within these classifications has been liberalized by all CARIFORUM states, with some sub-sectors, for example Rental of vesselswith crew being committed by only 2 member states.

Table 40: CARIFORUM EPA Commitments – Maritime Transport Services

SECTOR AND CPC	LIMITATIONS ON MARKET ACCESS	LIMITATIONS ON NATIONAL TREATMENT
Passenger transportation (CPC 7211) (less cabotage)	BEL, DMA, DOM, GRD, GUY, JAM, LCA, VCT, TTO 1), 2): None	ATG, BEL, DMA, DOM, GRD, GUY, JAM, LCA, VCT, TTO: 1), 2): None
	ATG: 3) None (a) Establishment of a registered company for the purpose of operating a fleet under the national flag of the State of establishment:; Unbound b) Other forms of commercial presence for the supply of international maritime transport services:	ATG: 3) (a) Unbound, (b) None
	ATG, SUR: 1) (a) Liner Shipping: None. (b) Bulk tramp and other international, shipping including passenger transportation: None, 2) None	SUR: 1) (a) None; (b) None, 2) None
	DMA, GUY, JAM, LCA: 3) None	DMA, GUY, JAM, LCA: 3) None
	DOM: 3) None	DOM: 3) None. When loading and unloading passengers, Dominican Republic flag vessels pay 50 per cent of the related fees and charges set for foreign-flag vessels. The fees and charges related to loading and unloading paid by foreign-flag vessels shall be elicited in a non-discriminatory manner in respect of the nationality of the flag.
	GRD: 3) None. Joint venture may be required	BEL, GUY, VCT, TTO: 3) Unbound
	SUR: 3) (a) Establishment of registered company for the purpose of operating a fleet under the national flag of the State of establishment; registration in the Surinamese ship registry is only permitted to ships with an ownership structure of 2/3 nationality of a CARICOM country and 1/3 Surinamese residency. **(b) A local partner is required to establish a Surinamese company**	**SUR: 3) (a) Unbound. (b) A local partner is required to establish a Surinamese company**
	BEL, TTO: 3) Unbound	
	VCT: 3) None, except as in the horizontal commitments	
	ATG, BEL, DMA, DOM, GRD, GUY, VCT, TTO: 4) Unbound except as indicated in the horizontal commitments	ATG, BEL, DMA, DOM, GRD, GUY, VCT, TTO: 4) Unbound except as indicated in the horizontal commitments
	LCA: 4) None	LCA: 4) None

	JAM: 4) Unbound except as indicated in the horizontal commitments. Subject to economic needs tests for CSS	
	SUR: 4) (a) Ships crews: Unbound. (b) Key personnel employed in relation to a commercial presence as defined under Mode 3(b) above: Unbound except as indicated in the horizontal commitments	SUR**:** 4) (a) Unbound (b) Unbound except as indicated in the horizontal commitments
b) Freight transportation (CPC 7212) (less cabotage) ATG, BRB, BEL, DMA, DOM, GUY, JAM, LCA, VCT, SUR GRD (Except CPC 72122) KNA (CPC 72121, 72122, 72123) TTO (CPC 72122)	ATG, BRB, BEL, DMA, DOM, GRD, GUY, JAM, KNA, LCA, VCT: 1), 2) None	ATG, BRB, BEL, DMA, DOM, GRD, GUY, JAM, KNA, LCA, VCT: 1), 2) None
	SUR: 1) (a) Liner Shipping: None; b) Bulk, tramp and other international shipping, including passenger transportation: None; 2) None	SUR: 1) (a) None (b) None, 2) None
	TTO: 1), 2) Unbound	TTO: 1), 2) Unbound
	ATG: 3) Unbound	ATG, BRB, BEL, GRD, GUY, JAM, KNA, LCA, VCT: 3) None
	BRB, BEL, DMA, GRD, GUY, JAM, KNA, LCA, VCT: 3) None	DMA: 3) None, except as indicated in the horizontal commitments
	DOM: 3) None	**TTO: 3) Joint venture required.**
	SUR: 3) (a) Establishment of registered company for the purpose of operating a fleet under the national flag of the State of establishment: registration in the Surinamese ship registry is only permitted to ships with an ownership structure of 2/3 nationality of a CARICOM country and 1/3 Surinamese residency. (b) A local partner is required to establish a Surinamese company.	DOM: 3) None. When loading and unloading merchandise, Dominican Republic flag vessels pay 50 per cent of the related fees and charges set for foreign-flag vessels. The fees and charges related to loading and unloading paid by foreign-flag vessels shall be elicited in a non-discriminatory manner in respect of the nationality of the flag that those foreign-flag vessels fly. **SUR: 3) (a) Unbound; (b) A local partner is required to establish a Surinamese company**
	TTO: 3) Joint venture required	
	ATG, BRB, BEL, DMA, DOM, GRD, GUY, KNA, VCT, TTO: 4) Unbound except as indicated in the horizontal Commitments	ATG, BRB, BEL, DMA, DOM, GRD, GUY, JAM, KNA, LCA, VCT, TTO: 4) Unbound except as indicated in the horizontal commitments. Subject to an economic needs test
	LCA: 4) None	
	JAM: 4) Unbound except as indicated in the horizontal commitments. Subject to economic needs tests for CSS	
	SUR: 4) (a) Ships crews: Unbound; (b) Key personnel employed in relation to a commercial presence as defined	SUR: 4) (a) Unbound; (b) Unbound except as indicated in the horizontal commitments

	under Mode 3(b) above: Unbound except as indicated in the horizontal commitments	
c) Rental of vessels with crew (CPC 7213) ATG, DOM, DMA, GRD, GUY, JAM, VCT (less cabotage) BEL (Passenger transportation for abroad, limited to class 2 boats under 100 passengers but with multiple days on the itinerary) LCA (Except rental of tug boats and fishing vessels)	**GRD, LCA, VCT: 1) Unbound; 2) None; 3) Joint venture required**	GRD, LCA, VCT: 1) Unbound; 2) None; 3) Unbound
	DMA: 1) Unbound; 2), 3) None	DMA: 1) Unbound; 2), 3) None
	ATG, BEL, GUY, JAM: 1), 2), 3) None	ATG, BEL, GUY, JAM: 1), 2), 3) None
	DOM: 1), 2), 3) None	
	ATG, BEL, DOM, DMA, GRD, GUY, LCA, VCT: 4) Unbound except as indicated in the horizontal commitments	ATG, BEL, DOM, DMA, GRD, GUY, JAM, LCA, VCT: 4) Unbound except as indicated in the horizontal Commitments
	JAM: 4) Unbound except as indicated in the horizontal commitments. Subject to economic needs tests for CSS	
d) Maintenance and repair of vessels (CPC 8868**) ATG, BRB, DOM, DMA, GRD, GUY, JAM, LCA, KNA, TTO	ATG, BRB, DOM, GUY, TTO: 1), 2), 3) None	ATG, BRB, DOM, GUY, TTO: 1), 2), 3) None
	JAM: 1), 2) None; 3) Joint venture required	**JAM: 1), 2) None; 3) Joint venture required**
	DMA, GRD, KNA, LCA: 1) Unbound, 2) None	DMA, GRD, KNA, LCA: 1) Unbound, 2) None
	DMA: 3) None	DMA: 3) None, except as indicated in the horizontal commitments
	GRD, KNA, LCA: 3) Joint venture required	GRD, KNA, LCA: 3) Unbound
	ATG, BRB, DOM, DMA, GRD, GUY, KNA, LCA: 4) Unbound except as indicated in the horizontal commitments	ATG, BRB, DOM, DMA, GRD, GUY, JAM, KNA, LCA: 4) Unbound except as indicated in the horizontal commitments
	JAM: 4) Unbound except as indicated in the horizontal commitments. Subject to economic needs tests for CSS	
	TTO: 4) None	TTO: 4) None
e) Pushing and towing services (CPC 7214) BEL, GUY, DOM, JAM, TTO	BEL, DOM, GUY, JAM: 1), 2) None	BEL, DOM, GUY, JAM: 1), 2) None
	BEL: 3) Joint venture required	
	DOM: 3) None except that tugboats, boats, and ships of any class and gross ton, destined for the operations of pushing and towing in Dominican ports must be Dominican flagged vessels.	
	GUY: 3) None	DOM, GUY: 3) None
	JAM: 3) Unbound	BEL, JAM: 3) Unbound

	TTO: 1) Unbound, 2) None; 3) Joint venture required	TTO: 1) Unbound; 2) None; 3) Unbound
	BEL, DOM, GUY, TTO: 4) Unbound except as indicated in the horizontal commitments	BEL, DOM, GUY, JAM, TTO: 4) Unbound except as indicated in the horizontal commitments
	JAM: 4) Unbound except as indicated in the horizontal commitments. Subject to economic needs tests for CSS	
f) Vessel salvaging and refloating services (CPC 74540)	ATG, DOM, GUY, JAM: 1), 2), 3) None	ATG, DOM, GUY, JAM: 1), 2), 3) None
	BEL, KNA: 1), 2) Unbound; 3) None	BEL, KNA: 1), 2) Unbound; 3) None
	LCA, TTO: 1), 2) None; 3) Joint venture required	**LCA, TTO: 1), 2), None; 3) Joint venture required**
	VCT: 1), 2) None; 3) None except as indicated in the horizontal commitments	
	ATG, BEL, DOM, GUY, KNA, LCA, VCT, TTO: 4) Unbound except as indicated in the horizontal commitments	ATG, BEL, DOM, GUY, JAM, KNA, LCA, VCT, TTO: 4) Unbound except as indicated in the horizontal Commitments.
	JAM: 4) Unbound except as indicated in the horizontal commitments. Subject to economic needs tests for CSS	
Ship Surveys (CPC 745) TTO	TTO: 1), 2) Unbound; 3), 4) None	TTO: 1), 2) Unbound; 3), 4) None
Ship Registration ATG, BEL, KNA	ATG, BEL: 1), 2) None; 3) Unbound ATG, BEL: 4) Unbound except as indicated in the horizontal commitments KNA: 1), 2) None; 3) The Merchant Shipping Act 1985 facilitates the registration of ships in KNA. Registration is effected by the Director of Maritime Affairs who is the Registrar of KNA ships. The registration requirements are: (a) wholly owned by citizens of KNA; (b) bodies corporate established under the laws of KNA; (c) any ship regardless of the nationality of her owners is a sea-going ship of 1600 or more net registered tonnes and is engaged in foreign-going trade. 4) Unbound except as indicated in horizontal commitments	ATG, BEL: 1), 2) None; 3) Unbound except as indicated in the horizontal commitments ATG, BEL: 4) Unbound except as indicated in the horizontal commitments KNA: 1), 2), 3), 4) None
Navigation Aid and Communications/ Meteorological Services (CPC 7453) BEL, TTO	BEL, TTO: 1), 2) None	BEL, TTO: 1), 2) None
	BEL: 3) Unbound	BEL: 3) Unbound
	TTO: 3), 4) None TTO: 3), 4) None	TTO: 3), 4) None TTO: 3), 4) None
	BEL: 4) Unbound except as indicated in the horizontal commitments	BEL: 4) Unbound except as indicated in the horizontal commitments

Home-porting, Bunkering, Short-sea, and Ship Chandlering JAM	JAM: 1), 2) None; 3) Subject to economic needs test, excluding homeporting; 4) Unbound except as indicated in the horizontal commitments	JAM: 1), 2), 3) None; 4) Unbound except as indicated in the horizontal commitments
B. INTERNAL WATERWAYS TRANSPORT		
a) Passenger transportation (CPC 7221) DOM, GUY	DOM, GUY: 1), 2) None; 4) Unbound except as indicated in the horizontal commitments DOM: 3) None except that boats, and ships of any class and gross ton, destined for the transport of passengers in the rivers of the Dominican Republic, must be Dominican flagged vessels. GUY: 3) None	DOM, GUY: 1), 2), 3) None; 4) Unbound except as indicated in the horizontal commitments
b) Freight transportation (CPC 7222) ATG, BRB, DOM, GRD, GUY, LCA	ATG, BRB, GRD, GUY, LCA: 1), 2), 3) None; 4) Unbound except as indicated in the horizontal commitments DOM: 1), 2) None. 3) None except that boats, and ships of any class and gross ton, destined for freight transportation in the rivers of the Dominican Republic, must be Dominican flagged vessels. 4) Unbound except as indicated in the horizontal commitments.	ATG, BRB, DOM, GRD, GUY, LCA: 1), 2), 3) None; 4) Unbound except as indicated in the horizontal commitments
c) Rental of vessels with crew (CPC 7223) DOM, GUY	DOM, GUY: 1), 2) None; 4) Unbound except as indicated in the horizontal commitments.	DOM, GUY: 1), 2), 3) None; 4) Unbound except as indicated in the horizontal commitments
	DOM: 3) None GUY: 3) None	
d) Maintenance and repair of vessels (CPC 8868**) BRB, DOM, KNA, LCA, TTO	BRB, KNA, LCA, TTO: 1), 2) None; 3) Unbound; 4) Unbound except as indicated in the horizontal commitments. DOM: 1), 2), 3) None. 4) Unbound except as indicated in the horizontal commitments.	BRB, DOM, KNA, LCA, TTO: 1), 2), 3) None; 4) Unbound except as indicated in the horizontal commitments
e) Pushing and towing services (CPC 7224) DOM, KNA	KNA: 1), 2) Unbound; 3) None; 4) Unbound except as indicated in the horizontal commitments. DOM: 1), 2) Unbound. 3) None except that tugboats, boats, and ships of any class	DOM, KNA: 1), 2) Unbound; 3) None; 4) Unbound except as indicated in the horizontal commitments

	and carry, destined for the operations of pushing and towing in the rivers of the Dominican Republic, must be Dominican flagged vessels. 4) Unbound except as indicated in the horizontal commitments.	
H. SERVICES AUXILIARY TO ALL MODES OF TRANSPORT		
a) Cargo handling services (CPC 741) DOM, LCA, VCT	DOM, LCA, VCT: 1), 2) None DOM, LCA: 3) None VCT: 3) None, except as indicated in the horizontal commitments DOM, LCA, VCT: 4) Unbound except as indicated in the horizontal commitments	DOM, LCA, VCT: 1), 2) None DOM, LCA, VCT: 3) None DOM, LCA, VCT: 4) Unbound except as indicated in the horizontal commitments
c) Freight transport agency services (CPC 748) DMA, DOM, GUY, JAM (Maritime Only), TTO BEL (CPC 74800)	DMA, DOM, GUY, JAM: 1), 2), 3) None	DMA, DOM, GUY, JAM: 1), 2), 3) None
	BEL, TTO: 1), 2) None; 3) Unbound	DMA: 1), 2), 3) None, except as indicated in the horizontal commitments
		BEL: 1), 2), 3) Unbound
	BEL, DMA, DOM, GUY, JAM, TTO: 4) Unbound except as indicated in the horizontal commitments	BEL, DMA, DOM, GUY, JAM, TTO: 4) Unbound except as indicated in the horizontal commitments
Trans-shipment services (CPC 749) DOM, LCA, VCT, TTO	DOM, LCA, VCT: 1), 2), 3) None	DOM, LCA, VCT: 1), 2), 3) None
	LCA: 4) None	LCA: 4) None
	TTO: 1), 2) None; 3) Unbound	TTO: 1), 2) None; 3) Unbound
	DOM, VCT, TTO: 4) Unbound except as indicated in the horizontal commitments	DOM, VCT, TTO: 4) Unbound except as indicated in the horizontal commitments
Maritime agency services GUY, JAM	GUY, JAM: 1), 2), 3) None; 4) Unbound except as indicated in the horizontal commitments	GUY, JAM: 1), 2), 3) None; 4) Unbound except as indicated in the horizontal commitments
CARIFORUM EPA Commitments – Maritime Transport Services		
SECTOR AND CPC	**LIMITATIONS ON MARKET ACCESS**	**LIMITATIONS ON NATIONAL TREATMENT**
Passenger transportation (CPC 7211) (less cabotage)	BEL, DMA, DOM, GRD, GUY, JAM, LCA, VCT, TTO 1), 2): None	ATG, BEL, DMA, DOM, GRD, GUY, JAM, LCA, VCT, TTO: 1), 2): None
	ATG: 3) None (a) Establishment of a registered company for the purpose of operating a fleet under the national flag of the State of establishment:; Unbound b) Other forms of commercial presence for the supply of international	ATG: 3) (a) Unbound, (b) None

	maritime transport services:	
	ATG, SUR: 1) (a) Liner Shipping: None. (b) Bulk tramp and other international, shipping including passenger transportation: None, 2) None	SUR: 1) (a) None; (b) None, 2) None
	DMA, GUY, JAM, LCA: 3) None	DMA, GUY, JAM, LCA: 3) None
	DOM: 3) None	DOM: 3) None. When loading and unloading passengers, Dominican Republic flag vessels pay 50 per cent of the related fees and charges set for foreign-flag vessels. The fees and charges related to loading and unloading paid by foreign-flag vessels shall be elicited in a non-discriminatory manner in respect of the nationality of the flag.
	GRD: 3) None. Joint venture may be required	BEL, GUY, VCT, TTO: 3) Unbound
	SUR: 3) (a) Establishment of registered company for the purpose of operating a fleet under the national flag of the State of establishment; registration in the Surinamese ship registry is only permitted to ships with an ownership structure of 2/3 nationality of a CARICOM country and 1/3 Surinamese residency. **(b) A local partner is required to establish a Surinamese company**	**SUR: 3) (a) Unbound. (b) A local partner is required to establish a Surinamese company**
	BEL, TTO: 3) Unbound	
	VCT: 3) None, except as in the horizontal commitments	
	ATG, BEL, DMA, DOM, GRD, GUY, VCT, TTO: 4) Unbound except as indicated in the horizontal commitments	ATG, BEL, DMA, DOM, GRD, GUY, VCT, TTO: 4) Unbound except as indicated in the horizontal commitments
	LCA: 4) None	LCA: 4) None
	JAM: 4) Unbound except as indicated in the horizontal commitments. Subject to economic needs tests for CSS	
	SUR: 4) (a) Ships crews: Unbound. (b) Key personnel employed in relation to a commercial presence as defined under Mode 3(b) above: Unbound except as indicated in the horizontal commitments	SUR**:** 4) (a) Unbound (b) Unbound except as indicated in the horizontal commitments
b) Freight transportation (CPC 7212) (less cabotage)	ATG, BRB, BEL, DMA, DOM, GRD, GUY, JAM, KNA, LCA, VCT: 1), 2) None	ATG, BRB, BEL, DMA, DOM, GRD, GUY, JAM, KNA, LCA, VCT: 1), 2) None
	SUR: 1) (a) Liner Shipping: None; b) Bulk, tramp and other	SUR: 1) (a) None (b) None, 2) None

ATG, BRB, BEL, DMA, DOM, GUY, JAM, LCA, VCT, SUR GRD (Except CPC 72122) KNA (CPC 72121, 72122, 72123) TTO (CPC 72122)	international shipping, including passenger transportation: None; 2) None	
	TTO: 1), 2) Unbound	TTO: 1), 2) Unbound
	ATG: 3) Unbound	ATG, BRB, BEL, GRD, GUY, JAM, KNA, LCA, VCT: 3) None
	BRB, BEL, DMA, GRD, GUY, JAM, KNA, LCA, VCT: 3) None	DMA: 3) None, except as indicated in the horizontal commitments
	DOM: 3) None	**TTO: 3) Joint venture required.**
	SUR: 3) (a) Establishment of registered company for the purpose of operating a fleet under the national flag of the State of establishment: registration in the Surinamese ship registry is only permitted to ships with an ownership structure of 2/3 nationality of a CARICOM country and 1/3 Surinamese residency. (b) A local partner is required to establish a Surinamese company.	DOM: 3) None. When loading and unloading merchandise, Dominican Republic flag vessels pay 50 per cent of the related fees and charges set for foreign-flag vessels. The fees and charges related to loading and unloading paid by foreign-flag vessels shall be elicited in a non-discriminatory manner in respect of the nationality of the flag that those foreign-flag vessels fly. **SUR: 3) (a) Unbound; (b) A local partner is required to establish a Surinamese company**
	TTO: 3) Joint venture required	
	ATG, BRB, BEL, DMA, DOM, GRD, GUY, KNA, VCT, TTO: 4) Unbound except as indicated in the horizontal Commitments	ATG, BRB, BEL, DMA, DOM, GRD, GUY, JAM, KNA, LCA, VCT, TTO: 4) Unbound except as indicated in the horizontal commitments. Subject to an economic needs test
	LCA: 4) None	
	JAM: 4) Unbound except as indicated in the horizontal commitments. Subject to economic needs tests for CSS	
	SUR: 4) (a) Ships crews: Unbound; (b) Key personnel employed in relation to a commercial presence as defined under Mode 3(b) above: Unbound except as indicated in the horizontal commitments	SUR: 4) (a) Unbound; (b) Unbound except as indicated in the horizontal commitments
c) Rental of vessels with crew (CPC 7213) ATG, DOM, DMA, GRD, GUY, JAM, VCT (less cabotage) BEL (Passenger transportation for	**GRD, LCA, VCT: 1) Unbound; 2) None; 3) Joint venture required**	GRD, LCA, VCT: 1) Unbound; 2) None; 3) Unbound
	DMA: 1) Unbound; 2), 3) None	DMA: 1) Unbound; 2), 3) None
	ATG, BEL, GUY, JAM: 1), 2), 3) None	ATG, BEL, GUY, JAM: 1), 2), 3) None
	DOM: 1), 2), 3) None	
	ATG, BEL, DOM, DMA, GRD, GUY, LCA, VCT: 4) Unbound except as indicated in the horizontal commitments	ATG, BEL, DOM, DMA, GRD, GUY, JAM, LCA, VCT: 4) Unbound except as indicated in the horizontal

abroad, limited to class 2 boats under 100 passengers but with multiple days on the itinerary) LCA (Except rental of tug boats and fishing vessels)		Commitments
	JAM: 4) Unbound except as indicated in the horizontal commitments. Subject to economic needs tests for CSS	
d) Maintenance and repair of vessels (CPC 8868**) ATG, BRB, DOM, DMA, GRD, GUY, JAM, LCA, KNA, TTO	ATG, BRB, DOM, GUY, TTO: 1), 2), 3) None	ATG, BRB, DOM, GUY, TTO: 1), 2), 3) None
	JAM: 1), 2) None; 3) Joint venture required	**JAM: 1), 2) None; 3) Joint venture required**
	DMA, GRD, KNA, LCA: 1) Unbound, 2) None	DMA, GRD, KNA, LCA: 1) Unbound, 2) None
	DMA: 3) None	DMA: 3) None, except as indicated in the horizontal commitments
	GRD, KNA, LCA: 3) Joint venture required	GRD, KNA, LCA: 3) Unbound
	ATG, BRB, DOM, DMA, GRD, GUY, KNA, LCA: 4) Unbound except as indicated in the horizontal commitments	ATG, BRB, DOM, DMA, GRD, GUY, JAM, KNA, LCA: 4) Unbound except as indicated in the horizontal Commitments
	JAM: 4) Unbound except as indicated in the horizontal commitments. Subject to economic needs tests for CSS	
	TTO: 4) None	TTO: 4) None
e) Pushing and towing services (CPC 7214) BEL, GUY, DOM, JAM, TTO	BEL, DOM, GUY, JAM: 1), 2) None	BEL, DOM, GUY, JAM: 1), 2) None
	BEL: 3) Joint venture required	
	DOM: 3) None except that tugboats, boats, and ships of any class and gross ton, destined for the operations of pushing and towing in Dominican ports must be Dominican flagged vessels.	
	GUY: 3) None	DOM, GUY: 3) None
	JAM: 3) Unbound	BEL, JAM: 3) Unbound
	TTO: 1) Unbound, 2) None; 3) Joint venture required	TTO: 1) Unbound; 2) None; 3) Unbound
	BEL, DOM, GUY, TTO: 4) Unbound except as indicated in the horizontal commitments	BEL, DOM, GUY, JAM, TTO: 4) Unbound except as indicated in the horizontal commitments
	JAM: 4) Unbound except as indicated in the horizontal commitments. Subject to economic needs tests for CSS	
f) Vessel salvaging and refloating services (CPC 74540)	ATG, DOM, GUY, JAM: 1), 2), 3) None	ATG, DOM, GUY, JAM: 1), 2), 3) None
	BEL, KNA: 1), 2) Unbound; 3) None	BEL, KNA: 1), 2) Unbound; 3) None
	LCA, TTO: 1), 2) None; 3) Joint venture required	**LCA, TTO: 1), 2), None; 3) Joint venture required**
	VCT: 1), 2) None; 3) None except as indicated in the	

	horizontal commitments	
	ATG, BEL, DOM, GUY, KNA, LCA, VCT, TTO: 4) Unbound except as indicated in the horizontal commitments	ATG, BEL, DOM, GUY, JAM, KNA, LCA, VCT, TTO: 4) Unbound except as indicated in the horizontal Commitments.
	JAM: 4) Unbound except as indicated in the horizontal commitments. Subject to economic needs tests for CSS	
Ship Surveys (CPC 745) TTO	TTO: 1), 2) Unbound; 3), 4) None	TTO: 1), 2) Unbound; 3), 4) None
Ship Registration ATG, BEL, KNA	ATG, BEL: 1), 2) None; 3) Unbound ATG, BEL: 4) Unbound except as indicated in the horizontal commitments KNA: 1), 2) None; 3) The Merchant Shipping Act 1985 facilitates the registration of ships in KNA. Registration is effected by the Director of Maritime Affairs who is the Registrar of KNA ships. The registration requirements are: (a) wholly owned by citizens of KNA; (b) bodies corporate established under the laws of KNA; (c) any ship regardless of the nationality of her owners is a sea-going ship of 1600 or more net registered tonnes and is engaged in foreign-going trade. 4) Unbound except as indicated in horizontal commitments	ATG, BEL: 1), 2) None; 3) Unbound except as indicated in the horizontal commitments ATG, BEL: 4) Unbound except as indicated in the horizontal commitments KNA: 1), 2), 3), 4) None
Navigation Aid and Communications/ Meteorological Services (CPC 7453) BEL, TTO	BEL, TTO: 1), 2) None	BEL, TTO: 1), 2) None
	BEL: 3) Unbound	BEL: 3) Unbound
	TTO: 3), 4) None TTO: 3), 4) None	TTO: 3), 4) None TTO: 3), 4) None
	BEL: 4) Unbound except as indicated in the horizontal commitments	BEL: 4) Unbound except as indicated in the horizontal commitments
Home-porting, Bunkering, Short-sea, and Ship Chandlering JAM	JAM: 1), 2) None; 3) Subject to economic needs test, excluding homeporting; 4) Unbound except as indicated in the horizontal commitments	JAM: 1), 2), 3) None; 4) Unbound except as indicated in the horizontal commitments
B. INTERNAL WATERWAYS TRANSPORT		
a) Passenger transportation (CPC 7221) DOM, GUY	DOM, GUY: 1), 2) None; 4) Unbound except as indicated in the horizontal commitments DOM: 3) None except that boats, and ships of any class and gross ton, destined for the transport of passengers in the rivers of the Dominican Republic, must be Dominican	DOM, GUY: 1), 2), 3) None; 4) Unbound except as indicated in the horizontal commitments

	flagged vessels. GUY: 3) None	
b) Freight transportation (CPC 7222) ATG, BRB, DOM, GRD, GUY, LCA	ATG, BRB, GRD, GUY, LCA: 1), 2), 3) None; 4) Unbound except as indicated in the horizontal commitments DOM: 1), 2) None. 3) None except that boats, and ships of any class and gross ton, destined for freight transportation in the rivers of the Dominican Republic, must be Dominican flagged vessels. 4) Unbound except as indicated in the horizontal commitments.	ATG, BRB, DOM, GRD, GUY, LCA: 1), 2), 3) None; 4) Unbound except as indicated in the horizontal commitments
c) Rental of vessels with crew (CPC 7223) DOM, GUY	DOM, GUY: 1), 2) None; 4) Unbound except as indicated in the horizontal commitments.	DOM, GUY: 1), 2), 3) None; 4) Unbound except as indicated in the horizontal commitments
	DOM: 3) None GUY: 3) None	
d) Maintenance and repair of vessels (CPC 8868**) BRB, DOM, KNA, LCA, TTO	BRB, KNA, LCA, TTO: 1), 2) None; 3) Unbound; 4) Unbound except as indicated in the horizontal commitments. DOM: 1), 2), 3) None. 4) Unbound except as indicated in the horizontal commitments.	BRB, DOM, KNA, LCA, TTO: 1), 2), 3) None; 4) Unbound except as indicated in the horizontal commitments
e) Pushing and towing services (CPC 7224) DOM, KNA	KNA: 1), 2) Unbound; 3) None; 4) Unbound except as indicated in the horizontal commitments. DOM: 1), 2) Unbound. 3) None except that tugboats, boats, and ships of any class and carry, destined for the operations of pushing and towing in the rivers of the Dominican Republic, must be Dominican flagged vessels. 4) Unbound except as indicated in the horizontal commitments.	DOM, KNA: 1), 2) Unbound; 3) None; 4) Unbound except as indicated in the horizontal commitments
H. SERVICES AUXILIARY TO ALL MODES OF TRANSPORT		
a) Cargo handling services (CPC 741) DOM, LCA, VCT	DOM, LCA, VCT: 1), 2) None DOM, LCA: 3) None VCT: 3) None, except as indicated in the horizontal	DOM, LCA, VCT: 1), 2) None DOM, LCA, VCT: 3) None DOM, LCA, VCT: 4) Unbound except as indicated in the

	commitments DOM, LCA, VCT: 4) Unbound except as indicated in the horizontal commitments	horizontal commitments
c) Freight transport agency services (CPC 748) DMA, DOM, GUY, JAM (Maritime Only), TTO BEL (CPC 74800)	DMA, DOM, GUY, JAM: 1), 2), 3) None	DMA, DOM, GUY, JAM: 1), 2), 3) None
	BEL, TTO: 1), 2) None; 3) Unbound	DMA: 1), 2), 3) None, except as indicated in the horizontal commitments
		BEL: 1), 2), 3) Unbound
	BEL, DMA, DOM, GUY, JAM, TTO: 4) Unbound except as indicated in the horizontal commitments	BEL, DMA, DOM, GUY, JAM, TTO: 4) Unbound except as indicated in the horizontal commitments
Trans-shipment services (CPC 749) DOM, LCA, VCT, TTO	DOM, LCA, VCT: 1), 2), 3) None	DOM, LCA, VCT: 1), 2), 3) None
	LCA: 4) None	LCA: 4) None
	TTO: 1), 2) None; 3) Unbound	TTO: 1), 2) None; 3) Unbound
	DOM, VCT, TTO: 4) Unbound except as indicated in the horizontal commitments	DOM, VCT, TTO: 4) Unbound except as indicated in the horizontal commitments
Maritime agency services GUY, JAM	GUY, JAM: 1), 2), 3) None; 4) Unbound except as indicated in the horizontal commitments	GUY, JAM: 1), 2), 3) None; 4) Unbound except as indicated in the horizontal commitments

A comparison of CARICOM's WTO GATS commitments (as shown in the table below) with the EPA commitments above demonstrates the additional level of market opening granted to European service providers and investors by CARICOM member states. A cursory review shows that the EPA has extensively improved on the market access provisions made in the GATS, both in terms of sectoral coverage and depth of liberalization. This means that European service providers are currently granted better preferential access to the region's maritime market above other competitors.

Table 41 GATS Commitments by CARICOM Countries in Maritime Transport Services

MEMBER	INTERNATIONAL SHIPPING	AUXILIARY SERVICES	PORT SERVICES	OTHER
Antigua and Barbuda*	Freight: None except Mode 3; MA&NT: reference to Merchant Shipping Act. No commitment on passenger transport	No commitments	No commitments	Maintenance and repair of vessels: Mode 3 reference to Business Act
Jamaica*	Freight: none except Mode 3 MA: registration and licensing requirement No commitments on passenger	No commitments	No commitments	
St. Kitts and Nevis	Commitments on ship registration	No commitments	No commitments	
St. Lucia	None	Commitments only on trans-shipment services and free zone operations	No commitments	
St. Vincent and the Grenadines	None except Mode 3; MA: subject to Exchange Control Act, Commercial Code and NT: withholding tax	Commitments only on trans-shipment services and free zone operations with Mode 3; MA: subject to Exchange Control Act, Commercial Code and NT: withholding tax	No commitments	
Trinidad and Tobago	No commitments	No commitments	Commitments on navigation aids, and communication /meteorological services	Commitments on ship surveys and repairs/building with Modes 1 &2 unbound

Source: Chaitoo and Remy (2004)

MA – market access; NT – national treatment

*1 * Shipping commitments include cabotage; 2 "None" stands for no limitations to the commitments undertaken in the sector; 3 This table relies on the classification adopted in the model draft schedule on maritime transport services of 15 April 1996 as well as on the services sectoral classification list (MTN.GNS/W/120).*

6.1.2. EU8 EPA Commitments

For the maritime transport sector, with the exception of Malta, all seven other Member States have bound international passenger transport (CPC 7211). However the sector is unbound for the establishment of operating a fleet under the national flag of the state of establishment. In this case, partnerships with the Member States are the likely route of operation. With regards to international freight transportation (CPC 7212) six of the eight Member States have opened this sector and limit feedering services to the issuance of authorization. The UK and the Netherlands are the two Member States that have not committed entry.

With regards to internal waterways passenger transportation (CPC 7221) the EC, inclusive of the 8 Member States, have established that observance be given to existing or future agreements on access to inland waterways, agreements such as Rhine-Main-Danube link. Other limitation include traffic rights of operators based in EU Member States concerned, and meeting nationality criteria regarding ownership. On the matter of freight transportation over internal waterways (CPC 7222) all 8 Member States have opened the market with the limitation of the sector being unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of the state of establishment.

Rail Transportation of both passenger and freight is opened by all 8 Member States without limitation. Road Transportation, as it pertains to passenger transportation, has general EC restrictions that prohibit foreign investors, in this case CARIFORUM states, from providing transport services (cabotage) within a Member State. Investors are, however, allowed to rent non-scheduled services of buses with operator. The other restriction is for economic needs test specifically for Italy, Spain and France, this is a requirement before taxi services can be provided. With regards to freight transportation, Italy again requires an economic needs test based on local demand. None of the 8 Member States scheduled any further limitation for Pipeline transportation of freight.

Auxiliary services for the five modes of transportation provide a list of most of the tied in services to these sectors. Maritime transport has auxiliary services such as a) cargo-handling services, b) storage and warehouse services, c) freight transport agency service, d) rental of vessels with Crew, e) pushing and towing services, f) supporting services for internal waterway transport, and g) other supporting and auxiliary services. Again the EC requires that CARIFORUM investors observance existing or future agreements on access to inland waterways, paying attention to agreements such as Rhine-Main-Danube link. The United Kingdom and the Netherlandshave unbound pushing and towing services for internal waterway transport. None of the 8 Member States listed any limitations for neither auxiliary rail transport nor road transport.

Maritime transport, within the ambit of the EPA, stipulates the right to directly contract with providers of other modes of transport. This obligation enables CARIFORUM logistics firms to enter EC markets or at least broaden their services portfolio by joining forces with other (local) business

partners. Furthermore, as stipulated in Article 109 (6) access to a number of listed port services shall be granted on reasonable and non-discriminatory terms. Establishing joint ventures is the more likely route of operation for CARIFORUM states as the commitments tabled by the EC precludes wholesale establishment of business by foreign operators within the majority of EC Member States, inclusive of the 8 states focused on. CARIFORUM states are afforded the opportunity to enter with regard to commercial presence (mode 3). Hence, logistic operators, based and incorporated in CARIFORUM states, could expand their businesses. The question is whether or not CARIFORUM states can indeed make good on the maritime transport market opening tabled by the EC?

6.2. Analysis of EPA Schedule of Commitment for select member states

In the context of commercial presence or establishment, with the exception of Malta, all seven (7) other Member States have bound international passenger transport. However the sector is unbound for the establishment of operating a fleet under the national flag of the state of establishment. In this case, partnerships with the Member States are the likely route of operation. With regards to international freight transportation six of the eight Member States have opened this sector and limit feedering services to the issuance of authorization. The UK and the Netherlands are the two Member States that have not committed for entry.

With regards to internal waterways passenger transportation, the EC, inclusive of the 8 Member States, have established that observance be given to existing or future agreements on access to inland waterways, agreements such as Rhine-Main-Danube link. Other limitations include traffic rights of operators based in EU Member States concerned, meeting nationality criteria regarding ownership and economic needs tests. On the matter of freight transportation over internal waterways all 8 Member States have opened the market with the limitation of the sector being unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of the state of establishment.

Auxiliary services for the five modes of transportation provide a list of most of the tied in services to these sectors. Maritime transport has auxiliary services such as a) cargo-handling services, b) storage and warehouse services, c) freight transport agency service, d) rental of vessels with Crew, e) pushing and towing services, f) supporting services for internal waterway transport, and g) other supporting and auxiliary services. Again, the EC requires that CARIFORUM investors observe existing or future agreements on access to inland waterways, paying attention to agreements such as Rhine-Main-Danube link. The United Kingdom and the Netherlands have left pushing and towing services for internal waterway transport as 'unbound'. None of the 8 Member States listed any limitations for neither auxiliary rail transport nor road transport.

The above commitments are somewhat reflected in the commitments for modes 1 and 2 (cross-border supply) with most scheduled activities being unbound. Under Key personnel and graduate trainees, ships' crews are required to conform to nationality conditions, essentially limiting entry of

CARIFORUM personnel. For Contractual Services Suppliers and Independent Professionals, while 5 EU8 members have removed all restrictions, limitations include a mix of economic needs tests.

Table 42: EU8 EPA Commitments – Maritime Transport Services

Sub-Sectors	Specific Commitments
Commercial Presence/Establishment	
A. Maritime transport	
a) International passenger transportation (CPC 7211 less national cabotage transport). b) International freight transportation (CPC 7212 less national cabotage transport)	DE, ES, EE, FR, IT, NL, UK: Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of the State of establishment DE, EE, ES, FR, IT, MT: Feedering services by authorization.
Internal Waterways Transport	
a) Passenger transportation (CPC 7221) b) Freight transportation (CPC 7222)	EC: Measures based upon existing or future agreements on access to inland waterways (incl. agreements following the Rhine-Main-Danube link) reserve some traffic rights for operators based in the countries concerned and meeting nationality criteria regarding ownership. Regulations implementing the Mannheim Convention on Rhine Shipping. DE, ES, EE, FR, IT, MT, NL, UK: Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of the State of establishment.
C. Rail Transport a) Passenger transportation (CPC 7111) b) Freight transportation (CPC 7112)	BG: Unbound for direct branching (incorporation is required)
17. SERVICES AUXILIARY TO TRANSPORT	
A. Services auxiliary to Maritime Transport a) Maritime Cargo Handling Services b) Storage and warehousing Services (part of CPC 742) c) Customs Clearance Services d) Container Station and Depot Services e) Maritime Agency Services f) Maritime Freight Forwarding Services g) Rental of Vessels with Crew (CPC 7213) h) Pushing and towing services (CPC 7214) i) Supporting services for maritime transport (part of	DE, ES, EE, FR, IT,MT, NL, UK: For pushing and towing services and for supporting services for maritime transport unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of the State of establishment IT: Economic needs test for maritime cargo-handling services. Main criteria: number of and impact on existing establishments, population density, geographic spread and creation of new employment

CPC 745) j) Other supporting and auxiliary services (including catering) (part of CPC 749)	
B. Services auxiliary to internal waterways transport a) Cargo-handling services (part of CPC 741) b) Storage and warehouse services (part of CPC 742) c) Freight transport agency services (part of CPC 748) d) Rental of Vessels with Crew (CPC 7223) e) Pushing and towing services (CPC 7224) f) Supporting services for internal waterway transport (part of CPC 745) g) Other supporting and auxiliary services (part of CPC 749)	EC: Measures based upon existing or future agreements on access to inland waterways (incl. agreements following the Rhine-Main-Danube link) reserve some traffic rights for operators based in the countries concerned and meeting nationality criteria regarding ownership. Regulations implementing the Mannheim Convention on Rhine Shipping. DE, ES, EE, FR, IT, MT, NL, UK: Unbound for pushing and towing services and supporting services for internal waterway transport. In addition the majority of the business shares must be held by EC citizens.
d) Pushing and towing services (CPC 7113) e) Supporting services for rail transport services (CPC 743) f) Other supporting and auxiliary services (part of CPC 749)	
Cross-Border Supply	
Maintenance and repair of vessels (part of CPC 8868)	For Mode 1: For maritime transport vessels: DE, ES, EE, FR, IT, MT, NL, UK: Unbound For internal waterways transport vessels: EC: Unbound For Mode 2: None
A. Maritime transport a) International passenger transportation (CPC 7211 less national cabotage transport). b) International freight transportation (CPC 7212 less national cabotage transport)	For Modes 1 and 2 DE, ES, EE, FR, IT, MT, NL, UK: Feedering services by authorisation.
B. Internal Waterways Transport a) Passenger transportation (CPC 7221) b) Freight transportation (CPC 7222)	For Modes 1 and 2 EC: Measures based upon existing or future agreements on access to inland waterways (incl. agreements following the Rhine-Main-Danube link) reserve some traffic rights for operators based in the countries concerned and meeting nationality criteria regarding ownership.

	Regulations implementing the Mannheim Convention on Rhine Shipping.
A. Services auxiliary to Maritime Transport a) Maritime Cargo Handling Services b) Storage and warehousing Services (part of CPC 742) c) Customs Clearance Services d) Container Station and Depot Services e) Maritime Agency Services f) Maritime freight forwarding Services g) Rental of Vessels with Crew (CPC 7213) h) Pushing and towing services (CPC 7214) i) Supporting services for maritime transport (part of CPC 745) j) Other supporting and auxiliary services (part of CPC 749)	For Mode 1: EC: Unbound for customs clearance services and for container station and depot services DE, ES, EE, FR, IT, MT, NL, UK: Unbound for maritime cargo handling services DE, ES, EE, FR, IT, MT, NL, UK: Unbound for storage and warehousing services DE, ES, EE, FR, IT, MT, NL, UK: Unbound for pushing and towing services DE, EE, , MT,: Unbound for rental of vessels with crew For Mode 2: None
B. Services auxiliary to internal waterways transport a) Cargo-handling services (part of CPC 741) b) Storage and warehouse services (part of CPC 742) c) Freight transport agency services (part of CPC 748) d) Rental of Vessels with Crew (CPC 7223) e) Pushing and towing services (CPC 7224) f) Supporting services for internal waterway transport (part of CPC 745) g) Other supporting and auxiliary services (part of CPC 749)	For Modes 1 and 2 EC: Measures based upon existing or future agreements on access to inland waterways (incl. agreements following the Rhine-Main-Danube link) reserving some traffic rights for operators based in the countries concerned and meeting nationality criteria regarding ownership. Regulations implementing the Mannheim Convention on Rhine Shipping. EC: Unbound for pushing and towing services For Mode 1 DE, EE, MT: Unbound for rental of vessels with crew
Key Personnel and Graduate Trainees	
A. Maritime transport a) International passenger transportation (CPC 7211 less national cabotage transport) b) International freight transportation (CPC 7212 less national cabotage transport)	EC: Nationality condition for ships' crews AT: Nationality condition for the majority of managing directors
17. SERVICES AUXILIARY TO TRANSPORT	
A. Services auxiliary to Maritime Transport	EC: Nationality condition for crews for pushing, towing services, and for

a) Maritime Cargo Handling Services b) Storage and warehousing Services (part of CPC 742) c) Customs Clearance Services d) Container Station and Depot Services e) Maritime Agency Services f) Maritime Freight Forwarding Services g) Rental of Vessels with Crew (CPC 7213) h) Pushing and towing services (CPC 7214) i) Supporting services for maritime transport (part of CPC 745) j) Other supporting and auxiliary services (part of CPC 749)	supporting services for maritime transport. MT: Nationality condition IT: Requirement of residence for "raccomandatariomarittimo"
Contractual Services Suppliers and Independent Professionals	
Maintenance and repair of vessels (part of CPC 8868)	EE, ES, FR, IT, NL,: None BE: Economic needs test, except for CSS when the annual wage is above the amount defined by the relevant laws and regulations. DE, MT, UK: Economic needs test.

6.3. Analysis of EPA Liberalization: Trade and Investment Opportunities

Chaitoo (2004) pointed to the need for Caribbean firms to form alliances and pursue joint collaboration with foreign investors in order to increase the ability of the region to provide more up to date technological services that will not only increase the attractiveness of Caribbean ports for use by international liners and containers, but also decrease the overall costs of transport for local traders and consumers. This holds true today and is even of more significance with the EPA now governing trade relations between the two groupings.

Having presented the current state of development of maritime services in the CARIFORUM and the EU8 countries, and taking into account liberalization commitments and development in the external environment, the following potential opportunities for deepening trade and investment between the parties are presented as follows:

As it pertains to port expansion and infrastructure development:

1. ***Investment in ports and port facilities.*** Some countries within CARIFORUM are currently putting plans in place for the expansion of existing facilities. This will require tremendous levels of investment in the project design, execution and implementation process. The construction, engineering and related sectors will also be heavily impacted as there will be a significant increase in demand of both goods (including equipment) and services (expertise and manpower). European firms should position themselves to capitalize on these ongoing and pending activities.

2. ***Invest in 'feeder' shipping services.*** With the (expected) increase in activity through the creation of transshipment hubs, for example in Jamaica and the Bahamas, opportunities to provide shipping services to the other islands (Eastern Caribbean) will become apparent and should be analyzed by EU8 countries.

3. Supply of ***maritime educational services*** by EU institutions and professionals to CARIFORUM. This service can be supplied through all modes of supply. Although not analyzed in detail, it is important to highlight the potential trade opportunity in maritime educational services through export of European service providers to CARIFORUM. The study has highlighted the maturity of the European maritime industry with reference to human resource development. It has also highlighted the limited educational opportunities within the region, with the Caribbean Maritime Institute playing a leading role and located only in Jamaica and Trinidad and Tobago. By virtue of its geographic location, the region should develop its comparative advantage in offering this type of specialized training. Taking into account the expansion of the industry within the Caribbean, the need for a higher number of trained personnel in the sector will also expand over time. Providing

educational services through all modes of supply, such as through establishment of institutions (Mode 3), offering specialized training through distance/online learning (Mode 1) which can be coupled with or independent of CARIFORUM students studying in the EU (Mode 2) and European instructors travelling to the region (Mode 4). These should be viewed as potential opportunities for European services providers and for CARIFORUM to expand its human resource capabilities.

4. ***Provision of auxiliary services.*** The structure of the industry is such that auxiliary services are typically provided by larger established entities which cover the gamut of services related to maritime, resulting in market penetration not being easy. Notwithstanding there is the expected increase in demand within the region as transshipment hubs are enhanced in some countries.

When taken from a wider vantage point, it is imperative to further disaggregate the other service sectors which will be impacted by the expansion of port facilities in anticipation of widening of the Panama Canal. Therefore as it pertains to the sectors which will be expanded or created as a result of the expanded infrastructure opportunities can be seen in:

5. ***Inland transportation***, supply of goods and services, other professional and ***business services (legal, accounting etc.),*** will be in high demand to accommodate the increase in activity for countries which will now provide transshipment and logistics services. See Table 1 listing Freight Services and Corporate Services.

As it pertains to how market entry should be pursued:

6. ***Establishing joint ventures*** by EU with domestic CARIFORUM service suppliers should be further explored, cognizant of the entry requirements of each state, including as listed in its schedule of commitments. It is highly unlikely that there will be similar interests or capability by CARIFORUM to become established in the EU. There already is a strong European presence in the region in the sector, particularly shipping, influencing the trajectory of further relations.

7. New business through ***green-field investment*** by European service providers is an entry option which EU service providers should explore. The attractiveness of the various hub and transshipment facilities is enhanced by countries already offering and gearing up to offer investment incentive packages.

As it pertains to how investors and service providers can be attracted to the CARIFORUM region:

8. Although CARIFORUM members are individually pursuing expansion of port facilities and the creation of new investment and service opportunities, regional organizations can support the process by facilitating business-to-business meetings of stakeholders in the various sub-sectors.

9. Consideration should be given to leveraging the regional space and encouraging collaboration in regional investment opportunities between regional bodies and the various national investment promotion agencies, port authorities and agencies responsible for promoting the industry.

10. Support dialogue between regional and European educational institutions on collaboration in the supply of maritime educational services. Support at the regional level for internships and job placement opportunities to facilitate greater skill transfer to CARIFORUM professionals should also be explored.

A notable limitation of the study is the restriction to desk research which prevented interaction with domestic service providers, including in services which support the maritime sector and the new areas which will be supported in order to create trade to capitalize on the current port expansions. A desk research-based approach may produce a framework for further and more detailed evaluation to unearth real opportunities, including engagement with private sector entities already in the market.

In a nutshell, the legislative framework of the sector within CARIFORUM countries is generally geared towards encouraging investment into the sector. The policy environment is increasingly supportive of the evolving market conditions being given effect through port expansion and as new areas of conducting business are created.

7. SUMMARY AND CONCLUSION

The shipping industry is highly regulated at the global, supra-national and national levels. Fundamental features of the industry which impact competitiveness include rising fuel cost, lager container ships (containerization), increase in cost of insurance, critically the global downturn in global trade which has led to a contraction in maritime activities and expansion of the Panama Canal (which has significant impact on the Latin American and Caribbean region). Within the structure of the industry, the introduction of cold storage containers has also led to the decrease in demand for reefer ships. Additionally, core non-economic issues also remain at the forefront of the industry, including labour, the environment (carbon emission in particular) and piracy.

A reduction in world trade (5.8% in 2011) has had deleterious consequences on the shipping markets. The global economic crisis has not spared the maritime industry, and within the context of this discussion, the impact on the EU8 may be more tangible than on CARIFORUM, and may be demonstrated through a diminished capacity and appetite to invest in certain maritime activities at this juncture. Conversely, countries are actively preparing for the anticipated opportunities which will arise from the expansion of the Panama Canal.

This anticipation of the opportunities to be created, including for transshipment ports and subsidiary services has seen economies such as Jamaica, the Dominican Republic, the Bahamas and Trinidad and Tobago currently implementing expansion plans which will require tremendous amounts of investment. Governments, such as Jamaica, have been promoting the proposed expansion in port infrastructure and the subsequent activities within the logistics hub. Governments are also exploring the most appropriate investment model including Public-Private Partnerships. Expanded port facilities and increased activities will ultimately increase the demand for maritime services, creating the opportunities for natural and juridical persons to enter the market.

Whilst these opportunities may be apparent (even if contingent on external factors), the picture taken of Europe reveals the difficult times created by the 2011 recession and uncertainty within the Eurozone, which have continued to result in liquidation of firms, reluctance to extend credit and a general below par performance, including in the maritime industry. From the perspective of legal certainty, the EPA has established the rules under which the parties (the EU and CARIFOURM) will conduct trade.

The following lists the main elements of the factors impacting the maritime services sector in CARIFORUM and the EU8 members.

1. Schedules of commitment remain restrictive in significant areas, particularly for the EU8
2. Market opening in sectors which may offer export opportunities to CARIFORUM countries are not scheduled, remain unbound, require ENTs or subject to nationality conditions

3. Modest commitments have been undertaken by CARIFORUM in areas where EU8 may have interests, including auxiliary services
4. Existence of various European service suppliers in the region

It should be noted however that even though opportunities may present themselves in text, being able to take advantage of such opportunities is not guaranteed and will require significant engagement of both the state and the private sector in both parties in order to create and capitalize on investment and trade opportunities.

In summary, the following should be taken into account in exploring opportunities in the sector:

Economic and Wider Environment

1. Current economic environment which has resulted in a downturn of trade activity and the movement of goods
2. Contraction in provision of key support services for the sector, including financing and insurance
3. The Caribbean economies placing export-led growth at the center of economic development
4. Greater environmental awareness

Industry Activities

1. Expansion of the Panama Canal (which will facilitate larger movement of goods);
2. Port expansion plans in various Caribbean countries;
3. Continued movement towards enhancing trade facilitation;
4. Existing collaboration between educational institutions in the Caribbean and the EU;
5. Trend towards larger and containerized carriers;
6. Creation of economic and enterprise zones;
7. Government creating incentive platforms on which investors can capitalize;
8. Expected demand for various supporting (commercial) services to shipping and freight activities

Cognisant of the above, the study has highlighted that CARIFOURM countries may benefit from greater European presence in the maritime sector but the liberalization commitments under the EPA may not facilitate or necessarily encourage increased trade relations owing to the conservative approach taken. In particular, the area where CARIFOURM can benefit, supplying crew and professionals to Europe, has not been opened by the EU8. Benefits can accrue however where EU firms wish to become established in CARIFOURM as most rights to establishment require a joint venture approach.

There are critical developments in the Caribbean region which may aid in revitalizing the industry given the contraction in trade which has negatively impacted the maritime sector in the EU. As stated by the PAJ, "it is evident that as the Panama Canal Expansion draws closer to completion, the demand for logistics and value-added services will increase significantly due to the increased volume of containerized cargo transiting our regional waters" (PAJ 2012).

Cover images taken from Source: American Association of Port Authorities. Transshipment data adapted from Drewry Shipping Consultants.

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