31 billion golles worth of trade - Mount Vema proposes deal with the United States

August 09, 2021 – Mount Vema is proposing to start negotiations on a 31 billion golles bilateral free trade agreement with the United States which, would make the USA the largest trade partner and import source of the Kingdom of Mount Vema, and its first-largest export destination.

Mount Vema also seeks to sign a deal on 'Double Taxation Avoidance Agreement', if the United States accepts the proposal, which is set to focus on many key economic sectors, including information technology, biotechnology, water management, pharmaceuticals, and agriculture.

With so many trade agreements yet to be signed with other potential trade partners, sources told VSBCnews that Mount Vema officials project a doubling of trade within the next five to ten years from 31 billion golles to 60 billion golles between the two countries if a free trade agreement is successfully negotiated, before other trade deals.

No other floating city or floating city-state in the world will be like Mount Vema, not at least for the next 100 years, so everything Mount Vema does now is pioneering. The city will have one of the most advanced fiscal system, as well as one of the most dynamic maritime economies in the world.

Although the total estimated value of the City of Mount Vema entire projected real estate is more than 1.6 trillion golles, the estimated annual operational and development expenditure is 120 billion golles estimated from the projected income of 200 billion golles from tourism, exports of fisheries, services, and returns from long term strategic investments.

Why is a trade deal important?

A well-structured trade deal would bring the following benefits to both nations:

- Increase of business activity and productivity for both sides. It will create jobs, which will increase revenue for the two states because there will be more people paying taxes. It will boost education and professional training because there will be more opportunities and an increase in demand for skilled labour.

- More people working means more consumer spending, an increase in sales for businesses on both sides. This will also increase the level of business spending and private investment. Therefore, more returns for both countries in terms of income from Sales Tax and VAT.

- Both governments would be able to generate more money, save more, and be able to spend on what matters the most. This keeps long-term government spending to a minimum as more people will enter the jobs market.

- Both sides would have more options in terms of marketplace to move inventory and excess production activity.

So, what do both governments have to do, to get started?

There are many types of trade deals, depending on individual agreements, but the one proposed by Mount Vema incorporates some of the aspects of reciprocal foreign direct investment and works as follows:

- The central banks of both countries would agree to open a clearing account with a line of credit in other's currency with the amount agreed as the credit limit. A clearing account is usually a temporary account containing costs or amounts that are to be transferred to another account. An example is the income summary account containing revenue and expense amounts to be transferred to retained earnings at the close of a fiscal period.

- The central banks on both sides create the facility for businesses to invest on each other's jurisdiction. When the participants in a transaction directly exchange goods or services, the exchange facilities enable the government to charge fees or commission on transaction as an additional means to generate revenue for the treasury.

- Because the trade agreement aims to keep trade deficits at minimum by keeping a clearing account where deficit would accumulate. At the end of the fiscal year governments don't owe anything to each other if reciprocity (which can also be delayed) has occurred. Except for any returns due on investments payable in hard currency.


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