



Government of Jamaica

NATIONAL FOREIGN TRADE POLICY: Positioning Jamaica to Increase Foreign Trade

**Ministry of Foreign Affairs and Foreign Trade
October 2017**

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Acronyms

ACP	African, Caribbean and Pacific States
ADSC	Anti-dumping and Subsidies Commission
AfT	Aid-for-Trade
BSJ	Bureau of Standards Jamaica
CBERA	Caribbean Basin Economic Recovery Act
CBI	Caribbean Basin Initiative
CBTPA	Caribbean Basin Trade Partnership Act
CARIBCAN	Caribbean-Canada Trade Agreement
CARICOM	Caribbean Community
CARIFORUM	Caribbean Forum of African, Caribbean and Pacific States
CCJ	Caribbean Court of Justice
CSME	Caribbean Single Market and Economy
CET	Common External Tariff
CITES	Convention on International Trade in Endangered Species
COTED	Council for Trade and Economic Development
CROSQ	CARICOM Regional Organisation for Standards and Quality
EPA	Economic Partnership Agreement
EU	European Union
EXIM Bank	Export-Import Bank
FTA	Free Trade Agreement
FTAA	Free Trade Area of the Americas

FTAC	Foreign Trade Advisory Council
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GSP	General System of Preferences
GDP	Gross Domestic Product
IAAC	Inter-American Accreditation Cooperation
ICT	Information and Communication Technologies
IEAs	Integrated Environmental Assessments
IEC	International Electrotechnical Commission
ILAC	International Laboratory Accreditation Cooperation
IMF	International Monetary Fund
IGTF	Inter-governmental Taskforce
IRTC	International Relations and Trade Committee
IP	Intellectual Property
IPR	Intellectual Property Rights
ISO	International Organisation for Standardisation
IA	Investigating Authority
ITC	International Trade Centre
JAMPRO	Jamaica Promotions Corporation
JCA	Jamaica Customs Agency
JDX	Jamaica Debt Exchange
JIS	Jamaica Information Service
JANAAC	Jamaica National Agency for Accreditation

JBDC	Jamaica Business Development Corporation
JCA	Jamaica Customs Agency
JIPO	Jamaica Intellectual Property Office
JPC	Jamaica Productivity Centre
JTAT	Jamaica Trade and Adjustment Team
JTB	Jamaica Tourist Board
MDAs	Ministries, Departments and Agencies
MFA&FT	Ministry of Foreign Affairs and Foreign Trade
MEGJC	Ministry of Economic Growth and Job Creation
MICAF	Ministry of Industry, Commerce, Agriculture and Fisheries
MFN	Most Favoured Nation
MEAS	Multilateral Environmental Agreements
MOEYI	Ministry of Education, Youth and Information
MOFP	Ministry of Finance and the Public Service
MOH	Ministry of Health
MLSS	Ministry of Labour and Social Security
MSME	Micro, Small and Medium-Sized Enterprise
MSET	Ministry of Science, Energy and Technology
MTM	Ministry of Transport and Mining
MCGES	Ministry of Culture, Gender, Entertainment and Sport
NAHFSCC	National Agricultural Health and Food Safety Coordinating Committee
NCBJ	National Certification Body of Jamaica
NCC	National Codex Committee

NDB	National Development Bank
NES	National Export Strategy
NQI	National Quality Infrastructure
ODCs	Other Duties and Charges
ODPEM	Office of Disaster Preparedness and Emergency Management
OPM	Office of the Prime Minister
PMES	Performance Monitoring and Evaluation System
PIOJ	Planning Institute of Jamaica
PPP	Public-Private Partnership
RADA	Rural Agricultural Development Authority
RoO	Rules of Origin
RQI	Regional Quality Infrastructure
SPS	Sanitary and Phytosanitary
TBL	Trade Board Limited
TBT	Technical Barriers to Trade
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organisation
USA	United States of America
USAID	United States Agency for International Development
WTO	World Trade Organisation

REFERENCE FOR GLOSSARY OF TRADE TERMS:

http://www.wto.org/english/thewto_e/minist_e/min99_e/english/about_e/23glos_e.htm

"Any small country seeking a higher standard of living must depend on a steady expansion of its foreign trade to help close the gap in the balance of payments..."

Ministry Paper no.24
Ministry of Trade and Industry
Jamaica
6th June 1962

*"As a small, open and vulnerable developing economy, if Jamaica is to achieve the goals of its National Development Plan – Vision 2030, we must engage in international trade. **Foreign Trade is, therefore, a national priority.**"*

To be competitive in national, regional and international markets, and to achieve consistent, sustainable and inclusive growth and development, our country must:

- *Improve productivity;*
- *Increase investment;*
- *Diversify and increase the production of high quality goods and services; and*
- *Diversify and increase the export of goods and services.*

To realize these objectives, a robust and dynamic foreign trade policy must be accompanied by ongoing domestic reforms."

Senator the Honourable Kamina Johnson-Smith
Minister of Foreign Affairs and Foreign Trade
2017

Vision Statement: Jamaica's foreign trade is competitive, resilient, sustainable and effective.

EXECUTIVE SUMMARY

Review of Jamaica's Foreign Trade Policy

This document presents the Jamaica Foreign Trade Policy. The revision of Jamaica's 2001 foreign trade policy document commenced in 2011. The review was driven by a recognition of:

- ❖ The need to strengthen the role of foreign trade as a driver of economic growth and development;
- ❖ The significant changes in the international environment; and
- ❖ The need for a more comprehensive and inclusive approach to foreign trade policy formulation and implementation.

This document is the outcome of the review process.

Definition of Trade Policy

A country's Foreign Trade Policy is the combination of principles, laws, regulations and agreements it establishes to strengthen its integration into the global economy and earn foreign exchange, while managing the flow of imports in line with international standards and national development strategies. Trade policy determines which countries trade with each other, what products and services are traded and, importantly, under what conditions they are traded. A country's trade policy is also shaped by market, political, economic, technological and geo-strategic considerations.

The Purpose of a Foreign Trade Policy

The overall aim of Jamaica's foreign trade policy is to increase exports in goods and services while managing the flow of imports in such a way that the economy benefits in a sustained manner. Specifically, it seeks to ensure that Jamaican firms obtain access to strategic markets under the most favourable conditions. The Policy also seeks to create an enabling environment to allow firms to be more competitive to make use of this access. For small countries, like Jamaica, which cannot meet their needs from internal production and the domestic market, international trade is critical to their sustained economic growth and development.

The formulation of this foreign trade policy, which has been the result of extensive consultation with stakeholders in the public and private sector and civil society, will:

- define specific objectives to which key stakeholders have committed and "bought into";
- provide an opportunity for key stakeholders to create synergies in the implementation of national trade-related policies and strategies; and
- provide a basis for coordinated planning and the mainstreaming of trade into the various strands of national policy and planning.

The History of Jamaica's Trade and its Impact on its Trade Structure

The history of Jamaica's trade has been one of openness and a focus on exports, with strong linkages to the UK and North America. In the pre-Independence period, Jamaica's trade was shaped by its position in the British colonial economy; the country provided raw materials, mainly sugar, on a preferential basis while importing much of its consumer and capital goods, including higher-value foods, with duties payable from the UK and North America. Export of bananas and tourism began the process of export diversification and reinforced the dominance of trade in the economy, particularly exports. Later, light manufacturing and non-traditional agricultural products were added to the list of exports, but did not change the trend towards exporting relatively low-technology products with minimal value-added and a high dependence on trade preferences to compete. Jamaica now struggles to remain internationally competitive as lower-labour-cost-countries have entered the global market for light manufacturing and consumer goods. Due to this structure of trade, the value of imports, led by an over 80 per cent dependence on imported oil, continues to exceed that of merchandise exports, leading to widening trade imbalances and to current account deficits. The uncertainty related to oil price has also affected the cost structure of Jamaican firms. The value of imports of goods actually exceeds the combined exports of goods and services.

The Bases of Jamaica's Trading Arrangements

Jamaica's trade is governed by legally-binding agreements made at various levels and scopes as indicated below:

- (i) The overarching framework of the trade regime is based on the commitments that Jamaica has made as a member of the World Trade Organisation (WTO). These cover rules for trade in goods, services, trade-related investments, standards, and the mechanisms that are allowed for supporting production and regulating trade, among other issues. Jamaica has worked with other developing countries to strengthen the trade and development links. The WTO provides the framework for trade relations with other countries.
- (ii) Jamaica, through CARICOM, has preferential trade agreements with the Dominican Republic, Cuba, Venezuela, Costa Rica and Colombia, but to date these have received limited attention from Jamaica's export sector. The traditional *one-way* preferential agreements with Canada and the United States have continued so far. The most comprehensive trade liberalization agreement has been the *two-way* preferential arrangement with the European Union, including the UK, through the CARIFORUM-EU Economic Partnership Agreement (EPA).
- (iii) Jamaica's trade relations within the CARICOM Single Market provide the highest form of market integration among Caribbean countries.

In all trade negotiations, the Government allows itself some policy space in which to manoeuvre should circumstances dictate temporary changes in the trade regime.

Trade and National Development

The impact of the foreign trade regime, and, therefore, the trade function, is wide-ranging. The regime not only sets the parameters for cross-border trade in goods and services but affects the rules for the

establishment of foreign businesses, the measures used to attract foreign and local investment, procurement practices, the standards and quality control framework, the intellectual property rights regime, the impact of trade on the environment, and the deployment and treatment of the labour force in domestic and foreign enterprises. Almost all sectors impact and are impacted by trade commitments. The country is now beginning to realize that even health and education are services not solely for local consumption but are tradable services which can generate external revenue. National security, health, gender issues and other variables also have trade effects and are themselves impacted by trade. In 2016, the share of total trade in goods and services, as a percentage of GDP, was 76.3 per cent, indicating that the economy remains highly open and dependent on trade. In addition, about 80 per cent of the employed labour force is estimated to be involved in occupations that are linked to trade.

The pervasive nature of trade, its impact on national development and therefore the need for integrated management are among the key points of this revised policy. However, Jamaica's trade policy is also affected by external developments. There have been significant changes in the global environment in the last decade since the 2001 policy was written. At the level of international rules, the growing influence of the Emerging Economies, including China, has and is expected to further affect developments in the global trade arena. Their role and that of other developing countries in the volume and value of global trade has grown and that is being reflected in a greater presence and influence in the WTO and other international bodies, and with it, increasing demands for them to shoulder a greater share of the responsibility of managing the global trading system. Developing countries are becoming more willing to articulate and demand attention to their own development interests. There are increasing rounds of free trade negotiations involving limited groups of countries. Jamaica will have to determine how it fits into this emerging scenario.

The trend towards fragmenting production and creating supply networks across various borders for over a decade has grown. Jamaica's position in valuable supply chains will be a key factor in business growth. Increasingly, the person across the negotiating table is not likely to be a government representative empathetic to the challenges of small island states but a government official supported by strong commercial interests which are focused on their national interests; hence the increasing importance of applying commercial diplomacy to the country's trade policy and strategy.

At the more micro level, Jamaica's trade policy should respond to and, as necessary, take advantage of:

- Existing spaces created for preferential access to regional and international markets through trade agreements. Jamaica, through CARICOM, is Party to several bilateral preferential agreements but Jamaica's exports to many of these markets have not improved significantly.
- The private sector's interest in other non-traditional markets in Latin America, Africa, Asia and elsewhere.
- The erosion of preference margins caused by the proliferation of preferential trade agreements.
- Those sectors being promoted by government as having significant growth potential such as agro-industry, business process outsourcing and the proposed logistics hub.
- The growth potential of tradable services. The volume and range of services being exported, internationally and in Jamaica, have shown significant growth in the last two decades and, with appropriate support, is predicted to grow at an even faster rate. Aside from the clear need for a national thrust towards increasing the range and value of services marketed, the Government will

need to improve its skills in promoting the export of services, the linkages within service industries and between services and other industries.

- The importance of collating and analysing comparable statistics on Jamaica's trade in services.
- The need for ongoing review of the incentives regime for both local and foreign enterprises in all sectors, both from the point of view of their effectiveness in stimulating trade and development as well as in response to the limitations of WTO rules on subsidies and countervailing duties.
- CARICOM and the Single Market project as an important component to attain expansion of trade and the production of higher value goods and services that can be sold to third countries.
- The changing demand on trade policy and strategy practitioners, including an increasing need for commercial diplomacy.
- The rising demands of importers in main markets for ever more stringent standards, particularly in the processing of foods for export.
- The use of trade dispute mechanisms, especially within CARICOM, to efficiently resolve trade problems that may arise.
- The need to consistently and continually build capacity among stakeholders and increase public awareness.

A matter of particular concern in this trade policy review is the ongoing supply-side/competitiveness constraints. The longstanding deficit in merchandise trade is not covered by revenue from services trade, even taking into account the challenges of capturing accurate data on trade in services. To that end, close collaboration with the private sector in evaluating the strategic value of current, underutilised market access agreements is important.

Other questions that have to be followed up closely include the future direction of the unilateral preferential agreements with Canada and the US; the PetroCaribe Agreement with Venezuela; as well as the utilization of the CARIFORUM-EU EPA and other trade agreements.

The Foreign Trade Policy

The policy addresses issues that cut across the trade in goods, the trade in services, and the trade-related areas, as well as the vision, goals, guiding principles and objectives. It pays close attention to:

- (i) Achieving policy coherence and inter-sectoral synergies through close collaboration among government decision-makers in the implementation of trade-related policies.
- (ii) Reviewing existing preferential trade arrangements with a view to better aligning local business interests, including those related to the projected growth sectors, with market access agreements.
- (iii) Facilitating the flow of trade by reducing non-tariff barriers, and promoting the speedy clearance of goods in Jamaica and in its export markets taking into account, inter alia, intellectual property rights and other considerations.
- (iv) Engaging more actively in the discussions in the WTO on the new global trade agenda, which encompass closer links between development and trade, especially for small and less developed economies, as well as intellectual property and e-commerce.
- (v) Giving priority to the development and promotion of export service industries; the creation of inter-industry linkages for high value services; and the use of services, especially

information technology (IT), as a driver of productivity and export volumes. Strategic linkages will be an important component in the creation and success of a logistics hub.

- (vi) Facilitating and promoting the use of information technology to improve trade and competitiveness and amending, as needed, relevant legislation to support e-commerce.
- (vii) The upgrading of standards and quality management capacities for both the public and private sectors, which should be accelerated as a matter of priority.
- (viii) Improving the communication channels with the private sector to quickly respond to their needs, ensure they fully understand the provisions of existing trade arrangements and can contribute meaningfully to ongoing monitoring and evaluation of the trade regime.
- (ix) Enhancing the capacity of Government Officials to conduct commercial diplomacy and to more constructively interact with both foreign governments and private stakeholders to better serve the needs of a growing, more sophisticated private sector.
- (x) Incorporating environment and climate change issues in trade and investment.
- (xi) Recognising that national security, the Diaspora, health, gender, energy, intellectual property rights and other economic and social issues enjoy both a direct and indirect relationship with trade.

Implementation

The Policy document has emphasized the need for policy coherence and coordination in the implementation of the foreign trade policy, given that the international trade framework encompasses a range of actors and government departments. The diagram below shows some of the key national policies involved in the formulation of a workable trade policy:

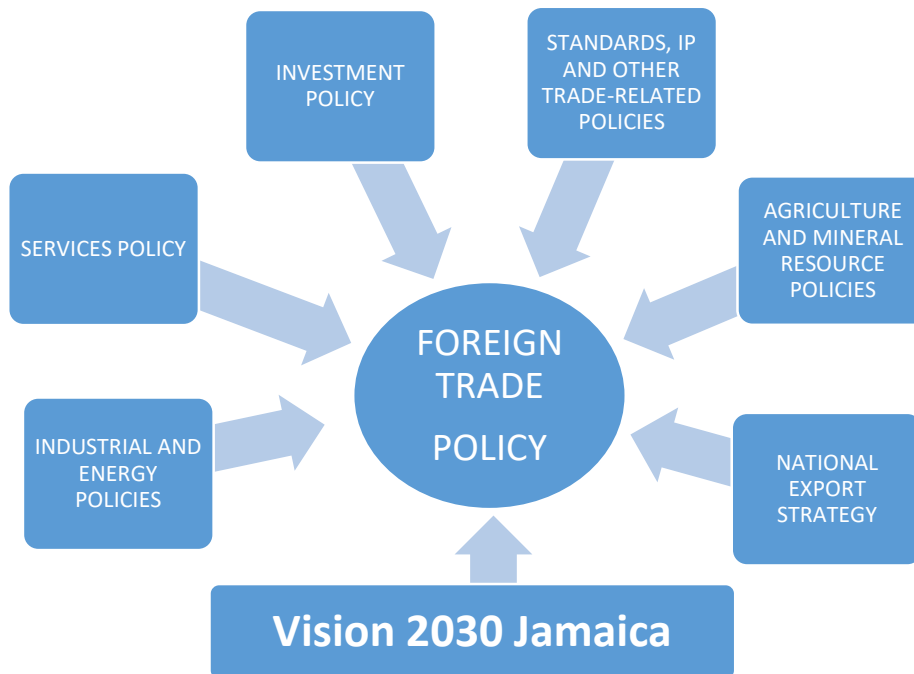


Diagram 1: National Policies which Affect Trade

Priority will be given to strengthening the mechanisms for coordination, monitoring and evaluation, with a view to greater inclusiveness and a “whole of government” approach to trade governance at the public sector level.

The Action Plan, which accompanies the Policy, sets out the activities, responsible entities and timelines for the implementation of the Foreign Trade Policy’s strategies and related activities.

The Cabinet, through its International Relations and Trade Committee (IRTC), is responsible for final approval and oversight of the implementation of the 2017 Foreign Trade Policy.

The implementation of the sector components of the Policy and Action Plan will be undertaken by the relevant MDAs, in collaboration with the Ministry of Foreign Affairs and Foreign Trade which will have responsibility for monitoring and coordinating the implementation of the Action Plan. Thus, MFA&FT will convene (under the chairmanship of the Minister) regular high-level meetings of the National Foreign Trade Council which comprises trade-related stakeholders to monitor and evaluate progress in implementation. Within the Ministry, a Foreign Trade Policy Implementation Coordination Unit will be created as a key focal point for implementation of the Policy, with the National Foreign Trade Council providing critical oversight of the Policy implementation process. In addition, public-private sector dialogue and partnerships will be promoted.

Wide-spread consultations, public education and feedback are critical elements in Jamaica’s current policy development and review process. An effective communication strategy will be put in place to interact with key local and international stakeholders and the public at large, about progress in implementing Jamaica’s 2017 Foreign Trade Policy.

Existing implementation coordination systems will be at the core, but will be enhanced shortly. Strengthened human resource capacity on trade-related matters is essential to meet the wide-ranging and new demands of the local and international private sector as well as other stakeholders. Where possible, Aid-for-Trade resources will be used.

Summary of Policy Issues Identified in Section 2 and Lead Ministries, Departments and Agencies

Section	Issue #	Policy Issues	Lead MDA(s)
2.6. General Cross-cutting Issues	2.6.1.	Mainstreaming Trade and Achieving Policy Coherence	MFA&FT, Cabinet Office, MEGJC (PIOJ)
	2.6.2.	Strengthening the CARICOM Single Market to Enhance Trade and Investment	MFA&FT, MEGJC, MTM, MICAFA, MEGJC (JAMPRO), AGC
	2.6.3.	Wider Regional Integration	MFA&FT, MICAFA
	2.6.4.	Market Access	MEGJC (JAMPRO), MFA&FT, MICAFA, BSJ
	2.6.5.	Existing Trade Agreements	MFA&FT, MICAFA, MSET, MOFPS, MEGJC(PIOJ)
	2.6.6.	Trade Negotiations	MFA&FT
	2.6.7.	Export Trade Promotion	MEGJC(JAMPRO), MFA&FT, MICAFA, JTB
	2.6.8.	E-Commerce	MICAFA, MSET/e-Gov Jamaica Ltd, JIPO, MFA&FT
	2.6.9.	International and Regional Dispute Settlement	MFA&FT, AGC, MICAFA
	2.6.10.	Aid-for-Trade	MFA&FT, MEGJC(PIOJ), MOFPS, MICAFA
	2.6.11.	Capacity Building in Foreign Trade Policy	MFA&FT, OSC, MICAFA, TBL
	2.6.12.	Consultations and Coordination	MFA&FT
	2.6.13.	Strengthening the Partnerships between the Public-Private Sectors	MFA&FT, MICAFA, MSET
	2.6.14.	Public Education	MFA&FT, OPM, JIS, MOEYI, Cabinet Office/MIND
2.7. Trade in Goods (Manufacturing, Agriculture, Fisheries and Mining and Quarrying)	2.7.1.	Trade in Goods (General)	MICAFA, MSET, MEGJC(JAMPRO), MLSS, JPC, JBDC
	2.7.2.	Rules of Origin (RoO)	MFA&FT, JCA/MOFPS, TBL/MICAFA
	2.7.3.	Trade Facilitation	MOFPS, MFA&FT, JCA, MSET/e-Gov, Cabinet Office, MICAFA, MEGJC (JAMPRO), TBL

Section		Issue #	Policy Issues	Lead MDA(s)
		2.7.4.	Customs Duties (Tariffs and Other Duties and Charges)	MOFPS, JCA, MFA&FT, MSET
		2.7.5.	Non-Tariff Measures (NTMs) and Non-Tariff Barriers (NTBs)	MFA&FT, BSJ, MICAF, MOFPS, MOH, TBL
		2.7.5.1.	Sanitary and Phytosanitary (SPS) Measures	MICAF, MOH, BSJ, JANAAC, MFA&FT
		2.7.5.2.	Technical Barriers to Trade (Technical Regulations, Standards and Conformity Assessment Procedures)	MICAF/BSJ, JANAAC, MFA&FT
		2.7.5.3.	Private Standards	MICAF, MEGJC(JAMPRO), EXIM Bank, MOFPS, DBJ, MFA&FT
		2.7.6.	Trade Remedies	ADSC, MICAF, AGC, MFA&FT
		2.7.7.	Trade in Genetically Modified Organisms (GMOs)	MICAF, MEGJC, MSET, MOFPS, JCA, MOH
		2.7.8.	Food Security	MICAF, MFA&FT, MEGJC(JAMPRO), MOH
2.8.	Trade Services in	2.8.1.	Trade in Services	MICAF, MEGJC(JAMPRO), JCSI, STATIN, MFA&FT, BOJ, MOT, MNS, PICA, MTM, MSET, MOEYI, MCGES
		2.8.2.	Cultural and Creative Industries	MCGES, MICAF, MEGJC(JAMPRO), MOT, STATIN, JIPO, MFA&FT
2.9.	Trade-related Issues	2.9.1.	Intellectual Property (IP) Rights	MICAF, JIPO, MFA&FT, AGC, CPC, JCF
		2.9.2.	Competition Policy	MICAF, FTC, MFA&FT
		2.9.3.	Government Procurement	MOFPS, MFA&FT
		2.9.4.	Investment	MICAF, MEGJC (JAMPRO), MOFPS, MFA&FT,
		2.9.5.	Fiscal Issues	MOFPS, MICAF
		2.9.6.	Competitiveness of SMEs	MICAF, MEGJC(JAMPRO), MOFPS, MFA&FT, MSET, EXIM Bank

Section		Issue #	Policy Issues	Lead MDA(s)
		2.9.7.	Environmental Standards and Sustainable Development	MEGJC-LECC, MSET, NEPA, MOH, MLGCD, MFA&FT
		2.9.8.	Climate Change	MEGJC-LECC, MEGJC(PIOJ), MFA&FT
		2.9.9.	Labour Standards	MLSS, MFA&FT
		2.9.10.	Gender	MCGES, Bureau of Gender Affairs, MICAFA, MFA&FT
		2.9.11.	Youth	MOEYI, MFA&FT, MSET
		2.9.12.	Science, Technology and Innovation	MSET, SRC, MICAFA, JIPO, MOFPS, MOEYI, MFA&FT
		2.9.13.	Health	MOH, MICAFA, MFA&FT
		2.9.14.	National Security	MNS, MICAFA, MOFPS/JCA, MEGJC, MTM
		2.9.15.	Diaspora	MFA&FT, MICAFA, MEGJC(JAMPRO), MOFPS, PIOJ, MOT, MNS
		2.9.16.	Informal Trade	MICAFA, MOFPS, MCGES, MOT, MEGJC(JAMPRO), MFA&FT
		2.9.17.	Energy Supplies	MSET, MICAFA, MFA&FT
		2.9.18.	Transportation	MTM, MEGJC(PIOJ), MICAFA
		2.9.19.	Natural and Man-Made Hazards	MEGJC-LECC, ODPEM, MICAFA, MLGCD, MFA&FT, Bureau of Gender Affairs

SECTION 1- INTRODUCTION

1.1. DEFINITION OF FOREIGN TRADE POLICY

Trade policy is defined as “the complete framework of laws, regulations, international agreements and negotiating stances adopted by government to achieve legally binding market access for domestic firms. Trade policy also seeks to develop rules providing predictability, and security for firms. Fundamental components of trade policy are (non-discrimination, that is, most-favoured-nation treatment and national treatment) [sic], transparency and exchange of concessions. To be effective, trade policy needs to be supported by domestic policies to foster innovation and international competitiveness, and increase production of high quality goods and services. It needs to be conducted with flexibility and pragmatism”¹. Foreign trade policy represents the international dimension of national policies adapted for domestic reasons.

1.2. THE TRADING ARRANGEMENTS CONTRIBUTING TO JAMAICA’S FOREIGN TRADE POLICY

The Trade policy framework, therefore, encompasses the principles and system of rules, regulations and infrastructure which need to be put in place to facilitate international trade. A country’s trade framework is guided by national interests; international trade agreements and commitments already negotiated; and the utilization of remaining policy space. Future agreements to be entered into will form part of that trade framework. International trade is dynamic and responds to changing conditions; hence countries need to remain flexible, pragmatic and proactive in executing their trade policies.

The regime that currently governs international trade is a combination of neo-liberalism (the principle of progressive liberalization of trade, de-regulation and less government intervention) and neo-mercantilism (customs unions, regional trade agreements (RTAs), free trade agreements (FTAs) and non-reciprocal trade arrangements (such as the General System of Preferences (GSPs), CBI and CARIBCAN)). Jamaica helped to shape this two-pronged trade system by participating in negotiations in the WTO, UNCTAD and at the regional and bilateral levels. The negotiations in the UN Conference on Trade and Development (UNCTAD) were development-oriented and intended to strengthen the capacity of developing countries to more effectively participate in global trade through structures such as customs unions, other regional trading arrangements among developing countries and non-reciprocal trade agreements between developed and developing countries. Regional negotiations created the Caribbean Community (CARICOM) and non-reciprocal arrangements with the European Community, the USA and Canada.

¹The Dictionary of Trade Policy Terms by Walter Goode

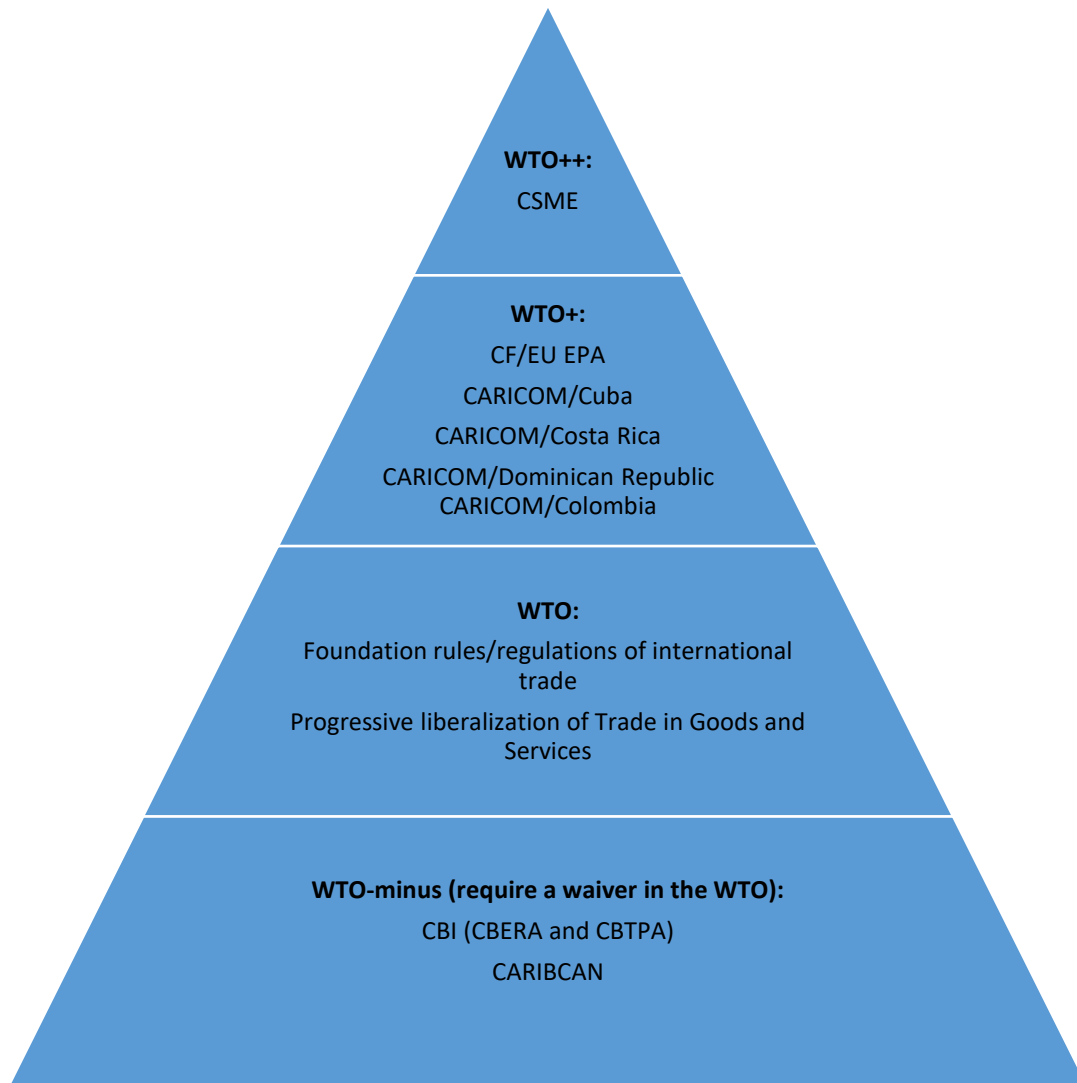


Diagram 2: The Trading Arrangements Contributing to Jamaica's Foreign Trade Policy

Diagram 2 above is an indicative illustration of the levels of Jamaica's trade commitments which form the bases of its trade policy. The WTO Agreements set the basic rules governing international trade in goods and services. It is in the interest of small countries, like Jamaica, to have a strong, fully functioning global system of trade rules, trade policy monitoring and dispute settlement mechanisms. The CSME is the pinnacle or the highest level of trade liberalization to which Jamaica has committed. Most of the rest of Jamaica's trade agreements currently fall between these two bench-marks. The WTO+ Agreements have special and differential treatment accorded to the parties. The WTO-minus trade arrangements provide non-reciprocal market access for Jamaican goods. The preferences granted under these WTO-minus arrangements are not consistent with WTO rules related to regional trade agreements, but are facilitated by WTO MFN waivers.

Jamaica is bound by the obligations and commitments which flow from its international trade agreements. Jamaica must endeavour to take full advantage of these agreements and ensure that lessons are learnt for

future negotiations. It should be noted that all of the agreements have dispute settlement provisions which may be triggered if any party fails to honour its commitments.

Box 1: International Trade Dispute Settlement

INTERNATIONAL TRADE DISPUTE SETTLEMENT

One of the outcomes of the GATT Uruguay Round was a strengthened dispute settlement mechanism, now widely used in the WTO. To date, Jamaica has only utilized the third party option of the dispute settlement provisions in the WTO. Jamaica, with some ACP countries, has been a third party in the case against the EC's Regime for the Importation, Sale, and Distribution of Bananas and in the case against the EC's Export Subsidies on Sugar. In the WTO, it is recognized that it is very difficult for small developing countries to use the dispute settlement mechanism due to cost factors and the difficulty in having rulings implemented. This issue was raised in the Review of the Dispute Settlement Mechanism.

In order to reap the benefits of trade arrangements in which it is involved and to secure its rights in cases of unfair trade practices, Jamaica must improve its willingness and capacity to use the dispute settlement provisions in trade agreements, including the WTO Dispute Settlement Understanding, the Revised Treaty of Chaguaramas (Chapter 9 on "Dispute Settlement" which includes provisions on the Caribbean Court of Justice (CCJ)) and the CARIFORUM-EU EPA.

A summary of some of the main dispute settlement provisions in Jamaica's trade agreements can be found in ANNEX I - Modes of Dispute Settlement.

1.3. PURPOSE OF THE FOREIGN TRADE POLICY

The overall aim of Jamaica's foreign trade policy is to strengthen the role that foreign trade plays in economic growth and development. This will require the further expansion of our exports in a sustainable manner. Specifically, it seeks to ensure that Jamaican firms obtain access to strategic markets under the most favourable conditions and that they are sufficiently competitive to make use of this access. For small countries, like Jamaica, which cannot entirely meet their needs from internal production and the domestic market, international trade is critical to their sustained growth and development.

1.4. SCOPE OF THE FOREIGN TRADE POLICY DOCUMENT

Jamaica's Foreign Trade Policy outlines the Government's general approach to foreign trade (i.e. import and export) of goods and services at the bilateral, regional and multilateral levels for the period 2017-2022. It seeks to address the problems encountered in gaining and utilizing market access. The Foreign Trade Policy addresses the vision, goals, objectives, policy issues, rules and regulations governing Jamaica's trade with other countries. The Policy, however, should be broad enough to allow for flexibility in national positions in trade negotiations.

The Action Plan which accompanies the Foreign Trade Policy includes activities which relate to Jamaica's foreign trade policy as well as the other policies, strategies, plans and programmes which have implications

for foreign trade (either imports or exports). The Action Plan specifically identifies which trade-related Ministries, Departments and Agencies (MDAs) are responsible for the prioritization and implementation of each activity which flows from the Foreign Trade Policy. Examples of the national documents which underpin the Foreign Trade Policy include the National Industrial Policy (1996, currently being revised), the revised National Export Strategy (2015), the Cultural Policy and the National Food Safety Policy (2011). The development, implementation, and revision of the other trade-related policies are the responsibility of the relevant MDAs.

Given the pervasiveness of foreign trade throughout the national economy and the need for policy coherence with respect to foreign trade, the Foreign Trade Policy will be mainstreamed into the *National Development Plan: Vision 2030 Jamaica* and the Ministry of Foreign Affairs and Foreign Trade will continue to coordinate national initiatives related to foreign trade policy.

1.5. RATIONALE AND CONTEXT

1.5.1. Historical overview

Jamaica's history in international trade demonstrates the country's openness, trade dependence and vulnerability to external shocks, both man-made and natural. Jamaica's foreign trade policy, throughout its history, has been driven by prevailing policies at the international level - mercantilism (1494-1846), liberalism (Laissez faire) (1846-1919), neo-mercantilism (1919-1947) and neo-liberalism combined with neo-mercantilism (1947 – onward). Jamaica went into the period of political independence with Canada, the United Kingdom and the United States as its main trading partners, a reflection of traditional linkages sustained throughout the colonial period. The country's foreign trade policy in the post-independence era has been shaped by the GATT/WTO (MFN/S&DT - Special & Differential Treatment), UNCTAD Generalised System of Preferences (GSP), IMF/World Bank (liberalization), CARICOM/CSME, and bilateral arrangements with principal trading partners such as the European Union (ACP/EU Lomé/Cotonou Conventions); the United States and Canada (CBI, CARIBCAN and Bilateral Textiles and Clothing Agreements) as well as in respect of domestic policies and legislation. (See Annex II on Jamaica's preferential access to the markets of trading partners). Joining other developing countries, the emphasis for Jamaica has been on strengthening the link between trade and development and striving to create a global trading environment which focuses on the interests of developing countries and the need for their greater integration into global trade as beneficiaries.

Jamaica's trade with its main international partners (the UK, Canada, and the largely Commonwealth Caribbean) has been, and continues to be, governed by preferential market access of one type or another. The exception has been with the USA from 1776-1947². Non-reciprocal market access with the USA only commenced with the Generalized System of Preferences (GSP) in 1978, continuing with the Caribbean Basin Initiative (CBI) in 1983. Given the historical trading relationship between Jamaica and the USA, it was

²Once the USA gained its independence from the UK in 1776, it was considered a foreign power and imports were subject to an embargo up to the end of the War of 1812. Exports from Jamaica were subject to its import duty regime. It is to be noted that due to its proximity, imports from the USA of food and raw materials were so important to Jamaica that the UK later modified its trade policy to allow trade through designated Jamaican free ports.

not surprising that the USA became Jamaica's principal trading partner in the 1960s and still holds this position.

At the national level, Jamaica's trade policy can be said to have always been export-led, even when the country introduced an import substitution policy in the 1950s. At that point, imports remained an important contributor to revenue (import duties and other duties and charges) and to production (raw materials and intermediate inputs). The import duty regimes have reflected both imperatives. Trade policy, up to 2001, was not written and measures implemented were *ad hoc*, responding to developments at the international, regional and national levels. This included adjustments to customs duties and incentives at the national level and the introduction of the Common External Tariff (CET) at the regional level.

The move into the production of manufactured goods in the 1950s and 60s did not diminish Jamaica's dependence on the export of primary products in agriculture (sugar, bananas, cocoa, coffee, citrus, pimento and ginger) and with emigration, export of non-traditional agricultural products (yams, dasheen, pumpkin, ackee and callaloo) increased, contributing to the diversification of agricultural exports. The focus on the export of primary products continued with the exploitation of bauxite which was followed by the production of alumina.

In services, tourism accompanied the growth of the banana industry and has evolved into Jamaica's principal export earner, thus resulting in a further diversification of the economy. Continued diversification into other sectors of goods and services with high value-added has remained a priority.

Competing in the markets of trading partners has been a long term challenge for the country. Jamaica was among the world's leading producers of sugar until free trade as a policy and more low cost competitors influenced the British market in 1846. This, accompanied by adverse climatic conditions, had a devastating impact on the Jamaican economy as exports declined. Jamaica was the world's leading producer and exporter of bananas until this fruit was grown in Latin America for export, commencing in the late 1890s. The rivalry between Latin American and Caribbean banana producers over preferential access to the UK/EU market continued throughout the 20th century, culminating in the WTO dispute settlement rulings against the European Union in the 1990s. This led to trade policy changes and the negotiation of reciprocal trade agreements. For Jamaica, the banana industry's survival in the export market depended on a strong margin of preference and viable prices. With the erosion of preference margins in the UK/EU market, competing became increasingly difficult and required new approaches to marketing.³

Jamaica was also a leading producer of bauxite and alumina until other countries with large ore deposits were brought into production from the 1970s.

The oil crises, which commenced in the 1970s, also contributed to Jamaica's competitive challenges in the global markets as the cost of production increased. As a small country, size also mattered within the context of rapid industrialization which characterized the 1970s into the 1980s, as economies of scale restricted productivity for mass-produced exports. This became even more challenging with the emergence of the Asian countries in manufacturing, for example, in textiles and clothing. (See case study at Annex III).

³ With further setbacks from hurricanes, Jamaica ceased to export bananas to the UK in 2008, only resuming with small quantities between 2014 and 2016.

The increasing national debt, a fragile macro-economic situation and unilateral trade liberalization in the late 1980s under structural adjustment programmes meant that the domestic market also became highly competitive for local producers. Trade policy was also responding to agreements reached with the IMF and World Bank. Liberalization under the adjustment programmes led to an increase in imports, without a commensurate expansion of exports.

With the end of the GATT Uruguay Round of trade negotiations in the 1990s and the establishment of the WTO, Jamaica further found itself trading in a new environment focussed on advances in technology, global production processes and value chains, strengthened dispute settlement procedures, and free trade. Jamaica, with CARICOM/CARIFORUM, had to prepare to engage in negotiations for the Free Trade Area of the Americas (FTAA), the Economic Partnership Agreement with the EU, and the deepening of regional integration in CARICOM. This dictated the need to implement a range of changes in foreign trade policy.

Consultations with stakeholders in the public and private sectors also became essential and the Trade Policy Coordination and Consultation Committee was established in the 1990s. In 2001, this became the Jamaica Trade and Adjustment Team (JTAT).

Owing to dissatisfaction within the WTO and the protracted 2001 Doha Round of negotiations, there has been a proliferation of complex preferential trade agreements aimed at trade liberalization with rules entering new trade-related areas (competition policy, investment and government procurement). This resulted in a more urgent need to modernize Jamaica's trade policy regime.

The 2001 national trade policy was intended to aid Jamaica's transition to the new trading environment, moving from non-reciprocal trading arrangements to arrangements based on reciprocity. Since 2001, challenges facing Jamaica in foreign trade have intensified, with imports rapidly increasing while exports remain sluggish, and with new policy issues arising such as climate change.

It is evident that to achieve sustained economic growth, Jamaica must successfully overcome its difficulties in foreign trade and focus on expanding the value of exports. It is generally accepted that international trade cannot complement poverty reduction if export performance is weak.⁴ It is necessary to clearly identify the key trade policy issues and highlight the measures to address them if Jamaica is to fully take advantage of market access.

Refer to Annex IV for a fuller examination of Jamaica's involvement in Foreign Trade during the period 1962-2015.

⁴ Source: African Trade Policy Centre: The Process of Trade Mainstreaming into National Development Strategies in Tanzania, January 2007

1.5.2. Justification

1.5.2.1. Scope of Foreign Trade Policy and Relevance to Economic Development

The Foreign Trade Policy establishes the parameters within which foreign trade can contribute to the achievement of Jamaica's development objectives and provides the context for private sector ventures. These are normally achieved through negotiation, implementation and management of a strategic agenda which drives trade and investment. There is a shared role between government and the private sector, supported by other key stakeholders, in ensuring that agreed foreign trade policy objectives are realized. As the guardian of the framework, Government is primarily responsible for ensuring that the benefits to the national economy are maximized.

Jamaica's Foreign Trade Policy, therefore, influences what goods and services are traded, who trades with whom, the ease of trade, set the general framework for how trade is conducted, the timing of liberalisation, what standards are applied, and how trade disputes are resolved. It should also be concerned with:

- the mix of measures to attract foreign direct investment, including the optimization of allowed incentives;
- trade-related labour issues which encompass workers' rights in the context of FDI and supply chain production; facilitating the movement of skills to enhance Jamaica's global delivery of services and to fill skills gaps locally; and the fact that intellectual property and workers' rights are incorporated into the unilateral market access arrangements with the United States and the trade and development agreement with the EU;
- movement of capital: the competitiveness of, and barriers to financial services and the availability of capital to support trade;
- transportation as a traded service as well as an enabler, linking goods and services to markets;
- trade facilitation, including the efficiency of the customs department;
- E-Commerce and Intellectual Property infrastructure; and
- incorporating environment and climate change considerations into trade negotiations, as these issues are gaining increasing prominence in trade dialogue.

These are all topics which are increasingly the subject of modern trade liberalisation agreements. They require an integrated approach to policy formulation and execution.

The economy's extreme vulnerability to international developments also brings to the fore the need for skilful, proactive and cohesive execution of policy in this dynamic environment as the well-being of communities can be negatively affected. The harsh impact of the decline in global demand for aluminium on communities such as those in Manchester is a case in point. Also worthy of note is the influence of the 1994 North American Free Trade Agreement (NAFTA) on the demise of Jamaica's 807 garment industry and as a result, on urban employment in the 1990s as well as the impact of developments in the EU on sugar cane workers in the country. The impact of the decline in banana exports in parishes, such as Portland and St. Mary has also been significant.

1.6. USE OF TRADE POLICY INSTRUMENTS FOR ECONOMIC DEVELOPMENT OBJECTIVES

The following list of trade policy instruments applied by Jamaica also makes evident the far-reaching nature of trade policy in the way the economy functions. How or when they are used is perceived by many as being critical to positive outcomes for business growth and development.

Tariffs: Jamaica gives particular importance to the *use of tariffs* to meet economic development objectives. Currently, the WTO estimated that 50 per cent of Jamaica's applied tariff lines are duty-free (this is a reduction from 58 per cent in 2010/2011). This has taken account of the high demand for imported inputs into the manufacturing and tourism sectors. In respect of agriculture, which is critical to the economy, from a food security, nutrition, export and employment perspective, the Common External Tariff (CET) is 40 per cent, while in respect of its WTO commitment in agricultural trade, the bound rate is up to 100 per cent, giving the country the space to make upward adjustments, as needed. This, however, has to be approved within CARICOM.

Subsidies: Unlike the case of tariffs, Jamaica's use of subsidies to promote business development is limited and controlled by the WTO Agreement on Subsidies and Countervailing Measures (ASCM) and the WTO Agreement on Agriculture. The global use of this tool is quite controversial, as many developing countries are of the view that capital-rich developed countries are employing this ASCM tool unfairly to their advantage. Jamaica has applied subsidies for, among other things, research, marketing, and extension services support as well as to support export manufacturing. Such subsidies were consistent with the special and differential provisions that were available to developing countries. However, in line with WTO commitments to phase out prohibited subsidies by 2015, as well as with IMF recommendations, changes have been made to the incentives regime.

Export Free Zones (EFZ): Jamaica has used this trade policy instrument for more than three decades to increase export manufacturing and services and attract investment in strategic sectors such as business processing. The EFZs have been phased out and a regime of Special Economic Zones (SEZs) with a different incentive programme is being implemented to facilitate investments into the proposed logistics hub and related industries.

1.7. THE IMPORTANCE OF FOREIGN TRADE TO THE JAMAICAN ECONOMY

Table 1(a) below demonstrates the importance of foreign trade to the Jamaican economy. In 2016, total trade in goods and services as a percentage of GDP was 76.3 per cent, indicating that the economy remains highly dependent on trade. The corresponding ratios for imports and exports highlight the longstanding imbalance that exists in the trade in goods, with imports as a ratio of GDP of 29.4 per cent, relative to 8.5 per cent for exports in 2016. The ratio of the trade in services as a percentage of GDP in 2016 was 38.4 per cent. However, the main service sector is tourism with a contribution to GDP of 18.6 per cent in 2016, accounting for the majority of the services trade.

Table 1 (a): Trade-related Economic Indicators

Economic Indicators	2013	2014	2015	2016
GDP(From National Income and Product 2016 Report)	US\$14.20 billion	US\$13.86 billion	US\$14.14 billion	US\$14.05 billion
Value of Imports of Goods (From National Income and Product 2016 Report)	US\$5.4532 billion	US\$5.2330 billion	US\$4.3869 billion	US\$4.1353 billion
Value of Exports of Goods (From National Income and Product 2016 Report)	US\$1.5933 billion	US\$1.4674 billion	US\$1.2505 billion	US\$1.1966 billion
Earnings from Tourism	US\$ 2.104 billion	US\$ 2.243 billion	US\$2.395 billion	US\$2.608 billion
Total Trade in Goods and Services(From National Income and Product 2016 Report)	US\$11.832 billion	US\$11.748 billion	US\$10.760 billion	US\$10.722 billion
Total Trade in Goods and Services as a ratio of GDP	83.3 per cent	84.8 per cent	76.1 per cent	76.3 per cent
Total Trade in Goods and Services as a ratio of Gross National Income	85.5 per cent	87.0 per cent	79.0 per cent	80.0 per cent
Import of Goods as a ratio of GDP	38.4 per cent	37. per cent	31.0 per cent	29.4 per cent
Export of Goods as a ratio of GDP	11.2 per cent	10.6 per cent	8.8 per cent	8.5 per cent
Estimated Value of Trade in Services as a ratio of GDP	33.7 per cent	36.4 per cent	36.2 per cent	38.4 per cent
Earnings from Tourism as a ratio of GDP	14.8 per cent	16.2 per cent	16.9 per cent	18.6 per cent
Source: STATIN				

Table 1 (b): Jamaica's Average Foreign Trade to GDP Ratio: 1960-2016

Years.	Percentage
1960s	85.0
1970s	76.76
1980s	103.76
1990s	92.8
2000s	92.7
2011-2016	81.07
Source: STATIN	

In addition, given the Jamaican economy's dependence on trade, the evidence provided by the employment statistics (Table 1(b) above) suggests that a significant proportion of jobs, which are assigned

to the major sectors of the economy in Jamaica, are either directly or indirectly linked to foreign trade through the import or export of goods and services.

Table 1 (c): Trade and Trade-related Employment in Jamaica

Employment in Sectors	2012	2013	2014	2015	2016
Total Labour Force	1,281,900	1,308,700	1,307,700	1,316,575	1,353,700
Total Employed Labour Force	1,103,400	1,109,100	1,128,100	1,138,700	1,175,200
Total employed labour force to total labour force	86.1 per cent	84.7 per cent	86.3 per cent	86.5 per cent	86.8 per cent
Employment in Industry as a percentage of employed labour force (Manufacture, Mining & Quarrying and Construction industries)	14.8 per cent	14.5 per cent	14.2 per cent	14.2 per cent	15.1 per cent
Employment in Industry as a percentage of total labour force (Manufacture, Mining & Quarrying and Construction industries)	12.7 per cent	12.2 per cent	12.2 per cent	12.3 per cent	13.1 per cent
Employment in Agriculture as a percentage of the employed labour force	18.2 per cent	18.2 per cent	18.4 per cent	17.7 per cent	16.6 per cent
Employment in Agriculture as a percentage of the total labour force	15.7 per cent	15.5 per cent	15.9 per cent	15.3 per cent	14.4 per cent
Employment in Hotel & Restaurant as a percentage of the employed labour force	6.9 per cent	6.8 per cent	7.1 per cent	7.7 per cent	8.1 per cent
Employment in Hotel & Restaurant as a percentage of the total labour force	5.9 per cent	5.8 per cent	6.2 per cent	6.7 per cent	7.0 per cent
Employment in Wholesale & Retail Trade; Installation and Repair Machinery as a percentage of employed labour force	20.1 per cent	20.0 per cent	20.1 per cent	20.0 per cent	20.3 per cent
Source: STATIN					

1.8. RESPONDING TO THE CHANGING TRADE ENVIRONMENT

Above all, there is need for a review of the foreign trade policy at this time because of the significant changes in the international trading environment.

Since 2001, when the trade policy was last revised, Jamaica has focused on increasing market access for its goods and services through participation in the World Trade Organization (WTO); negotiating new access and sourcing opportunities from neighbouring and other countries; building a larger economic base from which to compete globally through the Caribbean Single Market and Economy (CSME); and bilateral

trade initiatives to address specific trade issues. This was done while also endeavouring to preserve policy space for the Jamaican economy to adjust to the vagaries of the international economy.

Jamaica's 2001 Foreign Trade Policy⁵ was primarily a response to:

- the changing international economic environment;
- the policy implications of deepening CARICOM Regional Integration with the adoption of the Revised Treaty of Chaguaramas;
- the negotiations for a Free Trade Area of the Americas (FTAA);
- the further progressive liberalization of global trade in the WTO; and
- the ACP-EU Cotonou Partnership Agreement (2000), which included the requirement for the negotiation of EPAs.

The 2001 Trade Policy emphasized the need to increase exports and diversify the markets for which they were destined. There was a strong focus on trade in goods and import displacement was emphasized as a strategy to encourage the development of local supply chains. It also placed an important emphasis on financial incentives to attract foreign investment, increase the competitiveness of firms, and facilitate domestic development.

Following consultations with stakeholders, the Ministry of Foreign Affairs and Foreign Trade (MFA&FT) launched a review and revision of the country's 2001 Trade Policy in August 2011. At that time, the need for this review was based on the following:

- the significant changes in the international trade and economic environment since 2001;
- the need for an inclusive and comprehensive approach to trade policy formulation and implementation, taking into account: (i) the role of both imports and exports in domestic economic growth, and (ii) the role of services, intellectual property rights, standards and related issues in increasing Jamaica's overall economic prosperity;
- the need to focus on practical approaches to building confidence in the national trade regime to increase trade and investment;
- the need to ensure that Jamaica derives maximum benefits from trade agreements to which the country is party;
- the need for greater policy coherence between the trade policy and related domestic policies which are designed to address Jamaica's development challenges; and
- a change in the approach to the development dimension, moving away from the principle of non-reciprocity in developing countries.

In 2017, the trading world continued to change. It is increasingly more dynamic and complex – dealing with a range of issues not previously regarded as part of the trade and production agenda – and this change demands more sophisticated and integrated policy approaches and responses.

⁵ G. Anthony Hylton, Minister of Foreign Trade. "Jamaica's New Trade Policy – 2001". Ministry Paper No. 69/2001 (October 29, 2001).

These changes are discussed extensively in the Situation Analysis in the following section but, as an example, advances in information and communication technology have not only revolutionised the way that trade takes place but has thrown up a new set of policy challenges such as user authentication and the security of e-transactions; the legal status of virtual contracts; adequate e-commerce payment platforms; the integrity of financial transactions arising from concerns over money laundering and terrorism financing; and a range of issues related to intellectual property. International rules governing IT-related transactions are still “a work in progress” but virtual trade continues to expand into billions of dollars annually.

Also, the policy will give equal consideration to market access for goods on the one hand and access for services and investment on the other. It should be noted as well that the respected Jamaica “Brand” that is the centre of national promotional activities was built largely on services – tourism, entertainment and sports among them. The share of trade in services in world trade, it should be noted, is incrementally expanding, moving from 16.6 per cent in 1980 to approximately 22 per cent in 2015⁶. The policy will also pay increased attention to food safety and quality management and to environmental and other trade-related issues, such as intellectual property, culture and trade and investment, which are now increasingly part of the trade policy space.

Box 2: The Consultations Process for the Revision of the Foreign Trade Policy

The review of the existing trade policy involved initial consultations between September 2011 and March 2012 with a wide cross-section of stakeholders and included a Validation Workshop held on 23 February 2012. A Private Sector Session of the Validation Workshop was also held on 21 February 2012. The Validation Workshop was attended by national stakeholders as well as representatives from the CARICOM Secretariat, WTO and the United Nations Industrial Development Organization (UNIDO). National stakeholders were largely drawn from the Ministry’s coordinating and consultative mechanism on trade matters known as the Jamaica Trade and Adjustment Team (JTAT), including trade-related Ministries, Departments and Agencies (MDAs) in the public sector; the Opposition Spokesperson; private sector; civil society; and persons with specific interests in areas such as: services, ICT, gender, creative industries, academia, climate change/environment and the Diaspora. In total, over 270 persons were consulted, representing approximately 100 institutions and organizations, 70 of which were from the private sector.

Other events/documents which were taken into consideration in drafting the National Foreign Trade Policy are as follows:

- The Government of Jamaica’s Policy Formulation Guidelines adopted by the Cabinet Office of Jamaica;
- *The Process of Trade Mainstreaming into National Development Strategies in Tanzania* produced by the African Trade Policy Centre (ATPC)/United Nations Economic Commission for Africa;
- The WTO Secretariat, *Trade Policy Review Report on Jamaica*, February 2012;
- A symposium on Jamaica’s involvement in foreign trade, 1962 – 2012, which was held on 14 -15 November 2012;

⁶UNCTAD Stat Data Centre, ITC, UNCTAD, WTO Trade in Services Database based on Eurostat, IMF, OECD and reports from national statistical authorities. The figure may be under estimated due to significant challenges globally in the reporting, collection and storing of data on trade in services.

- The report of United Nations Conference on Trade and Development (UNCTAD) on Jamaica's Foreign Trade Policy Framework;
- The International Trade Centre's (ITC's) Survey on Jamaica's Non-Tariff Measures;
- UNDP Trade and Human Development: A Practical Guide to Mainstreaming Trade. July 2011;
- World Bank (2015). Trade matters: New Opportunities for the Caribbean; and
- Trade policies from a number of countries such as India, Uganda, Tanzania, Kenya, Zimbabwe, Trinidad and Tobago, Australia, Canada and the EU. Trade policy implementation in Costa Rica and New Zealand was also examined.

Various drafts of the Policy have been reviewed and consultations held with stakeholders prior to submission to the Cabinet for consideration.

1.9. OVERALL SITUATIONAL ANALYSIS

The following provides an analysis of: the international, hemispheric and regional context and influences for Jamaica's trade and investment; and the current macroeconomic environment. Finally, it looks at the country's trade performance over the last twelve years.

1.10. THE INTERNATIONAL CONTEXT FOR JAMAICA'S FOREIGN TRADE POLICY

The dominant paradigm shaping international trade in recent decades has been that of trade liberalization. Since the end of the Uruguay Round of trade negotiations in 1994, more and more countries are reducing barriers to the movement of goods as well as technology, capital and skills through bilateral and plurilateral negotiations outside of the WTO Doha Round of multilateral trade negotiations. This removal of barriers combined with remarkable developments in information technology, has led to tremendous growth in supply and production outsourcing, including multi-location production as a way for firms to remain globally competitive.

1.10.1. Foreign Direct Investment

The impact of technological change on how firms organize themselves, produce goods and services, and serve international markets has fragmented the production and distribution process. This forces suppliers to compete aggressively in order to participate in these global value chains, which are developing in a variety of unpredictable ways. Suppliers are linking strategic partners and competitors alike in networks which are only now being understood. Increasingly, the wealth being created in the world is divided between economies which are part of these value chains and those which are not.

FDI or investment by transnational corporations or multinational enterprises in foreign countries can be positive as not only can FDI add to capital formation, but, more importantly, it can also generate the transfer of production technology, skills, innovative capacity, and organizational and managerial practices between locations. The quantum of benefits from FDI that will accrue to a receiving country like Jamaica depends as much on a supporting international framework as on strong negotiating skills backed by an unwavering focus on sustainable development.

The rapid deployment of supply chain production across borders, and to poorer countries in some cases, is leading to strong global debates, including in Jamaica, on the treatment of labour, and the impact of some FDI policies on unemployment and the environment. These issues are on the global trade negotiation table, especially in bilateral and plurilateral trade negotiations, and in bilateral investment treaties (BITs), involving countries at different levels of development.

1.10.2. The Jamaican Diaspora and Investment in Jamaica

Jamaica has been working to strengthen relations with the Diaspora, now seen as an important source of investment, through the biennial Diaspora Conferences (this has been a key area of focus in recent Diaspora Conferences) and ongoing interaction with regional associations in major receiving countries such as USA, Canada and the United Kingdom. Jamaica has established several mechanisms to engage and involve our Diaspora in national development. A number of engagement bodies have been established including Jamaica Diaspora Foundation and Jamaica Diaspora Institute. In addition, a Diaspora Advisory Board was created in 2004. Members of the Diaspora were elected to serve as Advisors to the Minister of Foreign Affairs and Foreign Trade and create a link between the Government of Jamaica and Diaspora locations.

Under the new thrust of the Economic Growth Council (EGC), which was established in April 2016 by the Government of Jamaica, there are plans to repurpose the Jamaica Diaspora Foundation to be Global Connect Jamaica. It is envisaged that Global Connect Jamaica will be a public-private partnership arrangement to facilitate the Jamaican Diaspora in connecting with each other, promoting Brand Jamaica globally, attracting investment to Jamaica, and pairing overseas Diaspora businesses and entrepreneurs with those locally interested in expansion overseas.

Despite the global recession, the Diaspora continues to be a main source of foreign exchange revenue for the country through remittances, estimated by the Jamaica Diaspora Institute located at the UWI Mona School of Business to be an annual average amount of US\$2.2 billion or about 15 per cent of GDP. A main challenge for the country in this relationship is to arrive at mutual understandings on approaches to and strategic priorities for Diaspora investment and ways to achieve maximum impact of that investment. (It is estimated that the Diaspora has invested an average of US\$493 million in the Jamaican economy. However, the potential exists for this amount to increase to US\$12.8 billion.) A national policy on the Diaspora is currently being drafted and is taking these challenges into account. See Annex VII- Contribution of the Jamaican Diaspora to Trade and Investment for further information.

1.10.3. Other Global Trends Shaping International Trade

International trade policy is also being reshaped by other factors, including but not limited to: (i) the rise of Asia as a source of goods, services and investment; (ii) the impact of the five major emerging economies, namely: Brazil, Russia, India, China, and South Africa, known as the BRICS; (iii) the expansion of trade liberalisation efforts through the negotiation of comprehensive and complex trade liberalisation agreements, which include services and investment; (iv) sluggish growth in the world economy; (v) a shift towards protectionism; (vi) the decision of the United Kingdom to withdraw from the EU (Brexit); (vii) questions about the regional integrity of the EU; and (viii) uncertainty surrounding the trade policy of the USA under its new administration.

Over the years, there has been a slight shift in global power relationships. China, currently the largest economy in terms of purchasing-power parity, has emerged as one of the biggest players in trade, investment and technological development, and is expanding its economic influence regionally and globally. Other emerging economies within the BRICS are also extending their global influence, notwithstanding recent political and economic setbacks in Brazil, Russia and South Africa. In addition, influential developing economies, for example, Brazil and Argentina, appear to be embracing greater liberalism. On the other hand, an expanded EU has become more inward-looking, dealing with the challenges of economic integration, the impact of modest growth rates, and, latterly, the implications of Brexit. The overwhelming influence of US neo-liberalism over the last 40 years may also subside bearing in mind the policy changes being promoted by the new Administration which assumed office in January 2017.

Since 2001, with the limited progress of the WTO Doha Development Round, the trade agenda was driven by a proliferation of new trade alliances being forged among groups of developed, and “emerging” developing countries, such as the Trans-Pacific Partnership Agreement (TPP) and the Trans-Atlantic Trade and Investment Partnership (T-TIP). There are also plurilateral initiatives, such as the negotiation of the Trade in Services Agreement (TiSA) and the Economic Goods Agreement. Supporters of these types of preferential agreements have been very aggressive in promoting this liberal agenda at the expense of the multilateral trading system.

In this vein, Canada and the EU concluded the Comprehensive Economic and Trade Agreement (CETA) in October 2016 and the Canadian government continued to accord high priority to negotiating free trade agreements with countries in Asia and Latin America. It has been the view that these trade arrangements are likely to further dilute Jamaica’s preference margins with its principal trading partners, and further may change the trade “playing field”. In fact, there were continuing concerns about the impact of these agreements on the multilateral trading system, and the erosion of preferences enjoyed by many WTO Members, particularly small developing countries, like Jamaica, which are not engaged in these negotiations.

Since 2016, a protectionist narrative has emerged in parts of Europe and the USA, which could influence policies in major economies having a profound impact on global trade and the multilateral trading system. The new US administration appears to be in favour of a less outward-looking trade policy, and seems to be according priority to bilateral relations with key international partners, such as Japan and United Kingdom, rather than to multilateral and plurilateral trade agreements. This change of policy direction is seen in the USA’s withdrawal from the Trans-Pacific Partnership Agreement (TPP) in January 2017; its lack of enthusiasm for concluding negotiations with the EU for the Trans-Atlantic Trade and Investment Partnership (T-TIP); and renegotiation of the decades-old North American Free Trade Agreement (NAFTA). This position seems to be heralding a shift in policy position on globalisation and neo-liberalism within the USA and, indeed, other countries in Europe. Nevertheless, the current USA trade policy remains unclear and will require patient assessment of reality over rhetoric.

On 29th March 2017, the United Kingdom, Jamaica’s most important market in Europe, formally notified the European Council of its decision to withdraw its membership from the EU, pursuant to a referendum held in June 2016 in which 52 per cent of UK voters favoured the United Kingdom exiting the bloc (Brexit). This is likely to have an impact on trade agreements, such as the CARIFORUM-EU EPA, to which the United Kingdom is Party by virtue of its EU membership. It is noteworthy that CARIFORUM does not appear to be

amongst the first priorities for the United Kingdom's negotiation of post-Brexit trade agreements. However, United Kingdom spokespersons, in the context of WTO based informal consultations, and in direct bilateral consultations, have sought to assure partners that priority will be given to preserving existing market access arrangements as a first step. The United Kingdom has further stressed a desire to pursue a deeper free trade arrangement overtime.

The international trading environment is now in a period of uncertainty as countries and institutions endeavour to determine the evolving approaches to globalisation and neo-liberalism. It should be noted that for many years developing countries, especially the least developed and small vulnerable economies, raised concerns about imbalances in the impact of and risk associated with globalization and liberalization with limited response to these concerns. It is now evident that with the backlash in developed countries against the negative impact of globalization and liberalization on various sectors and groupings, more attention is being turned to the risk of globalization which is now seen as being at a crossroads. It is hoped that this discussion will address the concerns of the most vulnerable developing countries. It is also being said that the current situation presents an opportunity to increase south-south trade and cooperation.

However, a key feature of the current global trade and economic reality remains the outsized influence of non-state actors and the sheer power and resources of major global firms and groups of firms. In this context, investment and capital flows and global value chains coupled with innovation and digital trade and Ecommerce are disrupting the patterns of global trade and economic activity. It is critical, therefore, that the role of intergovernmental processes as well as private sector and non-governmental actors in global trade and economic developments are taken into account in shaping a strategy for Jamaica's trade and economic advancement.

The international environment in the medium-term, will still be characterized by the influence of global firms; an expansion of global trade and cross-border investments involving more developing country firms; the influence of emerging economies; continuing fluctuations in commodity prices, including petroleum and minerals, which will impact budgeting and planning; tighter requirements (private standards and government regulations) for the export of food-based products; rapid growth of innovation, often driven by ICT, which will impact the structure of work and the workforce possibly easing trade and shipping transactions; changing patterns of consumption of cultural industries; and with further SME involvement in exports.

Jamaica's assessment of these global trends and implementation of a Foreign Trade policy aligned with its overall economic development policies and strategy will be critical to the agenda for growth and job creation. This will require a conducive regional and international environment to complement the domestic initiatives being pursued including *inter alia*, a multi-modal⁷ Logistics Hub, an International Financial Centre and Special Economic Zones (SEZs).

⁷The anticipated modes of transport being land, sea and air.

1.10.4. The United States-Caribbean Strategic Engagement Act

In 2016, the President of the USA, signed into law the United States-Caribbean Strategic Engagement Act. Under the Act, the US State Department and USAID submitted to Congress the US Strategy for Engagement in the Caribbean⁸ which outlines the priorities for engagement with the Caribbean, which is described as the US Third Border. The priorities identified are security, diplomacy, prosperity (including trade and investment), energy, education and health.

Under 'prosperity', it is stated in the Strategy that the US will engage with the Caribbean, which includes CARICOM Member States and the Dominican Republic, to promote sustainable economic policies, job creation and private-sector led growth utilizing trade preference programmes and key fora such as the US-CARICOM Trade and Investment Council. The Strategy also addresses improving the trade and investment climate and supporting business and infrastructure development. Further, it addresses energy, among other things.

1.11. JAMAICA'S CURRENT MARKET ACCESS AGREEMENTS

As a member of the WTO, Jamaica trades with its members under its *most favoured nation* preferences for goods and is governed by the General Agreement for Trade in Services (GATS) for services trade. Jamaica also continues to benefit from a few GSP schemes. In addition, Jamaica trades with CARICOM under the Revised Treaty of Chaguaramas Establishing the CSME and is Party to several trade agreements as a member of CARICOM. Jamaica also trades under preferential terms with the USA, Canada and the EU. See Annex II on Jamaica's preferential access to the markets of trading partners and see list of Jamaica's Trade and Economic Integration Agreements at Annex V. Jamaica has also negotiated a number of bilateral investment agreements with developed and developing countries.

1.11.1. Other International Agreements with Trade Provisions to which Jamaica is a Party

There are many other types of international agreements to which Jamaica is Party that have trade commitments. These commitments, more often than not, restrict trade. Such Agreements include the United Nations Charter which, under Chapter 7, allows the Security Council to impose trade sanctions in the interest of International Peace and Security; the Conventions on Weapons of Mass Destruction; a number of Multilateral Environmental Agreements (MEAs), such as the Convention on International Trade in Endangered Species (CITES) and the Convention on Bio-Diversity. In the negotiations on Trade and Environment in the WTO Doha Development Round, there is a mandate to examine the relationship between MEAs and WTO Rules. There are also trade-related agreements in UNESCO, such as the Convention on the Protection and Promotion of Diversity of Cultural Expressions, which is highlighted in discussions on trade and cultural policy, and in the World Health Organization (WHO), such as the Framework Agreement on Tobacco Control.

International Trade Agreements are often linked or make reference to other agreements with trade provisions. The WTO Agreement on Trade-Related Intellectual Property Rights (TRIPS) makes reference

⁸The Strategy can be read at the following link: <https://www.state.gov/p/wha/rt/caribbeanstrategy/index.htm>

to the WIPO Agreements such as the Berne Convention for the Protection of Literary and Artistic Works and the Paris Convention for the Protection of Industrial Property. All these international agreements with trade provisions are part of Jamaica's foreign trade policy framework.

1.12. TRADE AS A COMPONENT OF INTERNATIONAL DEVELOPMENT PLANS - AGENDA 2030 OF THE UNITED NATIONS AND ITS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Coming out of the UN Summit for the Adoption of the Post 2015 Development Agenda held in New York in September 2015, Member States, including Jamaica, adopted Resolution A/RES/70/1 which incorporates the decision on "Transforming our World: the 2030 Agenda for Sustainable Development". This is the global plan for sustainable development to be implemented by UN Member States. The 2030 Agenda is the successor to the Millennium Declaration, which had set out the Millennium Development Goals (MDGs). Agenda 2030 outlines 17 Sustainable Development Goals (SDGs). Trade is an important component

t of the Agenda and is included in the commitments concerning the means of implementation which are financing, technology development and transfer, capacity-building and trade. These combine to create the enabling environment that countries require to effectively implement the SDGs. In this regard, Agenda 2030 is linked to the Addis Ababa Action Agenda which resulted from the Third International Conference on Financing for Development held in Addis Ababa, Ethiopia in July 2015 and states the international community's commitments to mobilizing the resources required to implement the SDGs. It includes a section on international trade as an engine for development. The Sustainable Development Goals directly linked to trade are as follows:

- **Goal 1:** End poverty in all its forms everywhere
- **Goal 2:** End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- **Goal 3:** Ensure healthy lives and promote well-being for all at all ages
- **Goal 5:** Achieve gender equality and empower all women and girls
- **Goal 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- **Goal 10:** Reduce Inequality within and among countries
- **Goal 12:** Ensure sustainable consumption and production patterns
- **Goal 14:** Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- **Goal 17:** Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

1.13. CARICOM REGIONAL INTEGRATION

"The goal of the Community's Trade Policy shall be the sustained growth of intra-regional and international trade and mutually beneficial exchange of goods and services among the Member States and between the Community and Third States" - Article 78 of the CARICOM Revised Treaty of Chaguaramas.

According to Article 80 of the Revised Treaty of Chaguaramas, Jamaica and other CARICOM Member States are required to coordinate their trade policies with third states or groups of states. Many of Jamaica's trade policies are shaped by this requirement.

The Revised Treaty (2001) created the framework for the establishment of an economic union, that is, the CSME. The CSME is intended to benefit the people of the Region by providing more and better opportunities to produce and sell their goods and services and to attract investment in one large market among the participating Member States⁹. Twelve CARICOM Member States, including Jamaica¹⁰, are currently participating in the CSME¹¹. In order to operationalise the CSME, the Revised Treaty requires the harmonized application by all Member States of: (i) their trade policies and trade laws; (ii) regulations for commerce; and (iii) institutional and administrative framework for trade in goods within the CSME and between the Community and the rest of the world. Harmonization is also required for a number of economic, fiscal and monetary measures as well as measures to facilitate the free movement of labour services and the establishment of companies.

Jamaica takes its relationship within CARICOM seriously and is committed to promoting its objectives. It was part of the July 2011 affirmation of the goals for the implementation of the CSME as well as other trade related initiatives and priorities at the regional level which are largely in sync with Jamaica's stated goals and objectives as encompassed in Vision 2030 Jamaica and related national sector plans.

Box 3: Implementation Plan for the CSME 2017-2019 - approved by CARICOM Heads of Government

"CARICOM Heads of Government, having considered the outstanding issues related to the implementation and operations of the Single Market and Economy, identified the critical issues and acknowledged the need to accelerate the use of the measures under the CSME.... In that regard, they approved the Implementation Plan for the CSME 2017-2019 which coincided with the CARICOM Strategic Plan (2015-2019) and agreed that the Council for Finance and Planning (COFAP), as a critical Organ in advancing the CSME, must be more active."

Source: Joint Communiqué issued at the conclusion of the Thirty-Eight Regular Meeting of the Conference of Heads of Government of the Caribbean Community, 4 - 6 July 2017, St. George's, Grenada

The main intra-regional trade challenges identified in Jamaica are: difficulties in intra-regional transportation; misunderstandings of the CET and Rules of Origin; insufficient attention to standards; the very small size of some markets; several technical and non-technical barriers to trade; need for harmonised sanitary and phytosanitary measures; non-transparent fees; lack of transparency in the use of some trade

⁹ Source http://www.caricom.org/jsp/single_market/single_market_index.jsp?menu=csme

¹⁰ Jamaica enacted the Revised Treaty of Chaguaramas into domestic law in 2005.

¹¹The Bahamas is not participating in the CSME and Haiti and Montserrat have not yet implemented the CSME Regime.

Article 78, par. 2(a) of the Revised Treaty allows for "full integration of the national markets of Member States of the Community into a single unified and open market area." In accordance with Articles 30 and 46 specifically, but also within Chapter Three of the Revised Treaty, CARICOM nationals would have the right in this single economic space to freely establish businesses within the CSME; provide services; travel, live and work in other member states; and move capital.

measures; hindrance to free movement; bureaucratic delays and discriminatory distribution practices. The slow pace at which the provisions of the Revised Treaty are being implemented in some Member States is also a concern.

A review of the state of implementation of the CSME commissioned by the CARICOM Secretariat (December 2011) concluded that the five core regimes¹² of the CSME were operating at about 64 per cent of compliance. Following another review concluded in July 2017, CARICOM Heads of Government adopted an Implementation Plan for the CSME for the period 2017-2019. The Plan outlines the timelines for Member States to implement their outstanding CSME commitments. The timelines range from 6 months to two-and-a-half years. In 2016, The Most Honourable Prime Minister commissioned the review of Jamaica's relations within CARICOM.¹³ The outcome of the review is with the Cabinet.

Jamaica will need to work towards the strengthening of regional trade policy coordination and dispute settlement capability at all levels and become more adept at settling business conflicts which restrict the flow and expansion of regional trade. There is also need for Jamaica to strengthen its standards and quality monitoring infrastructure, especially as regards sensitive food products and wellness foods, for regional as well as global trade. Jamaica needs to strengthen its regulatory framework to implement the Free Movement of Services Regime and enhance the export of Jamaica's services to the region, particularly mode 4¹⁴ exports. It also needs to encourage other CARICOM Member States to implement the Free Movement of Services Regime.

1.14. WIDER REGIONAL INTEGRATION

For many years, there has been a move to widen and deepen integration within Latin America and the Caribbean. CARICOM was at the forefront of the creation of a wider Caribbean network with the establishment of the Association of Caribbean States (ACS) in 1994. The Association's Special Committee on Trade and External Economic Relations has a mandate to address, promote and facilitate the reduction and gradual elimination of obstacles to trade; Special and Differential Treatment; intra-ACS trade relations; international trade negotiations; and training in trade-related matters.

This effort was overshadowed by US-promoted negotiations towards a Free Trade Area of the Americas (FTAA), formally launched in Santiago, Chile, in April 1998, to establish, by 2005, a hemispheric-wide free trade area covering all the Americas, except Cuba. The FTAA, however, went into dormancy in 2004 due to market access and ideological differences. Other initiatives followed, such as the creation of the Bolivarian Alliance for the Peoples of Our Americas (ALBA) - a relationship facilitated by Venezuela's strong oil supply capability - and the Union of South American Nations (UNASUR).

In 2011, the thirty-three (33) sovereign countries of Latin America and the Caribbean decided to establish the Community of Latin American and Caribbean (CELAC). This newly created bloc aims to unite all the

¹² The five core regimes are namely: the free movement of goods, the free movement of labour, the free movement of capital, the right of establishment, and the free movement of services.

¹³ The Caribbean Community (CARICOM) Review Commission (CCRC) was launched on 28 June 2016.

¹⁴ Mode 4 – Movement of Natural Persons

countries of Latin America and the Caribbean in order to strengthen political, social and cultural integration, improve the quality of life, and stimulate economic growth. All independent CARICOM Member States are members of CELAC.

There is room for improvement in the extent to which the private sector has made use of the current market access agreements with individual CELAC countries. At the same time, regional and hemispheric countries have been making slow but effective inroads into the Jamaican economy, both in terms of trade and outward investment. It may be necessary to comprehensively review with the private sector the possible real benefits that can be gained from these relationships in Latin America and the Caribbean and any additional measures that would be needed to maximise these benefits. The Government of Jamaica has expressed interest in improving trade relations with the countries of the wider Caribbean.

1.15. MACRO-ECONOMIC SITUATION IN JAMAICA

The monetary and fiscal environments in Jamaica are characterized by long-standing issues such as vulnerability to external shocks (as a result of its openness and exposure to natural and man-made disasters), a high-debt burden (approximately 115 per cent of GDP at the end of Fiscal Year 2016/17)¹⁵, low growth in real GDP (an average of 1.6 per cent annually) over the period 1962 to 2016, high inflation¹⁶, low labour productivity (declining at an average annual rate of 7.1 per cent between 2006 and 2015)¹⁷, a large and persistent current account deficit and tax revenue shortfalls¹⁸. In November 2016, the Executive Board of the International Monetary Fund (IMF) approved a 3-year Stand-By Agreement (SBA) for Jamaica, while simultaneously replacing the macroeconomic programme supported under the Extended Fund Facility. This SBA, which amounts to US\$1.64 billion or 312.0 per cent of Jamaica's quota in the IMF, focuses on supporting macroeconomic stability and job creation. The programme is built on four main pillars. These are the:

- provision of better support for growth, jobs and social protection;
- reduction of public debt to 60.0 per cent of GDP by 2025/26;
- modernization of the monetary policy framework and build the foundation for moving toward inflation targeting; and
- strengthening of resilience of the financial system.

The SBA is intended to be treated as precautionary support against external shocks to the economy. It will be monitored through semi-annual review of quantitative performance criteria and structural benchmarks.

Jamaica maintains an official Policy Register which outlines all of the country's current policies, with a brief synopsis of each of these policies. Policies which have direct links to the Foreign Trade Policy, as at July

¹⁵ Source: Planning Institute of Jamaica (PIOJ)

¹⁶ However it should be noted that between calendar years 2011 and 2016 Jamaica recorded single digit rates of inflation, with the rate of 1.7 percent recorded in 2016 being the lowest in forty years. Source: PIOJ.

¹⁷ Source: Brian Wynter, Governor, Bank of Jamaica, "Supporting Jamaica's Growth Agenda – Entrepreneurship & Productivity" address made at University of Technology Business Education Week, 16 November 2016.

¹⁸ Planning Institute of Jamaica, *Economic and Social Survey 2009, 2010*.

2016, are listed in Annex VI. The Policy Register is on the website of the Cabinet Office and is frequently updated to include new and revised policies.

As a result of the 2013 macroeconomic programme supported under the Extended Fund Facility of the IMF as well as Jamaica's commitment to the WTO to remove prohibited subsidies, the Government's incentives regime has been revised and is now captured in the Omnibus Incentives Act and in the white paper on Tax Reform. Tight fiscal constraints have restricted the government's capacity to increase support services and to fund infrastructure and other development initiatives to facilitate trade.

On the positive side, the reduction in inflation over the last couple of years and the exchange rate policies of the government have led to changing domestic consumption patterns and a gradual reduction in the value of imports. The trend is expected to continue in the medium term.

Also, on the positive side and in line with the need to promote growth in the economy, Jamaica has been taking initiatives to improve the environment for doing business by simplifying tax procedures and reducing the number and cost of transactions involved in starting or running a business. Current energy strategies are expected to reduce dependence on imported petroleum for electricity generation and transport over time. These costs make Jamaica vulnerable to related cost fluctuations and directly affect the country's ability to be competitive against countries with lower energy costs.

1.16. JAMAICA'S INTERNATIONAL TRADE IN GOODS AND SERVICES

To remain competitive, Jamaican firms recognize that the challenge is to expand the range of goods which they produce, further develop the services sector, and become more innovative and productive.

Table 2 - Jamaica's Merchandise and Service Trade: 2005–2016 (In USD Billions)

Indicators	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total imports (goods)*	4.9	5.7	6.9	8.2	5.1	5.3	6.4	6.6	5.6	5.2	4.4	4.1
Total exports (goods)*	1.5	2	2.3	2.7	1.3	1.3	1.6	1.7	1.6	1.5	1.3	1.2
Trade Balance (Goods)*	-3.4	-3.7	-4.6	-5.5	-3.8	-4.0	-4.8	-4.9	-4.0	-3.7	-3.1	-2.9
Total imports (services)**	1.7	2	2.3	2.4	1.9	1.8	1.9	2.2	2.1	2.2	2.2	2.2
Total exports (services)**	2.3	2.6	2.7	2.8	2.7	2.6	2.6	2.8	2.8	3.0	3.1	3.2
Trade Balance (services)**	0.6	0.6	0.4	0.4	0.8	0.8	0.7	0.6	0.7	0.8	0.9	1.0
Total Trade Balance (Goods and Services)***	-2.8	-3.1	-4.2	-5.1	-3.0	-3.2	-4.1	-4.3	-3.3	-2.9	-2.2	-1.9
<i>Source: *STATIN; **BOJ; *** calculated</i>												

Over the period 2005 - 2008, Jamaica's total trade deficit trended upwards, peaking in 2008 and declining sharply in 2009. After the decline in the total trade balance in 2009, there was a marginal (10per cent) increase in 2010, a significant increase in 2011 and then it continuously declined from -US\$4.3 billion in 2012 to -US\$1.9 billion in 2016. Jamaica's total exports of goods and services for 2016 amounted to US\$4.4 billion, a marginal decrease over 2012 and 2014, but unchanged from 2015. Principal goods

exports, over the period, were and continue to be alumina, bauxite, sugar, rum, coffee, yams, beverages, chemicals, and mineral bio-fuels.¹⁹ In 2014, exports increased marginally over 2013, with non-traditional products experiencing a 15.8 per cent decline. It is evident from Table 2 that Jamaica needs to increase its volume and value of exports.

Jamaica's total imports of goods and services declined from a high of US\$10.6 billion in 2008 to US\$6.3 billion in 2016 (which represents a decline compared to 2012's total import figures of US\$8.8 billion). High-value imports consist mainly of petroleum and petroleum products and motor vehicles. Other major imports into Jamaica continue to be food and other consumer goods, industrial supplies, fuel, parts and accessories of capital goods, machinery and transport equipment, and construction materials. Jamaica's merchandise trade deficit arises primarily as a result of petroleum and petroleum product imports and the country's lack of sizable and reliable alternative energy sources²⁰.

Jamaica traditionally posts a surplus in services, mainly as a result of tourism, which has brought in over US\$2.0 billion annually in gross foreign exchange earnings since 2010²¹ and represents a direct contribution of an estimated 16per cent²² of overall GDP. In other services areas where Jamaica also has potential strengths (e.g., transportation, construction, telecommunications, and financial services), the trade balance is predominantly on the deficit side.

It should be noted that of the traditional high-value exports, the markets for bauxite/alumina and sugar have declined over the last decade and the medium-to long term prospects, especially for bauxite, present significant challenges. Caribbean tourism is also a mature product with declining global market share but is being reshaped to meet new needs and grow new markets. New trade and industrial policies need to take account of the high concentration of exports and markets and the need to more firmly identify and promote investments in specific sunrise industries to replace those characterised by rapidly declining market share.

Combined, the trade in both goods and services has been resulting in a persistent deficit on Jamaica's current account. Capital inflows, especially from remittances that average more than US\$2 billion annually, contribute significantly to Jamaica's overall balance of payments performance.

Jamaica has a consistent trade deficit. For the majority of the last 50 years, Jamaica's imports have generally increased, while exports of goods have remained relatively stable. However, both imports and exports have been trending downwards in recent years with the exception of services exports which have been inching upwards since 2011. During these years, the Diaspora has provided an important niche market for non-traditional products. (See Box 4.)

Refer to Annex IV - Summary: Jamaica's Involvement in Foreign Trade 1962 – 2015, for more detailed analysis of Jamaica's overall trade performance. Jamaica's trade with CARICOM is discussed below.

¹⁹Ethanol was a significant export to the USA up to 2010, but ceased thereafter due to difficulty in obtaining feedstock and the end of the US duty-free quota under CBI.

²⁰The National Energy Policy has established ambitious targets to develop renewable energy and to diversify Jamaica's energy supply.

²¹ Source: JTB annual travel statistics 2015 and STATIN (see Table 1(a), p.19).

²² Source: STATIN. See Table 1(a), p.19.

Box 4: Trade and the Diaspora

Demand from the Jamaican Diaspora has also driven the growth of non-traditional food exports to major markets in the UK, USA and Canada (see Annex VII –Contribution of the Jamaican Diaspora to Trade and Investment). It is estimated that there are over 3 million Jamaicans living abroad, mainly in these three countries.

1.17. JAMAICA'S TRADE WITH CARICOM

In terms of its impact on the country's trade balance, during the period 2004 to 2016, Jamaica recorded persistent negative intra-regional trade balances within CARICOM. In 2004, the deficit was recorded at US\$510.8 million. By 2008, it had risen to approximately US\$1.3 billion. This, however, was followed in 2009 by a sharp decline in Jamaica's intra-regional trade deficit by approximately 48 per cent, to US\$672.1 million, due to a major reduction in imports from CARICOM, likely spurred on by the effects of the global recession. The deficit resumed its upward trend in 2010, reaching a value of US\$756.4 million. By 2013, the deficit was recorded at US\$847.2 million. The deficit has largely been driven by the importation of petroleum products from Trinidad and Tobago. In 2015, the deficit was US\$534.4 million, an improvement of 137.8 million over 2014 as a result of lower oil prices. Preliminary figures for 2016 suggest a trade deficit of US\$376.1 million.

Jamaica's intra-regional exports, which consisted mainly of non-crude petroleum oils, alcoholic and non-alcoholic beverages, animal feed, juices, and food preparations grew on average by only 6.6 per cent annually during 2004 to 2012, trending slowly upwards from a very low base of US\$52 million in 2004 to US\$95 million in 2012, representing an approximate growth of 80 per cent over that period. In 2013, however, Jamaica's exports to the region declined to US\$79.7 million. There was a further reduction in 2015 as Jamaica recorded an export value of US\$63.1 million to the region for that year. However, in 2016 export value rose to US\$89.5 million (preliminary figures)

In addition, Jamaica's exports to its CARICOM partners were also relatively concentrated. During the period 2001-2007, for example, over 47 per cent of the annual value of total exports was captured on less than 5 per cent of the total number of tariff lines exported, suggesting that there remains sufficient scope for increasing the range of products exported from Jamaica as it seeks to diversify its exports in the areas of its comparative advantage.

While figures for intra-CARICOM trade in services are not available, there are clear signs of significant exports in entertainment, health-related services, education and professional services to other CARICOM countries and the British OCTs among other sectors. An important plank of Jamaica's trade policy must include measures to reduce barriers to the expansion of services trade through ongoing interaction with service providers and their professional associations as well as with other CARICOM partners. The Jamaica Exporters Association has suggested as well that hand-crafted items, especially fine craft, have the potential to do well in the tourism sector in the Caribbean. It is important, therefore, that data collection for trade in services within CARICOM be significantly improved.

Box 5: Potential for Increased Exports to CARICOM

CARICOM, as a whole, represents an area of unrealized growth which could have a significant impact on the overall performance of the domestic economy. Private sector stakeholders recognize that given Jamaica's relative size, trainable workforce and comparative advantage in several products and services, there is scope for increasing the export of goods and services to the region, while taking advantage of production integration to supply Third Countries. Production integration implies the deliberate creation by an enterprise of productive activities across the Region through the unrestricted movement of the main factors of production – labour, capital and technology – to where they can be optimised for business efficiency. This can serve as a launch pad for increased international competitiveness.

In an environment where Jamaican exports are experiencing increasing erosion in preferences, the CARICOM market is becoming more attractive for certain exports.

Jamaica is seeking to diversify its base of export products and services with a focus on new high-value industries, such as business processing and the creation of a logistics hub, which would take advantage of the country's location in the centre of the main shipping routes. Greater reliance is also being placed on non-traditional exports such as health and wellness products and services which need to be further supported by quality control and accreditation measures if Jamaica is to improve market share in this billion dollar industry; higher value-added processed foods; and entertainment and fashion, which are products of the copyright-based cultural and creative industries. A study published in 2007 found that the cultural and creative industries contribute approximately 4.8 per cent to GDP and 3.0 per cent of all employment (James 2007). In this context, capitalizing on Jamaica's strong national brand "Brand Jamaica", maximizing Jamaica's intellectual property (IP) and strengthening the intellectual property rights protection regime have become cross-cutting export strategies. However, limited disaggregated data on the export performance of the creative industries continues to be a challenge.

1.18. APPLICATION OF TARIFFS AND MULTILATERAL DISCIPLINES REGULATING TRADE²³

Although changes have been made in the country's fiscal policy to reduce dependence on border taxes, a significant share of the government's revenue, approximately 35.9 per cent per fiscal year between 2013 and 2017, was drawn from taxes and charges on imports, mainly from general consumption taxes and customs duties.

Jamaica's applied MFN tariff structure based on CARICOM's Common External Tariff (CET) has been previously discussed. (See Annex VIII for Jamaica's import duty regime). The average MFN tariff was 10.4 per cent in 2016, up from 8.6 per cent²⁴ in 2004. During the Uruguay Round, tariffs for industrial products were bound at about 50 per cent, and for agricultural products at 100 per cent. Thus, Jamaica retains policy space between its applied and bound rates. Other duties and charges (ODCs) can also be applied.

²³ Section extracted, in part, from the WTO Secretariat, *Trade Policy Review Report on Jamaica*, October 2017

²⁴ In large measure as a result of the increase of between 10 – 25 percent in the CET rates for certain products classified as luxury goods.

Box 6: Definitions Related to Tariffs

Tariff Escalation reflects increasing import duties on products at different levels of the manufacturing process, that is, higher import duties on semi-processed products than on raw materials, and much higher duties on finished products than on semi-processed products.

The **Applied Rate** reflects the duties that are actually charged on imports.

Binding/Bound - A tariff binding is a commitment not to increase a rate of duty beyond an agreed level. Once a rate of duty is bound, it may not be raised without compensating the affected parties.

Policy space or water in tariffs represents the difference between the applied rate and the bound rate. Therefore, the applied rate can be raised up to the level of the bound rate should a country deem it necessary to provide an added level of protection to a sector or product.

Jamaica currently applies the provisions of the WTO Customs Valuation Agreement to all imports. Where valuation problems exist, they are mainly due to under-invoicing. Jamaica has been adopting technical regulations and is in the process of harmonizing regional standards with other CARICOM members through the CARICOM Regional Organisation for Standards and Quality (CROSQ). However, there are still a few challenges with respect to quality control infrastructure.

Jamaica does not apply quantitative restrictions on imports, nor does the country apply taxes or quantitative restrictions on exports but non-automatic licences are needed for certain imports, particularly motor vehicles and some agricultural products.

Jamaica's capacity to employ trade remedy measures is an important element of the nation's trade policy as it defends local firms from the effect of unfairly traded goods which are "dumped" or subsidised by trading partners, or imported in significantly increased volumes causing injury to producers in Jamaica. The Government strengthened its trade remedy regime, when in 1999, it established the Anti-dumping and Subsidies Commission (ADSC) the core mandate of which is governed by the Customs Duties (Dumping and Subsidies) Act of 1999 (CDDSA) and the Safeguard Act of 2001 (SG). The capacity built by the work of the ADSC is also used to perform related research and analysis of trade tariff matters where appropriate.

1.19. TRADE AND NATIONAL SECURITY

This relates to the issue of the importance of a secure and crime-free environment to facilitate the flow of trade and reduce the cost of doing business. Crime is not only about good governance and the rule of law but the security of (i) products traded; (ii) the environment in which trade is conducted; and (iii) security of trade routes. It is necessary that trade flows without being a conduit for illegal activities (trade in narcotics, contraband and a channel for terrorism) or being subject to corrupt practices. The World Bank has pointed out that crime and violence contribute to the cost of doing business, to making Jamaica uncompetitive and, in general, to the country's lacklustre economic performance. If Jamaica could significantly reduce crime and violence, the World Bank is of the view that growth of 5 per cent or more could be achieved. Over the last five years, Jamaica's ranking in the Global Competitiveness Reports for the business cost of crime and

violence has been very poor, having been placed 140th of 142 countries in 2011/2012 and 136th of 138 countries in 2016/2017.

Another issue related to trade and national security is the management of pre and post-shipment inspection for security purposes. The Jamaica Customs Agency uses mostly electronic inspection which facilitates timely movement of cargo but from time to time a container is manually inspected, either on a random basis or if there is suspicion that a particular shipment is tainted with illegal substances. This also happens in the receiving country. Aside from the added cost of the inspection, this interruption may result in delays and spoilage of perishable goods.

1.20. THE NATIONAL GROWTH AGENDA

The Economic Growth Council (EGC), launched on 27 April 2016, was established to advise the Government on a framework of proposed initiatives along with sub-initiatives that are expected to yield economic growth. The medium term growth agenda for Jamaica focuses on improving the competitiveness of the business environment and facilitating the implementation of strategic investment projects within a framework of macroeconomic stability. The Main planks of the Growth Agenda include eight (8) Growth Initiatives identified by the EGC, namely: (1) Maintain macro-Economic Stability and Pursue Debt Reduction; (2) Improve Citizen Security and Public Safety; (3) Improve Access to Finance; (4) Pursue Bureaucratic Reform to Improve the Business Environment; (5) Stimulate Greater Asset Utilisation; (6) Build Human Capital; (7) Harness the Power of the Diaspora; and (8) Catalyse the Implementation of Strategic Projects. The Strategic Projects that have direct implications for trade include *the Agro Parks, Business Processing Zones and the proposed Global Logistics Hub Initiative*. (See below Table 3, ***Growth Agenda, A Snapshot***)

The Global Logistics Hub Initiative, Agro Parks, Business Processing and Micro Small and Medium Enterprises

1.20.1. The Global Logistics Hub Initiative

Logistics refers to the efficient management of the flow of goods and services both between countries and within countries, from the source of production or supply to delivery for consumption. International trade logistics refers to the processes required for the efficient movement of imports and exports between countries as well as participation in international value chains. It is, therefore, closely linked to customs procedures and trade facilitation as well as the efficient and effective operation of transport systems and port facilities. The efficiency of the services provided in the logistics operations is critical.

The Government is moving towards the establishment of the hub, with accompanying production in Special Economic Zones. Establishing Jamaica as a logistics hub will include the following elements:

- (1) Increased transshipment
- (2) Development of a variety of value-adding manufacturing/assembly industries within Special Economic Zones
- (3) Expansion of services for the handling and movement of goods
- (4) A modern and efficient infrastructure

- (5) Competitive pricing of shipments
- (6) Competence and quality of the logistics services offered
- (7) The ability to effectively track and trace consignments

This strategic initiative is designed to move Jamaica towards deeper integration into the international trade system and international value chains and will need a supportive trade policy framework.

The trade activities expected to flow from break bulking, transshipment and value-added production under the hub should lead to higher volumes of exports to Latin America, among other places. If Jamaica is able to leverage its position as a logistics hub, become a “beachhead” into Latin America and attract investments related to supply chain production, tariff liberalisation agreements with targeted markets would be relevant and very likely advisable. This has to be carefully considered and the needed studies undertaken to identify the markets to be targeted and the concessions required from these markets for the successful functioning of the hub. Rules of origin, for the purpose of determining the application of duty concessions applicable to Jamaica’s exports to CARICOM and to those countries with which Jamaica has concluded bilateral preferential trade agreements, will be critical to any trade negotiations related to the SEZs. Goods produced in the SEZs must meet rules of origin requirements to qualify for customs duty concessions in export markets with which Jamaica has preferential trade agreements.

A 30-year Concession Agreement was signed in April 2015 by the Port Authority of Jamaica (PAJ) and Government of Jamaica (GOJ) with Kingston Freeport Terminal Limited (KFTL)/CMA/CGM, to invest develop, expand operate and transfer the Kingston Container Terminal (KCT) back to PAJ at the end of the concession period. The decision to privatise was within the context of changing industry dynamics, namely:

- the transshipment market has become more volatile and risky. Larger vessels are being deployed and major shipping lines are being consolidated to achieve economies of scale;
- significant capital investment is required to modernize and re-equip ports for larger vessels; and
- GOJ debt management policy precludes the issuing of Loan Guarantees to support borrowing by statutory entities including the PAJ.

The Government of Jamaica launched the Port Community System (PCS) in July 2016. This PCS is aimed at significantly improving Doing Business for companies and individuals who participate in the trade and logistics industry. This system electronically integrates and streamlines export, transshipment and import procedures. The implementation of a PCS will benefit the port-community stakeholders as well as final-port users such as importers, exporters and shipping lines.

The benefits for the final port users are mainly in the form of a reduction of required printed documents; ability to track and trace shipments; reduction of lead delivery times; and a higher reliability of cargo deliveries and shipments, which contribute to increased competitiveness for the trade in Jamaica.

1.20.2. Agro Parks

The *Agro Parks* also envision some focus on exports, while promoting food security and domestic employment. Farmers, through the Ministry of Industry, Commerce, Agriculture and Fisheries, have to exploit opportunities for the export of ginger, yam, sweet potatoes, castor oil and mangoes, among other products. This is intended to foster more efficient production and higher levels of productivity, leading to greater competitiveness. The Ministry of Industry, Commerce, Agriculture and Fisheries is placing greater emphasis on production for export.

1.20.3. Business Outsourcing

The provision of *Back Office Services* through business process outsourcing has been growing and efforts are being made to move up the value chain to deliver higher value services. Jamaica plans to carve out a greater share of the more skills-based activities in business processing. A key challenge will be the stimulation of activities in the higher value “knowledge” areas of business processing. In this regard, the availability of the right skills sets and appropriate infrastructure will be just as important, if not more so, than duty concessions and other fiscal incentives, as these tend to be services oriented.

1.20.4. Micro, Small and Medium-Sized Enterprises

The Government of Jamaica recognises the importance of Micro, Small and Medium-Sized Enterprises (MSMEs). The Development Bank of Jamaica (DBJ), *inter alia*, focuses on promoting and developing innovative programmes to facilitate investments by the MSME sector. MSMEs providing products and services to the local and export markets will benefit from these support programmes which include loans for micro-entrepreneurs and SMEs at appropriate terms.

The SME loans are supported by a collateral guarantee programme which reduces the risks around commercial lending to that sector. Another important pillar which is used to reduce the lending risk to this sector is capacity building. Capacity-building provides essential business development services to improve the human and capital assets of SMEs.

Table 3: Growth Agenda: A Snapshot

<p>The Strategy for Growth outlines coherent provisions and measures to induce higher levels of economic growth in Jamaica over the short and medium term (1-5 years) and represents the basis for the GOJ Growth Agenda.</p>	
<p>GROWTH STRATEGY</p>	
<p>Components</p>	<p>Role</p>
<p>Core Components</p>	
<p>1. Fiscal Consolidation</p>	<p>Provides Macroeconomic Stability</p>
<p>2. Business Environment Competitiveness Reforms</p>	<p>Addresses Constraints in the Business Environment</p>
<p>3. Strategic Investment Projects</p>	<p>Provides Catalytic Capital Investments and Employment; Improves Business Environment</p>
<p>Supporting Components</p>	
<p>4. Human Capital Development and Protection</p>	<p>Builds Labour Productivity; Provides Social Protection</p>
<p>5. Human and Community Security</p>	<p>Addresses Crime and Violence Constraints</p>
<p>6. Environmental Resilience</p>	<p>Reduces Impact of Disasters and Climate Change</p>
<p>Factors taken into Consideration</p>	
<p>Main Constraints to Growth:</p> <ul style="list-style-type: none"> • Crime and Violence • Macroeconomic Instability • Business Environment <ul style="list-style-type: none"> ○ Bureaucracy ○ Tax System ○ Factor and Transaction Costs • Labour Productivity • Corruption 	<p>Downside Risks to Growth:</p> <ul style="list-style-type: none"> • Uncertainty in the global economy • Impact of fiscal consolidation • Delays in aid flows • Delays in implementation of reforms and projects • Impact of natural hazards
<p>Growth Initiatives</p>	
<ul style="list-style-type: none"> • Improve Citizen Security and Public Safety • Improve Access to Finance • Stimulate Greater Asset Utilisation • Build Human Capital 	<ul style="list-style-type: none"> • Maintain macro-Economic Stability and Pursue Debt Reduction • Pursue Bureaucratic Reform to Improve the Business Environment • Harness the Power of the Diaspora • Catalyse the Implementation of Strategic Projects
<p>Examples of (Strategic) Projects with Direct Implications for Trade</p>	
<ul style="list-style-type: none"> • The establishment of Jamaica as a Logistics Hub, thus taking advantage of Jamaica's geographic location in relation to the expanded Panama Canal which was completed in 2016. • Creation of Special Economic Zones for the production of goods and services. • The construction of ICT Centres estimated to create 7,000 to 8,000 jobs. • The baseline target under the 5-Year National Strategy for the Development of Jamaica's Outsourcing Industry prepared by JAMPRO and approved by Cabinet in March 2015 is for the creation of 18,000 new jobs in 5 years. • The establishment of nine Agro Parks in order to create employment, increase agricultural output, reduce the national food import bill and stimulate food exports. • The development of the Creative Industries as tradable services as well as providing support to promoting other goods and services such as food processing education, and IT services • Major investments in Tourism, Energy, and Infrastructure are also being made. • The new Economic Growth Council has set a target of achieving a growth rate of 5 per cent within 4 years. 	

Source: Planning Institute of Jamaica

1.21. KEY CHALLENGES INFORMING THE POLICY

The above situation analysis has pointed to some of the critical development challenges facing Jamaica at this time which would need to be considered in the policy and plan. In summary, these include:

- Identifying and building alliances with both developed and developing countries, especially the emerging economies that can foster growth and development, and diversifying these political and commercial alliances to reduce over reliance on only a few countries.
- The ongoing imbalance between imports and exports even when computed services income is included. This recurring current account deficit is an indication that, as a matter of priority, the country needs to pursue strategies to significantly expand the volume and value of exports and contain the volume of imports. The current situation is not sustainable.
- In Latin America and the Caribbean, the private sector continues to be plagued by the limited transport options to support trade. In CARICOM, this is partly due to the size and archipelagic nature of the Caribbean. This has increased the cost of trade for the country and discouraged some companies from venturing into new markets.
- Labour market issues, including the skills base available to both the public and private sectors.
- Low productivity and the still strong dependence on a few “traditional” goods and services for export revenue in an environment where global demand for some of these products is changing or market share is declining. There have been efforts to diversify offerings but there is considerable room for expansion.
- Attracting and managing local and foreign investments in strategic areas of the economy to stimulate growth in globally competitive goods and services while strengthening the Jamaica brand.
- Mainstreaming sustainability in economic and social development. This includes planning with an integrated, long-term vision that seeks to protect the country’s assets for future generations while maximising current income. Jamaica’s income in the medium-term is highly dependent on maintaining the integrity of marine and land-based assets. The risk is multiplied by the potential impact of climate change on these assets.
- The high levels of crime which have a negative impact on business confidence, productivity and investment. The private sector is having difficulty with the increased cross-border transaction costs related to pre- and post-shipment inspections due to the risk of crime, such as drug trafficking. Innovative measures to improve facilitation of cross-border transactions are an ongoing challenge

After noting that Jamaica’s Trade Policy Review had reflected on the country’s underperformance in exports, the 2013 UNCTAD study on Jamaica’s trade policy points to the following weaknesses:

- Compliance with quality standards and other non-tariff measures is a significant barrier to entering global and even regional markets, especially in agriculture and agro-processed goods;
- Limited use of preferential tariffs in main products and main markets of export interest, except in the case of the European Union;
- Abundance of trade and investment related incentives and uncertain development benefits from these measures;
- The regional trade platform has not been sufficiently utilized to strengthen supply capability or to promote complementarities in terms of certain trade-related infrastructure projects such as accredited laboratories; and
- Linkages within the services sector and between this and the goods sector are not sufficiently exploited.

Further, UNCTAD's study on Jamaica's trade (2013) points to the quite unremarkable levels of foreign direct investment (FDI) flows to Jamaica in the last decade compared with other developing countries, including countries in CARICOM.

The ongoing existence of many of these challenges reinforces the necessity of an integrated institutional framework for defining and implementing trade policy and strategy, with leadership at the highest policy levels.

1.22. LEGISLATIVE, INSTITUTIONAL AND POLICY FRAMEWORK

1.22.1. Jamaican Legislation Governing Foreign Trade Policy

The legislation governing Jamaican foreign trade policy covers trade and trade-related issues such as: the goods, agricultural and services sectors; the CSME; trade remedies; and standards. An indicative list of the major trade-related laws (there could be over 100 pieces of legislation accompanied by the requisite rules and regulations) are listed in Annex IX.

The Jamaican trade-related legislative framework is influenced by the regional legislative framework. The provisions of the CARICOM Revised Treaty of Chaguaramas establishing the CSME require the coordination and harmonization of regional legislation, including trade-related legislation. This is done through the appropriate institutional mechanisms such as the COTED; other trade-related bodies established by the Community; the Legal Affairs Committee²⁵; and the Inter-Governmental Task Force (IGTF). Where draft harmonized model trade-related legislation has been agreed at the regional level, through these mechanisms, Member States are encouraged to adapt the legislation at the national level giving due regard to their particular circumstances. This process is facilitated by the inclusion of the Chief Parliamentary Counsels of Member States in the drafting process. Examples of region-wide model legislation which are available for possible adaptation and enactment into laws at the national level include Competition Policy and Services legislation.

²⁵The Legal Affairs Committee is composed of the Ministers responsible for Legal Affairs and Attorneys General of Member States.

The primary challenges for Jamaica in managing the implementation of this plethora of legislation are to ensure that: a) the legislative framework is (i) coherent and relevant to Jamaica’s ongoing trade interests, and (ii) consistent with commitments made in international agreements; and b) that MDAs understand their role and have the resources to implement. A review of this legislative framework with the intent to address these challenges would be useful in supporting the effective implementation of the Foreign Trade Policy. Within the context of trade facilitation, legislative committee of the Trade Facilitation Task Force has been established to review the trade-related border legislation with the support of the World Bank and UNCTAD.

1.22.2. Current Institutional Framework

Strategic guidance on measures for economic growth and targets for production, investment, import and export, is established at the level of the Cabinet and implemented by relevant MDAs.

The Ministry of Foreign Affairs and Foreign Trade (MFA&FT) has lead coordinating responsibility for foreign trade matters and is able to address foreign trade issues at the policy level through inter-ministerial collaboration in the International Relations and Trade Committee (IRTC) of Cabinet. At the consultation and coordination level, the principal mechanism used by the Ministry is the Jamaica Trade and Adjustment Team (JTAT) which facilitates information sharing, consultations and cooperation among public sector entities, private sector and civil society. The main trade-related Ministries, Departments and Agencies and other private and civil society stakeholders in Jamaica are listed below in Table 4.

The Ministry of Foreign Affairs and Foreign Trade represents Jamaica in a number of regional and international trade fora such as CARICOM and the WTO.

In order to, *inter alia*, support its relations with states with which the country has a trade and investment interest and to provide needed business information and contacts, Jamaica has established a number of Diplomatic and Consular Missions placed in strategic capitals and cities.

Table 4 - Main Trade-Related Stakeholders

PUBLIC SECTOR
<ul style="list-style-type: none"> • Office of the Prime Minister and related Departments and Agencies (including the Jamaica Information Service) • Ministry of Economic Growth and Job Creation and related Departments and Agencies (including JAMPRO, Planning Institute of Jamaica, and the Environment and Climate Change Divisions), • Ministry of Foreign Affairs and Foreign Trade and its overseas missions • Ministry of Industry, Commerce, Agriculture and Fisheries and related Departments and agencies(including JIPO, Trade Board, Fair Trading Commission, Bureau of Standards Jamaica, Consumer Affairs Commission, Food Storage and Infestation Division, Anti-dumping and Subsidies Commission, Jamaica Coalition of Service Industries (JCSI), Jamaica National Agency for Accreditation (JANAAC),National Certification Body of Jamaica (NCBJ), Fisheries Division, Veterinary Division, Plant Quarantine Unit, Rural Agricultural Development Authority (RADA), Sugar Industry Authority, Cane Products Sales, Cocoa Industry Board, Coffee Industry Board) • Ministry of Finance and the Public Service and related Departments and Agencies (including Jamaica Customs Department) • Ministry of Science, Energy and Technology and related Departments (including PCJ, Petrojam)

<ul style="list-style-type: none"> • Ministry of Tourism • Ministry of Culture, Gender, Entertainment and Sport • Ministry of Health (including Pesticides Control Division, Veterinary Health, International Cooperation Department) • Ministry of Labour and Social Security • Ministry of Transport and Mining
PRIVATE SECTOR²⁶
<ul style="list-style-type: none"> • Jamaica Exporters Association (JEA) • Jamaica Manufacturers' Association (JMA) • Jamaica Chamber of Commerce (JCC) • Private Sector Organization of Jamaica (PSOJ) • Small Business Association of Jamaica (SBAJ) • Micro, Small and Medium-Sized Enterprises (MSME) Alliance • Foreign Trade Advisory Council (FTAC)²⁷ • Jamaica Reggae Industry Association (JaRIA)
CIVIL SOCIETY ORGANIZATIONS
<ul style="list-style-type: none"> • Labour Unions • Political Parties • Universities and other tertiary institutions • Association of Development Agencies (ADA) • National Consumers' League

The list of private sector and civil society organizations in Table 4, is indicative²⁸ and together with the large number of public sector entities and international development partners, points to the critical need for focused attention to coordination of the government's trade-related activities at the level of these institutions and even at the highest policy level if the Foreign Trade Policy is to be implemented effectively. A detailed listing of trade-related MDAs indicating their responsibilities is included in Annex X.

1.22.3. Existing Policy linkages

The Foreign Trade Policy, therefore, has been developed in the context of the existing national policies and represents a point of reference on foreign trade matters. Policy coherence is necessary. The Foreign Trade Policy thus integrates the foreign trade dimensions of the Vision 2030 Jamaica, the NES and the National Growth Strategy as well as other relevant national policies, strategies and plans. It also takes account of other policies such as the tax reform policy, the Medium, Small and Micro Enterprise (MSME) policy and

²⁶ JTAT also includes a representative group of private sector organizations

²⁷ FTAC is comprised of the Chief Executive Officers of export ready private sector companies as well as those with aspirations and means.

²⁸ While an attempt is made to list the main players, trade (both inward and outward activity) impacts every player in the economy at some level.

the Special Economic Zones (SEZs) policy which all have a direct bearing on trade. This was seen as the best way to improve the prospects for achieving the overall foreign trade-related goals of these plans, ensuring relevance and coherence between Jamaica’s Foreign Trade Policy and its other national development policies. (See Annex VI for a list of trade-related policies)

The provisions of the Foreign Trade Policy are expected to enhance the conditions for international trade, improve the competitiveness of the business environment and support the implementation of strategic investment projects in a range of industries, including logistics, information and communications technology, cultural and creative industries, energy diversification, tourism, agriculture and manufacturing. As such, foreign trade policy is derived in part from the strategic direction of other ministries, departments and agencies. See Diagram 1 (reproduced) below.

The elaboration of the strategic actions, within Section II (Policy), in the Foreign Trade Policy is designed to assist stakeholders in the implementation of the Policy as they perform their respective roles. Collaboration and coordination of the implementation of the Policy with other relevant policies, strategies and plans will be reinforced by the systems of monitoring and evaluation and review outlined in Section III (Implementation) of the Policy. A listing of the main MDAs responsible for implementation can be found in Annex X (Detailed Listing of Ministries, Departments and Agencies Involved in Foreign Trade) and the Annex itemizes their relevant foreign trade-related portfolio responsibilities.

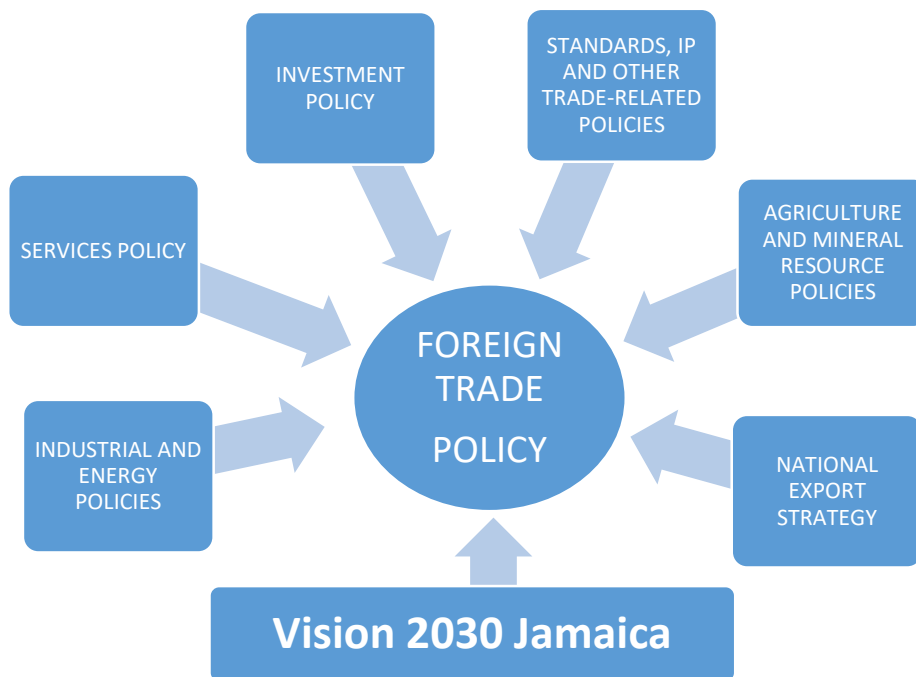


Diagram 1 (reproduced): National policies which affect trade

It is, therefore, important to recognize when discussing Jamaica's trade strategy or national trade policy, that these linkages exist, and that they represent both rights and obligations made in other international fora. Therefore, they have to be respected. It should be recognized that trade policy is integrated into other foreign policy areas where Jamaica has interests, for example, climate change, which is being negotiated in the context of the Conference of the Parties to the United Nations Framework Convention on Climate Change. Of note as well are the significant trade implications of the Green Economy approach²⁹ to development, agreed to at the 2012 United Nations Conference on Sustainable Development.

²⁹ The requirements of the Green Economy, particularly in terms of ensuring sustainable practices and attendant access to technology transfer, could result in barriers to trade being imposed on developing countries because of the lack of capacity to produce goods in keeping with the standards set.

SECTION 2- POLICY

2.1. VISION STATEMENT

Jamaica's foreign trade is competitive, resilient, sustainable and effective.

2.2. GOALS

To enhance Jamaica's performance in trade, specifically in the export sector, through strengthening the country's foreign trade policy regime. Specifically, this is aimed at achieving, by 2020:

- i. a significant increase in the value and volume of traditional and non-traditional goods exported;
- ii. an increase in the value of services exported;
- iii. an increase in the penetration of new and existing markets;
- iv. better access to and use of technology, investment, skills and value chains;
- v. an improvement in the balance of trade; and
- vi. an improvement in competitiveness indicators.

2.3. GUIDING PRINCIPLES

The Policy is guided by a commitment to:

- **sustained growth**: promotion of economic development and growth through the production and trade of competitive goods and services;
- **partnership**: to promote inclusiveness in public and private sector partnerships and any other partnerships or linkages which enhance aspects of foreign trade;
- **transparency**: openness, keeping the public well-informed, by disseminating trade-related information and facilitating feedback through consultations and publications;
- **CARICOM regional integration**: trade policy guided by the Revised Treaty of Chaguaramas which provides the framework for sustained Caribbean Community (CARICOM) economic development, trade and functional cooperation;
- **equal opportunity**: creating opportunities to increase the participation of marginalized, vulnerable groups (such as Small businesses, women, youth, low income communities and persons with disabilities) in foreign trade;
- **gender equity/equality**: creating equal opportunities for both women and men to access and take advantage of trading opportunities, while seeking to address the gaps/imbances which may prevent this, taking into account the specific needs of both male and female trade actors;
- **a "whole-of-government approach"**: implementation of the foreign trade policy recognizing the inter-relationships and interdependence of the various Ministries, Departments and Agencies (MDAs) of government and seeking coherence, accountability and the effective use of resources across these MDAs;
- **employment**: taking account of the impact of foreign trade and trade-related investments on local employment to alleviate poverty;

- **capacity building:** continuous human resource and institutional development to strengthen capacity in trade; and
- **sustainability:** sustainable use of natural resources, promotion of healthy lifestyles and livelihoods, and reliability and effectiveness in the long term.

2.4. POLICY OBJECTIVES

The overall objectives of the Policy are:

- (i) **Mainstreaming/Coherence:** to support and coordinate with the National Development Plan, Vision 2030 Jamaica, and other relevant national and regional sector policies, plans, strategies and programmes;
- (ii) **Market Access:** to increase favourable market access for Jamaican goods and services under existing and future bilateral, regional and international trade agreements;
- (iii) **Increased Trade:** to increase the volume and value of trade in goods and services in order to reduce the trade deficit, spur economic growth, and contribute to the eradication of poverty;
- (iv) **Removal of Constraints:** to remove existing constraints to trade;
- (v) **Trade Facilitation:** to improve the ability of the national trade facilitation infrastructure to support the efficient and effective trade in goods and services;
- (vi) **Competitiveness:** to improve the ability to produce competitive goods and services, particularly value-added goods and services;
- (vii) **Standards:** to ensure that Jamaican goods and services meet or exceed relevant standards in the domestic, regional and international markets;
- (viii) **Diversification:** to diversify the range of goods and services for export;
- (ix) **Investment:** to increase domestic, regional and international investments in the production and export of goods and services;
- (x) **Trade Data:** to improve the collection and dissemination of trade data, with emphasis on trade-in-services and the informal sector;
- (xi) **Public-Private Partnerships:** to increase public-private sector collaboration in foreign trade. Growth should be private-sector led, with government providing the enabling environment for this growth, in consultation with the private sector;
- (xii) **Fair Trade:** to reduce unfair competition/trade practices, including making full use of trade remedies; and
- (xiii) **Sustainability:** to promote the sustainable use of Jamaica's natural resources, reduce any potential negative impact on Jamaica's environment and public health, and to be reliable and effective over the long term.

2.5. POLICY ISSUES AND STRATEGIES

The foreign trade policy issues outlined in this section identify the current constraints. The overall strategy will be to use the "whole-of-government" approach for implementation. The individual strategies proposed for each policy issue are the means by which the vision, goals and objectives of this Foreign Trade Policy are expected to be achieved and are designed to support and sustain growth by establishing an enabling framework which guides and facilitates foreign trade. These strategies, therefore, are the means by which

Jamaica will implement its foreign trade policy. The Policy Issues and Strategies are presented below in four sections, namely:

1. General Cross-cutting Issues;
2. Trade in Goods;
3. Trade in Services; and
4. Trade-related Issues.

The Government is committed to enhancing the level of foreign trade, production, productivity, diversification and competitiveness in order for Jamaica to grow its way out of debt.

A list of the ministries, departments and agencies with their main trade and trade-related responsibilities can be found at Annex X.

2.6. GENERAL CROSS-CUTTING ISSUES

The general cross-cutting section covers the overarching foreign trade policy issues which have an impact on the entire Foreign Trade Policy.

2.6.1. Managing and Mainstreaming Trade and Achieving Policy Coherence

Policy Issue(s): The need to ensure that trade is mainstreamed into national development policies, strategies, plans and programmes, as well as to accord high priority to foreign trade, to achieve policy coherence. This is supported by the longstanding international requirement that trade be mainstreamed into national development plans, policies and strategies to ensure that provision is made for trade in national budgets.

Objective(s): *To more effectively coordinate, finance and manage trade functions across all areas of government.*

Strategies: The Government will:

- strengthen linkages and further integrate trade into the national development policies, strategies, plans, programmes, and budgets using a “whole-of-government” approach; and
- ensure inclusiveness and the adequacy of the institutional coordination framework to guarantee effective policy management.

Information Note: Foreign trade makes a critical contribution to economic development. The inter-disciplinary nature of foreign trade requires a “whole-of-government” approach to budgeting and project/programme implementation. This approach will ensure that the policy linkages are made to facilitate coordination and effective implementation.

Focal Point(s): The Ministry of Foreign Affairs and Foreign Trade, the Cabinet Office, Planning Institute of Jamaica and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence

2.6.2. Strengthening the CARICOM Single Market to Enhance Trade and Investment

Policy Issue(s): Jamaica's foreign trade policy objectives influence, and are influenced by, regional trade policy as outlined in the Revised Treaty of Chaguaramas (RTC) which establishes the CARICOM Single Market and Economy (CSME). A challenging regional trade environment, therefore, affects Jamaica. Additionally, implementation of the CSME has been lagging. There is a need to accelerate implementation of the Treaty and to consolidate the CSME so that CARICOM becomes a seamless space and an extension of Jamaica's domestic market. It is also necessary to find ways to support businesses in maximising the production and market integration opportunities afforded by CARICOM.

Objective(s): *To promote the advancement of the CSME in line with domestic interests, and provide a facilitating environment for intra-regional trade and investment.*

Strategies: The Government will:

- ensure alignment of Jamaica's foreign trade policy, strategy and actions with the requirements of the RTC and the CSME;
- promote and secure Jamaica's interests within the relevant organs of CARICOM, specifically, the Council for Trade and Economic Development (COTED);
- provide effective leadership in CARICOM on trade policy and negotiations as the Chair of the CARICOM Prime Ministerial Committee on Trade Negotiations, with a view to ensuring that CARICOM is fully prepared to negotiate and gets the best deals possible in new negotiations as well as with respect to the review of existing Agreements;
- promote intra- and extra-regional bilateral trading relations by the Member States of CARICOM, and trade policy and strategy coordination;
- encourage and support the development of an efficient regional transportation system to facilitate trade within CARICOM and between CARICOM and third countries of strategic interest;
- improve and promote intra-regional production linkages as a means of more effectively utilizing regional resources to increase the production and export of goods and services to third countries;
- promote information sharing and capacity-building in both the public and private sectors to take advantage of the Single Market; and
- increase national public awareness of the provisions and commitments made under the Treaty of Chaguaramas, progress in the establishment of the CSME, and the implications for Jamaican business growth.

Information Note: Article 80 of the Revised Treaty of Chaguaramas (RTC) requires that Member States coordinate their trade policies. This systematic alignment has not yet been fully achieved.

Focal Point(s): Ministry of Industry, Commerce, Agriculture and Fisheries, Ministry of Foreign Affairs and Foreign Trade, Office of the Prime Minister, Ministry of Economic Growth and Job Creation and other relevant MDAs.

Other Related Policy Objectives: 2.4(i) Policy Coherence, (ii) Improving market access: (iii) Increased Trade; (iv) Removal of constraints; (v) Trade Facilitation; (vi) Competitiveness (vii) Investment

2.6.3. Wider Regional Integration

Policy issue(s): The need to promote and facilitate trade linkages within Latin America and the Caribbean.

Objective: *To seek business opportunities in Latin America and the Caribbean, taking account of existing trade agreements.*

Strategies: The Government will:

- enhance trade linkages within Latin America and the Caribbean in accordance with the national growth agenda and the aims and objectives of CARICOM, the Community of Latin American and Caribbean States (CELAC), and the Association of Caribbean States (ACS).

Focal Point(s): Ministry of Foreign Affairs and Foreign Trade, Ministry of Industry, Commerce, Agriculture and Fisheries, and other relevant MDAs.

Other Related Policy Objectives: 2.4(i) Mainstreaming/ Coherence, (ii) Market Access, (iii) Increased Trade, (iv) Removal of Constraints, (v) Trade Facilitation, (vi) Competitiveness and (ix) Investment.

2.6.4. Market Access

Policy Issue(s): The need to increase penetration into existing markets, acquire new markets and fully utilize market access. That is, the need to address existing challenges and to promote the export of goods and services in sectors and industries of interest which have comparative advantages in regional and global markets.

Information Note: Unimpeded market access is critical to the flow of trade in goods and services. The primary challenge to market access faced by Jamaica is the ability to maintain and utilize its market access. Utilization of market access can also be impeded by non-tariff measures and supply-side constraints.

Objective: *To safeguard existing market access for Jamaica's goods and services and to acquire new access as determined by strategic interests.*

Strategies: The Government will:

- promote the utilization by the private sector of market access agreements with traditional trading partners;
- strengthen the communication and response mechanisms in respect of constraints to competitiveness and market access identified by the private sector;
- develop new markets, including niche markets, as outlined in the National Export Strategy (NES) and guided by the private sector; and

- focus on enhancing trade in goods and services with Latin America and the Caribbean, to ensure trade diversification, maximize advantages of geographical proximity, and enhance regional integration and resilience.

Focal Point(s): Ministry of Foreign Affairs and Foreign Trade in collaboration with the Ministry of Industry, Commerce, Agriculture and Fisheries, JAMPRO and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (ii) Market Access, (iii) Increased Trade, (iv) Removal of Constraints, and (v) Trade Facilitation.

2.6.5. Existing Trade Agreements

Policy Issue(s): The need to effectively implement existing trade agreements. Jamaica requires additional financing, technical assistance, institutional strengthening, and capacity building to implement these agreements and to overcome existing supply-side constraints in order to make effective use of trade agreements/arrangements.

Objective: *To stimulate the private sector to take advantage of existing trade agreements and arrangements.*

Information Note: Jamaica is party to World Trade Organization (WTO) Agreements, the Revised Treaty of Chaguaramas, the Caribbean Forum of African, Caribbean and Pacific States – European Union Economic Partnership Agreement (CARIFORUM – EU EPA), other bilateral and multilateral agreements. These include market access to Canada under Caribbean-Canada Trade Agreement (CARIBCAN) and to the United States (US) under the Caribbean Basin Initiative (CBI), which comprises the Caribbean Basin Economic Recovery Act (CBERA) and the Caribbean Basin Trade Partnership Act (CBTPA). See ***Schedule of International Trade & Economic Integration Agreements***, Annex V, for further details.

Strategy: The Government will:

- encourage and build national capacity to encourage and stimulate export supply from the private sector to exploit existing market access agreements; and
- enhance and streamline, as necessary, the institutional support services available for existing and potential exporters, especially SMEs, with a view to building national capacity to exploit existing trade agreements, making maximum use of market access opportunities.

Focal Point(s): Ministry of Industry, Commerce, Agriculture and Fisheries, Ministry of Science, Energy and Technology, with the support of the Ministry of Foreign Affairs and Foreign Trade, the Ministry of Finance and the Public Service and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (ii) Market Access, (iii) Increased Trade, and (iv) Removal of Constraints.

2.6.6. Trade Negotiations

Policy Issue(s): Future trade negotiations at the bilateral, regional and multilateral levels should: (i) continue to advance Jamaica's trade and development interests, and (ii) be in accordance with the approach approved by the Cabinet on 9th November 2015.

Objective: *To negotiate preferential trade agreements which support Jamaica's growth and development agenda.*

Strategies: The Government will, as approved by the Cabinet, negotiate preferential trade agreements together with CARICOM or on its own initiative. The WTO will remain an important forum for trade negotiations.

Information Note: The World Trade Organization is the primary forum for the negotiation of multilateral trade agreements. The WTO remains an important forum for trade negotiation for Jamaica. The Doha Round has been in progress since 2001.

Jamaica participates jointly with CARICOM Member States in the negotiation of external trade and economic agreements, under the management of the Office of Trade Negotiations (OTN) in the CARICOM Secretariat. With the approval of the CARICOM Council for Trade and Economic Development (COTED), Jamaica may also initiate bilateral trade negotiations in its national interest, in accordance with Article 80 of the RTC.

Focal Point(s): Ministry of Foreign Affairs and Foreign Trade in collaboration with other MDAs.

Other Related Policy Objectives:2.4 (i) Mainstreaming/Coherence, (ii) Market Access, (iii) Increased Trade, (iv) Removal of Constraints, (vii) Standards, and (xi) Public-Private Partnership.

2.6.7. Export Trade Promotion

Policy Issue(s): The need for persistent and robust engagement in the market place particularly in countries covered by trade agreements, including CARICOM, and in other targeted global markets.

Objective: *To upgrade and implement in markets a robust and cost-effective export promotion programme in line with the National Export Strategy.*

Information Note: Export trade promotion is about the marketing of Jamaica and its goods and services internationally in order to stimulate export sales. The successful utilization of trade agreements depends on the effectiveness of the export trade promotion in regional and international markets, and this in turn depends on the availability of financial resources and marketing expertise. Jamaica's primary export trade promotion agency is the Jamaica Promotions Corporation (JAMPRO), while the Jamaica Tourist Board (JTB) focuses on the tourism product. The Ministry of Foreign Affairs and Foreign Trade and its network of diplomatic and consular missions also play a critical role in export trade promotion.

Strategy: The Government will:

- build on the country's assets to promote a range of goods and services in line with the National Export Strategy;
- strategically utilize "Brand Jamaica" to promote trade in goods and services; and
- optimize the national export trade promotion machinery to make the most effective use of limited resources.

Focal Point(s): Jamaica Promotions Corporation (JAMPRO), Ministry of Industry, Commerce, Agriculture and Fisheries, Ministry of Tourism, Jamaica Tourist Board and Ministry of Foreign Affairs and Foreign Trade in collaboration with other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (ii) Market Access, (iii) Increased Trade, and (xi) Public-Private Partnership.

2.6.8. E-Commerce

Policy Issue(s): The need to maximize the benefits of E-commerce as a dynamic area of growth in the trade in goods and services.

Objectives: *To facilitate the use of e-commerce by the private sector, especially SMEs, in order to increase trade and competitiveness.*

Information Note: E-Commerce involves the import/export trade of goods and services using electronic systems such as the internet and other computer-based networks. An increasing level of trade in goods and services is being conducted through electronic systems. Since 1998, when the WTO adopted the Declaration on Global Electronic Commerce, a moratorium has been maintained on the collection of customs duties on goods traded by electronic transmissions. The WTO also established a work programme on E-Commerce.

The Jamaican policy framework and regulations applicable to E-Commerce are contained in the ICT Policy (2011).

Strategies: The Government will:

- promote and facilitate the use of E-commerce nationally; and
- remain engaged in international E-commerce-related fora.

Focal Point(s): Ministry of Industry, Commerce, Agriculture and Fisheries, JAMPRO, Ministry of Science, Energy and Technology, e-Gov Jamaica Ltd., and Jamaica Intellectual Property Office in close collaboration with the Ministry of Foreign Affairs and Foreign Trade and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (ii) Market Access, (iii) Increased Trade, and (v) Trade Facilitation.

2.6.9. International and Regional Dispute Settlement

Policy Issue(s): The need to increase Jamaica's effective use of dispute settlement provisions when Jamaica's rights in bilateral, regional and international markets, are infringed. The use of dispute settlement mechanisms is an important factor in protecting these rights.

Objective: *To strengthen Jamaica's capacity to recognize, identify, prevent and defend against infringement of trade rights in respect of the implementation of multilateral and bilateral trade agreements and to respond appropriately, where required, in a timely manner.*

Strategy: The Government will:

- develop the capacity of Foreign Trade Officials to understand and respond to trade rules related to dispute settlement;
- utilise available dispute settlement mechanisms, as provided under the RTC, the WTO Dispute Settlement Understanding or any other trade arrangements, as applicable, to obtain resolution of trade disputes;
- sensitize the private sector on the functioning of dispute settlement provisions in trade agreements;
- engage the private sector, as appropriate, in its utilisation of dispute settlement provisions in trade agreements.

Focal Point(s): Ministry of Foreign Affairs and Foreign Trade in collaboration with the Ministry of Industry, Commerce, Agriculture and Fisheries, the Attorney General's Chambers and other relevant MDAs.

Other Related Policy Objective(s): 2.4 (ii) Market Access, (iv) Removal of Constraints, and (xii) Fair Trade.

2.6.10. Aid-for-Trade

Policy Issue(s): The need to identify and access Aid-for-Trade (AfT)³⁰ resources. AfT serves as a potential source of aid and investment to address supply-side constraints, strengthen the trade regime, implement trade agreements, and increase trade.

Objective: *To effectively mobilise available funding under the Aid-for-Trade initiative.*

Information Note: Jamaica developed its National Aid-for-Trade Strategy (2011). The Strategy was designed to clearly articulate the country's consensus priorities for negotiating access to and efficient use of aid and investment to bolster its international trade. The priority areas identified in the Strategy include: transportation, trade facilitation, customs, private sector development and capacity building for trade development. The National Aid-for-Trade Strategy is based on the premise that available technical and financial resources should be sought and deployed in a manner which will expand foreign trade.

³⁰ Aid-for-Trade is a WTO initiative aimed at helping developing countries build their supply-side capacity and trade-related infrastructure to assist them to benefit from WTO agreements and expand trade.

Strategy: The Government will:

- identify, follow-up and utilize available Aid-for-Trade resources to develop Jamaica's foreign trade capacity, that is, to address policy, infrastructure, technological and other supply-side constraints, implement trade agreements, and increase trade.

Focal Point(s): Ministry of Foreign Affairs and Foreign Trade in collaboration with the Planning Institute of Jamaica, the Ministry of Finance and the Public Service and other relevant MDAs.

2.6.11. Capacity-building in Foreign Trade Policy

Policy Issue(s): There is an ongoing need to develop expertise in foreign trade policy in Jamaica's public and private sectors.

Information Note: The World Trade Organization (WTO) continues to conduct training courses for government officials in foreign trade policy. Courses are also offered by UNCTAD and other institutions. In addition, the Organization of American States (OAS) collaborated with the University of the West Indies (UWI) to develop a Master's Programme in International Trade Policy, which is now offered by the Sir Shridath Ramphal Centre for International Trade Law, Policies and Services at the UWI's Cave Hill Campus in Barbados.

Objective: *To enhance the capacity of the government's human resources.*

Strategies: The Government will:

- utilize all available resources to build national capacity in formulating and managing foreign trade policy, including performance analysis and monitoring and evaluation of trade policy;
- develop expertise in trade policy issues in order to participate effectively in trade negotiations; and
- collaborate with tertiary academic institutions in the development of trade policy expertise.

Focal Point(s): Ministry of Foreign Affairs and Foreign Trade, the Office of the Services Commission and other relevant MDAs.

Other Related Policy Objectives: 2.4 (ii) Market Access (iii) Increased Trade (iv) Removal of Constraints (v) Trade Facilitation (vi) Competitiveness (xi) Private-Public Partnerships.

2.6.12. National and Regional Consultations and Coordination

Policy Issue(s): There is need to strengthen the consultation and coordination mechanisms for the formulation/implementation of foreign trade policy and the negotiation of trade agreements among regional partners. Consensus needs to be forged at the national and regional levels among the wide range of stakeholders involved in trade-related activities.

Objective: *To ensure alignment of positions and “buy in” from all stakeholders, especially in the formulation and implementation of an integrated foreign trade policy and strategy.*

Strategy: The Government will:

- maintain and strengthen its national trade-related consultations and coordination mechanisms which involve the public and private sectors and civil society; and
- fully engage in the consultation mechanism at the regional level.

Focal Point(s): Ministry of Foreign Affairs and Foreign Trade in collaboration with other relevant MDAs.

Other Related Policy Objectives: 2.4(ii) Market Access (iii) Increased Trade (iv) Removal of Constraints (v) Trade Facilitation (vi) Competitiveness (xi) Private-Public Partnerships.

Information Note: Foreign trade is inter-disciplinary and cross-cutting and involves the legislators, regulators and policy makers (the public sector); the trade operators (the private sector); and workers, consumers and other interest groups (civil society). The Government is committed to coordinating trade activities within the public sector and conducting wide-ranging consultations with the private sector and civil society. Consultations are primarily carried out through the Jamaica Trade and Adjustment Team (JTAT) under the auspices of the Ministry of Foreign Affairs and Foreign Trade.

Article 26 of the RTC also obligates CARICOM Member States to hold national and regional consultations to inform decision-making. The Cotonou Partnership Agreement, speaking to transparency, also obligates the parties to have national consultations involving non-State actors.

Policy Issue(s): Key business sectors are not fully engaged in the trade policy dialogue. The private sector, as the trade operators, needs to strengthen its capacity to effectively engage in foreign trade activities and to communicate and collaborate with the Government. Effective partnerships between the public and private sectors will enhance Jamaica's capacity to take advantage of trade agreements in order to benefit from bilateral, regional and international trade.

Information Note: The World Bank defines Public-Private Partnerships (PPP) to be long-term contracts between a private party and a government entity for providing a public asset or service in which the private party bears significant risk and management responsibility, and remuneration is linked to performance. PPPs, as used in the Foreign Trade Policy, refer to collaboration among the public and private sector to expand or promote bilateral, regional and international trade. There are PPPs in Jamaica. However, the concept, as used in the Foreign Trade Policy, is based on the understanding that it is the private sector that actually trades and the public sector that acts as the enabler and facilitator in the process of expanding Jamaica's trade at the bilateral, regional and international levels

Objective: *To strongly encourage the private sector's participation with government in the formulation of trade policy and strategy and in trade negotiations.*

Strategy: The Government will:

- explore innovative means of enhancing knowledge and promoting and strengthening communication and partnerships between the public and private sectors to enhance Jamaica's engagement in bilateral, regional and international trade.

Focal Point(s): Ministry of Foreign Affairs and Foreign Trade and other relevant MDAs.

Other related Policy objectives: 2.4 (i) Mainstreaming/Coherence and (xi) Public-Private Partnership.

2.6.14. Public Education

Policy Issue: The need to promote widespread awareness of foreign trade issues. This requires investment in public education and utilization of available media to support the mainstreaming of trade as a national priority.

Objective: *To have a public that understands basic trade issues, especially with respect to CARICOM and main trading partners, and can make informed contributions to policy formulation and representation.*

Information Note: Public Education is central to promoting understanding and ownership of trade policy issues and trade agreements across the various stakeholder groups in Jamaica.

Strategy: The Government will:

- utilize public education tools as a means of (i) deepening public awareness of and feedback on trade issues and the provisions of new trade agreements; and (ii) increasing participation in foreign trade policy formulation, trade negotiations, and the implementation of resulting policies and agreements.

Focal Point(s): Ministry of Foreign Affairs and Foreign Trade, the Office of the Prime Minister (Jamaica Information Service), Cabinet Office, Ministry of Education, Youth and Information, Rural Agricultural Development Authority (RADA) and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (x) Trade Data, and (xi) Public-Private Partnership.

2.7. TRADE IN GOODS (MANUFACTURING, AGRICULTURE, FISHERIES AND MINING AND QUARRYING)

This section on trade in goods deals with the trade policy issues that affect the import and export of goods in all sectors of the economy. Rules on trade in goods are generally covered by the WTO GATT 1994 and other WTO multilateral trade agreements as well as agreements of the WIPO, WCO and other regional and multilateral trade-related agreements, including multilateral environmental agreements.

2.7.1. Trade in Goods (General)

Policy Issue(s): Given Jamaica's current trade deficit and level of indebtedness, it is imperative that the country increase its exports of higher-value goods as one means of growing its way out of national debt.

Objective: *To increase the value, standards quality and diversity of Jamaica's exports in goods, including greater participation in global value chains, thus reducing the deficit in merchandise trade.*

Strategy: The Government will:

- promote growth in the value and volume of trade in goods through increased (a) national productivity, production of value-added goods, levels of exports, and diversification; and (b) competitiveness in the national, regional and global markets, as anticipated in the National Export Strategy, the National Minerals Policy and other trade-related policies; and
- create an enabling environment for trade in Jamaica's cultural goods.

Focal Point(s): Ministry of Industry, Commerce, Agriculture and Fisheries, Ministry of Science, Energy and Technology, Ministry of Transport and Mining, in collaboration with the Ministry of Labour and Social Security and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (iii) Increased Trade, (vi) Competitiveness, (vii) Standards, (viii) Diversification, and (ix) Investment.

2.7.2. Rules of Origin (RoO)

Policy Issue(s): Determining the origin of a product is no longer easy in an era when a product can be manufactured in various locations and at a time when Rules of Origin are becoming increasingly complex. The need to be able to negotiate and utilize the Rules of Origin in trade agreements to increase production, improve competitiveness and increase market access for goods. There is also the need to further develop expertise in interpreting and applying the Rules of Origin.

Information Note: The Rules of Origin determine the economic identity and point of origin of goods so that it can be determined whether they qualify to be accorded the preferential treatment under specific trade agreements. Jamaica focuses mainly on **preferential rules of origin** in non-reciprocal (e.g. CBI) and reciprocal preferential trade agreement (e.g. RTC, EPA). The **general or non-preferential Rules of Origin** are used in the application of the MFN tariffs, Antidumping and Countervailing duties, safeguard measures, among other applications in a WTO context. See the WTO Agreement on Rules of Origin. Where the tariff rate is zero percent MFN, then the RoO criteria do not apply.

Objective: *To: (i) strengthen the capacity of Government Officials to correctly apply Rules of Origin in existing agreements and to incorporate them beneficially into future negotiations, and (ii) enhance the private sector's understanding of the Rules of Origin.*

Strategy: The Government will:

- encourage and promote the effective use of Rules of Origin to strengthen and expand foreign trade.

Focal Point(s): Ministry of Industry, Commerce, Agriculture and Fisheries, Trade Board Limited, Ministry of Finance and the Public Service, the Jamaica Customs Agency, the Ministry of Foreign Affairs and Foreign Trade and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (iv) Removal of Constraints, (v) Trade Facilitation, and (xii) Fair Trade.

2.7.3. Trade Facilitation

Policy Issue(s): The need to facilitate the movement, release and clearance related to the import and export of goods.

Objectives: (i) *To ensure that Jamaica has the capacity to efficiently and effectively handle the increasing volumes of goods being traded; and (ii) to encourage more efficient border monitoring in trading partners.*

Strategy: The Government will:

Information Note: Trade facilitation plays an important role in trade at the national, bilateral, regional and international levels. Trade facilitation is also included in bilateral and regional trade agreements such as the CARIFORUM-EU EPA. Trade facilitation looks at the simplification or streamlining of the procedures and controls governing the movement of goods across national borders and has been discussed in the United Nations Conference on Trade and Development (UNCTAD) and the World Customs Organization (WCO) for many years. Following years of negotiations, the Agreement on Trade Facilitation was concluded at the 9th Session of the WTO Ministerial Conference, held in December 2013, in Bali, Indonesia. Jamaica became the 67th Member to ratify the Agreement on 19th January 2016. The Agreement entered into force on 22nd February 2017. The negotiations were specifically aimed at clarifying and improving Articles V, VIII and X of GATT 1994, in order to further expedite the movement, release and clearance of goods across national borders. The negotiations also mandated the provision of effective technical assistance and capacity building to developing and least developed countries to assist them in implementing the Agreement. Jamaica established the Trade Facilitation Taskforce within the Ministry of Industry, Commerce, Agriculture and Fisheries to oversee the implementation of the Agreement.

- continue to prioritize the simplification of customs procedures and the reduction of the level of bureaucracy as well as the costs related to the import and export of goods; and
- implement the WTO Agreement on Trade Facilitation (TFA).

Focal Point(s): Ministry of Finance and the Public Service, Jamaica Customs Agency, Ministry of Industry, Commerce, Agriculture and Fisheries, Trade Board Limited, Ministry of Health, Ministry of Economic Growth and Job Creation, JAMPRO, Ministry of Science, Energy and Technology, Cabinet Office, and other relevant MDAs.

Other Related Policy Objective(s): 2.4 (i) Mainstreaming/Coherence, (ii) Market Access, (iii) Increased Trade, (iv) Removal of Constraints, (v) Trade Facilitation, and (vi) Competitiveness.

2.7.4. Customs Duties (Tariffs and Other Duties and Charges)

Policy Issue(s): The need to apply customs duties taking into account the relevant provisions in the WTO Agreements, the Revised Treaty of Chaguaramas, the CARIFORUM-EU-EPA and other agreements.

Objective: *To ensure that applicable customs duties are speedily and correctly assessed in line with the provisions of bilateral, regional and international trade agreements and World Customs Organisation (WCO) guidelines.*

Strategy: The Government will:

- endeavour to ensure that the Customs Duties and Other Duties and Charges (ODCs) encourage the growth and development of key economic sectors and the economy as a whole.

Focal Point(s): Ministry of Finance and the Public Service, Jamaica Customs Agency, Ministry of Foreign Affairs and Foreign Trade and other relevant MDAs.

Information Note: Jamaica's applied tariff is the Common External Tariff (CET) established by CARICOM which, in general, is currently 0 - 5 percent, in general, but 20 percent for industrial products and 40 percent for agricultural products. Jamaica also has most favoured nation (MFN) bound rates in the World Trade Organization. Both at the national level and in CARICOM, the CET and MFN bound rates are the subject of review. In the WTO, the MFN bound rates are the subject of negotiations in the Doha Round. Bound rates are the upper level or ceiling in tariff rates allowed by the WTO. The WTO, therefore, allows countries to increase tariffs up to the level of the bound rates. In addition to the applied tariff rates, Jamaica applies other duties and charges (ODCs) in a manner that is consistent with its regional and international commitments.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (iv) Removal of Constraints, (v) Trade Facilitation, and (xii) Fair Trade.

2.7.5. Non-Tariff Measures (NTMs) and Non-Tariff Barriers (NTBs)

Policy Issue(s): The need to address the use of NTMs by trading partners to restrict market access, thus making them NTBs. NTMs have become more prevalent with the progressive liberalization of tariffs. At the domestic level, there is also the need to reduce procedural obstacles (POs) to trade which are considered NTBs.

Objective: *To strengthen Jamaica's standards and quality management regime, while not unnecessarily applying NTBs.*

Information Note: During the GATT Uruguay Round, efforts were made to reduce the number of non-tariff measures, which could be applied in international trade, such as quantitative measures e.g. quotas, licensing, voluntary export restraints, variable levies, and local content requirements. The use of some NTMs, such as product standards, technical regulations, rules of origin requirements, packaging and labelling requirements are permitted. NTMs, which restrict trade, include excessive Sanitary and Phytosanitary (SPS) Measures and Technical Barriers to Trade (TBT), such as certain private standards and bureaucratic regulations, additional documentation and inspections, as well as legal requirements. NTMs can become NTBs.

Strategy: The Government will:

- provide technical assistance to Jamaican companies thus encouraging greater usage of standards and quality principles as tools to facilitate trade and overcome Non-Tariff Barriers;
- actively pursue Mutual Recognition Agreements with trading partners; and
- seek to reduce, including through bilateral, regional and multilateral initiatives, the use of NTBs by trading partners and procedural obstacles (POs) at the domestic level.

Focal Point(s): Ministry of Industry, Commerce, Agriculture and Fisheries, Bureau of Standards, Ministry of Health, Trade Board Limited and other relevant MDAs.

Other Related Policy Objective(s): 2.4 (i) Mainstreaming/Coherence, (ii) Market Access, (iv) Removal of Constraints, (v) Trade Facilitation, (vi) Competitiveness, and (xii) Fair Trade.

2.7.5.1. Sanitary and Phytosanitary (SPS) Measures

Policy Issue(s): It is of critical importance that all agricultural products (of plant and animal origin) imported into or exported from Jamaica meet international SPS standards. There is, therefore, a need to strengthen and modernize the existing SPS regime to facilitate trade, including the establishment of an effective regional SPS Regime, which allows for the harmonization of policies and procedures and the conduct of regional and international risk assessments.

Information Note: Jamaica is working to strengthen its national SPS regime in accordance with the WTO Agreement on Sanitary and Phytosanitary Measures (SPS). Jamaica also participates in the International Organization for Standardization, the Codex Alimentarius, World Organization for Animal Health (OIE) and the International Plant Protection Convention (IPPC). Efforts are being made within CARICOM to enhance the regional SPS regime. Note the establishment of the *Caribbean Agricultural Health and Food Safety Agency (CAHFSA)* in Suriname in 2010.

Objective: *To upgrade Jamaica's SPS regime to meet international standards.*

Strategy: The Government will:

- contribute to the development and effective functioning of the national and regional SPS regimes for both imports and exports; and
- endeavour to secure access to regional and international markets for Jamaica's food products which meet international SPS standards.

Focal Point(s): Veterinary Services Division and the Plant Quarantine Unit of the Ministry of Industry, Commerce, Agriculture and Fisheries, Ministry of Health, Jamaica National Agency for Accreditation, Ministry of Foreign Affairs and Foreign Trade and other relevant MDAs.

Other Related Policy Objective(s): 2.4 (i) Mainstreaming/Coherence, (ii) Market Access, (iv) Removal of Constraints, (v) Trade Facilitation, (vi) Competitiveness, (vii) Standards, and (xii) Fair Trade.

2.7.5.2. Technical Barriers to Trade (Technical Regulations, Standards and Conformity Assessment Procedures)

Policy Issue(s): The need to ensure that standards and technical regulations are developed in accordance with the WTO TBT Agreement. There is also a need for the effective implementation of the WTO TBT Agreement and the establishment of a quality infrastructure regime at the national level.

Information Note: Through its participation in the WTO, Jamaica is developing, adopting and applying technical regulations, standards and conformity assessment procedures in accordance with the WTO Agreement on Technical Barriers to Trade (TBT). At the international level, Jamaica participates as a full member of the International Organization for Standardization. At the regional level, Jamaica participates in the CARICOM Regional Organisation for Standards and Quality (CROSQ). The purpose of CROSQ is to facilitate the development and harmonization of regional standards, metrology, technical regulations and mutual recognition of conformity assessment procedures, and support the sustainable production and trade of goods and services in the CARICOM Single Market and Economy (CSME). In addition, CROSQ encourages the mutual recognition of accreditation and certification systems which are based on internationally accepted criteria. Participation in CROSQ is therefore critical to facilitating intra-regional trade and the international competitiveness of CARICOM goods and services.

Objective: *To upgrade Jamaica's TBT regime to meet international standards.*

Strategy: The Government will:

- encourage the practice of conducting Regulatory Impact Assessments in order to determine the need for technical regulations; and
- ensure that TBT issues are addressed in trade negotiations, and that technical regulations do not create unnecessary barriers to trade.

Focal Point(s): The Bureau of Standards, Ministry of Industry, Commerce, Agriculture and Fisheries, and other relevant MDAs.

Other Related Policy Objective(s): 2.4 (i) Mainstreaming/Coherence, (ii) Market Access, (iv) Removal of Constraints, (v) Trade Facilitation, (vi) Competitiveness, (vii) Standards, and (xii) Fair Trade.

2.7.5.3. Private Standards

Policy Issue(s): The proliferation of private standards has major implications for Jamaican exporters, which include the inability of Jamaican products to enter some major markets internationally.

Objective: To facilitate the private sector in its efforts to reorganise its business models in response to the growing importance of private standards in export markets.

Strategy: The Government will:

- encourage the Jamaican private sector to harmonize sector standards with National Standards thus discouraging the usage of private standards to determine market access requirements for Jamaica;
- actively pursue Mutual Recognition Agreements in order to minimize the effect of private standards on the Jamaican exporters; and

to the extent possible, provide technical assistance to the private sector in order to meet the requirements of private standards in the international markets.

Information Note: Private standards refer to those standards that are developed by non-governmental entities relating to the production and trade in goods and services. UNIDO classifies private standards into three categories: (i) consortia standards, which are often developed by a sector-specific consortium such as GlobalGAP; (ii) civil society standards, which are established as an initiative by non-profit organizations, usually as a response to concerns over social and environmental conditions, for example, the Forest Stewardship Council; and (iii) company-specific standards, which are developed internally and apply to the whole supply chain of a company, that is, codes of conduct.

WTO Members have expressed concerns about the development and application of private standards, including their sometimes unscientific nature, their deviation from international standards, inadequate harmonisation of these standards, the costs they present to businesses and the need for transparency in their development and application. Some members also point to the benefits of private standards, for example, their role in: (i) promoting best practices and productivity; (ii) building brand reputation and credibility in markets and among financiers; and (iii) complementing the undertakings of businesses in their bid to meet international government standards. The Jamaican private sector is already implementing private standards, such as Fair Trade and organic agriculture.

There are efforts to bring private standards within the purview of the WTO but a point of contention is whether it is within the mandate of the WTO's SPS Committee to oversee activities related to "private" standards.

Other Related Policy Objective(s): 2.4 (i) Mainstreaming/Coherence, (ii) Market Access, (iv) Removal of Constraints, (v) Trade Facilitation, (vi) Competitiveness, and (xii) Fair Trade.

Focal Point(s): Ministry of Industry, Commerce, Agriculture and Fisheries, JAMPRO, Ex-Im Bank, Ministry of Finance and the Public Service, Development Bank of Jamaica, Ministry of Foreign Affairs and Foreign Trade and other relevant MDAs.

2.7.6. Trade Remedies

Policy Issue(s): The need to defend and preserve industries, including strategic and emerging industries/firms, from unfair competition such as dumping and subsidization of imports, and increases in imports that cause injury to these industries

Information Note: Trade Remedies, which are antidumping, countervailing and safeguard measures, provide the most used methods for WTO Members to defend domestic industries which suffer injury as a result of importation in specific circumstances. These circumstances can include increases in imports from several countries and from dumping and subsidization. Trade remedies also serve to defend infant industries and employment. In an increasingly liberalized environment, these remedies help to address imbalances in the international trading environment.

Objective: *To defend and preserve strategic and emerging industries/firms from unfair competition such as dumping and subsidization of imports and increases in imports that cause injury to these industries.*

Strategy: The Government will:

- build capacity in the application of trade remedies with the private sector and support businesses in the pursuit of trade remedies; and
- utilize trade remedies, as necessary, to advance Jamaica's national interests.

Focal Point(s): Ministry of Industry, Commerce, Agriculture and Fisheries and the Anti-Dumping and Subsidies Commission.

Other Related Policy Objectives:2.4 (i) Mainstreaming/Coherence, (ii) Market Access, (iii) Increased Trade, (iv) Removal of Constraints, (v) Trade Facilitation, and (vi) Competitiveness.

2.7.7. Trade in Genetically Modified Organisms (GMOs)

Policy Issue(s): The need to strengthen Jamaica's capacity to regulate the trade in genetically modified organisms (GMOs) to protect consumers from any potential harmful effects of genetically modified products.

Information Note: Trade in genetically modified organisms (which includes living modified organisms or genetically modified products) is governed by the UN Convention on Biological Diversity (CBD) and its Cartagena Protocol on Biodiversity (the Bio-safety Protocol). The Protocol, utilizing the precautionary principle, allows countries to restrict or ban imports of genetically modified products and requires that such products be labelled. Jamaica is a party to the CBD and has ratified the Bio-safety Protocol.

Objective: *To develop within the short term a comprehensive policy and regime for the treatment and monitoring of the trade in GMOs in the domestic market.*

Strategy: The Government will:

- develop national capacity to regulate trade in GMOs.

Focal Point(s): Ministry of Industry, Commerce, Agriculture and Fisheries, Ministry of Health, Ministry of Science, Energy and Technology and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (v) Trade Facilitation, and (xiii) Sustainability

2.7.8. Food Security

Policy Issue(s):

The need for Jamaica to ensure that its population has consistent access to food supplies from local production and that local production can also contribute to exports.

Objective: To promote food security, while linking local production to agricultural exports.

Strategy: The Government will:

- promote higher levels of local production;
- link production for food security to exports; and
- promote national and regional food security.

Focal Point(s): Ministry of Industry, Commerce, Agriculture and Fisheries and other relevant MDAs.

Other Related Policy Objective(s): 2.4(i) Mainstreaming/Coherence and (xiii) Sustainability.

Information Note: For various reasons, such as weather events and civil unrest, there can be food shortages with accompanying price increases. Food prices have increased in recent years as a result of the higher price of energy. Jamaica has adopted a National Food and Nutrition Security Policy. Food security is also a regional issue since CARICOM countries aim to meet the food supply requirements of the region. Farmers in Jamaica can produce higher quantities of the food consumed in the country. However, in the WTO, Jamaica is designated as a Net Food Importing Developing Country (NFIDC), as the country imports large quantities of food, including staples such as rice, flour and cornmeal. Food security can also contribute to increased exports of agricultural products.

2.8. TRADE IN SERVICES

This section highlights the trade policy issues that are critical to the development and promotion of the trade in services in Jamaica. Trade in services is the supply of services (intangibles) on commercial terms to another country through the four modes of supply namely cross-border supply, consumption abroad, commercial presence and presence of natural persons.

2.8.1. Trade in Services

Policy Issue(s): There is need to: (i) support the growth of services which are globally competitive; (ii) promote diversification of services exports in line with the NES; (iii) enhance collection and disaggregation of trade in services statistics; and (iv) improve conditions of access in international markets for Jamaican services suppliers.

Objective: *To achieve a significant expansion of the value and the range of services traded over the next 5 years as well as the markets in which these services are traded.*

Strategy: The Government will:

- in collaboration with the CARICOM Committee of Statisticians and industry associations, develop and improve the system of data collection as an important basis for analysing the performance of services trade and developing effective policies;
- in collaboration with the services industry associations, and as a matter of priority, review and enhance strategies for supporting and promoting services trade and for improving access to target markets, taking into account the NES, linkages among services, and between services and other sectors;
- give priority to developing needed accreditation systems and mutual recognition agreements related to the export of services to existing and potential markets over the next 5 years; and
- continue to join forces with regional agencies for collaborative planning, analysis and standards development with a view to rapidly growing the sector.

Focal Point(s): Ministry of Tourism, Ministry of Culture, Gender, Entertainment and Sport, Ministry of Education, Youth and Information, Ministry of Health, Ministry of Industry, Commerce, Agriculture and Fisheries, Ministry of Economic Growth and Job Creation, JAMPRO and other relevant MDAs.

Other Related Policy Objective(s): 2.4 (i) Mainstreaming/Coherence, (ii) Market Access, (iii) Increased Trade, (iv) Removal of Constraints, (vi) Competitiveness, (viii) Diversification, (xi) Investment, (x) Trade Data and (xi) Public-Private Partnership.

Information Note: Trade in services, now an important component in trade agreements and international trade, is covered by the WTO General Agreement on Trade in Services (GATS), which facilitates and regulates this trade. The GATS allows developing countries to progressively liberalize the services sector in trade negotiations. Jamaica's Services Liberalization Schedule is aligned to the GATS.

Under the revised Treaty of Chaguaramas, Jamaica is committed to the establishment of the CARICOM regional services regime. Jamaica has established the Jamaica Coalition of Service Industries (JCSI) in partnership with the private sector.

2.8.2. Cultural and Creative Industries

Policy Issue(s): The need to increase trade by capitalizing on Jamaica's global competitive advantage in cultural and creative services. Trade in cultural and creative services makes a valuable contribution to the national economy and enhances the image and profile of 'Brand Jamaica'. Jamaica stands to benefit through taking advantage of existing trade agreements in creative and cultural services through the export of our creative talent and expertise as well as differentiating our local tourism experience. The national SME policy has targeted the expansion of music exports by US\$50M over five years and exports across cultural industries by 20 per cent annually.

Information Note: Jamaica is a party to the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, the Convention Concerning the Protection of the World Cultural and Natural Heritage, 1972, the Convention for the Safeguarding of the Intangible Cultural Heritage, 2003 and the Convention on the Protection of the Underwater Cultural Heritage, 2001. Jamaica is also party to a number of WIPO-related agreements that directly impact the functioning of the cultural and creative industries.

Objective: *To expand Jamaica's exports from cultural and creative industries and to develop the capacity to measure the value of these exports to trading partners.*

Strategies: The Government will:

- promote innovation from the level of the education system in the creative industries;
- enhance the capacity to market abroad Jamaica's cultural and creative industries;
- create an enabling environment for trade in Jamaica's cultural and creative goods and services;
- proactively use existing flexibilities and exceptions applicable to the cultural and creative industries; and
- devise ways to better collect data and to estimate the value of Jamaica's cultural and creative exports by markets and use this information in planning and market access negotiations for the sector.

Focal Point(s): Ministry of Culture, Gender, Entertainment and Sport, Office of the Prime Minister, Ministry of Industry, Commerce, Agriculture and Fisheries, JAMPRO, Ministry of Foreign Affairs and Foreign Trade and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (ii) Market Access, (iii) Increased Trade, (iv) Removal of Constraints, (v) Trade Facilitation, (viii) Diversification, (ix) Investment, (x) Trade Data, (xi) Public-Private Partnership, and (xii) Fair Trade.

2.9. TRADE-RELATED ISSUES

The section on trade-related issues covers the general economic and development issues that provide critical support to foreign trade. These are measures which are essential for making effective use of market access and facilitating the trade in goods and services. While a few of these appear on the work programme of the WTO, for example, Trade and Environment, a greater number is now more likely to

appear in the comprehensive bilateral and plurilateral free trade agreements, while others are simply necessary for foreign trade to take place, for example, energy.

Trade-related measures appear in the WTO multilateral trade agreements such as the TRIPS (Trade-related Intellectual Property Rights) and TRIMS (Trade-related Investment Measures).

2.9.1. Intellectual Property (IP) Rights

Policy Issue(s): As Jamaica continues to develop goods and services under “Brand Jamaica”, a solid IP regime takes on a new urgency. This is in recognition of the importance of intellectual property rights (IPRs) through copyright, patents, designs, trademarks, plant varieties and geographical indications, *inter alia*, to the competitiveness of Jamaican goods and services and to the development of new products and processes. There is also need to implement policies which safeguard and strengthen IPRs as well as bilateral and pluri-lateral enforcement strategies within and outside CARICOM.

Objective: *To have in place a modern IP regime which protects Jamaica’s trade development interests while adhering to international commitments.*

Strategy: The Government will:

- continue efforts to modernise its IP regime in collaboration with the private sector; research institutions and other stakeholders;
- continue to be an active participant in the development of intellectual property and the respect for those rights in the Region; and
- strengthen IPR protection, including the legislative framework, of Jamaican products and services, at the domestic, regional and international levels, in order to benefit from their comparative advantages.

Focal Point(s): Jamaica Intellectual Property Organisation, Ministry of Industry, Commerce, Agriculture and Fisheries and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (ii) Market Access, (iii) Increased Trade, (v) Trade Facilitation, (vi) Competitiveness, (viii) Diversification, and (xi) Public-Private Partnership.

2.9.2. Competition Policy

Policy Issue(s): There is a need to address unfair trade practices through the implementation of competition policy at the national and regional levels, as well as to ensure that Jamaica’s interests, with respect to competition policy, are protected.

Objective: *To have in place a domestic and*

Information Note: Competition Policy is increasingly a subject for negotiations in bilateral and regional trade agreements. Jamaica’s competition legislation, the Fair Competition Act, is administered by the Fair Trading Commission. Competition policy is also addressed in the Revised Treaty of Chaguaramas and in the CARIFORUM-EU EPA. Competition policy is not being negotiated in the WTO Doha Round Multilateral Trade Negotiations. The Government is committed to promoting fair business and trade practices.

regional competition policy regime that is responsive and is capable of protecting domestic industries, especially SMEs, from predatory and anti-competitive business practices internally and externally.

Strategy: The Government will:

- seek to strengthen national and regional capacity over the next 5 years to defend against unfair trading practices.

Focal Point(s): Ministry of Industry, Commerce, Agriculture and Fisheries, Fair Trading Commission, Ministry of Foreign Affairs and Foreign Trade and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (ii) Market Access, (v) Trade Facilitation, and (xii) Fair Trade.

2.9.3. Government Procurement

Policy Issue(s): The need to increase transparency in government procurement as a fundamental tenet.

Objectives: To strengthen Jamaica's procurement regime.

Strategy: The Government will:

- ensure the continued development of modern, robust, and transparent national and regional government procurement regimes in line with commitments made; and
- facilitate information sharing with these markets, for the benefit of the Jamaican private sector.

Information Note: Jamaica is not a party to the WTO plurilateral Agreement on Government Procurement. Notwithstanding, Jamaica is a proponent of transparency in government procurement. The national position on government procurement is articulated in the Procurement Policy, the 2014 Revised Handbook of Public Sector Procurement Procedures and the 2015 Public Procurement Act. In CARICOM, Jamaica is negotiating a Framework Regional Integration Policy on Public Procurement.

Focal Point(s): Ministry of Finance and the Public Service, Ministry of Foreign Affairs and Foreign Trade and other relevant MDAs.

Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (v) Trade Facilitation, and (xi) Public-Private Partnership

2.9.4. Investment

Policy Issue(s): The need to create an environment conducive to increased investment flows to enhance production and trade.

Objective: To create an environment conducive

Information Note: Domestic and foreign investments are critical to enhancing production and trade in goods and services. Investment is being increasingly included in bilateral and regional trade agreements. Investment issues have not been negotiated in multilateral trade agreements except as they relate to investment in Services and the trade-related investment measures.

to transparency and increased investment flows.

Strategy: The Government will:

- create an enabling environment for investment by improving Jamaica's macro-economic and social conditions, and effectively promoting and managing the flow of new investments;
- review the effectiveness of bilateral investment treaties with a view to making them more effective and relevant to Jamaica's growth and development objectives; and
- facilitate transparency in investment arrangements, in line with commitments made in international fora and in the CARIFORUM-EU EPA.

Focal Point(s): Ministry of Economic Growth and Job Creation, JAMPRO, Ministry of Industry, Commerce, Agriculture and Fisheries, Ministry of Finance and the Public Service and other relevant MDAs.

Other Related Policy Objectives:2.4 (i) Mainstreaming/Coherence, (iii) Increased Trade, (v) Trade Facilitation, (ix) Investment, and (xi) Public-Private Partnership.

2.9.5. Fiscal Measures

Policy Issue(s): The need to use fiscal measures to stimulate growth in the trade of goods and services.

Information Note: Fiscal measures are an integral aspect of trade in goods and services, particularly with respect to: tax measures, the collection of revenue from customs duties (tariffs and other duties and charges) and the provision of tax incentives.

Objective: *To ensure that fiscal measures support foreign trade.*

Strategy: The Government will:

- utilize available fiscal measures to stimulate trade and accord trade high priority, as a source of national income for development.

Focal Point(s): Ministry of Finance and the Public Service, Ministry of Industry, Commerce, Agriculture and Fisheries, and other relevant MDAs.

Other Related Policy Objectives:2.4 (i) Mainstreaming/Coherence, (iii) Increased Trade, (v) Trade Facilitation, (vi) Competitiveness, and (viii) Diversification

2.9.6. Competitiveness of MSMEs

Policy Issue(s): The difficulty experienced by Micro, Small and Medium-Sized Enterprises (MSMEs) in accessing technical support and trade financing to expand their businesses and make use of advances in technology to be more competitive.

Objective: *To improve the international competitiveness of MSMEs and increase their participation in trade, and in particular exports.*

Strategy: The Government will:

- continue to strengthen business development institutions and facilitate and explore innovative mechanisms to provide technical and business development support as well as access to adequate and affordable trade financing by exporters, particularly MSMEs; and
- improve the coordination of institutions involved in business development and support.

Focal Point(s): Ministry of Industry, Commerce, Agriculture and Fisheries, Ministry of Finance and the Public Service, Development Bank of Jamaica, EXIM Bank and other relevant MDAs.

Other Related Policy Objectives: 2.4(i) Mainstreaming/Coherence, (iii) Increased Trade, (vi) Competitiveness, (ix) Investment, and (xi) Public-Private Partnership.

2.9.7. Environmental Standards and Sustainable Development

Policy issue(s): There is the need to ensure that the growth of foreign trade supports sustainable economic development since foreign trade and the production of goods and services can have a deleterious impact on natural resources and the natural environment.

Objective: *To ensure that policies, strategies and actions on trade and investment support sustainable economic development.*

Information Note: The application of environmental standards is now an increasingly important issue in trade negotiations and trade policy formulation, including trade restrictions, which arise in a significant number of Multilateral Environmental Agreements (MEAs). The Doha Declaration mandated the WTO to examine the link between MEAs and the WTO Agreements. Jamaica is concerned about the emphasis on punitive sanctions as opposed to enabling measures to encourage the application of environmental standards in bilateral trade agreements.

The United Nations General Assembly in September 2015 adopted Agenda 2030 and the Sustainable Development Goals. Several of the goals are trade-related.

Strategy: The Government will:

- ensure that appropriate environmental standards are developed and adhered to in respect of the production and trade in goods and services;
- monitor relevant international developments related to sustainable development; and
- implement related international commitments and adhere to local environmental laws.

Focal Point(s): Office of the Prime Minister, Ministry of Science, Energy and Technology, Ministry of Economic Growth and Job Creation (Land, Environment and Climate Change), Ministry of Transport and Mining, Ministry of Health, National Environment and Protection Agency, Bureau of Standards and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (ii) Market Access, (iii) Increased Trade, (vi) Competitiveness, (vii) Standards, and (xiii) Sustainability.

2.9.8. Climate Change

Policy issue(s): The need to ensure that climate change and its effects are taken into account in foreign trade.

Objective: *To mitigate the impact of climate change on foreign trade activities and to take advantage of green economy opportunities.*

Strategies: The Government will:

- endeavour to mainstream climate change in the development and implementation of trade-related national and regional policies, strategies and plans; and
- monitor and participate in the ongoing UNFCCC negotiations.

Information Note: Green Economy - Trade in environmentally friendly goods and services, when accompanied by appropriate regulations, can facilitate the transition to a green economy. The transition to a green economy, in turn, has the potential to create enhanced trade opportunities by opening new export markets for environmentally friendly goods and services, by increasing trade in products certified for sustainability and promoting certification-related services, and by “greening” international supply chains. A green economy is increasingly seen as a gateway to new opportunities for trade, growth and sustainable development – UNEP 2013 Report.

Focal Point(s): Ministry of Economic Growth and Job Creation (Land, Environment and Climate Change) with the Ministry of Foreign Affairs and Foreign Trade and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (iii) Increased Trade, (vi) Competitiveness, and (xiii) Sustainability.

2.9.9. Labour Standards

Policy Issue(s): The need to continue to adhere to the Core Labour Standards of the International Labour Organization (ILO)³¹ and to adopt standards which contribute to productivity, fair trade, and the competitiveness of products in the domestic, regional and international markets. In addition, the need to address unfair trade practices due to the non-application of international labour standards by competing countries.

Objective: *To support the implementation of core labour standards at the national and international levels.*

Strategy: The Government will:

- ensure that appropriate labour standards are ratified and adhered to in all business activities; and
- monitor the application of core labour standards in competing countries.

³¹Jamaica has ratified the ILO's eight fundamental labour related conventions, namely: Forced Labour Convention, 1930 (No. 29); Abolition of Forced Labour Convention, 1957 (No. 105); Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87); Right to Organize and Collective Bargaining Convention, 1949 (No. 98); Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111); Minimum Age Convention, 1973 (No. 138); and Worst Forms of Child Labour Convention, 1999 (No. 182).

Focal Point(s): The Ministry of Labour and Social Security, Ministry of Foreign Affairs and Foreign Trade and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (vi) Competitiveness, and (xi) Public-Private Partnership

2.9.10. Gender

Policy Issue(s): The need to identify and address the particular needs of both men and women involved in bilateral, regional and international trade, as well as the impact of trade liberalization on both genders.

Objective: *To ensure the full participation of both genders in productive activities, especially trade.*

Strategies: The Government will:

- ensure that gender issues are taken into account in foreign trade, recognizing that there is an increasing number of women involved in foreign trade and that attention must be paid to ensuring gender equity and equality;
- facilitate the disaggregation of data to allow for the measurement of gender participation in trade; and
- demonstrate sensitivity to the gender division of labour in the goods and services sectors in the development of programmes.

Focal Point(s): Bureau of Gender Affairs, Ministry of Foreign Affairs and Foreign Trade, Office of the Prime Minister and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (vi) Competitiveness, (ix) Investment, and (xi) Public-Private Partnership.

Information Note: UNCTAD: *Trade can have significant consequences for gender equality.*

In the trade and gender discussion, there is the view that men and women still tend to work in different sectors of the economy and trade liberalisation may impact women differently from men depending on geographical location and economic activities. There is the need to ensure that men and women have equal opportunities in trade. UNCTAD and ITC have a number of gender related initiatives primarily focused on the empowerment of women.

2.9.11. Youth

Policy Issue(s): The need to increase trade by promoting youth participation, entrepreneurship and innovation.

Objective: *To empower youth entrepreneurs in trade and investment decisions.*

Information Note: The ITC has a Youth and Trade Initiative aimed at youth empowerment in developing countries to ensure the participation of youth entrepreneurs in international markets and global value chains in order to create jobs and income.

Strategy: The Government will:

- create an enabling environment to empower Jamaica's youth to make a valuable contribution to foreign trade.

Focal Point(s): Ministry of Education, Youth and Information, Ministry of Industry, Commerce, Agriculture and Fisheries, Ministry of Foreign Affairs and Foreign Trade and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (vi) Competitiveness, (ix) Investment, and (xi) Public-Private Partnership.

2.9.12. Science, Technology and Innovation

Policy Issue(s): The need to use Science, Technology and Innovation to encourage increased trade through the creation of new products and processes.

Objective: *To enhance the value and diversity of Jamaica's exports by integrating innovation through science and technology into production.*

Information Note: Education, research, innovation and development in Science and Technology contribute to the development of new and enhanced products and processes and to enhancing the productivity and competitiveness of goods and services for export. The CARIFORUM-EU EPA contains provisions dealing specifically with innovation. Intellectual Property Rights play a key role in promoting innovation.

Strategy: The Government will:

- encourage the creation of new and improved products and processes through research and development;
- promote improvement in productivity and competitiveness through the application of science, technology and innovation; and
- encourage the effective use of technology.

Focal Point(s): Ministry of Science, Energy and Technology, Ministry of Foreign Affairs and Foreign Trade, Ministry of Industry, Commerce, Agriculture and Fisheries and other relevant MDAs.

Other Related Policy Objective(s):2.4 (i) Mainstreaming/Coherence, (iii) Increased Trade, (vi) Competitiveness, (viii) Diversification, and (xi) Public-Private Partnership.

2.9.13. Health

Policy Issue(s): The need to promote coherence between trade and health policies and to safeguard Jamaica's interests with respect to the potential harmful health effects of any goods being traded.

Objective: *To take full account of the link between trade and health issues.*

Strategy: The Government will:

- ensure that close attention is paid to the trade-related issues arising in the global health fora and that there is collaboration among MDAs.

Focal Point(s): Ministry of Health, Ministry of Industry, Commerce, Agriculture and Fisheries, Bureau of Standards Jamaica, Ministry of Foreign Affairs and Foreign Trade and other relevant MDAs

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (vii) Standards, (xii) Fair Trade, and (xiii) Sustainability

Information Note: The link between trade and health issues has arisen in the World Health Organization (WHO) and in the World Trade Organization (WTO) regarding the possible harmful effects of products such as tobacco and alcohol, as well as trade in generic pharmaceutical products. It should also be noted that health issues include SPS measures which are addressed at the section on Sanitary and Phytosanitary (SPS) Issues. The WHO is working to promote coherence between trade and health policies to have foreign trade rules maximising health benefits and reducing health risk.

2.9.14. National Security

Policy Issue(s): The need to create a stable and secure environment for trade and investment.

Objective: *To create a stable and secure environment for production and trade.*

Strategy: The Government shall:

- seek to create an environment characterized by reduced levels of crime in order to facilitate increased investments, production and export of goods and services.

Information Note: Investments and trade flourish in a stable and secure environment. Investment, production, competitiveness, and trade have been severely affected by the high crime rate in Jamaica and by the financial outlays that have to be made to counteract the negative effects of activities such as the illicit trafficking in firearms and ammunition, the illicit trafficking in narcotics and psychotropic substances, praedial larceny, illegal fishing, trade in contraband goods, intellectual property violations, cyber-crime and corruption. The 2016/2017 Global Competitiveness Report ranked Jamaica 136th of 138 countries as it relates to the business cost of crime and violence.

Focal Point(s): Ministry of National Security, Ministry of Economic Growth and Job Creation, Ministry of Transport and Mining, Ministry of Science, Energy and Technology, Jamaica Customs Agency and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (iii) Increased Trade, (v) Trade Facilitation, (xi) Investments, and (xi) Public-Private Partnerships.

2.9.15. Diaspora

Policy Issue(s): The need to strengthen relations with the Jamaican Diaspora and engage the Diaspora in actively supporting the transformation of the economy through increased trade and investment.

Objective: *To strengthen relations with the Jamaican Diaspora and engage them in actively supporting the transformation of the economy through increased trade and investment.*

Strategy: The Government will:

- enhance and leverage the role of the Diaspora in building Brand Jamaica;
- promote an enabling environment that stimulates the increased investment of the Diaspora in economic growth and development, through investment, entrepreneurship, innovation, tourism, and overall business activity in Jamaica;

Information Note: The Diaspora is viewed as a strategic and critical stakeholder with the capacity to help to transform the economy through the distribution of Jamaican goods in foreign markets and financial investments in Jamaica as well as innovation and knowledge transfers. Jamaica has established a Diaspora Advisory Board. A Diaspora Foundation and the Jamaica Diaspora Institute have also been established. A draft Diaspora Policy is being finalized.

- ensure that the Diaspora in the principal countries are engaged and kept abreast of trade issues of concern to Jamaica, arising in their markets and in Jamaica, to secure their support and involvement in advancing Jamaica's interests; and
- develop a formalized approach to Diasporic trade, with focus on fresh and processed foods.

Focal Point(s): Ministry of Foreign Affairs and Foreign Trade and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (iii) Increased Trade, (ix) Investment, and (xi) Public-Private Partnership.

2.9.16. Informal Trade

Policy Issue(s): The need to encourage the integration of informal traders into the formal trading system.

Objective: *To encourage the integration of informal traders into the formal trading system.*

Information Note: The informal sector is an active part of Jamaica's culture and economy but, by definition, operates outside of the formal systems of taxation, regulations and protections or safeguards. It is recognized that a significant percentage of trade at the regional and international levels is conducted informally by informal commercial importers (ICIs) or traders operating in small and micro-businesses.

Strategy: The Government will:

- facilitate the creation of an enabling environment for the integration of informal traders into the formal economy.

Focal Point(s): Ministry of Industry, Commerce, Agriculture and Fisheries, Ministry of Finance and the Public Service and other relevant MDAs.

Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (iii) Increased Trade, (ix) Investment, (xi) Public-Private Partnership, and (xii) Fair Trade.

2.9.17. Energy Supplies

Policy Issue(s): The need to address the consistency of supply and the cost of energy as it relates to the production of Jamaican goods and services.

Objective: *To reduce the cost of energy in the production of Jamaican goods and services and to identify new sources of energy.*

Information Note: The production of electricity and the quality of energy supplies are critical inputs for the productive sector and for the export of goods and services. The volatility and rising price of petroleum which is the base load fuel for electricity generation in Jamaica have resulted in increased costs to the productive sector. As a result, this has negatively affected the competitiveness of Jamaican goods in the domestic, regional and international markets.

Strategy: The Government will:

- continue to implement programmes and projects aimed at reducing the cost of energy in order to enhance competitiveness and productivity;
- continue to promote more efficient use of energy; and
- continue efforts to diversify sources of energy.

Focal Point(s): Ministry of Science, Energy and Technology, Ministry of Industry, Commerce, Agriculture and Fisheries and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (iii) Increased Trade, (ix) Investment, and (xi) Public-Private Partnership.

2.9.18. Transportation

Policy Issue(s): There is the need to facilitate foreign trade by improving the national, regional, and international transport systems.

Objective: *To improve the national, regional, and international transport systems to facilitate foreign trade.*

Information Note: Efficient and predictable transportation by air and sea is a requirement for advancing Jamaica's foreign trade interests. These modes, in addition to internal road and rail transport, are current supply-side constraints to be surmounted. The development of an effective regional transport system by sea and air is critical to facilitating regional and international trade. This must be complemented by adequate land transportation to move goods from their place of origin/manufacture to the ports.

Strategy: The Government will:

- continue to develop and negotiate the expansion of domestic, regional, and international transportation facilities and services, in collaboration with the private sector, in support of initiatives, such as the Logistics Hub, in order to improve the quality and to increase the efficiency of Jamaica's transport system to facilitate increased foreign trade.

Focal Point(s): Ministry of Transport and Mining, Ministry of Economic Growth and Job Creation, along with the Ministry of Foreign Affairs and Foreign Trade and other relevant MDAs.

Other Related Policy Objectives: 2.4 (i) Mainstreaming/Coherence, (iii) Increased Trade, (v) Trade Facilitation, (ix) Investment, and (xi) Public-Private Partnership

2.9.19. Natural and Man-Made Hazards

Policy Issue(s): The need to mitigate the impact of natural and man-made hazards on foreign trade, given their impact on trade and on the country's economy. In particular, consideration needs to be given to the special needs of those involved in the export of goods (specifically agricultural products) and services (tourism).

Objective: *To mitigate the impact of natural and man-made hazards on foreign trade, given their impact on trade and on the country's economy. In particular, consideration needs to be given to the special needs of those involved in the export of goods (specifically agricultural products) and services (tourism).*

Information Note: Jamaica is regularly affected by natural hazards, such as droughts, floods, hurricanes and other wind events. The country is also susceptible to cold spells and earthquakes. With climate change, it has been forecasted that some of these natural events are likely to continue to increase in frequency and intensity. In addition, there is the risk of increased ocean acidification and an increase in temperature and sea-level rise. The island is also vulnerable to man-induced hazards as a result of industrial activities, transportation of hazardous materials, and terrorism. As a small, vulnerable developing country, natural disasters and man-made events, now including climate change, have severely affected Jamaica's exports, particularly agricultural goods and tourism. Such disasters in third countries also affect critical imports and exports. Jamaica needs to be aware of and prepared for the threats from these disasters and events.

Strategy: The Government will:

- encourage the implementation of disaster risk reduction strategies so as to increase resilience in those productive and trade sectors which are prone to disasters.

Focal Point(s): Office of the Prime Minister, Ministry of Industry, Commerce, Agriculture and Fisheries, Ministry of Economic Growth and Job Creation (Land, Environment and Climate Change), Ministry of Local Government and Community Development, Office of Disaster Preparedness and Emergency Management, Hazardous Substances Regulatory Authority (HSRA) and other relevant MDAs.

Other Related Policy Objective(s): 2.4 (i) Mainstreaming/Coherence, (iii) increased trade, (xi) Competitiveness, (xi) Public-Private Partnership, and (xiii) Sustainability.

SECTION 3- IMPLEMENTATION

This Section outlines the implementation mechanism for the Foreign Trade Policy.

3.1. POLICY LEVEL

The Cabinet, advised by the Minister of Foreign Affairs and Foreign Trade, will have oversight, at the policy level, for implementation of the Foreign Trade Policy. Cabinet will conduct this oversight function through its International Relations and Trade Committee (IRTC). Semi-annual progress reports on Policy implementation will be presented by MFA&FT to the IRTC, in keeping with the Policy's monitoring mechanism (outlined below), to enable national policy coherence and swift response to any matters which require Cabinet action.

Information Note: The International Relations and Trade Committee (IRTC) is an inter-Ministerial sub-committee of the Cabinet which comprises the Ministers responsible for matters related to international relations and trade.

3.2. EXECUTION LEVEL

The implementation of the Foreign Trade Policy is predicated on the efficient and effective use of existing national systems, infrastructure and human resources allocated for trade-related matters. The MFA&FT's mandate includes coordination of the arrangements for addressing foreign trade matters which span the trade-related MDAs, as well as the private sector and civil society. In order to fully implement the Foreign Trade Policy, it is necessary to supplement these existing resources from other sources such as Aid-for-Trade (Aft) and the assignment of resources from the budgets of trade-related MDAs.

3.3. COORDINATION

3.3.1. Implementation Oversight

MFA&FT will have responsibility for coordinating the implementation of the Action Plan. MFA&FT will convene, under the chairmanship of the Minister, regular high-level meetings of a National Foreign Trade Council comprising trade-related stakeholders to monitor progress in implementation of the Action Plan. The National Foreign Trade Council will, *inter alia*:

- convene periodic and special meetings of the Council to devise ways of improving the process of implementation of the Foreign Trade Policy;
- ensure that the implementation process adheres to the general policy direction of the government, including the thrust of public-private partnership;
- consider reports from the Foreign Trade Policy Implementation Coordination Unit on progress made and issues surrounding the implementation of the Foreign Trade Policy;
- provide guidance and instructions to the Foreign Trade Policy Implementation Coordination Unit relating to the implementation process;
- inform the Jamaica Trade Adjustment Team (JTAT) on progress made as well as issues facing the implementation of the Foreign Trade Policy;

- consider the recommendations of JTAT as it relates to enhancing the implementation process; and
- contribute to reports to the International Relations and Trade Committee (IRTC) of the Cabinet.

3.3.2. Consultation

The Jamaica Trade and Adjustment Team (JTAT) is the mechanism by which the MFA&FT coordinates and consults with the public and private sectors as well as civil society on trade matters, and will remain the wider consultative mechanism for foreign trade policy and negotiations.

3.3.3. Secretariat

A Foreign Trade Policy Implementation Coordination Unit will be created in the MFA&FT. The Unit will be primarily responsible for:

- collecting data from the MDAs on the status of implementation of the Policy's Action Plan, thereby coordinating and monitoring the implementation of the Foreign Trade Policy;
- preparing reports on the implementation of the Action Plan, as appropriate;
- serving as a secretariat³² by supporting the National Foreign Trade Council and JTAT; and
- ensuring trade policy coherence by making the necessary linkages among the existing and new trade-related policies, strategies and plans.

AfT resources will be targeted for the establishment of this Unit.

In addition to the inclusion of a dedicated Unit in MFA&FT, it is being recommended that senior officer(s) be identified in all relevant trade-related MDAs to act as trade focal points with respect to implementation of the Foreign Trade Policy and to collaborate with MFA&FT on foreign trade issues. This will be in keeping with the Government's policy of "joined-up government", that is, with all MDAs communicating efficiently with each other and working together purposefully and effectively. Diagram 3 below shows the inter-linkage between the main trade-related MDAs.

3.4. POLICY LINKAGES

As highlighted in Section 1.22.3, Vision 2030 Jamaica, the national long-term development plan, provides the over-arching, integrated socio-economic policy framework which promotes policy coherence and guides the development and implementation of all other sector policies, strategies and plans. There is broad consensus that Jamaica needs to move forward with a coherent plan of action, leveraging the resources of the private and public sectors and civil society to address the development challenges of the country.

³² The role of the secretariat will include: convening meetings, preparing meeting documentation and progress reports, and ensuring implementation of the decisions of the NFTC.

There are linkages between the Foreign Trade Policy and several other national development plans and strategies which need to be coordinated at the implementation level. This includes all national and sectoral policies, plans and strategies with a direct bearing on trade.

3.5. ACTION PLAN DEVELOPMENT

The strategies set out in the Foreign Trade Policy provide the basis for the development of an accompanying Action Plan to guide the implementation of the Policy. The policy strategies and activities within the Action Plan were reviewed by a wide cross-section of stakeholders during the various revisions of the Policy.

3.6. ACTION PLAN IMPLEMENTATION

The Action Plan will serve as Jamaica's roadmap for the implementation of the Foreign Trade Policy, thus guiding the implementation of Jamaica's trade agreements, including the WTO Multilateral Agreements, the Revised Treaty of Chaguaramas and the CARIFORUM-EU-EPA. The implementation of the individual components of the Policy will be assigned to the relevant MDAs, with the National Foreign Trade Council providing critical oversight of the Policy implementation process. In addition, public-private partnerships will be promoted.

Diagram 3: Inter-linkages between Ministries with Foreign Trade Portfolio Responsibilities

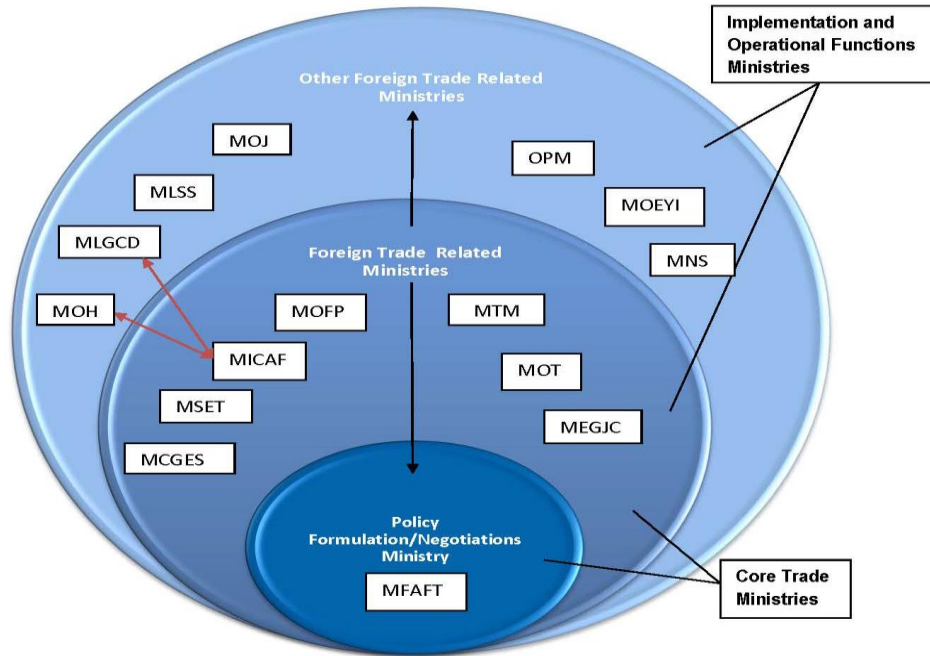


DIAGRAM 3 - KEY	
	Policy Formulation/Negotiations Portfolio Ministry
	Core Foreign Trade Related Ministries
	Other Foreign Trade Related Ministries
	Inter-linkage amongst core trade-related Ministries and other implementation and operational functions Ministries for consultation and coordination
	SPS Network

3.7. PUBLIC CONSULTATION AND PUBLIC EDUCATION

The implementation process will include the development of an effective communication strategy to inform key local and international stakeholders and the public at large about progress achieved in implementing Jamaica’s Foreign Trade Policy. This communication strategy will be an important component of the Action Plan and will complement strategies used by JTAT’s membership to inform their respective constituents.

Broad consultations, public education and feedback are critical elements in Jamaica's current policy development and review process. While JTAT continues to provide a mechanism for key trade stakeholders to be consulted regularly and to remain engaged in the process, other appropriate avenues will be developed for ongoing public education to increase the knowledge base and participation of the wider Jamaican public in trade matters. Efforts will also be made to devise an appropriate feedback mechanism to keep this process relevant.

The tools to be utilized for public education will make the best use of available technology and will be targeted and geared towards pre-defined target groups, such as business and professional associations, young entrepreneurs and other interest groups. Existing systems, infrastructure and human resources will need to be augmented.

Although internet and other electronic communications technologies will be used to the fullest extent possible, personal contact still has a critical role to play in managing Jamaica's trade and economic relations in an increasingly complex world. In this respect, Jamaica has a small but focused and effective presence around the world through the diplomatic/consular missions of the MFA&FT, and representatives of JAMPRO and the Jamaica Tourist Board (JTB), which will play a key role in implementing Jamaica's Foreign Trade Policy, particularly through trade and economic diplomacy.

3.8. FINANCING

The implementation of the Foreign Trade Policy will be financed by trade-related MDAs, AfT resources, and other international development sources.

3.9. MONITORING AND EVALUATION

The level to which the 2001 Trade Policy was able to achieve its goals and objectives could not be accurately measured due to the inadequate monitoring and evaluation framework contained therein. Continuous monitoring and evaluation will be built into the implementation of the Foreign Trade Policy, under the oversight of the National Foreign Trade Council. The Ministry of Foreign Affairs and Foreign Trade will prepare quarterly implementation progress reports for the National Foreign Trade Council and semi-annual implementation progress reports for the Cabinet.

A monitoring and evaluation framework will be developed by the Ministry of Foreign Affairs and Foreign Trade which will incorporate SMART monitoring indicators³³. This will be consistent with the government-wide Performance Monitoring and Evaluation System (PMES)³⁴ under the Government's *Whole of*

³³ SMART indicators refer to indicators which are Specific, Measurable, Achievable, Relevant and Time-bound.

³⁴The Performance Monitoring and Evaluation System (PMES) is a comprehensive monitoring and evaluation framework led by the Cabinet Office through its Performance Management and Evaluation Unit. The PMES includes an inventory of activities, resources, results, performance measurement and governance information which will examine the outcomes and impacts of projects, programmes and policies of MDAs. MDAs will be required to produce integrated strategic business plans and performance reports aligned to national goals (that is, those contained in Vision 2030 Jamaica and the Medium Term Socio-Economic Framework etc). The PMES will establish clear performance linkages among the three operating levels of the public sector: across sectors, between MDAs, and at unit levels within organizations (extract Jamaica National Aid-for-Trade Strategy, p. 29).

Government Business Plan, being put into place to ensure policy coherence and accountability across MDAs. The envisioned monitoring and evaluation framework will seek to ensure progress in the attainment of objectives, gauge relevance and sustainability, and measure efficiency and effectiveness. Continuous monitoring of the Policy will allow for the detection of issues which may arise in the implementation stage and the facilitation of prompt resolution, as necessary.

Baselines for the monitoring and evaluation framework will be established through: (i) a comprehensive review of commitments made under existing trade agreements to determine compliance, identify any gaps and to ensure coherence and relevance to Jamaica's ongoing trade interests; (ii) a review of the adequacy and compliance of national legislation, rules, and licensing and qualification requirements. The need for rationalisation of existing laws and regulations or the development of new ones will also be taken into consideration; and (iii) a socio-economic and gender-sensitive impact assessment to better identify specific needs and opportunities.

Simple tools, such as templates or reporting matrices, will be devised to collect data to monitor and evaluate the implementation of the Foreign Trade Policy. MFA&FT will be responsible for coordinating the preparation of the baseline and targets for the various trade areas by the relevant MDAs.

3.10. POLICY REVIEW

The Foreign Trade Policy will be subject to biennial Stakeholder Reviews as well as formal mid-term and end of period reviews to ensure that it remains on track and relevant. The results of these Reviews will be fed into Vision 2030 Jamaica's Medium-Term Socio-economic Framework, so that critical updates or shifts in foreign trade policy can be incorporated into the National Development Plan on an ongoing basis and the Foreign Trade Policy can thus benefit from cross-sectoral review.

The Policy seeks to be flexible and responsive to the constantly changing domestic and international trade environment. Consequently, periodic, inter-sessional issue-based reviews will be accommodated and encouraged along with the ongoing monitoring and updating of Jamaica's foreign trade information and policy positions through regular research, review and enquiry by trade-related MDAs. Networks will be developed with tertiary institutions and other civil society entities in order to strengthen the review process and to help to ensure that the Policy is kept current in terms of norms and advances, and that it genuinely reflects national interests.

3.11. LEGISLATION

Much of the legislation required for the execution of this Policy is being contemplated or already in place, such as the Omnibus Incentives Act. The ICT legislation may need to be upgraded in a few years to meet new trade needs. It will also be important to rationalize the various pieces of trade legislation with a view to improving trade facilitation.

3.12. SUMMARY IMPLEMENTATION MATRIX

The Implementation Matrix (Table 5), below, summarises the major implementation activities.

Table 5 - Implementation Matrix

IMPLEMENTATION ACTIVITIES	RESPONSIBLE ENTITY
Policy Level	
<ul style="list-style-type: none"> • Policy Oversight • Policy Coherence • Policy Decisions/ Approval 	Cabinet and MFAFT
Execution Level	
<ul style="list-style-type: none"> • Action Plan Implementation <ul style="list-style-type: none"> ○ Coordination ○ Implementation ○ Public Consultation ○ Public Education ○ Financing 	MFA&FT (mainly the Foreign Trade Policy Implementation Coordination Unit), Cabinet Office, trade-related MDAs, private sector and civil society
<ul style="list-style-type: none"> • Monitoring and Evaluation 	MFA&FT, National Foreign Trade Council, trade-related MDAs, JTAT, private sector and civil society
<ul style="list-style-type: none"> • Policy Review (including Reporting on Progress) 	MFA&FT, National Foreign Trade Council, trade-related MDAs, JTAT, private sector and civil society

3.13. RISKS

The primary risk is that the Foreign Trade Policy is not implemented in its entirety. The probability of this risk is considered high because it requires a coordinated whole-of-government approach and the involvement of the private sector. However, inputs made and interest shown by trade-related stakeholders as well as priorities set by the Government, demonstrate that there is an opportunity for implementation to take place. The priorities set by Government are largely encompassed in Vision 2030 Jamaica, the Growth Inducement Strategy and all recent trade-related policies, strategies and plans, which give trade, particularly exports, a high priority ranking and recognize it as essential to spurring economic growth and reducing the country's high debt burden. The key mitigating measure will be a practical Action Plan driven by the MFA&FT and the trade focal points within the MDAs and concrete mechanisms for monitoring and evaluation to measure the progress of implementation and ensure that corrective action is taken as appropriate.

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- Annex I - Modes of Dispute Settlement
- Annex II - Jamaica's Preferential Access to the Markets of Trading Partners
- Annex III - Case Study: Jamaica's Clothing and Textiles Sector
- Annex IV - Summary: Jamaica's Involvement in Foreign Trade 1962 – 2016
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- Annex VIII - Jamaica's Import Duty Regime
- Annex IX - Indicative List of Major Trade-Related Legislation in Jamaica
- Annex X - Detailed Listing of Ministries, Departments and Agencies Involved in Foreign Trade

ANNEX I - Modes of Dispute Settlement

(1) CARICOM- Revised Treaty of Chaguaramas

Chapter Nine - Dispute Settlement

- (i) Good Offices - Art. 191
- (ii) Mediation - Art. 192
- (iii) Consultations - Arts. 193-194
- (iv) Conciliation - Arts. 195 -203
- (v) Arbitration - Arts. 204-210
- (vi) CCJ Original Jurisdiction - Arts 211-223

(2) WTO Dispute Settlement Understanding (DSU)

- (i) Consultations - Art. 4
- (ii) Good Offices, Conciliation, Mediation - Art. 5
- (iv) Establishment of Panels - Arts. 6-21
- (v) Arbitration - Art. 25
- (vi) Non-violation complaints - Art. 26

(3) Bilateral Trade Agreements

All bilateral trade agreements now contain dispute settlement provisions, for example, the CARIFORUM-EU Economic Partnership Agreement (EPA) has in Part III, Dispute Avoidance and Settlement in Articles 202-223; Consultations in Article 204; Mediation in Article 205; and Arbitration Procedures in Articles 206-223.

ANNEX II - Jamaica's Preferential Access to the Markets of Trading Partners

1962 – 1969

The United Kingdom (UK)	1932 Commonwealth Scheme of Preferences (The Ottawa Agreement), 1950 Commonwealth Sugar Agreement
Canada	1925 Canada/British West Indies (BWI) Trade Agreement
Commonwealth Caribbean	1932 Commonwealth Scheme of Preferences, 1968 CARIFTA Preferences
United States of America (USA)	GATT MFNUS/Jamaica Bilateral Textile Agreement (quotas); US Sugar Quota (80,000 tons)
Rest of the World	GATT MFN

1970-1979

UK	1932 Commonwealth Scheme of Preferences
European Economic Community (EEC)	1975 ACP/EEC Lomé Convention, (including UK from 1973) duty-free access, quotas for sugar and bananas
Canada	1925 Canada/BWI Trade Agreement, Canada GSP 1979 Canada/Caribbean Trade and Economic Cooperation Agreement
Commonwealth Caribbean	1968 - CARIFTA Preferences 1973 - CARICOM – duty-free (creating a Customs Union)
USA	GATT MFN US GSP US/Jamaica Bilateral Textiles Agreement (quotas) US Sugar Quota (reducing)
Rest of World	GATT MFN Developed country GSP (Japan, Norway, Switzerland, Australia, New Zealand)

1980-1989

EEC	1980 ACP/EC Lomé II Convention 1985 ACP/EC Lomé III Convention
Canada	1979 Canada/Caribbean Trade and Economic Cooperation Agreement 1986 Caribbean/Canada Trade Agreement (CARIBCAN) - non-reciprocal duty-free access except for textiles and clothing, footwear, luggage and

handbags, leather garments, lubricating oil and methanol.

CARICOM	1973 Treaty of Chaguaramas
USA	GSP up to 1983 1983 Caribbean Basin Initiative (CBI) Caribbean Basin Economic Recovery Act (CBERA) – duty-free access except for textiles and clothing, footwear, watches, canned tuna US/Jamaica Bilateral Textiles Agreement (Quotas) US Sugar quota - reduced (subsidies to US sugar producers)
Rest of World	GATT MFN GSP

1990-1999

European Community (EC)	1990 ACP/EU Lomé IV Convention
Canada	1986 CARIBCAN (duty-free except for textiles and clothing, footwear, luggage and handbags, leather garments, lubricating oil and methanol)
CARICOM	1973 Treaty of Chaguaramas (duty-free)
USA	1990 expanded CBI CBERA US/Jamaica Bilateral Textiles Agreement US Sugar Quota (reduced)
Rest of the World	GATT MFN GSP

2000-2009

EC	2000 Cotonou Agreement (transitional trade arrangements) 2008 CARIFORUM-EU EPA
Canada	1986 CARIBCAN duty-free with exceptions for textiles and clothing, footwear, luggage and handbags, leather garments, lubricating oil and methanol.
CARICOM	1973 Treaty of Chaguaramas 2001 Revised Treaty of Chaguaramas establishing the CSME
USA	1990 CBERA 2000 Caribbean Basin Trade Partnership Act (CBTPA) to expire in 2008
Rest of the World	GATT MFN GSP

Note: WTO Agreement on textiles and clothing was implemented ending the quota system of the Multi-fibre Arrangement and bilateral agreements

2010-2012

European Union (EU)	2008 CF/EU EPA (duty-free/quota-free for goods, and includes services)
Canada	1986 CARIBCAN duty-free access with exceptions for textiles and clothing, footwear, luggage and handbags, leather garments, lubricating oil and methanol
CARICOM	2001 Revised Treaty of Chaguaramas (establishing a Single Market and Economy - only the Single Market established to date)
USA	1990 CBERA 2000 CBPTA now extended to 2020 Sugar quota (now about 11,000tonnes increased when there is a shortage in the USA)
Rest of the World	GATT MFN GSP

Through CARICOM, from 1992–2004, trade agreements were negotiated with Venezuela, Colombia, Dominican Republic, Cuba and Costa Rica.

Prepared by: Foreign Trade Division, Ministry of Foreign Affairs & Foreign Trade, February 2017

ANNEX III - Case Study: Jamaica's Clothing and Textiles Sector

The textiles and apparel sector has long been one of the most contentious trade issues between the developed and developing countries. The sector provides a useful illustration of how marginalization has taken place for some Jamaican sectors – brought about in part by developments in the USA, the GATT, the NAFTA, and the WTO.

In 1947, Jamaica kick-started the development of an export oriented textiles and apparel industry through the Textiles Industry (Encouragement) Act and later entered into the US/Jamaica Bilateral Textiles and Clothing Agreement. Exports from the sector grew from US\$200,000 in 1957 to US\$6.7 million in 1968 (about 40 per cent of manufactured exports). However, during the 1960s, the Short and, later, Long Term Arrangements Regarding the International Trade in Cotton Textiles were negotiated within the GATT introducing restrictions into the trade. In the interest of its own domestic industry and in response to competition from Asia, the USA introduced a system of quotas and also raised its tariffs. This affected Jamaica's exports into the USA and contributed to the decline of the country's textiles and apparel industry in the 1970s.

A second attempt at establishing the industry was undertaken during the 1980s. The clothing and textiles sector – with a focus on garment assembly – dominated Jamaica's manufacturing and merchandise exports between 1983 and 1996. Operating mostly out of special Free Zones, the industry was buttressed by the Multi-Fibre Agreement (MFA) (1974-2004) and the USA's *Caribbean Basin Special Access Programme for Apparel: TSUSA807A* and the *Cut, Make and Trim (CMT) Programme*. The *TSUSA807A* programme, through bilateral agreements, provided quotas into the USA market for eight categories of apparel items produced from fabric cut and formed in the United States. Jamaican exports of clothing and textiles increased from US\$7.1m in 1980 to a peak of US\$580.9m in 1995, with over 80 firms (36 of which were exporters) employing some 36,000 workers.

Structure of Jamaica's Clothing and Textiles Exports 1993-2007 (US\$ million value)

Market	1993	1995	1997	1999	2001	2003	2005	2007
USAA 807A, CMT & CBTPA)	453.1	580.9	445.4	334.1	191.3	102.3	47.0	28.8
Others	87.0	91.1	99.0	136.2	11.7	3.4
Total	453.1	580.9	532.4	425.2	290.3	237.5	58.7	32.2

Source: WTO Trade Policy Review 1998 & 2004, Planning Institute of Jamaica (PIOJ) *Economic & Social Survey 2000, 2004 & 2007*

In 1986, the GATT Uruguay Round Multilateral Trade Negotiations commenced and developing countries, mainly those in Asia, lobbied for an end to the Multi-fibre Arrangement and the integration of the trade in textiles and clothing into the GATT system. In 1994, the USA entered into the North American Free Trade Agreement (NAFTA) with Canada and Mexico. Under NAFTA, Mexico gained preferential access to the US market for textiles and clothing.

In 1995, Jamaica experienced a dramatic investor exodus and export decline. Employment in the textiles and clothing sector fell from a peak of 36,000 (mostly women) in the early 1990s to 8,000 in 2002. Authorities attribute this decline to: (i) high production and operational costs as well as loss of competitiveness; (ii) the footloose nature of clothing and textiles investments; and (iii) Mexico's superior access to the USA market under NAFTA. The Clinton Administration also tried unsuccessfully to obtain Congress' approval for NAFTA parity for the Caribbean. NAFTA parity was not approved until 2000 with the adoption of the Caribbean Basin Trade Partnership Act (CBTPA). However, the demise of the sector for Jamaica has never been reversed.

Before 1995, a significant share of clothing and textiles exports from developing countries to the industrial countries (notably Canada, EC, Norway and the USA) were subject to quotas under the MFA regime which was outside normal GATT rules. The MFA was replaced on 1 January 1995, at the conclusion of the GATT Uruguay Round, by the WTO Agreement on Textiles and Clothing (ATC) which outlined a transitional process for the gradual removal of quotas in order to achieve full integration of the sector into GATT rules by 1 January 2005. Small producers like Jamaica recognized early on that the end of the quota system would mean the end of their industries as production shifted to lower-cost producers like China, India and Pakistan. Jamaica terminated its membership of the International Textiles and Clothing Bureau.

Jamaica and a group of producers from developing countries lobbied within the WTO Council for Trade in Goods for a "*study [at country-level] aiming at identifying the adjustment-related issues and costs that may arise with the phase-out of the ATC, including recommendations on measures to address such issues,*"³⁵. Jamaica and 30 other producing nations also supported the *Istanbul Declaration*, calling for a delay in the phase-out of worldwide textile and clothing quotas until 31 December 2007 or the development of an alternative arrangement that would guarantee market access. Ultimately, opposition by China, India and Pakistan blocked consensus on this issue and the abolition of quotas went ahead as scheduled in January 2005. For Jamaica, it was probably a case of too little too late, as exports of textiles and clothing had already diminished significantly from US\$453.1m in 1993 to US\$213.4M in 2004. This decline continued. By 2007, Jockey International announced the closure of its sewing plant in Sandy Bay and eight (8) months later announced the closure of its only remaining plant at Lucea, Hanover. The company had moved its operations into Central America.

Jamaica has responded by trying to facilitate a shift towards the development of the high-value-added fashion industry, special variety products like Sea Island Cotton and diversifying towards other markets such as Canada, CARICOM and the EU. However, these adjustments have yet to advance or to demonstrate the potential to compensate for the loss of the textile and clothing sector.

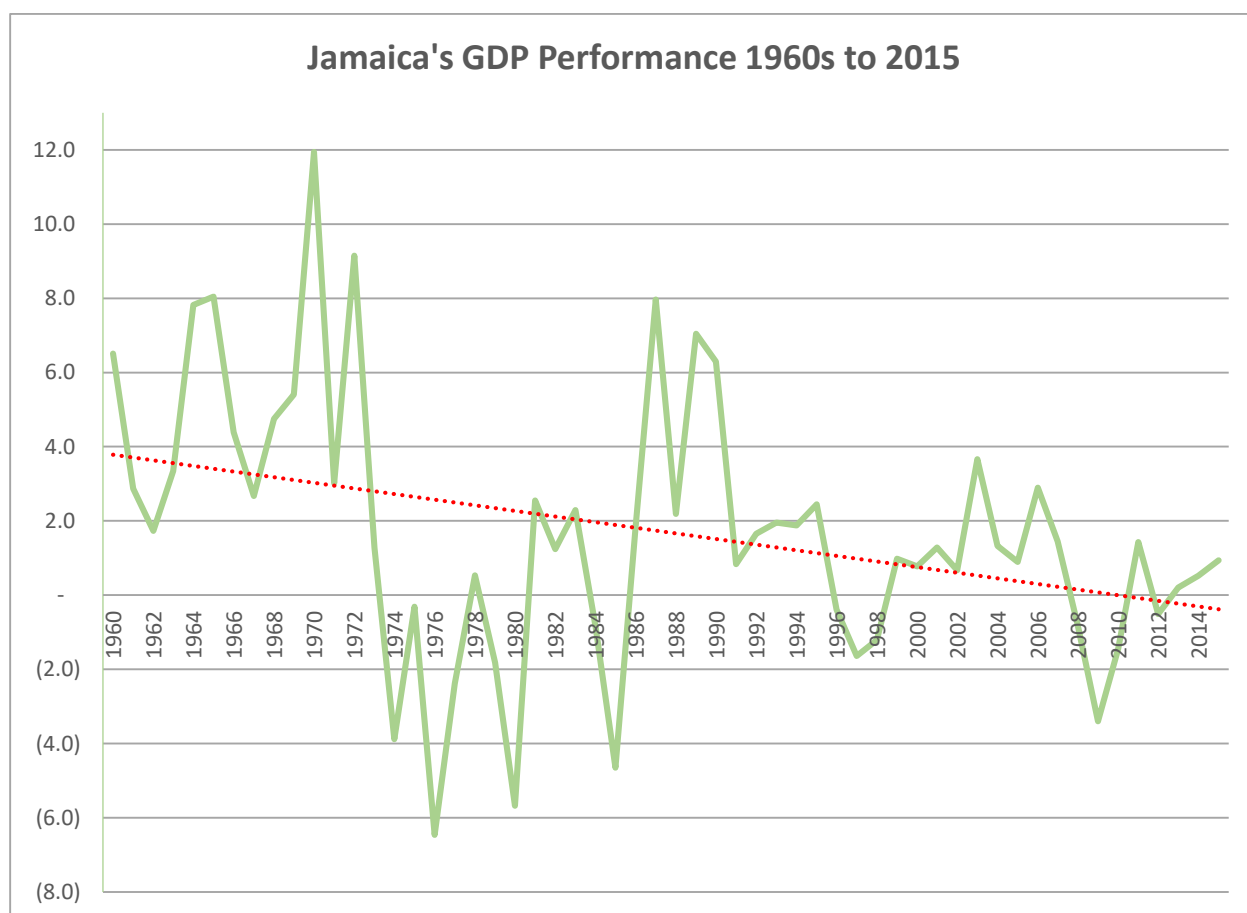
Prepared by: Foreign Trade Division, Ministry of Foreign Affairs & Foreign Trade

³⁵See Initial Submission on Post-ATC Adjustment-related Issues from Bangladesh, Dominican Republic, Fiji, Jamaica, Mongolia, Nepal, Sri Lanka and Uganda (29 September 2004). WTO Document G/C/W/496/Rev.1

ANNEX IV - Summary: Jamaica's Involvement in Foreign Trade 1962 – 2016

I. Trade in Goods

Undoubtedly, Jamaica's participation in foreign trade is largely influenced by its overall economic performance. Since independence, as statistics have shown, Jamaica's economy has depended on primary and secondary industries for most of its overall output. Jamaica has maintained its historical markets in the United Kingdom, the United States of America and Canada. The Jamaican Diaspora is concentrated in these countries. Over the period, 2000 to 2015, real gross domestic product (GDP) growth has been low, at an annual average of less than 1 per cent. See graph below showing Jamaica's GDP performance from the 1960s to 2015.



Source: Data provided by the Statistical Institute of Jamaica (STATIN)

During the decade of independence, Jamaica's main exports were alumina, bauxite, sugar, rum, molasses and bananas. This reflected the island's major industries of the time – agriculture and manufacturing. In the first three years after independence, the United Kingdom, the United States of America and Canada purchased approximately eighty (80) per cent of Jamaica's exports and accounted for over sixty (60) per cent of the country's total imports. The United States of America became Jamaica's principal trading

partner in the 1960s. Also in the 1960s, Jamaica joined the General Agreement on Tariffs and Trade (GATT) and participated in the Kennedy Round of Multilateral Negotiations. During the period 1964-1969, Jamaica participated in the first United Nations Conference on Trade and Development (UNCTAD) and negotiated the Generalized System of Preferences (GSP), a non-reciprocal preference arrangement granting developing countries access to the markets of developed countries. At the regional level, in 1968, Jamaica joined the Caribbean Free Trade Association (CARIFTA) to have preferential access in the Commonwealth Caribbean. This was a period of promoting trade and development linkages in the interest of developing countries.

By the 1970s, with the establishment of the Caribbean Community (CARICOM) in 1973, Trinidad and Tobago became another of Jamaica's largest trading partners. The first oil crisis occurred in 1973. In 1975, imports from Trinidad and Tobago were valued at J\$49.3 million and 47 per cent of these imports were from the mineral, fuels and lubricants category. For the same year, Jamaican exports to that country valued J\$13.9 million; and food items and chemicals were the major exports. The signing of the ACP/EEC Lomé Convention in 1975 and its implementation for the subsequent four years was also a highlight in Jamaica's involvement in foreign trade. This arrangement with the EEC was for the provision of non-reciprocal market access and aid to former colonies. Nevertheless, by the end of the 1970s, there was a significant widening of the trade deficit. By 1979, CARICOM and Canada had agreed a Trade and Economic Cooperation Agreement and a Rum Protocol. Between 1978 and 1979, the trade deficit moved from an adverse position of US\$82.6 million to US\$188.1 million. There was a second oil crisis in 1979. At this time, Jamaica was engaged in discussions with the International Monetary Fund (IMF).

The recurring themes in the 1980s for Jamaica remained trade and development and special and differential treatment. This was in the era of increasing globalization and trade liberalization. There was a move to liberalize the economy under a Structural Adjustment Programme. Another significant development in this period was the institution of the US Caribbean Basin Initiative (CBI) in 1983. This provided non-reciprocal duty-free access to the US Market for nearly all CARICOM products. Through the US/Jamaica Bilateral Textile and Clothing Agreement, trade in textiles and apparel, under the 807 regime became more dynamic. Trade with the USA grew in this decade, but imports more than doubled the value of exports. The United Kingdom maintained its dominance in Jamaica's trade with the EEC. Lomé II and III were signed in 1980 and 1985. Trade with Canada was in favour of Jamaica due to the latter's export of alumina. The Canadians provided the Caribbean/Canada Trade Agreement (CARIBCAN) in 1986 which was a non-reciprocal trading arrangement. For this decade, trade with CARICOM proved weak for overall exports from Jamaica. The GATT Uruguay Round (UR) of multilateral trade negotiations was launched in 1986 to further liberalize global trade. In 1989, as a response to globalization and liberalization, CARICOM decided at Grand Anse, Grenada, to move towards a CARICOM Single Market and Economy (CSME).

The 1990s represented the continued thrust towards globalization and free trade, especially with the conclusion of the GATT UR in 1994 and the establishment of the World Trade Organization (WTO) in 1995. Into the mid-1990s, Jamaica maintained a relatively limited export base comprising mainly bauxite /alumina and some non-traditional exports, while remaining highly dependent on imported raw materials, oil and capital goods. This is still evident in Jamaica's foreign trade profile with regional and international markets. In the 1990s, Jamaica maintained its traditional links with the USA, the UK (EU) and Canada. However, trade with Pacific Rim countries, in particular, Japan became significant. Japan further enhanced this engagement with Jamaica through tri-lateral cooperation which included several different Latin American

countries as the third partner. The 1990s also saw a gradual decline in exports of other agricultural goods such as coffee. Also, while major exports earnings were generated from alumina, apparel, sugar, chemicals, and non-traditional food items and to some extent, coffee, the earnings in the banana industry were tempered by a downward movement in prices in the EU influenced by the competitive prices offered by the 'dollar' banana countries. This was exacerbated by the strong lobbying efforts against the Lomé banana protocol by low cost producers such as Honduras, Guatemala, Costa Rica and Ecuador. Dispute Settlement proceedings against the European Community Commission (EC) were launched in the WTO in 1996. The rulings went against the EC, and thus against the banana producers of the Group of African, Caribbean and Pacific (ACP) States, including Jamaica.

Throughout the new millennium, total external trade continued to show a negative performance by Jamaican exports in comparison to the penetration of imports into the domestic market. In 2004, Australia, Thailand and Brazil successfully challenged the EC's sugar export subsidies regime in the WTO, which brought about a change in the ACP trading relationship with the European Union. In the meantime, negotiations were launched to liberalize trade at the hemispheric level in the Free Trade Area of the Americas³⁶ (FTAA) and the WTO Doha Round was launched in 2001³⁷. Since 2005, the Jamaican economy began to shift from primary activities (mainly agriculture and mining) and manufacturing. Goods production have accounted for little under a quarter of GDP, while services were becoming the main economic activity and the main earner of foreign exchange. Even though agriculture's contribution to the overall economy has declined steadily, for numerous reasons, it is still considered an important and sensitive sector because of its role in food security, exports, poverty reduction and employment. Imports continued to outstrip exports; the trade gap widened moving from US\$2 billion in 2000 to over US\$3.7 billion in 2015. It was noted that in the period of the global recession (2008), Jamaica had an overall deficit valued at approximately US\$6 billion. Alumina exports were seriously impacted by the global recession. Prior to 2008, Jamaica had export earnings of over US\$12.3 billion from alumina exports. However, up to 2011, there was a significant decline and earnings struggled to an amount of US\$583 million.

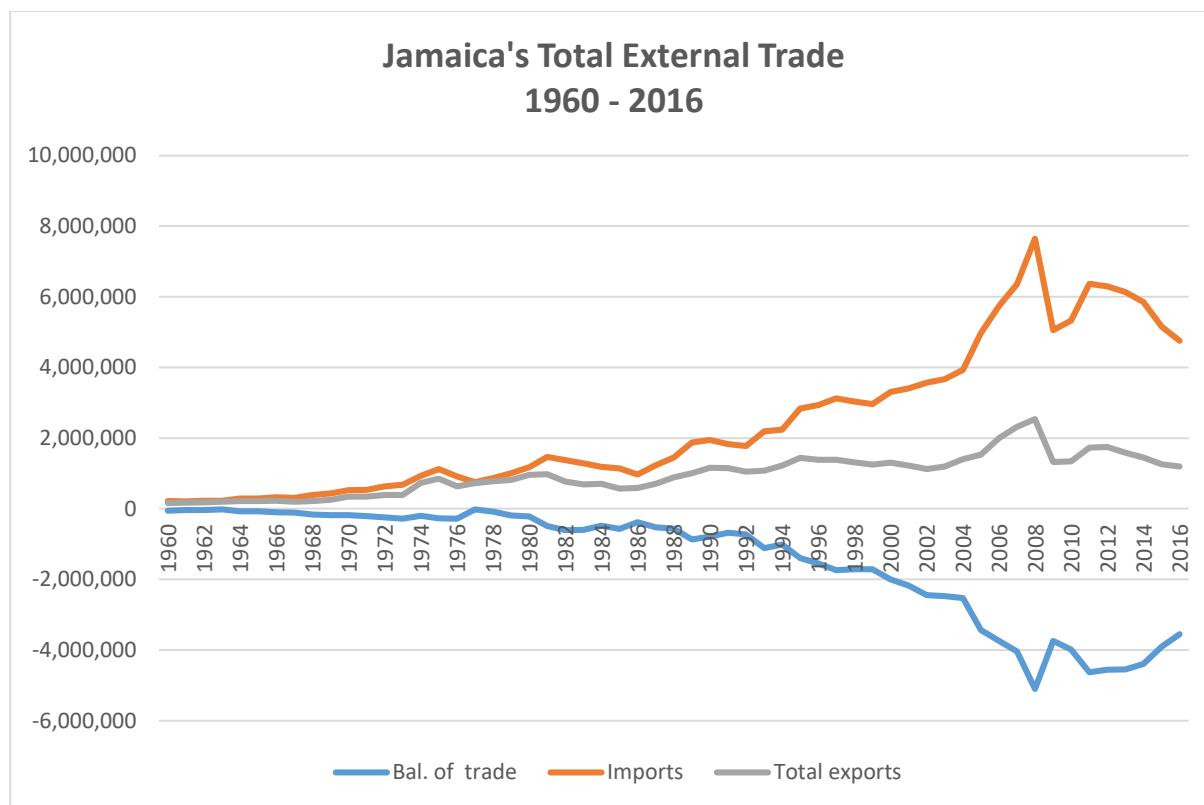
Oil crises, with increasing global oil prices, continued to contribute to the increase in Jamaica's import bill. Imports continue to be dominated by petroleum and petroleum products, transportations equipment (cars, buses, etc.) and food items. Jamaica remains a net importer of food.

Up to 2016, Jamaica recorded an extremely high trade imbalance, which was only partially offset by a surplus in services exports – mainly tourism – and substantial inflows of remittances from its Diaspora. Jamaica continues to be highly dependent on services which account for over seventy-nine (79) per cent of total gross domestic product in 2015. In terms of its traditional export base, Jamaica remains one of the world's leading producers of bauxite and alumina. The mining industry is the largest non-service export activity.

Over the past fifty years, the statistics indicate that Jamaica has seen little improvement in its overall performance in foreign trade. In 2016, total exports were under **US\$1.2 billion** while total imports valued **US\$4.1 billion**. (See graph below).

³⁶ FTAA was not concluded and was mothballed after 2004.

³⁷ The WTO Doha "Development" Round of Multilateral Trade negotiations have been in progress for over twelve (12) years.



Source: Data provided by the Statistical Institute of Jamaica (STATIN)

II. Trade in Services

Historically, financial services followed the trade in agricultural produce, food and raw materials, and saw the establishment of banks in Jamaica i.e. the Colonial Bank³⁸ in 1837 and the West Indies Bank in 1840. Building societies emerged in the 1860s. In 1889, the Bank of Nova Scotia was established followed by other Canadian banks³⁹. Jamaica began the export of services in 1870 when the tourist industry was being established in the eastern end of the island as an off-shoot of the banana trade. The creative industries were also important, especially after independence.

However, services, the invisible trade, were not formalized in the rules of international trade until the GATT Uruguay Round (UR), 1986 – 1994, when the rules for the trade in services were negotiated. The General Agreement on Trade in Services (GATS) was adopted in 1994 as one of the Multilateral Trade Agreements emerging from the GATT UR.

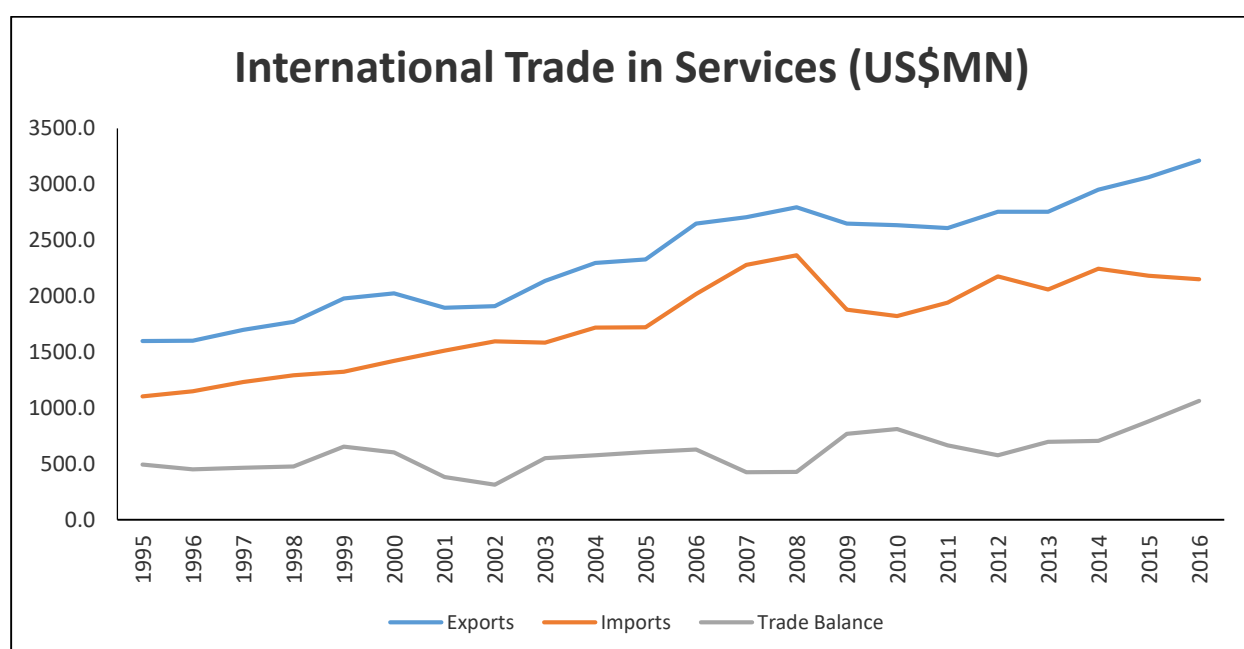
Jamaica's trade in services is still centred on tourism, financial services, and the creative industries. Tourism is currently the leading earner of foreign exchange. Jamaica's statistics for trade in services are

³⁸In 1925, the Colonial Bank became Barclays Bank. In 1977, the Government of Jamaica acquired all of the shares of Barclays Bank and changed the name of to National Commercial Bank of Jamaica Ltd.

³⁹ Most of the Banks operating in Jamaica, in recent years, are Canadian based except for First Global. The Bank of Nova Scotia has remained a strong financial institution in Jamaica throughout the years.

primarily collected by the Bank of Jamaica (BOJ) for balance of payment purposes. These statistics are not disaggregated. Tourism is the only sector for which statistics are readily available from the Jamaica Tourist Board and the Ministry of Tourism. The Statistical Institute of Jamaica (STATIN) has not yet developed to full capacity to collect and compile trade in services data.

For Jamaica, trade in services, in general, is still in the developmental stage. According to the information presented by the Bank of Jamaica, from 1995 to 2016⁴⁰, there was a 94.85 per cent increase in imports of services and 101.18 per cent increase in the export of services. Jamaica has maintained a surplus in its trade in services. In 2015, this surplus was USD 806.1 million. Travel services continue to dominate Jamaica's total exports in services, and, in 2016, accounted for over 70 per cent of the total services exports. The surplus in services does not compensate for the deficit in goods. Please see graph and statistics below.



Trade in Services US\$MN	1995	2016	Per cent Change
Imports	1103.8	2150.8	94.85
Exports	1597.9	3214.7	101.18
Trade Balance	494.1	1063.9	115.32

Source: Trade in Services 1995 - 2016 (Bank of Jamaica)

⁴⁰ 2016 December Quarter estimated from forecast

References:

- Economic and Social Survey (various years), the Planning Institute of Jamaica (PIOJ).
- Chronology – Jamaica: 50 Years in Regional and International Trade. Presented by M. Thomas, Under Secretary, Foreign Trade Division, at the Ministry of Foreign Affairs and Foreign Trade's Symposium, '*Jamaica's involvement in foreign trade (1962–2012) – forging the link between Trade and Development*', 14–15 November, 2012.
- Total External Trade and GDP growth (1960–2015), the Statistical Institute of Jamaica (STATIN)
- Trade in Services (1995–2016), the Bank of Jamaica (BOJ).

Foreign Trade Division
Ministry of Foreign Affairs and Foreign Trade
March 2017

ANNEX V - Schedule of International Trade and Economic Integration Agreements

TITLE	COUNTRY(IES) PARTY TO THE AGREEMENT	BRIEF OUTLINE	EXPIRATION DATE	COMMENTS/ STATUS
Bilateral/ Hemispheric and Preferential Trade Agreements				
Revised Treaty of Chaguaramas	CARICOM Member States	This Agreement replaced the Treaty of Chaguaramas which established the Caribbean Community, and the CSME. It covers economic issues, including economic integration; foreign policy issues; and functional cooperation.	Indefinite	
CARICOM Bilateral Agreements: - CARICOM/ Colombia - CARICOM/ Venezuela - CARICOM/ The Dominican Republic - CARICOM/ Cuba - CARICOM/ Costa Rica	- CARICOM Member States - Colombia - Venezuela - The Dominican Republic - Cuba - Costa Rica	These Agreements are a combination of free trade agreements and partial scope agreements, which are meant to promote trade between and among the signatory parties.	Indefinite	The CARICOM/Colombia bilateral agreement is currently being implemented administratively. Steps are being taken to have it fully implemented through the amendment of the Customs Act
ACP-EU Cotonou Partnership Agreement	- African, Caribbean and Pacific Group of States - European Union and its Member States -	This 2000 Agreement now focuses on development support since the trade provisions have been replaced by the CARIFORUM-EU Economic Partnership Agreement (EPA)	2020	The Cotonou Agreement is subject to review every 5 years.
CARIFORUM-EU Economic Partnership Agreement (EPA)	- CARIFORUM - European Union and its Member States	The Agreement is aimed at promoting trade between the two groupings. Through trade development, sustainable growth and poverty reduction the EPA sets out to help CARIFORUM countries integrate into the world economy and share in the opportunities offered by globalization. It is intended to go beyond conventional free trade agreements - focusing on development, taking account of socioeconomic	Indefinite	

TITLE	COUNTRY(IES) PARTY TO THE AGREEMENT	BRIEF OUTLINE	EXPIRATION DATE	COMMENTS/ STATUS
		circumstances and including cooperation and assistance to help implement the terms. In its provisional application, it allows for duty-free access of goods and services into the EU market.		
UNCTAD – Generalized System of Preferences (GSP)	- UN Member Countries	Developed countries under specific programmes and terms and conditions provide non-reciprocal market access to developing countries.	According to the terms of the Agreement, developed countries are able to periodically review their list of recipients.	A number of developed countries still maintain a GSP programme; however, recently Canada has decided to graduate most CARICOM countries from their GSP programmes known as the General Preferential Tariff effective 1 January, 2014. With our major trading partners (EU, Canada, and USA) Jamaica and most CARICOM countries do not actually trade under the GSP.
CARICOM-Canada Trade Agreement (CARIBCAN)	- CARICOM Member States - Canada	Provides non-reciprocal duty-free access to the Canadian market for agreed-upon goods.	Indefinite	WTO General Council in 2006 extended the MFN waiver to December 2011. In 2009 CARICOM and Canada commenced negotiations for a Trade and Development Agreement.

TITLE	COUNTRY(IES) PARTY TO THE AGREEMENT	BRIEF OUTLINE	EXPIRATION DATE	COMMENTS/ STATUS
Caribbean Basin Initiative—comprising the Caribbean Basin Economic Recovery Act (CBERA) and the Caribbean Basin Trade Partnership Act (CBTPA)	<ul style="list-style-type: none"> - States of the Caribbean Basin - United States 	Provides non-reciprocal duty-free access to the USA market for agreed goods.	CBERA— Indefinite The CBTPA was recently extended until 30 September 2020.	The WTO General Council approved a further MFN waiver to 2014 for the CBI.
Multilateral Framework – The WTO				
The Uruguay Round Agreements/Doha Development Round	<ul style="list-style-type: none"> - WTO Member States 	The Agreement establishing the WTO and a number of multilateral agreements covering tariffs, agriculture, standards and safety, textiles, services, intellectual property, antidumping, and subsidies among others, as well as nontariff barriers. The agreements are not static and are periodically renegotiated. The WTO Secretariat ensures that the negotiations progress smoothly and that the rules of international trade are correctly applied and enforced. Trade dispute settlement and capacity building for developing countries are key elements of the WTO. All WTO members must undergo periodic scrutiny of their trade policies and practices, each review containing reports by the country concerned and the WTO Secretariat.	Indefinite	A new round of negotiations—the Doha Round— has been ongoing since 2001. There has not been much progress. Developed countries have been aggressively seeking market access, including in agriculture, non-agricultural market access services and IP. Developing countries and LDCs seek to end subsidies by developed countries for their farmers, as well as market access, while at the same time seeking flexibilities to cushion the effects of liberalization. Within the rules of the Doha Mandate, a Trade Facilitation Agreement was agreed in Bali, Indonesia, at the IX WTO Ministerial Conference.

Source: Government of Jamaica, Ministry of Foreign Affairs and Foreign Trade policy papers

ANNEX VI - Jamaica National Policy Register Extract: Trade-Related Policies

Name of Policy	Responsible Ministry
National Plant Health Policy (2011)	Ministry of Industry, Commerce, Agriculture and Fisheries
National Food Safety Policy (2011)	
National Quality Infrastructure Policy (2001)	
Development of an Entrepreneurship Culture	
Development of Value Added Products	
Encouragement of Export Industries	
Free Zones and Office Space	
Investment Facilitation	
Modernization of Industry	
Strengthening of the SME Sector	
National Industrial Policy (1996)	
National Food and Nutrition Security Policy and Action Plan (2013)	
Public Sector Procurement Policy (2010)	
Jamaica's Revised Trade Policy (2001)*	Ministry of Foreign Affairs and Foreign Trade
National Health Policy (1991)	Ministry of Health
National Sports Policy	Ministry of Culture, Gender, Entertainment and Sport
National Policy for Gender Equality (Tabled in the Houses of Parliament 22& 24 November 2011)	
National Culture Policy	
Labour Market Reform (1996)	Ministry of Labour and Social Security
Integrated Solid Waste Management Policy	Ministry of Local Government and Community Development
Information and Communication Technologies Policy (2011)	Ministry of Science, Energy and Technology
National Energy Policy 2009–2030	
National Science and Technology Policy	
National Transport Policy (2007)	Ministry of Transport and Mining
Tourism Master Plan for Sustainable Development	Ministry of Tourism
Incentives for Tourist Attractions	
Jamaica Water Sector Policy, Strategies and Action Plan	Ministry of Economic Growth and Job Creation (Land, Environment and Climate Change)
Climate Change Policy Framework (2014)	
Special Economic Zones Policy (Ministry Paper No. 116/15 tabled 24 July 2015)	
National Biodiversity Strategy and Action Plan on Biodiversity in Jamaica	
National Forestry Policy (2001)	
National Land Policy (1997)	
Public Sector Modernization Vision and Strategy Paper 2002-2012	Cabinet Office
Strategic Environmental Assessment Policy	

Source: Government of Jamaica Policy Register, as at July 2016 and respective Ministries (Cabinet Office)

* - to be replaced by Jamaica's National Foreign Trade Policy

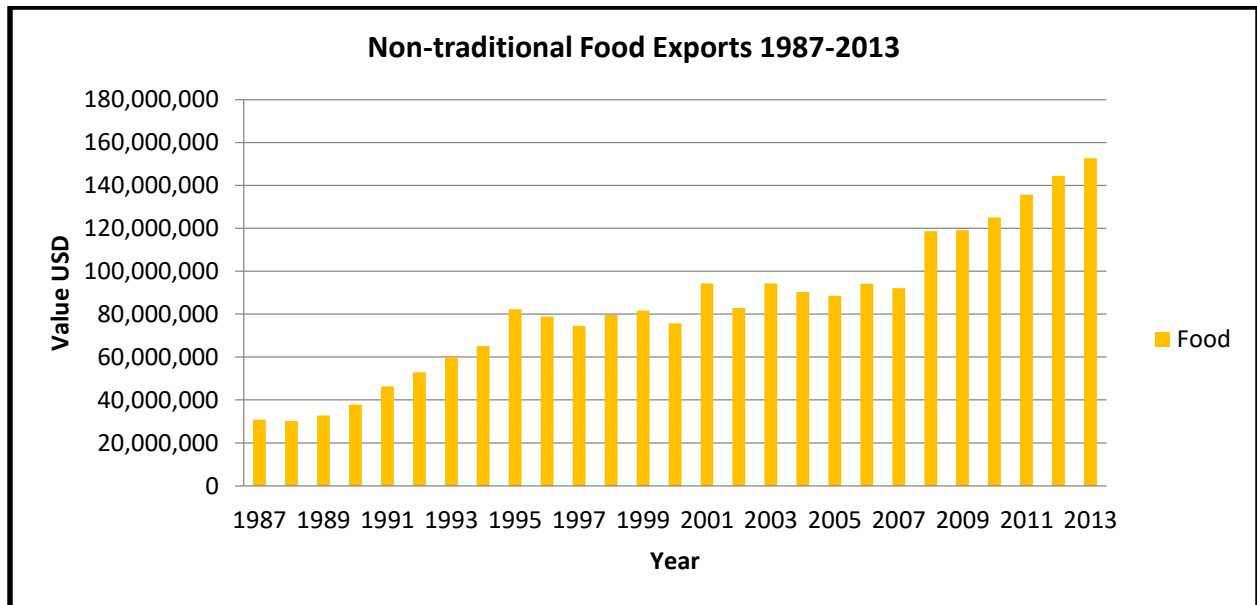
ANNEX VII – Contribution of the Jamaican Diaspora to Trade and Investment

Growth of Non-traditional exports

With the steady increase in the number of Jamaicans residing in the United Kingdom, the USA and Canada from the 1950s onward, the demand for Jamaican domestic produce increased, giving rise to a market for non-traditional exports, i.e., local fruits, vegetables, ground provisions, sauces, condiments and bakery products. From the 1970s, the Government began to actively encourage the export of non-traditional products in order to diversify agricultural exports. Top agricultural exports to the UK, USA and Canada are yams, sweet potatoes, papaya, dasheen, pumpkins, mangoes, breadfruit, callaloo, and ackees. Between 2005 and 2015, the major market for agricultural exports was the USA.

It should be noted, however, that, in 2011 and 2012, there was a significant increase in the value of non-traditional food exports to the United Kingdom. Canada was Jamaica's second most important market. It should be noted further that these products enter the markets under the various trade agreements: USA (CBI); UK/EU (EPA) and Canada (CARIBCAN). These products must meet the entry requirements established in those markets.

The following graph shows the performance of non-traditional food exports for the period 1987-2013. In 2014, the value of non-traditional food exports was US\$146.5 million before falling to US\$126.4 million in 2015.



Source: *Economic and Social Survey, Planning Institute of Jamaica*

The Diaspora and Jamaica's non-traditional exports: The case of Ackee

Ackee is the national fruit of Jamaica and it is highly desired by Jamaicans at home and abroad. The fruit, cooked with salted fish, constitutes Jamaica's national dish. It should be noted that ackee, which originates from West Africa, and is found in other countries in the Caribbean and Central America, is predominantly eaten by Jamaicans. The fruit contains toxins, including hypoglycin A, and must be fully opened and carefully prepared for consumption.

As the Jamaican population grew in the UK, Canada and the USA, there was an increasing demand for ackees. In the 1950s, enterprising persons in Jamaica began exporting processed ackees to Canada and then to the United Kingdom. The export of ackee grew as the trade became lucrative for the Jamaican exporters. The desired market was the USA which had the highest concentration of Jamaican migrants.

Processed ackees tended to enter the USA from Jamaica and through Canada. In 1972, however, the US Food and Drug Administration (FDA) banned the importation of ackee directly from Jamaica, as the FDA considered the toxicological concentration of hypoglycin A to be harmful for human consumption. Both from Jamaica and in the USA, there were significant lobbying efforts and investments into meeting the sanitary and phytosanitary (SPS) requirements in order to pave the way for the US FDA to permit the formal entry of ackees into the US market from Jamaica. Following the development of an analytical procedure to detect the level of hypoglycin A in ackee, and the inspection of Jamaican processing facilities by the FDA, the ban was lifted in 2000 after 28 years. Only recognized agro-processors (designated by the FDA as "Green List" processors) with food safety controls in place can export ackees to the US market. There are currently 10 Jamaican firms on the US green list. There has been no report of a ban on the product by other countries.

Over the period 2003 to 2016, Jamaica's total exports of ackee was US\$ 163.3 million. Exports of Ackee from Jamaica rose to US\$21 million in 2016. This was 12 per cent of the total value of Jamaica's non-traditional food exports, worth US\$168.9 million.

Jamaica, though being a pioneer in the export of ackee, still experiences challenges in the US market as the US FDA has strict guidelines for the importation of the product. In 2014, the US FDA issued the final compliance policy guide regarding canned ackees, frozen ackees and other ackee products for hypoglycin A toxin. In addition, there is now competitive pressure in the international market from countries such as Belize, Haiti and Costa Rica. These countries are more competitive in economies of scale and labour cost. Additionally, these countries are able to export nearly all of their production, as they have limited domestic demand for the product. It also appears that ackee is being cultivated in South Florida and it appears that there is interest in processing it for distribution in the USA.

Jamaica has to improve its production and processing efficiencies to maintain its share of the international market for ackees.

Promoting and Safeguarding Brand Jamaica

The Diaspora has played a significant role in building Brand Jamaica in terms of:

1. Buying Jamaican goods;

2. Being distributors; and
3. Safeguarding the Jamaican Brand name.

Strong cultural bonds maintained by Jamaicans and their descendants in their countries of residence have led to the continued interest in Jamaican nostalgic goods and services. The Government of Jamaica and its private sector partners are seeking to ensure that there is a positive close connection and interaction with 2nd, 3rd and 4th generation Jamaicans in the Diaspora to the homeland. This focus will sustain an interest and even a growing demand for Jamaican products in the future. In this regard, members of the Diaspora need to be aware of the importance protecting intellectual property rights.

IOM Project for the Effective and Sustainable Diaspora Engagement for Development in the Caribbean (ESDEDC)

An important project being pursued by the Ministry of Foreign Affairs and Foreign Trade (MFAFT) and the International Organisation for Migration (IOM) is the Effective and Sustainable Diaspora Engagement for Development in the Caribbean (ESDEDC). This project in an effort to “bridge the gaps with its Diaspora expatriates residing in Canada, the United Kingdom and the United States of America by facilitating:

- i. transfer of skills,
- ii. foreign direct investments
- iii. sourcing of developmental funds and
- iv. other resources that can support the growth and development of Jamaica

The general objective is to provide Jamaicans in the Diaspora with key information and tools to encourage their investment in Jamaica which could lead to economic growth. It is proposed that an online version of the Investment Tool Kit would be made available following relevant discussions with the Ministry of Economic Growth and Job Creation, the Ministry of Industry, Commerce, Agriculture and Fisheries, the Jamaica Promotions Corporation (JAMPRO), the Statistical Institute of Jamaica (STATIN) and the Planning Institute of Jamaica (PIOJ). The project is expected to be completed by 31stDecember 2017.

Diaspora Businesses in Jamaica

There have a number of business ventures owned/established in Jamaica by individuals from the Diaspora, creating jobs locally. JAMPRO has informed that they have facilitated the establishment of the following five businesses:

- Tranquillity Cove Resort
- ISOCON
- Federal Transformer
- Rockben
- Nearshore Inbound Call Center (NICE)

This may only be a microcosm of actual Diaspora investment in the country.

Remittances

The value of remittances to the Jamaican society is significant. It merits some recognition as remittances are a real tangible measure of the power of the Diaspora to impact the financial and economic landscape although these funds are used for critical daily household and family expenses. The flow of remittances is predominantly from the US, UK, Canada and the Cayman Islands.

There has been much discussion including a study by the World Bank about the investment potential which can be harnessed by tapping into Diaspora funding which is available otherwise.

Remittances and tourism have been the largest foreign exchange earners in Jamaica with remittances topping tourism on a number of occasions.

It was posited that remittances are based on the job security of core senders in the past. However, there is now a period of uncertainty due to the current immigration changes taking place in the USA and elsewhere. There may result in a reduction in the inflow of remittances.

The Bank of Jamaica chart below outlines the inflows over the years 2001–2015.

Remittances in Jamaica increased to US\$2.2 billion in 2015 from US\$2.16 billion in 2014. Remittances in Jamaica averaged US\$1.78 billion annually from 2001 to 2015, reaching an all time high of US\$2.2 billion in 2015 and a record low of US\$0.968 billion in 2001.



Ministry of Foreign Affairs and Foreign Trade
April 2017

ANNEX VIII - Jamaica's Import Duty Regime

- 1962-1969
- Dual system of import duties applied.
 - Commonwealth Preferential Tariff rates for goods from the UK, Canada, BWI and other Commonwealth countries resulting from the Ottawa Agreement of the British Empire Economic Conference held in Ottawa, Canada, 20th July - 20th August 1932; general import duties at a higher rate for the USA and other countries. Mainly specific duties applied based on quantity of the goods imported.
 - 1963 - Jamaica joined the Customs Cooperation Council (CCC), now World Customs Organizations (WCO). Jamaica commenced applying the Nomenclature.
 - 1968 - CARIFTA preference rates applied on a phased basis through a separate schedule of duties.
- 1970-1979
- Dual system of Commonwealth preferential tariffs and general duties continued to be applied. Jamaica started to move to ad valorem duties based on the value of the goods.
 - 1973- CARICOM established with the objective of moving towards a customs union with duty-free access to the markets of CARICOM Member States including Jamaica and a Common External Tariff (CET) for third countries.
 - 1973- Nomenclature of the CARICOM Tariff schedule changed to accord with that used by the World Customs Organizations (WCO), Customs Cooperation Council (CCC) Nomenclature.
 - 1974- WCO International Convention on the Simplification and Harmonization of Customs Procedures enters into force. Jamaica is not a signatory but, as far as possible, applies its best practices.
 - 1975 - Commonwealth Preferences end for Jamaica and other Commonwealth Caribbean countries with the UK's membership of the EEC and the conclusion of the 1975 ACP/EC Lomé I Convention.
 - 1976 - Jamaica, with CARICOM, moves from a dual system of import duties to a single import duty regime.
- 1980-1989
- Jamaica continued to apply the Common External Tariff (CET) of CARICOM with duty suspensions, as requested, and approved through the CARICOM process, the Common Market Council.
 - 1988 - The WCO's International Convention on the Harmonized Commodity Description and Coding System (the HS Convention) entered into force. Jamaica is not a signatory as the Government remained with CARICOM, the Member States of which are not current in the application of the Harmonized System (HS).
- 1990-2012
- Jamaica continued duty-free access for CARICOM and the application of the CET to imports from third countries.
 - 1991- CARICOM applied the CET based on the 1988 HS Convention.
 - 1992 - Current structure of the CET developed by Decision of CARICOM Heads of Government at their special meeting in Trinidad and Tobago in October 1992.
 - Agricultural products - maximum duty - 40 per cent.
 - Industrial Products - 0-5 per cent and 20 per cent.
 - Jamaica is now applying HS2007.

NB: In Jamaica, raw materials, as inputs to production, tend to be duty-free.

Tariffs

As at 2015, nearly 60 per cent of all Jamaica's tariff lines are duty-free, with about 40 per cent attracting duties.

Duty rates are negotiated in the GATT/WTO to facilitate the progressive liberalization of global trade.

In the GATT Uruguay Round, Jamaica's import duties were bound - agriculture - 100 per cent - industrial products about 50 per cent. In the WTO Doha Development Round of MTNs, the bound rates are being negotiated down to lower levels. Note that import duties have been significantly reduced since the GATT was established in 1947 through the various rounds of tariff negotiations and that margins of preferences have been declining.

In the negotiation of free trade agreements, whether at the bilateral or regional levels, tariffs are reduced from the applied rates, i.e. the actual rate applied. All changes for import duties must be done with reference to the Ministry of Finance and Planning and CARICOM, through the Council for Trade and Economic Development (COTED).

Other Duties and Charges (ODCs)

Other duties and charges (ODCs) include border charges such as stamp duties and additional stamp duties. Jamaica applies ODCs to imported goods as appropriate, except to goods originating from CARICOM. They will be phased out after seven (7) years on goods from the EU under the EPA.

General Consumption Tax (GCT)

GCT is an internal tax, charged on most imported and locally-produced goods. For petroleum products, a special consumption tax (SCT) is charged.

WTO Customs Valuation Agreement

The Agreement governs the process of estimating the value of a product for the purpose of applying custom duties. Jamaica signed the Agreement in March 1995 and commenced implementation on 3rd June 2002. The operation of Jamaica's duty regime is in compliance with the Agreement.

Prepared by: Foreign Trade Division, Ministry of Foreign Affairs & Foreign Trade, March 2017

ANNEX IX – Indicative List of Major Trade-Related Legislation in Jamaica

- Animals (Diseases and Importation) Act
- Aquaculture Inland and Marine Products and By-Products (Inspection, Licensing and Export) Act
- Architects Registration Act
- Banking Services Act
- Bank of Jamaica Act
- Bauxite and Alumina Industries (Encouragement) Act
- Broadcasting and Radio Re-Diffusion Act
- Caribbean Community Act
- Caribbean Community (Free Movement of Skilled Persons) Act
- Caribbean Investment Fund Act
- Caribbean Community (Establishment, Services, Capital and Movement of Community Nationals) Act
- Jamaica Agricultural Commodities Act
- Companies Act
- Consumer Protection Act
- Copyright Act
- Customs Act
- Customs Duties (Dumping and Subsidies) Act
- Dangerous Drugs Act
- Dental Act
- Fair Competition Act
- Financial Institutions Act
- Financial Services Commission Act
- Food and Drugs Act
- Foreign Nationals and Commonwealth Citizens (Employment) Act
- Fiscal Incentives (Miscellaneous Provisions) Act 2013
- Fishing Industry Act
- Jamaica Agricultural Commodities Regulatory Act
- Legal Profession Act
- Meat and Meat Products and Meat By-Products (Inspection and Export) Act
- Medical Act
- Medical services (Changes of Duties and Titles) Act
- Merchandise Mark Act
- Metal and Jewellery (Control of Second-Hand) Act⁴¹
- Mining Act
- Nurses and Midwives Act
- Opticians Act
- Partnerships (Limited) Act
- Patent Act
- Pesticides Act
- Petroleum Act
- Pilotage Act
- Pharmacy Act
- Proceeds of Crime Act
- Processed Food Act
- Plants (Quarantine) Act
- Professions Supplementary to Medicine Act
- Professional Engineers Registration Act
- Protection of Geographical Indications Act
- Public Health Act
- Public Passenger Transport (Kingston Metropolitan Transport Region) Act
- Public Passenger Transport (Rural Area) Act
- Quarantine Act
- Quarries Control Act
- Radio and Telegraph Control Act
- Real Estate (Dealers and Developers) Act
- Registration of Business Names Act
- The Safeguard Act of 2001 (and Regulations of 2003).
- Securities Act
- Shipping Act
- Spirit Licence Act
- Standards Act
- Sugar Industry Control Act
- Telecommunications Act⁴²
- Telegraph Act
- Tobacco Industry Regulation Act
- Tourism Accommodation (licence Duties) Act
- Trade Act
- Trade Marks Act
- Travel Agencies Regulation Act
- Veterinary Act

⁴¹This Act deals with scrap metal trade and cash for gold trade and is to be amended.

⁴²This Act is to be repealed and replaced with an ICT Act.

ANNEX X - Detailed Listing of Ministries, Departments and Agencies Involved in Foreign Trade

Ministries	Departments/Agencies	Trade-related Portfolio Responsibilities
Office of Prime Minister	Jamaica Information Service (JIS)	Public Education
Ministry of Economic Growth and Job Creation	<p><u>Land Environment and Climate Change</u></p> <p>National Environmental Planning Agency (NEPA)</p> <p>Meteorological Services</p> <p>Forestry Department</p> <p>Environmental Management Division</p> <p>Climate Change Division</p>	<p>Trade and Environment Standards</p> <p>Trade provisions in Multilateral Environmental Agreements (MEAs)</p> <p>Genetically-Modified Organisms (GMOs)</p> <p>Trade and Climate Change</p> <p>Trade and Natural and Man-made Disasters</p>
	<p><u>Economic Growth and Job Creation</u></p> <p>Trade and Investment Jamaica/ Jamaica Promotions Corporation (JAMPRO)</p> <p>Jamaica Coalition of Service Industries (JCSI)</p> <p>Ex-Im Bank</p> <p>Development Bank of Jamaica</p> <p>International Financial Services Authority</p> <p>Port Authority of Jamaica</p> <p>Planning Institute of Jamaica</p> <p>Statistical Institute of Jamaica</p>	<p>Investment promotion</p> <p>Trade Promotion</p> <p>Trade and Finance</p> <p>Trade in Services (General and Financial Services)</p> <p>Trade Facilitation</p> <p>Investment Policy</p> <p>Services Policy</p> <p>Special Economic Zones/ Free Trade Zones</p> <p>Jamaica Logistics Hub Initiative</p>

Ministries	Departments/Agencies	Trade-related Portfolio Responsibilities
		<p>Agro-business</p> <p>Port Development</p> <p>Port Regulation</p> <p>Trade in Services – Transportation (air, maritime and in-land)</p> <p>Trade Statistics</p>
Office of the Cabinet	<p>Office of Utilities Regulation</p> <p>Performance Management and Evaluation Unit (PMEU)</p> <p>Management Institute for National Development (MIND)</p>	<p>Policy Formulation and Management</p> <p>Performance Monitoring and Evaluation</p> <p>Public Education</p>
Foreign Affairs and Foreign Trade	Diplomatic and Permanent Missions and Consular Offices overseas, in Abuja, Beijing, Berlin, Bogotá, Brussels, Caracas, Geneva, Havana, Kuwait City, London, Mexico City, Miami, New York, Ottawa, Port-of-Spain, Pretoria, Santo Domingo, Tokyo, Toronto and Washington DC	<p>Foreign Policy, including Foreign Trade Policy (at the bilateral, regional, hemispheric and multilateral levels)</p> <p>Formulation of foreign trade policy</p> <p>Coordinate foreign trade policy implementation</p> <p>Advise Government on foreign trade policy issues</p> <p>Trade Negotiations</p> <p>Coordinate implementation of trade agreements</p> <p>Trade Representation</p> <p>Dispute Settlement</p> <p>Trade-related Technical Cooperation and Capacity-building</p> <p>Economic Diplomacy (trade, investment promotion and development cooperation)</p>

Ministries	Departments/Agencies	Trade-related Portfolio Responsibilities
		Air and Maritime Transport Agreements Bilateral Investment Treaties Double Taxation Agreements Diaspora Affairs, among other things.
Justice	Attorney General's Chambers Chief Parliamentary Counsel Legal Reform	Interpretation of Trade Agreements Negotiation of Trade Agreements Drafting of Trade legislation Legislation reform as it relates to trade Dispute Settlement
Finance and the Public Service	Jamaica Customs Agency Bank of Jamaica Financial Services Commission	Taxation – Tariffs and other duties and Charges including the CARICOM Common External Tariff – applied tariff Balance of Payments Trade Statistics Customs Procedures/Trade Facilitation International Trade and Logistics Trade Financing Trade, Debt and Finance Incentives/Subsidies Government Procurement Macro-economic issues Development Support Aid-for-Trade

Ministries	Departments/Agencies	Trade-related Portfolio Responsibilities
National Security	PICA, JCF, JDF	Trade and security Trade in Services- Movement of Persons CSME – Free Movement
Education, Youth and Information	Schools, Universities University Council of Jamaica HEART Trust NTA Youth Division	Training Trade in Services – Education Services Certification Trade and Youth Empowerment
Industry, Commerce, Agriculture and Fisheries	Bureau of Standards of Jamaica Fair Trading Commission Anti-dumping and Subsidies Commission Food Storage and Prevention of Infestation Division Jamaica Intellectual Property Office (JIPO) Jamaica National Agency for Accreditation (JANAAC) Consumer Affairs Commission Trade Board Limited Veterinary Services Division Plant Quarantine Unit Fisheries Division Export Division Sugar Industry Authority Cane Products Sales	Trade in Goods – Manufacturing, Agriculture and Fisheries Products Industrial Policy Services Policy Commerce and Business Facilitation Trade Remedies (Anti-dumping, Safeguards, Subsidies, Countervailing Measures) Technical Barriers to Trade (TBT) Sanitary and Phytosanitary Measures (SPS) Competition Policy (Fair Trading) Consumer Policy Rules of Origin Import Licensing Trade Facilitation Intellectual Property Rights Certification and Accreditation

Ministries	Departments/Agencies	Trade-related Portfolio Responsibilities
	<p>Cocoa Industry Board</p> <p>Coffee Industry Board</p> <p>Coconut Industry Board</p> <p>Rural Agricultural Development Authority (RADA)</p>	<p>Trade and Investment</p> <p>Trade and Logistics</p> <p>E-Commerce</p> <p>Sanitary and Phytosanitary Measures</p> <p>Food Security</p> <p>Organic Products</p>
Science, Energy and Technology	<p>National Commission on Science and Technology</p> <p>Scientific Research Council (SRC)</p> <p>Petroleum Corporation of Jamaica Group (PCJ)</p> <p>PETROJAM</p>	<p>Trade in Goods – Petroleum Products and Ethanol</p> <p>Research and Development</p> <p>Science, Technology and Innovation</p> <p>Technology Transfer</p> <p>Trade in Services – Information and Communication Technology (ICT)</p> <p>International Telecommunications Infrastructure</p> <p>Trade and Energy</p> <p>Genetically Modified Organisms (GMOs)</p>
Tourism	Jamaica Tourist Board	Trade in Services – Tourism and Creative Industries
Labour and Social Security	<p>Jamaica Productivity Centre</p> <p>Work Permit Unit</p>	<p>ILO Core Labour Standards</p> <p>Trade in Services – Movement of Persons</p> <p>CSME – Movement of Skilled Nationals</p> <p>Trade in Services -- Movement of Labour (Work Permits)</p>
Health	<p>Pesticides Control Authority</p> <p>Veterinary Health</p>	<p>Sanitary and Phytosanitary (SPS) Measures</p> <p>Trade and Health Issues (WHO/PAHO)</p>

Ministries	Departments/Agencies	Trade-related Portfolio Responsibilities
	Standards and Regulation Division Public Health Quarantine Authority	Trade in Goods - Pharmaceutical Products Trade in Services (Tourism)
Culture, Gender, Entertainment and Sport	Bureau of Gender Affairs Culture Division	Trade and Culture Trade and Gender Trade in Services – Sports, Cultural and Creative Industries
Transport and Mining	Jamaica Civil Aviation Authority Maritime Authority of Jamaica Airports Authority of Jamaica Mines and Geology Jamaica Bauxite Institute Jamaica Bauxite Mining Ltd Clarendon Alumina Partners Ltd	Trade in Goods (Mining and quarrying) Trade in Services – Transportation(air, maritime and in-land) Logistics, international trade and transportation International Trade and Infrastructure Trade in Services – Construction Trade Facilitation
Local Government and Community Development	Parish and Municipal Councils Solid Waste Management Authority Public Health	Sanitary and Phytosanitary Measures Trade and Environment – Solid Waste Management Trade and Natural and Man-made Disasters Parochial Infrastructure Construction

