

### **III. TRADE MEASURES**

#### **(1) OVERVIEW**

1. Jamaica began a process of trade liberalization in 1986, when the import-substitution strategy applied during the previous two decades was abandoned and quantitative restrictions were eliminated. Import duties have been lowered since then from rates as high as 200% to the current maximum rate of 30% for industrial products and 40% for agricultural goods. Jamaica adopted the CARICOM Common External Tariff in 1991, and is in the process of reducing tariff levels to a ceiling of 20% for industrial products, possibly during 1998. As a consequence of the liberalization effort, Jamaica currently maintains few trade restrictions and has a relatively low average tariff of 10.9% on MFN imports.<sup>1</sup> Tariffs and other price-based measures are currently the preferred trade policy instrument and Jamaica does not use other measures, such as prior import deposits, minimum import or export prices, variable import levies, import surveillance, local-content requirements, or restrictions for balance-of-payments purposes. Although import licences are still needed for some products, licensing is not used as an instrument for the protection of local production. Recourse to the use of import surcharges (additional stamp duties), added to the customs duty, has replaced the use of quotas or other quantitative restrictions. There are no foreign exchange controls. During the Uruguay Round, Jamaica bound all its industrial tariff lines at 50%, and all agricultural lines were bound at a ceiling rate of 100%.

2. Jamaica applies no export taxes. There are no export bans or prohibitions other than controls in accordance with U.N. Security Council Resolutions and with international conventions. Certain items are, however, subject to export regulations and controls: a system of permits/licences for products representing over half of Jamaica's exports is in effect. There are no export quotas or specific export performance requirements; however, a number of incentives to exports, including tax concessions and duty-free access for imports of inputs and capital goods, are in effect. These concessions have, in some cases, been eroded or wiped out by the reduction or elimination of tariffs.

3. Most price controls and food subsidies were eliminated in March 1991.<sup>2</sup> Currently, the prices of certain basic products and services, including water, electricity, domestic kerosene and bus fares, remain under the administration of the relevant Ministry. The import monopoly held by the Jamaica Commodity Trading Corporation (JCTC) was terminated in September 1991. The Fair Competition Act regulates business practices. Jamaica has laws to protect and enforce intellectual property rights, including legislation dealing with patents, trade-marks and copyright. This legal framework is under revision for full conformity with WTO obligations; Jamaica's anti-dumping legislation is under similar revision.

#### **(2) MEASURES DIRECTLY AFFECTING IMPORTS**

##### **(i) Registration requirements**

4. Imports under US\$1,000 for home consumption do not require a formal import entry certificate and may be cleared directly by the importer. Imports over US\$1,000 and up to US\$5,000, require a formal entry certificate (Form C78) but may be cleared by the importer. If the value of imports exceeds US\$5,000 they must be cleared by a customs broker. Perishable goods or urgent

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<sup>1</sup>WTO calculation. This excludes other duties levied on imports, such as additional stamp duties.

<sup>2</sup>The first steps towards price liberalization were taken in February 1990, when prices of several products sold by the Jamaica Commodity Trading Corporation were declared free of controls.

consignments may be granted permission to be cleared without a formal entry certificate, prior cash deposit, or bank guarantee to cover any applicable duty.<sup>3</sup> Goods imported for warehousing must have a formal entry certificate, irrespective of their value. A bond covering the corresponding customs duties must be executed; duties must be paid when the goods leave the warehouse.

5. To obtain an entry certificate, a certain number of documents must be provided to Customs. These include a tax compliance certificate, a commercial invoice and combined certificate of value and origin, a declaration of value (Form C70), a bill of lading or airway bill, a bill of sight, and an import permit or licence, when required. Import licences are obtained from the Trade Board, Ministry of Commerce and Technology (section 2(ix)); a packing list must also be obtained from the Board, before effecting the sale of imports subject to licensing. Imports of fruit and vegetables need a permit from the Ministry of Agriculture. Under the Selected Importation Inspection System, inspection of imports takes place if goods are not accompanied by an invoice; otherwise it is carried out randomly. According to information provided by Customs, all entries are processed within 24 to 72 hours. Some customs brokers have been granted pre-clearance facilities, which enables speedy processing of their imports (usually within one hour). Customs operations are currently being computerized, and it is expected that an automated entry processing system will be operative in 1999. Clearance must, by law, take place within 14 days from the day on which the goods were unloaded.

6. Customs decisions may be appealed to the Customs Commissioner, within three months of the deposit of payable duty. If there is dissatisfaction with the Commissioner's decision, appeal may be made to the Revenue Court within 30 days of the decision.

#### **(ii) Temporary entry**

7. Jamaica has a temporary entry regime that grants imports admission for a period of three to four months, prior to obtention of a customs authorization. The procedures require the importer to present to customs all documents regularly required for imports in addition to the temporary admission authorization and a special customs form (C25) at the moment of arrival of the merchandise. To be granted temporary admission, the importer must deposit either 100% or 150% of the corresponding customs duty. This deposit is reimbursed once the merchandise leaves Jamaica.

#### **(iii) Rules of origin**

8. Jamaica has notified the WTO, under Article 5.1 of the Agreement on Rules of Origin, that it does not maintain any non-preferential rules of origin and has not made any such judicial decisions or administrative rulings of general application.<sup>4</sup> However, preferential rules of origin apply to products from other CARICOM countries. CARICOM rules of origin are based on the Harmonized System of classification. These rules are spelled out in Article 14 of the Treaty establishing CARICOM, by which goods are treated as being of Common Market origin if: (a) they have been wholly produced within the Common Market; or (b) they have been produced within the Common Market wholly or partly from materials imported from third countries, provided a substantial transformation has taken place within the Common Market (Table III.1). The substantial transformation may be achieved by the goods being classified under a different tariff heading from the materials utilized, or may be defined specifically for each tariff heading in Part A of the List in Schedule II of the CARICOM Treaty.<sup>5</sup> For most agricultural products, origin is conferred only if the good is wholly produced

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<sup>3</sup>Customs formalities for these goods must be finalized within 72 hours of their release.

<sup>4</sup>WTO document G/RO/N/4, 7 August 1995.

<sup>5</sup>Caribbean Community Secretariat (1997).

within the CARICOM or is produced using regional materials. In the case of industrial products, origin requirements are related either to a transformation process or to the value of extraregional materials. Medium-development countries, including Jamaica, are subject to stricter rules in some cases (Table III.1).

**Table III. 1**  
**CARICOM rules of origin**

Product	Rules of origin requirement medium-development countries	Rules of origin requirement low-development countries
A range of: Meat products Fish Vegetables (frozen, preserved or dried) Fruit (frozen, preserved or dried) and nuts Products of milling industry Oil seeds Vegetables materials (for plaiting, stuffing, etc.) Cocoa beans Sugar Molasses	Wholly produced	Wholly produced
A range of: Oils Animal products Sugar confectionery Vegetable, fruit and nut preparations Mineral waters Liqueurs and other spirituous beverages Vinegar Wood, wood products and carpentry work Wicker work Ceramic products Articles of cement Articles of plaster Articles of glass Jewellery, gold and silver in semi-manufactured forms Steel products	Produced from regional materials	Produced from regional materials
A range of: Chemical products included in HS chapters 28 – 39	Produced by chemical transformation	Produced by chemical transformation
A range of: Plastics products	Non-regional material content must not exceed 10% of export price of finished product	Non-regional material content must not exceed 10% of export price of finished product
Articles of apparel, clothing, accessories and other articles of fur skin (HS 43.03)	Produced from materials not included in 43.03 and not being fur skins assembled in plates, crosses or similar forms	Produced from materials not included in 43.03 and not being fur skins assembled in plates, crosses or similar forms
Dyed or printed fabrics	Production in which the value of extra-regional materials used does not exceed 30% of the export price of the finished product	Production in which the value of extra-regional materials used does not exceed 40% of the export price of the finished product.

**Table III.1 (cont'd)**

Product	Rules of origin requirement medium-development countries	Rules of origin requirement low-development countries
<p>A group of products including:</p> <p>Paper products; and a range of products in HS Chapters 73-96, including: Copper, nickel and aluminium and articles thereof Lead, tin and zinc and articles thereof Other base metals; miscellaneous articles of base metal Tools Machinery and mechanical appliances, boilers Electrical machinery and parts Railway or tramway locomotives and parts thereof Vehicles other than railway and tramway locomotives and parts thereof Aircraft and parts thereof Ships and boats and floating structures Optical, photographic, cinematographic, measuring, checking, medical or surgical instruments and apparatus and parts and accessories thereof Clocks and watches Musical instruments Furniture Arms and ammunitions Toys Miscellaneous articles</p>	<p>Production in which the value of extra- regional materials used does not exceed 50% of the export price of the finished product</p>	<p>Production in which the value of extra- regional materials used does not exceed 60% of the export price of the finished product</p>

Source: CARICOM Secretariat, "List of Conditions to be complied with as provided under Article 14 of the Annex to the Treaty and the rules regarding Common Market origin, Schedule II, 1 January 1998".

#### (iv) Tariffs

##### (a) Structure

9. Jamaica has applied the CARICOM Common External Tariff (CET) since February 1991. The schedule is based on the Harmonized Commodity Description and Coding System. The Jamaica Customs Tariff as applied in early 1998 is in accordance with the Customs Tariff (Revision) (Amendment) Resolution of 1995, and comprises 4,081 tariff lines at the seven-digit level.<sup>6</sup> The tariff has eight tiers, with rates of 0, 5, 10, 15, 20, 25 and 30% for industrial goods, and an additional rate of 40% that applies only to agricultural products. Tariff lines are categorized according to value added and substitutability for domestic products. Exceptions to the CET are included in Lists A, and C. Products classified as List B or D in Jamaica's tariff schedule are no longer exceptions to the CET and the rates applied correspond to Phase II of the tariff reduction process (Table III.2).

<sup>6</sup>The duty rates contained in this schedule are in accordance with Phase II of the CET calendar of reductions. A modification was introduced to the schedule in 1997, when duties on all non-competing inputs were reduced to zero.

10. The current tariff structure is under revision; Jamaica is expected to adopt a six-digit structure (HS96) at the same time as it puts in place the tariff reductions called for in Phase IV of the CET implementation process.

**Table III.2**  
**Lists of exceptions to the CET**

List A	A list of items on which suspension of the rates of duty in the Schedule of Rates under Article 32 of the Common Market Annex has been granted to Member States for an indefinite period subject to review by Council, with the rates to be applied by Member States;
List B <sup>a</sup>	A list of items on which suspension of the rates of duty in the Schedule of Rates under Article 32 of the Common Market Annex has been granted to Dominica, Antigua and Barbuda, Saint Lucia, St. Kitts and Nevis, other OECS Member States and Belize for the periods set down in the List with the minimum rates to be applied by those Member States;
List C	A list of items in respect of which minimum rates of duty have been agreed by Council, with the actual rates of duty to be applied by individual Member States;
List D <sup>a</sup>	Additional items in respect of which suspension of the rates of duty in the Schedule of Rates under Article 32 of the Common Market Annex has been granted to St. Kitts and Nevis, other OECS Member States and Belize, with the actual rates which will be applied by those Member States.

a Jamaica applies CET rates on products included in this list in its tariff schedule.

Source: CARICOM Secretariat, Common External Tariff, 1 January 1998.

11. CET tariff changes occur at CARICOM level, but ultimate authority for tariff rates rests with Parliament, taking into account Jamaica's international agreements. Exceptions to the CET are agreed between CARICOM members and must be applied by the Community Council. Temporary reductions of the CET and the imposition of import charges, such as additional stamp duties, are made by the Ministry of Finance and Planning. These are no seasonal tariffs. All duties are levied *ad valorem*; some items are subject to additional stamp duties, which are levied on the c.i.f value of imports plus the tariff, and in some cases translate into high effective protection rates. This is especially true for agricultural products, where the protection rate may be as high as 90%. The General Consumption Tax (GCT) is payable on all items that are not zero-rated (imports and domestic products) at a general rate of 15%, with some products subject to a special GCT rate. Jamaica has reserved its right, in accordance with Article XXVIII:5 of GATT 1994, to modify its Tariff Schedule (Schedule LXVI) during the three-year period starting 1 January 1997.<sup>7</sup> As a result of liberalization, tariffs have been losing importance as a source of government revenue. In FY1996/97, revenue accruing from customs duties was J\$5,978 million (US\$170 million), about 10% of total government revenue - some one percentage point less than in the same period of the previous fiscal year<sup>8</sup> - and around 5.8% of the value of imports.<sup>9</sup>

(b) Tariff bindings

12. As part of its undertakings in the Uruguay Round, Jamaica bound its tariffs on imports of industrial products at a uniform rate of 50%. Other duties and charges were bound at 15%, except for three lines: aluminium extrusions solid shapes (HS 7604.00), corrugated iron (HS 7606.002) and aluminium extrusions hollow shapes and slugs for tooth paste (HS 7608.00), for which other duties were bound at 80%.<sup>10</sup> In agriculture, Jamaica bound its tariffs at 100%; other duties were bound at

<sup>7</sup>WTO document, G/MA/49 6 February 1997.

<sup>8</sup>IMF (1997).

<sup>9</sup>A tariff revenue/import ratio of 5.8% would imply a 53% collection ratio on the average tariff of 10.9%.

<sup>10</sup>Applied tariff rates are, however, low or zero. A tariff rate of 20% is currently applied on both kinds of aluminium extrusions while corrugated sheets have duty-free access to Jamaica.

15%, except for bindings of 80% on 55 products and three HS Chapters (15, 22 and 24) and bindings of 200% on three sugar products, other than raw sugar (Table III.3).

**Table III.3**  
**Bound duties and charges**  
(Percentage)

Tariff item number	Product	Bound rate
HS Chapters 1-24	Agricultural Products	15.0
Exceptions:		
02.01	Meat of bovine animals, fresh or chilled	80.0
02.02	Meat of bovine animals, frozen	80.0
02.03	Meat of swine, fresh, chilled or frozen	80.0
0207.21	Whole broilers	80.0
0207.22	Whole turkeys	80.0
0207.412	Chicken wings	80.0
ex0207.419	Chicken leg quarters, thighs and drumsticks	80.0
0207.421	Turkey wings	80.0
ex0207.429	Turkey drumsticks	80.0
0402.991	Condensed milk	80.0
0407.003	Eggs other than for hatching	80.0
0701.90	Potatoes, fresh or chilled	80.0
0702.00	Tomatoes, fresh or chilled	80.0
0703.101	Onions, fresh or chilled	80.0
0704.001	Cabbage, fresh or chilled	80.0
0705.10	Lettuce, fresh or chilled	80.0
0706.001	Carrots, fresh or chilled	80.0
0706.009	Sweet peppers, fresh or chilled	80.0
0708.001	Pigeon peas raw, cooked, preserved (frozen), packed for retail	80.0
0708.003	String beans, fresh or chilled	80.0
0709.004	Pumpkins, fresh or chilled	80.0
0710.203	String beans raw, cooked, not packed for retail	80.0
0710.204	String beans raw, cooked, packed for retail	80.0
0710.409	Vegetables (other than peas, carrots, string beans and beats) raw, cooked or frozen, not packed for retail	80.0
0710.803	Carrots, raw, cooked, frozen, not packed for retail	80.0
0710.804	Carrots, raw, cooked, frozen, packed for retail	80.0
0713.001	Red kidney beans (dried, shelled whether or not skinned or split)	80.0
0806.10	Grapes, fresh	80.0
10.05	Corn	80.0
1103.13	Cornmeal	80.0
1103.13	Corn gluten meal	80.0
12.01	Soya beans	80.0
1202.10	Peanuts unshelled	80.0
1202.20	Peanuts shelled	80.0
1208.10	Soya meal	80.0
1208.901	Peanut meal	80.0
1208.904	Linseed meal	80.0
1208.905	Cotton seed meal	80.0
ex1208.909	Sunflower, safflower and rape seed meal	80.0
Ch.15	Fixed vegetables oil, fluid, solid, crude, refined or purified	80.0
ex1601.002	Chicken frankfurters	80.0
1701.90	Other sugar than raw sugar	200.0

**Table III.3 (cont'd)**

Tariff item number	Product	Bound rate
1701.91	Containing added flavouring or colouring	200.0
1701.991	Icing sugar	200.0
1701.999	Other	200.0
2007.993	Guava jelly	80.0
2008.001	Peanuts roasted or otherwise prepared	80.0
2008.005	Pineapples prepared or preserved	80.0
2009.101	Orange juice concentrated	80.0
2009.109	Orange juice non concentrated	80.0
2009.201	Grapefruit juice concentrated	80.0
2009.40	Pineapple juice	80.0
2009.902	Mixed grapefruit and orange	80.0
2009.904	Juice, pineapple-based juices	80.0
2103.201	Tomato ketchup	80.0
ex Ch.22	Alcoholic beverages	80.0
ex2301.00	Hydrolized feather meal	80.0
ex2301.00	Meat and bone meal	80.0
ex2301.00	Poultry by-product meal	80.0
ex Ch.24	Tobacco products	80.0
HS Chapters 25-99	Industrial products	15.0
Exceptions:		
7604.00	Aluminium extrusions - solid shapes	80.0
7606.002	Corrugated sheets	80.0
7608.00	Aluminium extrusions - hollow shapes and slugs for toothpaste	80.0

Source: WTO Schedule LXVI – Jamaica.

(c) Average tariff and tariff range

13. Jamaica currently applies the CARICOM CET at the low end of Phase II rates, with a number of exceptions, included in Lists A and C (Tables AIII.1 and AIII.2), and in accordance with the Customs Tariff (Revision) (Amendment) Resolution, 1995. CET rates for industrial products range between 0-25%.<sup>11</sup> Rates for agricultural goods range between 0-40%. Manufactured goods included in List C are subject to a maximum tariff of 30%. List C contains 209 tariff lines, mainly alcoholic beverages, tobacco, oil products, jewellery, electrical appliances and motor vehicles. Rates applied on these products are, with a few exceptions, higher than CET rates. Products included in List A are subject to a maximum customs duty of 40%. List A includes 93 tariff lines, comprising mainly agricultural products, packaging material, ceramics, washing machines and driers, and sanitary fixtures. Jamaica applies rates lower than the CET for a group of products included in this List (Table AIII.1). Jamaica opted for the fast track (low end of tariff ranges) concerning the application of the CET, and imposed maximum tariffs of 30% in 1993 and 25% in 1995 (Phases I and II). No adjustments were made, however, in 1996 and 1997 regarding maximum rates, since further tariff reductions have been linked to the introduction of HS96 in the CARICOM schedule.<sup>12</sup> Phase III of the schedule of tariff reductions has not been implemented, but the rates currently applied (low end of Phase II) correspond to the high end of Phase III. Tariff rates for industrial goods (barring the

<sup>11</sup>With the exception of a few products under HS chapters 33 and 34 that are subject to a 30% tariff rate, which corresponds to high end of the ceiling rates for Phase II.

<sup>12</sup>In 1996, tariffs applied on non-competing capital inputs were lowered from 5% to 0. The CET on tallow oil was increased from 0 to 40%.

exceptions to the CET) are expected to be lowered to between 0-20% when Jamaica moves to Phase IV of the implementation. According to the CARICOM schedule, Jamaica should implement Phase IV by 1 July 1998. At the beginning of 1998, however, a decision regarding the date of implementation had not been taken (Table III.4).

**Table III.4**  
**CARICOM rate treatment and period of application**  
(Per cent)

Product category inputs	Competing				Non-competing		
	Phase II	Phase II			Phase I - II	Phase III	Phase IV
Primary	20	15	10	10	0-5	0-5	0-5
Intermediate	25	20	15	15	0-5	0-5	0-5
Capital	20	15	10	10	0-5	0-5	0-5
Final goods	30-35	25-30	20-25	20	25	20-25	20

Source: Information provided by the Jamaican authorities.

14. The simple average MFN tariff in 1997 was 10.9%. The average MFN tariff for agricultural products (HS Chapters 1 to 24) was 20.2%, and 8.4% for industrial products. Duty-free treatment is accorded to 55.4% of tariff lines for MFN imports. In the case of industrial products, 59% of tariff lines are duty free, 31% are subject to MFN tariffs of 20, 25 or 30%<sup>13</sup>, while 10% are subject to rates ranging between 5% and 15%. Almost one third of tariff lines on agricultural products are subject to a rate of 40%; another third is subject to rates ranging between 5% and 30% (Table III.5 and Charts III.1, 2 and 3). The average tariff for List A products is 26%, slightly higher than for products in List C (23.3%).

**Table III.5**  
**Main features of the Jamaican tariff schedule, 1997**

	Simple average %	Range %	Standard deviation <sup>a</sup>	Coefficient of variation <sup>a</sup>
All tariff lines	10.9	0-40	13.5	124.0
By sector <sup>b</sup>				
Agriculture and fisheries	20.1	0-40	19.6	97.4
Mining	4.3	0-30	9.5	222.1
Industry	10.3	0-40	12.7	123.0
By degree of processing				
Primary products	15.6	0-40	18.3	116.8
Semi-processed products	3.0	0-40	7.7	252.1
Finished goods	12.3	0-40	12.7	103.3

a The standard deviation measures the absolute dispersion of a distribution; the coefficient of variation is a measure of relative dispersion, defined as the standard deviation divided by the average. Both are expressed as percentages.

b Based on ISIC classification.

Source: WTO calculations based on data provided by the Jamaican authorities.

15. The List of Conditional Duty Exemptions to the CET sets out those goods which, when imported for the purposes stated in the List, may be admitted into the importing Member State free of import duty or at a rate lower than that set in the Schedule of Rates. In the case of Jamaica, this

<sup>13</sup>The mode within this group is 25%: 21.6% of tariff lines are subject to this tariff rate, while only 6.3% are subject to a tariff rate of 20% and 2.7% are subject to a rate of 30%.

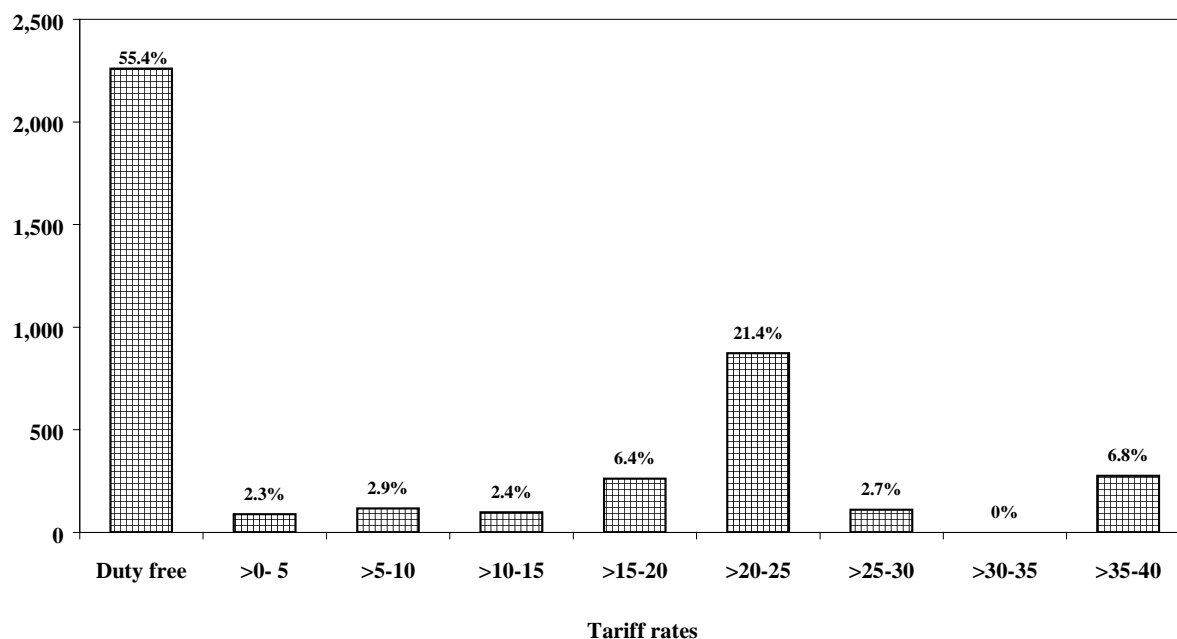


applies mostly to non-competing inputs which, according to the CET, should be subject to a tariff of 5%, but are actually imported duty free.<sup>14</sup> Some goods, included in the CET List of Items Ineligible for Duty Exemption may not be exempted (in whole or in part) from duty when they are imported for use in industry, agriculture, fisheries, forestry and mining. This list includes goods produced in the Caribbean Common Market in quantities considered adequate to justify the application of tariff protection. These items may only be eligible for the exemption from duty if they are imported "for other approved purposes" according to Section XI of the List of Conditional Duty Exemptions and provided they have been made available as gifts or on a concessionary basis.

### Chart III.1

#### Distribution of MFN tariff rates, 1997

Number of tariff lines

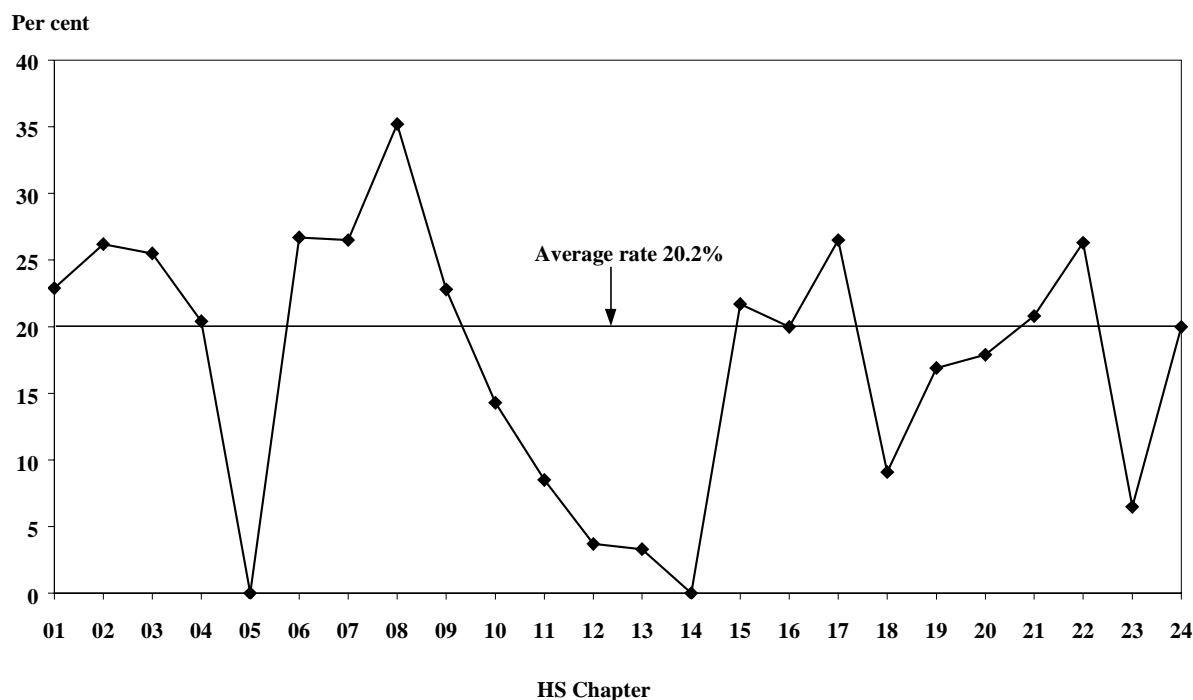


Source: WTO Secretariat calculations based on data provided by the Jamaican authorities.

<sup>14</sup>Although the CET rate for non-competing imports is 0-5%, Jamaica, as a medium-development country within CARICOM, is expected to apply a 5% tariff rate.

**Chart III.2**

**Average tariff rates on agricultural products by HS chapter, 1997**

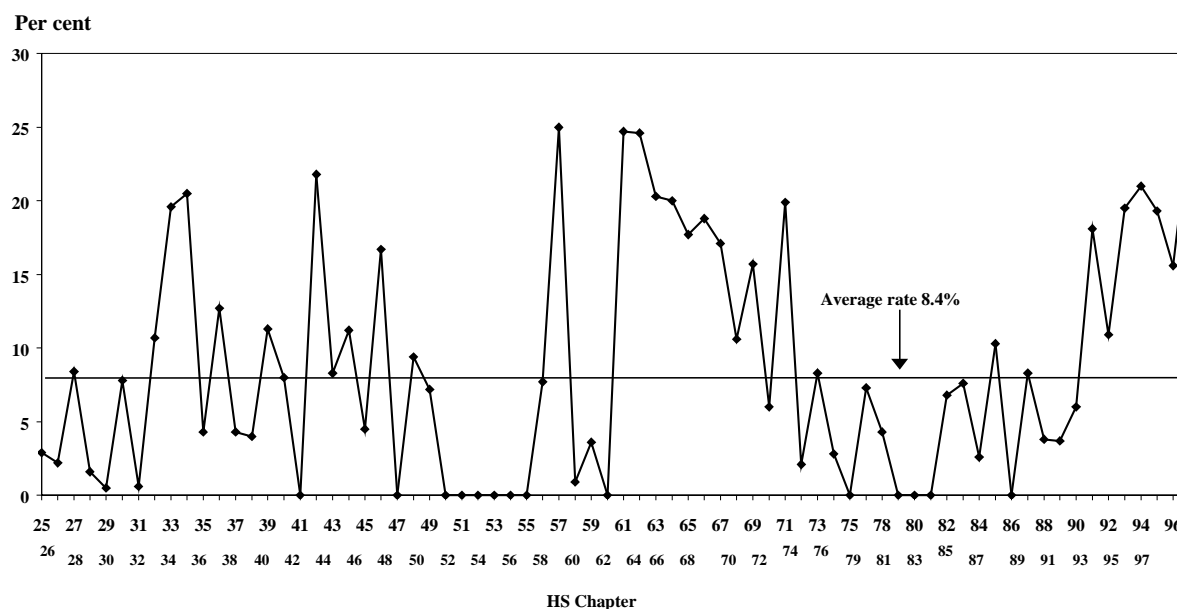


Chapter	Description
01	Live animals
02	Meat and edible meat offals
03	Fish and crustaceans, molluscs and other aquatic invertebrates
04	Dairy produce, birds eggs, natural honey, edible products of animal origin
05	Products of animal origin, n.e.s.
06	Live trees and other plants; bulbs, roots and the like; cut flowers
07	Edible vegetables and certain roots and tubers
08	Edible fruit and nuts; peel of citrus fruits or melons
09	Coffee, tea, mate and spices
10	Cereals
11	Products of the milling industry; malt; starches; wheat gluten
12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit
13	Lacs; gums, resins and other vegetable saps and extracts
14	Vegetable plaiting materials; vegetable products n.e.s.
15	Animal or vegetable fats and oils and other cleavage products; prepared edible fats; etc.
16	Preparations of meat, or fish or of crustaceans, molluscs or other aquatic invertebrates
17	Sugars and sugar confectionery
18	Cocoa and cocoa preparations
19	Preparations of cereals, flour, starch or milk; pastrycooks' products
20	Preparations of vegetables, fruit, nuts or other parts of plants
21	Miscellaneous edible preparations
22	Beverages, spirits and vinegar
23	Residues and waste from the food industries; prepared animal fodder
24	Tobacco and manufactured tobacco substitutes

**Source:** WTO Secretariat calculations based on data provided by the Jamaican authorities.

## Chart III.3

## Average tariff rates on manufactured products by HS chapter, 1997



Chapter Description

25	Salt; sulphur; earths and stone, etc.
26	Ores, slag and ash
27	Mineral fuels, mineral oils, etc.
28	Inorganic chemicals; organic or inorganic compounds of precious metals, etc.
29	Organic chemicals
30	Pharmaceutical products
31	Fertilizers
32	Tanning or dyeing extracts etc.
33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations
34	Soap, organic surface-active agents washing prep., etc.
35	Albuminoidal substances; modified starches; glues, etc.
36	Explosives; pyrotechnic products; matches, etc.
37	Photographic or cinematographic goods
38	Miscellaneous chemical products
39	Plastics and articles thereof
40	Rubber and articles thereof
41	Raw hides and skins and leather
42	Articles of leather, etc.
43	Furskins and artificial fur; manufactures thereof
44	Wood and articles of wood, etc.
45	Cork and articles of cork
46	Manuf. of straw, of esparto, etc.
47	Pulp of wood or of other fibrous cellulosic material

Chapter Description

48	Paper and paper board, etc.
49	Printed books, newspapers, etc.
50	Silk
51	Wool; fine or coarse animal hair, etc.
52	Cotton
53	Other vegetable textile fibres
54	Man-made filaments
55	Man-made staple fibres
56	Wadding, felt and non-wovens; special yarns; twine, cordage, etc.
57	Carpets; other textile floor coverings
58	Special woven fabrics; lace, etc.
59	Impregnated, coated, covered or laminated textile fabrics, etc.
60	Knitted or crocheted fabrics
61	Articles of apparel and clothing accessories, knitted or crocheted
62	Articles of apparel and clothing accessories, not knitted, etc.
63	Other made-up textile articles; sets, worn clothing, etc.
64	Footwear, gaiters, etc.
65	Headgear and parts thereof
66	Umbrellas, walking-sticks, etc.
67	Prepared feathers and down, etc.
68	Articles of stone, plaster, etc.
69	Ceramic products
70	Glass and glassware
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, etc.

Chapter Description

72	Iron and steel
73	Articles of iron and steel
74	Articles of iron and steel
75	Nickel and articles thereof
76	Aluminium etc.
78	Lead and articles thereof
79	Zinc and articles thereof
80	Tin and articles thereof
81	Other base metals, etc.
82	Tools, implements, cutler spoons and forks, etc.
83	Misc. articles of base metals
84	Nuclear reactors, boilers, machinery, etc.
85	Electrical machinery and equipment, etc.
86	Railway or tramway locomotives, etc.
87	Vehicles other than railway or tramway rolling-stock; etc.
88	Aircraft, spacecraft, etc.
89	Ships, boats, etc.
90	Optical, photographic, etc. apparatus
91	Clocks and watches, etc.
92	Musical instruments, etc.
93	Arms and ammunition, etc.
94	Furniture, bedding, etc.
95	Toy, games, etc.
96	Miscellaneous manuf. articles
97	Works of art, antiques, etc.

Source: WTO Secretariat calculations based on data provided by the Jamaican authorities.

(d) Tariff escalation

16. The current tariff structure is designed to provide positive effective protection to competing final goods, with imports of non-competing inputs entering into Jamaica duty free, as well as to raise revenue. Imports of semi-processed products are subject to an average tariff rate of 3%, while imports of fully processed products pay an average 12.3% tariff. Although raw materials are subject to an even higher average tariff, 15.6%, this is due to the high (40%) rate applied on some agricultural products destined for final consumption and competing with local production (Table III.6).

**Table III.6**  
Applied and bound MFN tariffs by stage of processing and degree of substitutability, 1997  
(Percentage)

	Average	Ranges	Bound rate
Simple average tariff <sup>a</sup>	10.9		67.4 <sup>b</sup>
Agricultural products (HS 1-24)	20.2	0-40.0	100.0
Industrial products (HS 25-99, excluding petroleum products)	8.4	0-30.0	50.0
By stage of processing and degree of substitutability for domestic goods:			
Non-competing inputs	0.2	0-5.0	50.0
Agricultural inputs	0	0	100.0
Non-competing capital inputs	0	0	50.0
Competing capital goods	15.0	15.0	50.0
Basic consumer "cost of living" goods	4.8	0-20.0	50.0
Competing intermediate inputs	20.0	20.0	50.0
Non-competing final goods, general manufactures, garments, agro-industry, exceptions	25.5	25.0-30.0	50.0
Agricultural products (excluding inputs)	40.0	40.0	100.0

a At the seven-digit level.

b Simple average of bound tariff rates.

Source: Information provided by the Jamaican authorities, and estimates by the WTO Secretariat.

17. In Jamaica's Tariff (Revision) (Amendment) Resolution, 1995, tariff lines are classified by category, according to type of goods, use, and whether they compete with domestic products; most goods of the same category are subject to the same tariff rate. In general terms, the higher the value added and the higher the degree of substitutability for domestic goods the higher the tariff rate. The exceptions within each category (and from the CET) are included in Lists A and C. Imports of non-competing primary, intermediate and capital goods inputs are allowed to enter Jamaica duty free; this also applies to goods classified as agricultural inputs or as safety goods, and to some "socio-economic" products (fuels, paper, etc.) and consumer goods classified as "cost of living" products.<sup>15</sup> While imports of some "cost of living" products are subject to a 5% tariff, "cost of living" goods for retail sale are normally subject to a 10% rate, as are some "socio-economic" products (instruments and appliances used for medical care, musical instruments), and some items included in List C (buses and coaches, electrical ignition equipment, etc.). Competing capital goods are subject to a 15% tariff, as are most medicaments. Competing intermediate inputs enter Jamaica at a tariff of

<sup>15</sup>More than half of these goods enter Jamaica duty free - mostly basic foodstuff or goods imported for processing or to be used for packaging. Duty-free access or a 5% rate apply mostly to goods with little value added, or to goods that are not directly meant for retail sale. "Cost of living" goods with a higher value added and meant for direct retail sale are taxed at 10% (around 25% of cost of living products) or at 20% (8% of cost of living products) (Table AIII.3).

20%. Non-competing final goods, general manufactured goods, agro-industry products, and garments are subject to customs duty of 25%.

18. Most goods included in List C (automobiles, some electrical appliances, precious metals, beer, wine and spirits) as well as some general manufactures (soap, shampoo, etc.) are subject to a 30% tariff. Applied rates are determined at the national level; common rates are determined by all members, but only for reference purposes. Applied rates may be modified for budgetary purposes; since goods included in List C are exceptions to the CET, tariffs applied on them are not fixed under CARICOM.<sup>16</sup>

19. The simple average MFN tariff rate for final goods other than capital and cost-of-living goods is 25.5%; however the weighted average is closer to the 30% ceiling, with some important items subject to a 30% tariff rate, such as automobiles and electrical appliances. In the case of agricultural goods, some products may be found at both ends of the tariff scale (zero to 40%), depending on their use-as an input or as a final consumption good.

(e) Tariff concessions

20. Jamaica's Customs Act envisages the application of special tariff concessions on certain product listed in the Act's First, Second and Third Schedules, based on the provisions of the Customs Act. The First Schedule includes goods that are free of duty. Goods exempt from duty are included in the Second and Third Schedules.<sup>17</sup> Goods included in the Second Schedule are totally exempt from customs duties, while goods included in the Third Schedule may be totally or partially exempt. In addition to these concessions, the Minister of Finance is empowered to grant a partial or total waiver or relief from import duties on specific goods upon request by individuals or organizations.

21. Several of the investment, production and export promotion schemes implemented by the Jamaican Government contain elements of duty relief. The Export Industry Encouragement Act (EIEA) grants tariff relief on raw materials and machinery for a period of ten years to companies manufacturing products exclusively for export to non-CARICOM countries.<sup>18</sup> Other duty relief schemes include those contained in the Industrial Incentives (Factory Construction) Act (import duty relief on construction material and equipment used in the construction of factories benefiting from the EIEA programme), the Hotel Incentives Act (income tax relief for up to seven years and duty-free importation of building materials and furnishings), the Resort Cottages Act (duty-free importation of articles required for the construction and equipping of the cottages), the Motion Picture Encouragement Act (relief of import duties on capital goods imported for the production of a motion picture) and the Bauxite and Alumina Industries Encouragement Act (tariff concessions for the importation of capital goods, lubricating oils, grease and chemicals). The Jamaica Export Free Zones Act grants duty-free importation of capital goods, raw materials and any article used in the production

<sup>16</sup>They are bound, however, in the WTO at 50%.

<sup>17</sup>Goods exempt from customs duties listed in the Second Schedule include: aids and materials for the disabled; aircraft; baggage and household effects; worn clothing; clothing for indigent school children; coverings and packages; fuel oil for ocean-going ships; goods intended to assist economic development; goods for use in rehabilitation or relief activities; goods for hospitals; materials used for performance of contracts with the Government; goods for places of worship; fertilizers; postal parcels; goods for the Red Cross and the St. John's Ambulance Association; goods for schools.

<sup>18</sup>Since imports of non-competing intermediate and capital inputs are currently duty free, the concessions apply only to competing imports. In the case of imports of competing capital goods, the concession would be equivalent to 15 percentage points of the c.i.f. value.

or connected to the production of an approved activity of a free-trade zone. These goods are also exempt from the GCT. In addition, there is an import duty relief scheme for farmers allowing imports of farm vehicles at a reduced rate of 20% and imports of tractors duty free.<sup>19</sup>

22. The scope of the import-duty relief schemes has been eroded by tariff reductions. In the case of non-competing inputs, for example, imports are no longer subject to tariffs.

(f) Tariff preferences

23. Imports from other CARICOM countries, which meet the rules of origin criteria, are admitted duty free into Jamaica. Under the CARICOM/Colombia Agreement, Jamaica (as a medium-development country) will grant duty-free access as of 1 June 1998 to a number of products originating in Colombia, and phased duty reductions on another group of products from 1 January 1999 until 1 January 2002. Goods granted duty-free access on 1 June 1998 include a range of products classified as non-competing inputs or non-competing capital goods in Jamaica's Tariff Schedule, which are already granted duty-free access on an MFN basis. Tariffs on these products are, however, bound at 50% in the WTO and, thus, the concessions offer Colombia an extra margin of security as compared to MFN treatment. The list of products to be accorded duty reduction from 1 January 1999 includes another group of goods listed as non-competing inputs in capital goods (and hence, already enjoying duty-free access into Jamaica), plus a few items currently subject to customs duties, such as pimento (subject to a 40% MFN tariff rate); rubies, sapphires and emeralds (30%), gauze (20%), spoons plated with precious metals (25%), and some types of coated electrodes and rods (20%). All other bilateral agreements signed by CARICOM offer unilateral preferential treatment for CARICOM exports.

24. The CARICOM Treaty allows a few national exceptions to the duty-free entry of goods from other CARICOM member States. These are included in Schedule I of the Treaty. Jamaica maintains milk and cream (fresh, evaporated or condensed) on this list; imports of these goods from other CARICOM countries are subject to the CET.

(v) Other levies and charges

25. In addition to tariffs, other charges applied to imports include Additional Stamp Duties on Customs Warrants Inward (import tax), a Special Consumption Tax and the GCT. The latter two apply equally to domestically produced goods.

26. Additional Stamp Duties on Customs Warrants Inward are levied on the duty-paid value of imports. The aim is to protect local production. The application of additional stamp duties is regulated by the Stamp Duty Act; rates are defined as aggregate levels, including the customs duty applicable. They are generally applied on agricultural products<sup>20</sup>, alcoholic beverages, tobacco products, and aluminium products. On primary aluminium products applied rates of additional stamp duty (excluding the customs duty) are in the 20-25% range (bound at 80% in the WTO). Some agricultural products are charged additional stamp duty rates of 35% (vegetables, beans), which can result in protection rates as high as 90% once the combined effects of the tariff and the additional

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<sup>19</sup>Prior to 1996, only tractors imported for use in agriculture were duty free; tractors imported for other uses were classified as non-competing inputs and faced a 5% tariff.

<sup>20</sup>Included in this category are: meat of bovine animals, swine and poultry; vegetables; fruit and nuts; condensed milk; edible oils; soya bean meal and flour; grains; certain fruit juices; tomato ketchup and sauce; eggs.

stamp duty are taken into account.<sup>21</sup> Some agro-industry products face the highest additional stamp duties, although in aggregate terms, protection may be lower than for unprocessed agricultural goods.<sup>22</sup> The range for agricultural products is between 65% and 90%. A non-specific additional stamp duty must be paid on imported refined sugar, whenever the c.i.f. price plus the customs duty fall below an established benchmark (currently US\$0.22 per lb), to cover this difference. The additional stamp duty on alcoholic beverages is 34%, while tobacco products are subject to a 56% duty. Table III.7 provides a list of the aggregate stamp and customs duties currently applied.

**Table III.7**  
**Aggregate tariff and Additional Stamp Duty on Customs Warrant Inward**  
(Per cent)

Goods	Aggregate duty	Tariff	Additional stamp duty
Whole broilers	86	40	32.857
Chicken wings	80	0	80
Chicken leg quarters, chicken legs, thighs and drumsticks	86	40	32.857
Whole turkeys, turkey drumsticks	86	40	32.857
Turkey wings	80	0	80
Eggs other than for hatching purposes	86	40	32.857
Chicken frankfurters	86	40	32.857
Pork cuts and pork products (sides, fresh legs, fresh butts, fresh picnics, fresh loins, whole hams, smoked picnic, boiled ham boneless, bacon, other non specified)	86	25	48.8
Beef and veal cuts and products in all forms and preparations (sides of beef and veal, ribs, boneless rounds, boneless top butts, top butts other than boneless, boneless bottom round, boneless strip loins, tenderloin, other non specified)	86	25	48.8 <sup>a</sup>
Grains (not being wheat intended for the manufacture of flour) or oats imported for use as, or in the manufacture of animal feed	70	25	36
Condensed milk	75.5 <sup>a</sup>	30	35
Soyameal, cotton seed meal, linseed meal, corn gluten meal, meat and bone meal, sunflower seed meal, peanut meal, safflower meal, poultry by-product meal, hydrolyzed feather meal, rape seed meal, corn meal.	70	25	36
Peanuts, shelled (ex tariff heading No. 1202)	90	40	35.714
Peanuts, unshelled (ex tariff heading No. 1202)	90	40	35.714
Peanuts, roasted (ex tariff heading No. 2008)	86	25	48.8
Other peanuts	86	25	48.8
Onions (fresh or chilled) (ex tariff heading No. 0703.1)	90	40	35.714
Potatoes (not sweet or fresh or chilled)	90	40	35.714
Red kidney beans (dried, shelled, whether or not skinned or split) (ex tariff heading No. 0713)	90	40	35.714
Other kidney beans	90	40	35.714
Orange juice concentrated, orange juice non-concentrated, grapefruit juice concentrated, pineapple juice, mixed grapefruit and orange juice, pineapple-based juices (ex tariff heading No. 2009)	86	40	32.857 <sup>b</sup>
Grapes fresh (ex tariff heading No. 0806.1)	86	40	32.857 <sup>b</sup>
Pineapples, prepared or preserved (ex tariff heading No.2008.005)	86	25	48.8

**Table III.7 (cont'd)**

<sup>21</sup>As an example, red kidney beans are subject to an aggregate customs duty and Additional Stamp Duty on Customs Warrants Inward of 90%, which results from a tariff of 40% and a stamp duty of 35.7%.

<sup>22</sup>An example of this are roasted peanuts and tomato ketchup, both of which face a tariff of only 25%, but an aggregate additional stamp and customs duty of 86%. The stamp duty, calculated by dividing 1.86 by 1.25, is 48.8%.

Goods	Aggregate duty	Tariff	Additional stamp duty
Tomatoes fresh or chilled (ex tariff heading No. 0702.00)	90	40	35.714
String beans fresh or chilled (ex tariff heading No. 0708.003)	86	40	32.857
Carrots fresh or chilled (ex tariff heading No. 0706.001)	90	40	35.714
Sweet peppers fresh or chilled (ex tariff heading No. 0709.006)	90	40	35.714
Cabbage fresh or chilled (ex tariff heading No. 0704.001)	90	40	35.714
Pumpkins fresh or chilled (ex tariff heading No. 0709.004)	86	40	32.857
Lettuce fresh or chilled (ex tariff heading No. 0705.10)	86	40	32.857
Carrots, raw, cooked, preserved (frozen) packed for retail (ex tariff heading No. 0710.804), and not packed for retail (ex tariff heading No. 0710)	86	40	32.857
String beans raw, cooked, preserved (frozen) packed for retail, and not packed for retail (ex tariff heading No. 0710.203)	86	0	86
Pigeon peas raw, cooked, preserved (frozen) packed for retail	86	40	32.857
Vegetables (other than peas, carrots, string beans, and beets) raw, cooked, preserved (frozen) packed for retail (ex Tariff Heading No. 0710.209)	86	40	32.857
Fixed vegetable oil, fluid or solid, crude, refined or purified (ex Chapter 15)	65	40	17.857 <sup>c</sup>
Tomato ketchup (ex tariff heading No. 2103.201)	86	25	48.88
Other fruit and vegetables, not elsewhere specified including fruit and vegetables in any form of preparation but excluding currants, raisins and prunes.	86	40	32.857
Beer, wine, sparkling wine, vermouth, whisky, vodka, and other spirits	74	30	34
Flours, meals and pellets, of meat, fish or crustaceans, for human consumption	70	0	70
Cigars, cigarettes, other tobacco products	103	30	56
Aluminium bars, tubes and pipes	44	20	20
Corrugated sheets of aluminium	25	0	25
Aluminium doors and other products	38	15	20

- a Other beef and pork products, non-specified, are subject to a 5% tariff and a 77.143% additional stamp duty. The aggregate level of protection is the same as for beef and products subject to a 40% tariff.
- b Preparations for infant use are subject to a 10% tariff and a 69.091% additional stamp duty. Concentrated pineapple juice is subject to a 20% tariff and a 55% additional stamp duty. Pineapple juice, other than concentrated, is subject to a 25% tariff and a 48.8% additional stamp duty.
- c Except palm stearing crude oil, linseed, castor, tung and jojoba oils, which are classified as non-competing inputs, and enter Jamaica duty free. These products face an additional stamp duty of 65%, which brings aggregate protection to the same level as for other oils.

Source: The Stamp Duty Act. The Stamp Duty (Amendment of Appendix) Order (1992).

27. The Special Consumption Tax was introduced in October 1991 to replace excise duties. It is levied on a number of products, including petroleum products, alcoholic beverages and tobacco products, whether domestically produced or imported. Applied duties are *ad valorem* for some products (beer, wine, cigarettes), specific for others (certain spirits), or a combination of *ad valorem* and specific duties (certain petroleum products) (Table III.8). The value considered for the application of the Special Consumption Tax is, if the goods are imported, the value determined under the Customs Act plus the tariff plus any Additional Stamp Duty on Customs Warrants Inwards.



**Table III.8**  
**Special consumption tax (applied on domestically produced and imported goods)**

Class or description of goods	Rate of duty
<i>Ad valorem:</i>	
Beer	Strength not exceeding 6% of alcohol by volume: 15.9% of value Other: 10% of value
Spirits (Whisky, rum and tafia, gin and geneva, vodka, etc.)	Strength exceeding 57.1% of alcohol by volume: 24.3% of value Strength 31.5% to 57.1% of alcohol by volume: 16.1% of value Strength not exceeding 31.5% of alcohol by volume: 7.5% of value
Cordials and spirits	14.5% of value
Wine (Sparkling wine, other grape must, vermouth, other fermented beverages, etc.)	14.5% of value
Smoking tobacco, cigars, cheroots and cigarillos containing tobacco	12.0% of value
Cigarettes	39.9% of value
<i>Specific:</i>	
Propane	\$0.60 per litre
Butanes	\$0.60 per litre
Kerosene type jet fuel and illuminating kerosene	\$0.88 per litre
Aviation spirit of 100 octane and over	\$0.64 per litre
Aviation spirit under 100 octane	\$1.17 per litre
Motor spirit (gasoline)	\$1.32 per litre (HS code 2710.13.10.10 and 2710.13.90.90) \$1.17 per litre (HS code 2710.13.10.20 and 2710.13.90.10)
Diesel oil	\$0.93 per litre (HS code 2710.31.10.10 and 2710.31.90.10) \$0.64 per litre (HS code 2710.31.10.20 and 2710.31.90.90)

Source: Information provided by the Jamaican authorities.

28. The GCT was introduced through the General Consumption Tax Act, 1991, to replace a number of other taxes.<sup>23</sup> The initial rate of 10% was raised to 12.5% in 1993, and to 15% in April 1995.<sup>24</sup> It is applied on all taxable goods and services supplied in or imported into Jamaica. It is a value-added tax: except for motor vehicles, tax payable is calculated after deducting the total amount of input tax. In the case of domestically produced goods or taxable services, the GCT is levied when the good or service is supplied; for imports, it is levied at the moment of importation and collected at the point of entry. The base for the calculation of the GCT (value of taxable supply) in the case of domestically produced goods or services is the money value plus the Special Consumption Tax.<sup>25</sup> In the case of imported goods, the value of taxable supply is the aggregate of the value for customs duty purposes plus the customs duty payable, any additional stamp duty on inward customs warrants and any special consumption tax payable in respect of the taxable supply (Table AIII.4). A certain number of products are exempt from the GCT (some foodstuffs, milk, and some services), while others are zero-rated (health-related products, some animal products, some foodstuffs, books,

<sup>23</sup>The General Consumption Tax Act (1991) replaced the Consumption Duty Act, the Entertainment Duty Act, the Retail Sales Act, the Telephone Service Tax Act, and the Hotels (Accommodation) Tax Act. It was revised in 1995, when the General Consumption Tax (Amendment) Act, 1995, was put in place.

<sup>24</sup>The exceptions are: Portland cement, pre-mixed concrete, cement blocks and steel reinforcing bars, which are taxed at 12.5%, plus a number of products that are zero-rated or exempt from GCT.

<sup>25</sup>If the "consideration" (defined by the General Consumption Tax Act as the payment made for the supply of a good or service) includes only partly money, then the value of the supply is deemed to be its open market value (defined as "the amount of consideration in money which the Commissioner of General Consumption Tax is satisfied would be payable in respect of a taxable supply by a person who is not a connected person in an arms length transaction". GCT Act, Part I, par. 2.)

and government procurement goods). Items imported under the Export Industry Encouragement Act, the Foreign Sales Corporation Act (machinery, equipment and materials), the Jamaica Export Free Zones Act, the Modernization of Industry Programme, and some other incentive schemes are also exempt from the GCT (Table III.9).

**Table III.9**  
**General consumption tax**

<p>(a) Taxed at 15%: All products not included in Schedules of exceptions.</p> <p>(b) Taxed at 12.5%: Construction materials (Portland cement; pre-mix concrete; cement blocks; steel reinforcing bars; quarter-inch steel wire; number sixteen steel wire).</p> <p>(c) Zero-rated items:</p> <ul style="list-style-type: none"> <li>- Group 1: Foodstuffs (corn; soyameal; wheat).</li> <li>- Group 2: Agriculture (animal feeds, except pet food; machetes; agricultural equipment; irrigation equipment; seeds, bulbs, vegetable plants and live trees).</li> <li>- Group 3: Health (drugs; diagnostic reagents; topical antifungal preparations; scabicides and pediculicides; anthelmintic; haemorrhoidal preparations; analgesics and anti-inflammatory agents; contraceptives; surgical gloves; cough and cold preparations; antacids, band aids; anti-histamines; preparations for acne and eczema; olbas oil, vaso constrictors and dilators; ophthalmic drops; antiseptics and disinfectants; first aid medicines; rubbing alcohol; bay rum; laxatives; anti-diarrhoeal; disposable diaper for the incontinent; medical, dental, surgical, ophthalmic or veterinary instruments or components; orthopaedic appliances; laboratory appliances; invalid carriages; prostheses; artificial breathing apparatus; bandages and gauze; supply of services by hospitals and clinics).</li> <li>- Group 4: Diplomatic and international organizations.</li> <li>- Group 5: Exports.</li> <li>- Group 6: Government procurement goods.</li> <li>- Group 7: Places of worship.</li> <li>- Group 8: Books, newspaper, education.</li> <li>- Group 9: Miscellaneous (sport equipment for selected sports; gift parcels up to a certain amount; reimported goods on which tax has not been previously credited or refunded; gold bullion, coins and currency notes imported by the Bank of Jamaica; unused postage, stamps and others; sanitary towels; goods acquired by youth associations; insurance for public transport).</li> <li>- Group 10: Activities (transportation; payments of fees; provision of water services).</li> <li>- Group 11: Motor vehicles (for public use and other special cases).</li> <li>- Group 12: Utilities: removed from the list in 1993.</li> <li>- Group 13: Energy-saving devices.</li> <li>- Group 14: Coverings and containers.</li> <li>- Group 15: Items under certain enactments (The Bauxite and Alumina Industries (Encouragement) Act; the Export Industry Encouragement Act; the Hotel (Incentives) Act; the Industrial (Incentives) Act; the Industrial Incentives (Factory) Act; the Jamaica Export Free Zones Act; the Motion Picture Industry (Encouragement) Act; the Petroleum Act; the Petroleum Refining Industry (Encouragement) Act; the Resort Cottages (Incentives) Act).</li> <li>- Group 16: Construction materials: removed from the list in 1993.</li> <li>- Group 17: Goods used in the Modernization Programme (prescribed by JAMPRO).</li> </ul> <p>(d) Goods and services exempt from tax:</p> <ul style="list-style-type: none"> <li>- Goods: Travel tickets for international travel; coffins made of wood; ice; marl; sand, gravel, stone and top soil; fresh fruits and vegetables except some imported fruits; raw legumes, meat, onion and garlic, poultry, fish, crustacean and mollusc; milk; cornmeal and flour; corned beef; canned sardines, herring and mackerel; infant formulae; bread, biscuits, crackers; rice; brown sugar; soya oil, coconut oil and margarine; salt; eggs; patties; rolled oats; baking flour; live animals for human consumption; unprocessed agricultural products; motor spirit; processed cheese; cooking oil; black pepper; instant coffee; tea; chocolate-flavoured drink mix; syrup; fish, cock and noodle soups packaged in aluminum sachet; matches; toilet paper; oral and dental preparations; soaps; synthetic detergents; laundry bleach; floor polish; disposable protective bed pads; tomato ketchup; school uniforms and bags; insect sprays.</li> <li>- Services: Construction and repair services; tillage operations; burial services; rental or lease of property; public postal and telegraph services; services and activities free of charge; repair services for agricultural equipment, and aircraft and vessels; services rendered by a trade union; medical and dental services; education and training; services rendered under a health or life insurance contract; services performed under contracts paid by foreign governments or multilateral agencies; legal services rendered regarding criminal matters; supply of water, electricity, sewerage services; cold storage services; aerial spraying of agricultural crops; a range of financial services; lotteries; services rendered at a port or international airport in connection with the exportation or importation of goods.</li> </ul>
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**Table III.9 (cont'd)**

- (e) Motor vehicles:
- (i) imported by dealers:
- Taxed at 17.094% of consideration: Motor cars with an engine capacity of less than 1,000cc; buses with less than nine passenger seats.
  - Taxed at 27.35%: Motor cars with an engine capacity of between 1,000 and 1,500cc.
  - Taxed at 34.188%: Motor cars with an engine capacity of between 1,500 and 2,000 cc. (2,200 cc in the case of diesel engines); jeeps with an engine capacity not exceeding 2,000 cc (2,200 cc for diesel).
  - Taxed at 51.28%: Motor cars with an engine capacity of between 2,000 and 3,000 cc; (2,200-3,200 cc in the case of diesel engines); limousines for tourism; jeeps with an engine capacity not exceeding 3,000 cc (3,200 in the case of diesel engines).
  - Taxed at 157.26%: Motor cars with an engine capacity of more than 3,000cc (3,200 cc in the case of diesel engines); jeeps with an engine exceeding 3,000 cc.
  - Taxed at 12.6984%: Tractors, motor chassis, or trailers for certified agricultural activity.
  - Taxed at 21.164%: Tractors, motor chassis, or trailers other than for certified agricultural activity.
  - Taxed at 8.08%: Trucks for certified agricultural activity.
  - Taxed at 20.20%: Trucks other than for certified agricultural activity, if unladen weight exceeds 2,032 kg.; buses with a passenger capacity between fifteen and twenty seats.
  - Taxed at 12.6984%: Tractors, motor chassis, or trailers for certified agricultural activity.
  - Taxed at 20.51%: Jeeps for certified agricultural activity.
  - Taxed at 36.36%: Trucks other than for certified agricultural activity, if unladen weight does not exceed 2,032 kg.
  - Duty free: Buses with more than twenty five seats for tourism or some other certified activities.
- (ii) imported by user: tax levied on taxable value (customs value plus customs duty)
- Taxed at 19.23% of consideration: Motor cars with an engine capacity of less than 1,000cc; buses for tourism with less than nine passenger seats.
  - Taxed at 30.769%: Motor cars with an engine capacity of between 1,000 and 1,500cc.
  - Taxed at 38.46%: Motor cars with an engine capacity of between 1,500 and 2,000 cc. (2,200 cc in the case of diesel engines); jeeps with an engine capacity not exceeding 2,000 cc (2,200 cc for diesel).
  - Taxed at 57.69%: Motor cars with an engine capacity of between 2,000 and 3,000 cc; (2,200-3,200 cc in the case of diesel engines); limousines for tourism; jeeps with an engine capacity not exceeding 3,000 cc (3,200 in the case of diesel engines).
  - Taxed at 176.92%: Motor cars with an engine capacity of more than 3,000cc (3,200 cc in the case of diesel engines); jeeps with an engine exceeding 3,000 cc.
  - Taxed at 14.2857%: Tractors, motor chassis, or trailers for certified agricultural activity.
  - Taxed at 23.809%: Tractors, motor chassis, or trailers other than for certified agricultural activity.
  - Taxed at 9.09%: Trucks for certified agricultural activity.
  - Taxed at 22.72%: Trucks other than for certified agricultural activity, if unladen weight exceeds 2,032 kg.; buses with a passenger capacity between fifteen and twenty seats.
  - Taxed at 23.076%: Jeeps for certified agricultural activity.
  - Taxed at 14.2857%: Tractors, motor chassis, or trailers for certified agricultural activity.
  - Taxed at 38.48%: Trucks other than for certified agricultural activity, if unladen weight does not exceed 2,032 kg.
  - Taxed at 86.36%: Buses, except for public transport or tourism use.
  - Taxed at 22.72%: Buses for public or rural transport, or for tourism, with between fifteen and twenty five seats.
  - Taxed at 40.90%: Buses for public or rural transport, or for tourism, with between nine and fourteen seats.
  - Duty free: Buses with more than twenty five seats for tourism.
  - Taxed at 33.333%: Motor vehicles other than those described above.

Source: The General Consumption Tax Act and the General Consumption Tax Regulations.

29. Motor vehicles are generally subject to higher GCT rates than other goods. With the exception of some types of buses, which may be imported duty free, and trucks for agricultural use (subject to rates of 8.08% or 9.09%), tax rates range from 17.094% to 176.92%. With the GCT applied on the customs value plus the tariff, the total tax charge may be as high as 230% in the case of importation by the user. When the sale takes place through a dealer, the maximum tax rate is lower<sup>26</sup>, at 157.26%, but it is applied on a higher value, which includes the dealer's markup. GCT revenue collected on imports accounts for over half of the proceeds of international trade duties and

<sup>26</sup>As are all other rates for the same category of vehicle, as shown in Table III.6.

for around one sixth of total tax revenue.<sup>27</sup> It rose from J\$ 615.6 million (US\$28 million at the average exchange rate prevailing during the period) in FY1991/1992 to J\$8,559 million (US\$244 million) in FY1996/97.<sup>28</sup>

30. Stamp duties are levied on the c.i.f. value of imports at the rate of J\$5 for imports with a c.i.f. value lower than J\$5,500, and imports J\$100, for over J\$5,500.

**(vi) Tariff quotas**

31. Jamaica does not apply tariff quotas.

**(vii) Customs valuation**

32. Jamaica notified the WTO, in February 1995, of its decision to delay the application of the WTO Agreement on the Implementation of GATT Article VII (on Customs Valuation), in accordance with the provisions of Art. 20.1, 20.2 and paragraphs 2, 3 and 4 of Annex III of the Agreement.<sup>29</sup> Jamaica has until end 1999 to bring its valuation system into conformity with its engagements in the WTO and is in the process of implementing the changes required. The valuation system currently applied is based on the Brussels Definition of Value. The value for customs purposes is usually the normal value, defined as the price of goods when they enter for use in Jamaica. Values are verified by a Valuation Unit: invoices for selected commodities are examined prior to importation. Duties are applied on the c.i.f. value of imports in most instances. If the c.i.f. value is not stated in the invoice, it is calculated by Customs: the costs of freight are considered part of the value for duty purposes. If insurance charges are not stated, Customs adds 1.5% of total value, including freight, when the goods arrive by sea, and 1% if the goods arrive by air. Additional stamp duties are applied on the c.i.f. value of imports plus the tariff.

33. Discounts and price reductions are allowed, if they are generally available, without adjustment to the dutiable value of the good concerned. If discounts are limited in scope, however, they are subject to value adjustments. Royalties and fees paid by the purchaser, services provided to the seller by the purchaser<sup>30</sup>, proceeds from subsequent resale of goods, the full cost of containers and packing (unless they are listed separately for duty purposes), and the buying commission and brokerage paid by the purchaser, are all considered part of the dutiable value and adjustments are made to take them into account.

34. Minimum prices are not applied for valuation purposes. Reference prices are, however, sometimes used, especially in the case of meat and other foods, clothing, footwear, and used motor vehicles. The list of reference prices is not published. The guides used for the determination of these prices, in the case of motor vehicles, include the North American Dealers' Association (NADA) Used Car Guide, and the Glass's Guide published in the United Kingdom. The main problem currently faced by Customs is the high percentage of fraudulent invoices, which, according to the authorities, may be as high as 50%. Another problem, according to the authorities, is that many importers fail to

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<sup>27</sup>In 1996, GCT levied on imports was as important a source of government revenue as GCT levied on local products, and exceeded revenue from tariffs, Planning Institute of Jamaica (1997), p. 6.1.

<sup>28</sup>The figure for FY1995/96 is J\$8,391.9 million (US\$240 million), the same as for FY1996/97, Planning Institute of Jamaica (1997) p. 6.1.

<sup>29</sup>WTO document G/VAL/2/Rev.3, 15 April 1996.

<sup>30</sup>This includes services provided in Jamaica such as engineering, art and design work, and plans and sketches.

present invoices. For these reasons, Customs embarked on a programme of establishing lists of reference prices, which are revised on a bi-monthly basis. Declared values are verified by the Regional Intelligence Liaison Officer in Puerto Rico, to whom copies of invoices are sent.

**(viii) Preshipment inspection**

35. Jamaica has notified the WTO, in accordance with Article 5 of the Agreement on Preshipment Inspection, of its relevant laws and regulations (Section 19 of the Revenue Board Act and Section 257 of the Customs Act).<sup>31</sup>

36. Jamaica does not carry out preshipment inspections. Since the dismantlement of foreign exchange controls, this procedure is no longer deemed to be necessary by the authorities.

**(ix) Import prohibitions and licensing**

37. Import prohibitions are applied on certain products, generally for health, security, moral or environmental reasons (Table III.10).

**Table III.10**  
**Import prohibitions**

1	All imports from Iraq except petroleum and petroleum products, in compliance with the relevant resolutions of the Security Council of the United Nations
2	Goods for which entry to the United Kingdom under the Anthrax Prevention Act 1919 is prohibited
3	Goods banned under the Customs Act and the Plants Protection from Disease Act
4	Sugar, except under licence
	Arms and ammunition
	Dogs for racing
	Dog racing equipment
	Certain brands of crayons from China and Thailand
	False or counterfeit coins of any country
	Coins, silver or money not of the established standard in weight and fineness
	Counterfeit stamps and instruments for making such stamps
	Obscene and indecent printed matter and articles
	Amusement machines defined as "one armed bandits"
	Brandy of a lower strength than 30°, unless it has been matured for not less than ten years
	Essence of brandy or whisky or flavouring essences, except as approved by domestic regulations
	Animals and carcasses of animals prohibited under the Animals Diseases and Importation Act
	Opium and dangerous drugs
	Oil of gin or cognac, except as approved by domestic regulations
	Rum colouring solutions
	Spirits and wine, unless specifically reported with casks or other containers of at least nine gallons or in glass or stone bottles in cases of not less than a gallon
5	Goods covered by the Basel Convention on Hazardous Wastes, substances included in the Montreal Protocol on Protection of the Ozone Layer and endangered species according to the CITES Convention

Source: U.S. Department of State (1996), *Jamaica: Economic Policies and Trade Practices Report*.

<sup>31</sup>WTO document G/PSI/N/1/Add.4. 10 September 1996.

38. Before 1981, over 90% of non-bauxite imports required a licence. Licensing requirements were subsequently reduced between 1981 and 1984, when they applied to around half of Jamaica's imports. Since 1985, the scope of the import licensing system has been significantly reduced. There remain, however, some 39 HS tariff headings subject to licensing, which include products such as motor vehicles and parts; refined sugar; milk powder; plants and parts of plants for perfume or pharmaceutical purposes; gum-resins; vegetable extracts; certain chemicals; arms and ammunition; certain toys, such as water pistols; and gaming machines. Meat imports require a phytosanitary or veterinary certificate. All imports of fruit and vegetables are subject to a licence from the Ministry of Agriculture. Milk products originating in other CARICOM countries require an import licence to enter Jamaica.

39. The licensing system is administered by the Trade Board, under the Ministry of Commerce and Technology. Licences are normally granted on request by the importer, if all conditions have been fulfilled. There is a licence application fee and a further fee, once the licence is obtained, based on the domestic currency value of imports.<sup>32</sup> With the exception of motor vehicles, import licensing on industrial products is automatic and is currently used to ensure that imports meet health, safety and environmental considerations.

40. Import licences for motor vehicles, in the case of an individual importer, are granted every three years, subject to a maximum fee of J\$776.32.<sup>33</sup> Motor cars over four years old and commercial vehicles over five years old may not be imported. There is no established limitation to the number of vehicles that may be imported by a dealer; however, dealers are subject to a non-automatic licensing process and must meet a number of conditions. Dealers must be approved and certified by the Ministry of Commerce and Technology before being granted a licence by the Trade Board. They must be registered under the Companies Act, offer guarantees to clients, maintain spare parts facilities and stocks. Inspections are made annually by the Ministry of Commerce and Technology, for which a fee of J\$60,000 must be paid.

41. Import licensing regimes are not harmonized among CARICOM countries; however, efforts in this direction are currently under way, through the process of consolidation of the CSME. Restrictions of imports at the CARICOM level do not exist, with the exception of the arrangements outlined in Schedule IX of the Caribbean Community Treaty, which deal with the marketing of oils and fats products. This schedule is currently being reviewed by the Community to ensure that its provisions are compatible with WTO commitments. Under these arrangements, Jamaica, along with other countries in deficit, is required to purchase crude coconut oil and copra from surplus countries at prices agreed between buyers and sellers on the basis of world market prices and costs of production. This normally results in prices above world levels. Deficit countries are permitted to use import licences to ensure that these products are purchased from regional surplus countries.

#### **(x) State trading**

42. According to the authorities, a number of enterprises in Jamaica fall within the definition of GATT Article XVII (on state trading enterprises). The enumeration of these enterprises and the reasons for maintaining them have been notified to the WTO in accordance with Article XVII:4(a)

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<sup>32</sup>The application fee is J\$103.50 for commercial and J\$ 34.50 for personal effects. The licence fee is J\$776.32 for imports valued over J\$100,000 and J\$345 for imports valued below J\$100,000.

<sup>33</sup>According to information provided by the Ministry of Industry and Investment, a total of 33,000 motor vehicles were imported in 1997, of which 30,000 were second-hand vehicles. The value c.i.f. of imports reached US\$129.6 million in FY1996/97.

and Paragraph 1 of the WTO Understanding on the Interpretation of Article XVII. The following state trading enterprises have been notified by the Government of Jamaica: (i) Jamaica Commodity Trading Company Limited; (ii) Commodity Boards Authority, which comprises: the Cocoa Industry Board; the Coconut Industry Board; the Coffee Industry Board; the Banana Board; the Sugar Industry Authority (SIA); and (iii) the Petroleum Corporation of Jamaica.<sup>34</sup>

43. The Jamaica Commodity Trading Company Limited (JCTC) was created in 1974 under the name of Jamaica Nutrition Holdings Limited (JNH) with the purpose of being the sole and centralized importer of certain basic food items. It was deemed that this would be an efficient way to manage foreign exchange outlays. In 1981, JNH and two other agencies, created to import pharmaceuticals and construction materials, were merged and JCTC was established. The role of JCTC as importer was reduced in the 1990s: in 1991, the importation of lumber was returned to the private sector; the procurement of foodstuffs was deregulated in 1993. It was then decided that the company would disengage from any commercial trading activity and would concentrate on managing government to government concessional programmes. Currently, JCTC handles only the importation of brown rice under the PL480 programme between Jamaica and the United States.<sup>35</sup>

44. Commodity Boards were put in place to monitor the quality of the products exported. Although at their inception the Boards regulated the markets for their respective products, most of these activities have been deregulated, and they currently operate mainly as providers of services. Only the Coconut Industry Board retains some regulatory power; the marketing of all other products has been privatized. The SIA handles specialized market arrangements, grants export licences, and allocates the quotas assigned to Jamaica under bilateral agreements with the United Kingdom and the United States among local producers. The allocation is normally based on past-year performance. Although the marketing of sugar has been privatized, the SIA, through its agent Jamaica Cane Sales, still participates in sales. Despite their diminished functions, commodity boards have retained their name and status, since legislation to modify these has not been put in place. The composition and functions of the five commodity boards currently in existence is explained in Table III.11.

**Table III.11**  
**Commodity boards**

Name of the board/current status	Composition	Functions
Cocoa Industry Board (established by the Cocoa Industry Board Act of 1957) Cocoa Industry deregulated in 1991 through amendment of the Act	Board consists of seven members: four appointed by the Minister responsible for the Board including the Chairman; and three nominated by the body representing cocoa growers.	Maximize efficiency of cocoa industry; assist development of industry; secure most favourable arrangements for purchase, handling, marketing, sale, exportation and importation of cocoa; regulatory body for exports of cocoa; quality control of exports.
Coconut Industry Board (established by the Coconut Industry Control Act of 1945)	Board consists of nine members: four appointed by the Minister responsible for the Board including the Chairman; and the other five persons elected by coconut growers.	Promote efficiency of coconut industry; regulate sale, purchase, and exportation of coconuts, and importation of edible oils; encourage coconut production; arrange for the issuing of licences for manufacturers using coconut.

**Table III.11 (cont'd)**

<sup>34</sup>WTO document, G/STR/N/1/JAM, 5 July 1996.

<sup>35</sup>The PL480 Title I is under an agreement between the Government of Jamaica and the United States Department of Agriculture (USDA). In 1996, under this agreement 43,759 tonnes of brown rice, valued at US\$15 million, were procured by USDA. The proceeds of the sale of this rice are used by the Government of Jamaica to fund development and poverty-alleviation programmes, Planning Institute of Jamaica (1997), p. 26-8.

Name of the board/current status	Composition	Functions
Coffee Industry Board (established under the Coffee Regulation Act of 1948)	Board consists of seven members: four appointed by the Minister responsible for the Board including the Chairman; and three nominated by the body representing of coffee growers.	Establish, maintain and operate nurseries; handle trade and distribution of coffee seedlings, plants and berries; establish and maintain research operations.
Banana Industry Board (established in 1953)	Board consists of five to eight members, at least one of which is a representative of growers.	Promote efficiency and development of industry; secure favourable arrangements for exports; finance and implement research activities.
Sugar Industry Authority (established under the Sugar Industry Control Act of 1937)	Board, appointed by the Minister, consists of seven persons with experience related to Sugar Industry.	Advise Minister of all matters related to industry; arrange marketing of sugar and molasses for export and domestic consumption; issue export licenses; guarantees quality of sugar.

Source: Government of Jamaica; and WTO document G/STR/N/1/JAM.

45. The Petroleum Corporation of Jamaica (PCJ) was established in 1979 with the purpose of searching for oil and gas and providing the least-costly supplies of these products. Its functions include exploring, developing and managing petroleum resources, and importing, exporting, refining and distributing petroleum and petroleum products. The latter functions are carried out by PCJ's subsidiary, PETROJAM. PCJ is currently being restructured and is expected to be privatized.

#### (xi) Countertrade

46. The authorities are not aware of any Jamaican involvement in countertrade deals.

#### (xii) Standards and other technical requirements

47. Jamaica is a signatory to the Code of Good Practice (Annex 3 to WTO Agreement on Technical Barriers to Trade), to which it notifies its standards development and technical regulations work programme biannually (for compulsory standards). It is also a member of the International Organization for Standardization (ISO) and participates in the CARICOM Standards Committee. An effort towards harmonization of standards and technical regulations, labelling and packaging within CARICOM is in process; negotiations have resulted in numerous proposals, which are awaiting approval from the Council of Ministers.

48. The Jamaica Bureau of Standards (JBS), under the Ministry of Commerce and Technology, is in charge of developing and controlling standards in Jamaica. It also ensures the conformity of national standards with ISO standards, as well as their WTO conformity, and operates as the national enquiry point for the WTO Agreement on Technical Barriers to Trade. The JBS, which is 70% government financed, is governed by a Board whose members, representing industry, consumers and the public sector, are appointed by the Minister of Commerce and Technology. The main legislation dealing with standards is contained in the Standards Act, the Weights and Measures Act, and the Processed Foods Act.

49. Jamaica has about 500 domestic standards, including 100 technical regulations and 400 voluntary standards. A number of compulsory standards have been notified to the WTO (Chapter II); compulsory standards apply equally to imported and domestic products and they are not identified by any particular mark. Jamaican standards are generally based on international standards; most comply with those of the United States, the United Kingdom, and or ISO and CODEX standards.



50. Compliance with standards and technical regulations is controlled at the border and at retail level. Entry certificates (certificates of compliance) are required for certain products. Type approval for technical regulations is the regular procedure used. Testing procedures performed by an accredited foreign testing institution are recognized; the JBS accepts foreign certification in compliance with ISO 9000 or ISO 14000. Domestic testing facilities, administered by the JBS, exist. Through the process of accreditation, this function is being expanded.

51. Labelling requirements are subject to the national treatment principle. Labelling is mandatory and generally checked to prevent a misleading description of goods. If the labelling states that the product complies with a voluntary standard, then it becomes compulsory to meet the standard.

52. The JBS, in collaboration with the Natural Resources Conservation Authority (NRCA) and the private sector, is in the process of reviewing international standards to customize them to Jamaica's needs. For this purpose a Working Group was established, which resulted in the formation of two Bureau of Standards Technical Committees. The Committees have examined and adopted the first five standards in the ISO 14000 series and will participate in their implementation.

#### **(xiii) Government procurement**

53. Jamaica is not party to the plurilateral Agreement on Government Procurement. Government procurement is not included in the scope of the CARICOM Treaty. However, the Council approved in February 1994 a "Promotional Program for Increasing Procurement of Regional Goods and Services by Member States from within the Community". An action plan to create a central regional information coordinating agency was launched.

54. Procurement for Jamaican government agencies is regulated by the Financial Administration and Audit Act (FAA) and Supplies Regulations. Until 1993, the procurement system was centralized and approval by the Central Procurement Agency was required for any purchase, provision of service or contract. In 1993, the Government restructured the procurement system in a move toward decentralization, and a comprehensive draft Government Procurement Regulation was developed. Ministry of Finance and Planning guidelines are currently being used, as an interim measure, until the Draft Procurement Regulation is finalized and enacted.

55. The Ministry of Finance and Planning maintains a list of suppliers (List of Approved Suppliers) of goods and services who have been pre-qualified and approved. Suppliers may be local or foreign. Each Ministry is required to establish and maintain a Procurement Committee that is responsible for the administration of the Ministry's procurement functions and authorized to award contracts within a certain range of values. Contracts valued above that range are sent to the Government Contracts Committee for evaluation and recommendation. Cabinet approval is also required above a certain contract value. Purchases of goods and the provision of services of up to US\$5,000, as well as civil works under J\$1 million, are decentralized, and are decided by each Ministry, without recourse to the Government Contracts Committee.<sup>36</sup> Suppliers are selected from the List of Approved Suppliers. A Procurement Committee performs an evaluation and makes awards. For supplies between US\$5,000 and US\$10,000, quotations are invited from not less than three suppliers, drawn from the List of Approved Suppliers. The rest of the process is the same as for smaller bids. For amounts exceeding US\$10,000, tenders are invited from not less than five suppliers. The Government Contracts Committee performs an evaluation and makes a recommendation. No preference is given to Jamaican suppliers.

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<sup>36</sup>In the case of purchase of goods, or provision of services, quotations are required.

56. For civil works above J\$1 million, but not exceeding J\$5 million, suppliers are pre-qualified and short-listed, after which the relevant Ministry launches an international tender. Tenders received are evaluated by a technical team, and the evaluation is submitted to the Government Contracts Committee for a recommendation. The Government Contracts Committee chooses the supplier and submits its choice to the relevant Ministry for approval, with again no preference to Jamaican suppliers. For works above J\$5 million, the Cabinet must also grant approval.

57. Imported goods procured for government use are subject to an import duty of 5% and are included (together with services provided to governmental agencies) in the list of zero-rated goods for GCT purposes.

**(xiv) Anti-dumping and countervailing duty actions**

58. Existing anti-dumping legislation is being brought into conformity with the relevant provisions of the WTO Agreement on the Implementation of Article VI of the GATT, 1994 (Anti-Dumping Agreement); this exercise is expected to be completed before the end of 1998. Current anti-dumping legislation is embodied in the Customs and Duties (Dumping and Subsidies) Act, 4 March 1959.<sup>37</sup> Required amendments to the Act include adjusting the definition of "fair market price" to coincide with the definition of normal value included in the WTO Agreement<sup>38</sup>, providing a definition of injury, price undertakings, and *de minimis* margin of dumping, as well as introducing regulations consistent with the procedural articles of the WTO Agreement (Articles 5 to 14).<sup>39</sup>

59. The Anti-Dumping Advisory Board is in charge of conducting investigations with respect to the dumping of goods. It is also responsible for conducting investigations that may lead to the application of countervailing measures. The Board consists of a Chairman, nine appointed members (two representatives from the Jamaica Manufacturers Association, two from the Jamaica Chamber of Commerce, one each from the Small Business Association, the Revenue Board, the Customs and Excise Department, and the Planning Institute of Jamaica, and one appointed to represent consumer interests), and four ex-officio members (government representatives). The Board presents a report of its investigation, including its recommendations, to the Minister of Commerce and Technology, who submits it to the Minister of Finance and Planning for decision and for onward presentation to the House of Representatives. If an anti-dumping duty is put in place, the House of Representatives must approve the order presented by the Minister of Finance and Planning within three weeks of the first application of the duty.<sup>40</sup>

60. Jamaica has never had recourse to anti-dumping measures, nor has it applied countervailing duties on imports.<sup>41</sup> Some investigations have, however, taken place. The Anti-Dumping Advisory Board has dealt with complaints regarding dairy products and rice. The investigation regarding dairy

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<sup>37</sup>Notified to the WTO in WTO document G/ADP/N/1/JAM/1, 16 August 1995.

<sup>38</sup>The 1959 Act contains a definition of dumping as resulting "if the export price from the country in which the goods originated or were exported is less than the "fair market price" of those goods in that country. The "fair market price" is defined as the price at which identical or comparable goods are being sold for domestic consumption, subject to necessary adjustments to make the domestic and export prices comparable. (para. 9 (2)). In the absence of sales in the domestic market, the export price to a third market, or the reconstructed value (production cost plus profit margin) may be used.

<sup>39</sup>The 1959 Act states that any anti-dumping complaint shall "contain sufficient evidence of the dumping and shall also indicate the injury resulting therefrom or threatened thereby"; however, a definition of injury is, not provided.

<sup>40</sup>WTO document G/ADP/N/1/JAM/1, p. 8.

<sup>41</sup>WTO document G/ADP/N/4/Add.1/Rev.3, 25 July 1996.

products resulted in a recommendation to impose a duty, but the measure was not imposed, largely because, according to the authorities, the legislation under which the investigation was carried out and the recommendations made was not consistent with the provisions of the WTO Agreement on Anti-Dumping. The investigation on rice imports has not been completed. No anti-dumping duties apply on Jamaican exports.

**(xv) Safeguard actions**

61. Jamaica has not used safeguard measures in the sense of GATT Article XIX. It has notified to the WTO that it does not have any laws, procedures or regulations regarding safeguard measures.<sup>42</sup> Jamaica has, however, notified the Textiles Monitoring Body that it reserves the right, during the transitional period of the Agreement on Textiles and Clothing, to apply the transitional safeguard mechanism.<sup>43</sup>

**(3) MEASURES DIRECTLY AFFECTING EXPORTS**

**(i) Registration and certification requirements**

62. All exporters must be registered with the Jamaica Promotions Corporation (JAMPRO). Export documents may be processed either at JAMPRO or at the point of export, except for exports under preferential trade arrangements, for which documents must be processed by JAMPRO.

63. JAMPRO issues a certificate of origin for exports of textile or clothing products that are subject to a bilateral agreement. Products must be of Jamaican origin or must have been granted an exemption. JAMPRO also issues a "visa" of origin for all textile and clothing products exported to the U.S. market, and an "authorization" for the exportation of underwear to Canada.

**(ii) Export licensing**

64. A number of products, including certain minerals, agricultural products and manufactures, require export licences. These products represent over 50% of Jamaica's exports, mainly because bauxite, Jamaica's main export, is included in the group. The full list of items is: ammunition, minerals and metals including bauxite, alumina, gypsum, antique furniture, antique paintings, crocodiles, crocodile eggs, eggs, gold bullion and fully or semi-manufactured gold, pimento, sugar, plasma, lignum vitae and log wood, petroleum products, live animals, and motor vehicles including bodies and auto parts. Export licences for most items on the list are granted without cost by the Trade Board, in the Ministry of Commerce and Technology. Exports of some agricultural products require licences from the Ministry of Agriculture. In the case of coconuts, export licences are granted by the Coconut Industry Board. Major producers of bauxite and alumina are granted one-year export permits. Export licences for smaller producers are granted shipment by shipment by the Ministry of Mining and Energy; they are automatic and maintained for statistical purposes. The Sugar Industry Authority (SIA) grants export licences for sugar depending upon availability under the guaranteed quota allocations (from SIA).

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<sup>42</sup>WTO document G/SG/N/JAM/1, 14 May 1998.

<sup>43</sup>WTO document G/TMB/N/33, 6 March 1995.

(iii) **Export subsidies and tax and duty incentives**

(a) Direct export subsidies

65. Jamaica does not grant direct export subsidies, which the authorities define as government financial contributions to exporters.

(b) Tax and import duty concessions

66. Some of the existing incentive schemes include measures aimed at encouraging exports, such as the Export Industry Encouragement Act (EIEA) and the Factory Construction Act, or to save or earn foreign exchange, such as the Jamaica Export Free Zones Act (Table III.12).

**Table III.12**  
**Investment incentives available in Jamaica**

Sectors	Incentives	Requirements/conditions	Concessions
Manufacturing	Bauxite and Alumina Industries Encouragement Act	Must be engaged in mining of bauxite or production of alumina in Jamaica	Import duty concession on capital items, lubricating oils, grease and other products.
	Export Industry Encouragement Act <sup>a</sup>	Designed to encourage exports of manufactures to non-CARICOM hard currency markets. Producers must export 100% of production. Extension to producers exporting a 5% threshold	Exemption of income tax for up to ten years. Exemption from import duties on raw materials and machinery. Exemption from income tax on revenue from exports.
	Jamaica Export Free Zone Act	All transactions must be conducted in US\$. Company cannot sell in domestic market more than 15% of production.	Exemption from import duties on raw materials and machinery. Duty relief on raw materials and capital goods in perpetuity. Possibility of single-entity free zones.
	Factory Construction Law	Companies must build factories to be leased to manufacturers who operate under the Export Encouragement Act.	Relief on import duties for items not available locally. Exemption from income tax on income from factory leasing or gains made on sales.
Information Processing	Jamaica Export Free Zone Act	As above.	As above.
Agriculture	Approved Farmer Status	Farmer must grow certain crops. Most products qualify for concessions.	Renewable ten-year income tax and duty concessions.
Film	Motion Picture Encouragement Act	Must be recognized producer.	Income tax relief for nine years. Duty-free importation of machinery and equipment.
Tourism	Hotel Incentives Act	Must contain at least ten bedrooms and facilities for meals	Income tax relief for nine years. Duty-free importation of building materials and furnishings.
	Resort Cottages Incentives Act	Articles must be used for the construction and equipment of resort cottages.	Income and dividends tax relief for ten years. Duty-free importation of articles used in construction of resort cottages.

**Table III.12 (cont'd)**

Sectors	Incentives	Requirements/conditions	Concessions
All industries	Foreign Sales Corporation Act		Relief from Common External Tariff and General Consumption Tax on machinery, equipment and materials.
	International Finance Companies (Income Tax Relief) Act <sup>b</sup>	To encourage establishment of offshore banking facilities.	Income tax relief on profits and capital gains. National treatment not applicable.
	Shipping Incentives Act <sup>c</sup>	Vessels must be owned by local companies (state owned).	Relief from income tax and import duties for ten years.
	Interest on External Credit	Granted on the interest on external funds borrowed for the purpose of earning income.	Interest is tax deductible in the year in which the payment to overseas creditor is actually made.
	Moratorium on Duties <sup>d</sup>	Granted to companies that do not qualify under existing incentives legislation and have the potential to contribute significantly to foreign exchange earnings.	Moratorium for up to three years granted by Minister of Finance.
	Modernization of Industry	Company must provide relevant support service or raw material to exporter, or be involved or plan to be involved in export trade. Extended to all manufacturing companies.	Relief from General Consumption tax on capital goods.
	Urban Renewal (Tax Relief) Act	Granted to persons or organizations carrying out development in urban areas suffering from decline, or purchasing bonds to finance such development.	Relief from income tax, stamp duty and transfer tax.
Manufacturing operations/industrial activities	Accelerated Depreciation/ Special Capital Allowance	Qualified businesses must be related to manufacturing and certified by Ministry responsible for the industry.	A certified business is allowed to deduct 50% of full cost of any new machinery in the year of purchase and a further 50% in the following year.
Data processing/systems developments	As above	Qualified business must derive at least 20% of gross income from exports.	As above.

a Extension to services to be implemented.

b Currently not in use.

c Under amendment

d Suspended.

Source: National Industrial Policy; and information provided by the Jamaican authorities.

67. For exports to non-CARICOM countries, the Export Industry Encouragement Act allows exemption from income tax for ten years<sup>44</sup>, with the possibility of carrying forward losses incurred during that period for a further six years. Additionally, the Act provides for a relief of up to 100% of customs duty on imports of raw materials and machinery used to produce exports. Only manufacturing companies that export 100% of their production to hard-currency markets outside of the CARICOM area are eligible for both benefits.<sup>45</sup> In 1996, the income tax exemption scheme under the EIEA was modified to allow enterprises that export less than 100% of their production to benefit from some income tax relief, but not from import duty relief. The concession is an export allowance

<sup>44</sup> This exemption is not renewable, but beneficiaries may reapply as a new company.

<sup>45</sup> Incentives for exports to other CARICOM countries are not allowed under the CARICOM Agreement.

that may be deducted from taxable income, with the level of tax relief linked to exports. To benefit from this export allowance, there is a 5% export threshold, with the exports destined to markets outside the CARICOM region. The EIEA is geared to manufacturing companies. An Executive Order to include services under the scheme has been given, but its implementation is still under way. The activities of EIEA beneficiaries are monitored by Customs. Although imports of raw materials and capital inputs are duty free under the scheme, a bond is required for all items subject to customs duty on an MFN basis, since factories are considered by Customs as bonded warehouses.<sup>46</sup> According to the authorities, Jamaica intends to eliminate the incentives granted under the EIEA not later than 1 January 2003, by which date it must eliminate all export subsidies to comply with the requirements of the WTO Agreement on Subsidies and Countervailing Measures. As a consequence of the tariff reductions under the CET, revenue forgone for customs duty exemptions under the EIEA has been falling. Income tax exemptions are the main incentive under the EIEA. Table III.13 provides estimates of the revenue forgone under the EIEA during the 1992-96 period.

**Table III.13**  
**Estimates of revenue forgone under the EIEA, 1992-96**  
(Millions of J\$)

Tax	1992	1993	1994	1995	1996
Customs Duty	29	26	25	15	8
GCT	45	17	18	14	5
Income Tax	75	136	76	86	139
Total	149	179	119	115	152

Source: Information provided by the Ministry of Finance and Planning.

68. The Industrial Incentives (Factory Construction) Act grants exemption from income tax on earnings from factory leasing, or from profits on their sale, as well as for relief from import duties for items not available locally, provided that the factories are leased or sold to manufacturers who operate under the Export Industry Encouragement Act.

69. The Modernization of Industry Programme originally granted relief from the GCT on capital goods only to manufacturing companies that provided support services or raw materials to exporters, or those involved, or planning to be involved, in export trade. Its scope has now been extended to include all industries, including services. Under a scheme geared at promoting data processing and systems development, companies engaged in these activities may deduct from their income tax 50% of the full cost of any new machinery in the year of purchase and a further 50% in the following year, provided that they derive at least 20% of their gross income from exports. The Foreign Sales Corporation Act grants relief from the CET and GCT on imports of machinery, equipment and raw materials used in the production of exports. It also provides exemption from income tax on qualified income generated in foreign trade transactions. The Jamaica Free Zone Act provides incentives for production in the three free zones; incentives are granted in perpetuity and include 100% tax holiday on profits, duty-free importation of capital goods and raw materials used in the production process, and no restriction on the repatriation of profits. The Bauxite and Alumina Industries (Encouragement) Act provides for the exemption of customs duties on imports of capital goods, duty concessions, and exemption from the GCT and from the special consumption tax on lubricating oil, greases and other petroleum products used by the industry.

<sup>46</sup>This applies only to competing inputs, since non-competing inputs are duty free on an MFN basis.

70. Some of the incentives programmes in place include measures that appear to fall within the definition of export subsidies included in Jamaica's Customs and Duties (Dumping and Subsidies) Act, 1959, although they are not required to be eliminated before 2003.<sup>47</sup> Some measures also seem to fall within the illustrative list of export subsidies included in Annex I of the WTO Agreement on Subsidies and Countervailing Measures.<sup>48</sup> In the sense that they discriminate between exports and sales in the domestic market, certain measures included in some incentive schemes (Foreign Sales Corporation Act, EIEA) would probably be subject to notification under the WTO Agreement on Subsidies and Countervailing Measures, although they are not required to be eliminated before 2003.<sup>49</sup>

71. As a consequence of the steps undertaken by Jamaica to reduce tariffs, which have led to imports of non-competing raw materials and capital inputs entering duty free, some of the tariff concessions included in incentive schemes, such as the EIEA, have been eroded. Categories of products for which tariff concessions are still effectively granted comprise only competing inputs and competing capital goods. The Government has a long-term objective to re-examine the structure of incentive schemes, to make them more flexible, apply them equally to all sectors, make them fully consistent with Jamaica's obligations under the WTO, and harmonize them with the fiscal incentives granted by other CARICOM member States.<sup>50</sup>

(c) Drawback system

72. Drawbacks are regulated by the Customs and Duties (Dumping and Subsidies) Act, 1959; claims may be made in respect of customs duty paid on re-exported goods or on inputs used in the manufacture of goods that are exported. The Export Drawback Scheme is managed by Customs. A time limit of two years is set for application for reimbursement of paid duties. A number of documents must be presented to Customs with the application for reimbursement.<sup>51</sup> In some cases, claims may be made on a first-in, first-out basis.<sup>52</sup> Customs also implements a Duty Suspension Scheme whereby the customs duty is not actually paid at the time of entry.

73. The drawback system is currently used only by a few companies, partly because imports of raw materials are now mostly duty free, and partly because if a company benefits from a drawback

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<sup>47</sup>Paragraph 3(3) of the Act, as notified to the WTO in G/SCM/N/1/JAM/1, 16 August 1995, defines a subsidy as "giving, directly or indirectly, a bounty or subsidy on the production or export of goods (whether by grant, loan, tax relief or in any other way".

<sup>48</sup>Annex I to the Agreement on Subsidies and Countervailing Measures includes in its illustrative list of export subsidies: "the full or partial exemption remission, or deferral specifically related to exports, of direct taxes or social welfare charges paid or payable by industrial or commercial enterprises" (para.(e)). Direct taxes include taxes on wages, profits, interests, rents, royalties, and all other forms of income, and taxes on the ownership of real property. Import charges include tariffs, duties and other fiscal charges levied on imports (footnote 58 of the Agreement).

<sup>49</sup>Article 1.1(a)(ii) of the Agreement on Subsidies and Countervailing Measures includes, in the definition of a subsidy, that a subsidy exists if: "government revenue that is otherwise due is foregone or not collected (e.g. fiscal incentives such as tax credits)".

<sup>50</sup>National Industry Policy (1996), pp. 58-59.

<sup>51</sup>According to information provided by Customs, these include: a raw materials standard, setting out the amounts of raw materials used in the production of a single unit of finished goods; an average duty-paid schedule, showing total and average-per-unit duty paid; a drawback claim schedule, showing how the drawback claimed on the various raw materials was calculated; a debenture certificate, setting out the actual refund claimed; and import and export entry forms and invoices.

<sup>52</sup>In which case, the requirement to present an average-duty-paid schedule is waived.

scheme, another CARICOM country may refuse to grant duty-free access to its products. The main user of the drawback system is PETROJAM, the petroleum company.

**(iv) Export insurance**

74. Export credit insurance is provided by the National Export-Import Bank of Jamaica (NEIBJ) for exports of consumer goods and miscellaneous general commodities sold on short-term credit ranging from sight drafts to a maximum of 180 days. There are two types of insurance policies offered by the NEIBJ. The first is a contracts policy, which protects the exporter from the time the export order is received until the payment is made by the importer. The second is a shipments policy, which provides protection from the moment of the shipment until payment. Insurance cover may be used by the exporter to obtain easier access to credit since he may request the NEIBJ to assign the proceeds of any payable claim under either of the policy schemes to a bank providing export financing.

75. NEIBJ insures exporters against the risk of non-payment by foreign buyers and against political risk, but it does not insure against risks related to trade disputes between a Jamaican exporter and a foreign buyer.

**(v) Export financing**

76. To encourage exports, the NEIBJ manages four short-term facilities in domestic currency to provide exporters with working capital, through the discounting of export receivables. These facilities are: the Pre-Shipment Financing Facility (PSF), the Bankers Export Guarantee Facility (BEGF), the Export Credit Facility (ECF) and the Insurance Policy Discounting Facility (IPDF). The PSF provides working capital financing to exporters of non-traditional goods; the exporters must be locally owned companies, large employers of labour, and generate significant foreign exchange earnings. Exporters can only use this facility for the purchase of raw materials of domestic origin for conversion to exports. They may use the facility to finance up to 65% of the f.o.b. value of an export order. Interest rates are preferential. Trading companies may use this facility to purchase finished goods of domestic origin. The BEGF is a post-shipment facility that provides exporters with up to 80% of the c.i.f. value of the goods exported for a period of 180 days from the date of shipment. The ECF is also a post-shipment facility; it provides exporters with financing of up to 80% of the c.i.f. value of a shipment, for a period of 120 days. The ECF is operated through the intermediation of commercial banks. The IPDF is available to small and medium-size exporters who hold an export insurance policy from the NEIBJ. The IPDF operates post-shipment; funds are advanced using export credit insurance as collateral.

77. Funds to exporters in foreign currency are made available by the NEIBJ under various types of short- and medium-terms loans. Short-term loans, of up to one year, are geared towards the importation of working capital. Medium-term, loans of up to three years, are granted for capital equipment purchases. Exporters also have access to short-term, 120-days, discounting loans in foreign currency. Interest rate are currently in the range of 12%-15% a year.

78. The NEIBJ also administers lines of credit for the financing of imports of raw materials, capital goods, spare parts and technology to be used by exporters. The use of lines of credit was introduced in 1977; they are generally negotiated by the Bank of Jamaica, the Government or by Jamaican banks, with foreign governments, banks, and other institutions abroad. Commercial credit lines available to the Bank of Jamaica can be used by the private and the public sector. Government to Government credit lines may also be allocated to private or public users. Interest rates vary and are linked to international rates.



79. Exporters of non-traditional goods and services destined to non-CARICOM markets have access to the Technical Assistance Fund for Exporters (TAFEX). TAFEX was created in 1985 and is funded by the World Bank and administered by NEIBJ. It finances technical assistance for activities such as marketing, packaging design, product development, productivity improvement, and quality control.

**(vi) Export promotion**

80. JAMPRO is in charge of export promotion activities.<sup>53</sup> Support to exporters is provided through the dissemination of information and analysis related to export markets and distribution mechanisms, and through the identification of export opportunities and market niches. JAMPRO also conducts export promotion activities through trade exhibitions, general advertising and organized visits by groups of exporters to potential markets.

81. Other bodies with a mandate to facilitate exports include the Trade Facilitation Board and the Jamaica Export Trading Company. The Trade Facilitation Board groups 15 private-sector bodies and 11 public institutions and deals mostly with systemic issues related to trade, particularly the examination of complaints from the private sector. The Jamaica Export Trading Company grants assistance to small enterprises wanting to penetrate export markets by engaging in direct trading activities.

**(vii) Free-trade zones**

82. The establishment of free-trade zones in Jamaica is covered by the Jamaica Export Free Zones Act. There are currently three main free zones, owned and managed by the Government: the Kingston Export Free Zone (790,470 square feet); the Montego Bay Free Zone (397,000 square feet of factory space); and the Garmex Free Zone (697,000 square feet). Operations must be conducted in U.S. dollars. Activities that may be undertaken in the free zones include manufacturing operations; warehousing and storage; assembling; processing; refining; purifying; mixing; merchandising; packing and shipping; exporting; importing; service operations; and trans-shipment operations. Activities related to retail trade may not take place in the free zones, unless they are authorized by the Collector General or the Port Authority.

83. To be allowed to operate in a free zone, a company must meet three requirements: (i) it must be incorporated or registered in Jamaica according to the provisions of the Companies Act; (ii) 85% of its total production must be exported outside the CARICOM area (for companies engaging in manufacturing operations only); and (iii) it must receive an approval from the Bank of Jamaica. Any activity related to purchase of shares, or their transfer, must also be approved by the Bank of Jamaica. Certain factors are normally taken into consideration for the granting of an approval: the amount and nature of capital invested; the potential effect of the company's operation on employment; the degree of use of local raw materials; and the volume of exports.

84. Companies engaging in manufacturing within the free zones are granted a total and perpetual income tax holiday on profits earned from their activities. Similarly, companies engaging in international trading activities (including products originating in other CARICOM States)<sup>54</sup> enjoy

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<sup>53</sup>Although JAMPRO is a public body, it depends on government funds for only two thirds of its financial needs with the rest financed by fees for some services rendered to exporters and investors.

<sup>54</sup>Goods not produced in the Customs Territory of Jamaica and exported to other CARICOM countries by trading companies located in one of Jamaica's free zones may be subject to import duties or quantitative (continued ...)

total relief from income tax on profits from their activities. Companies enjoy also an exemption from customs duties for inputs and capital goods to be used in connection with an approved activity. The exemption applies also to materials and capital goods imported to meet construction or repair needs of the facilities within the free zone.

85. Approved companies operating in free zones are exempt from import licensing requirements. Goods produced in the zones and exported are also free from export licensing requirements. However, where an authorization has been granted for "exportation" of the goods into (the Customs Territory of) Jamaica, they are subject to the same import licensing requirements as goods originating from any other country.

86. An advantage enjoyed by enterprises operating in the free zones is that they may move foreign currency in and out of the zones without a permit from the Bank of Jamaica. They require authorization from the Central Bank, however, to apply for credit from a financial institution located in the Jamaican Customs Territory. Salaries of non-resident employees are paid in foreign currency; those of Jamaican employees must be paid in Jamaican dollars through an account in local currency funded by foreign currency and operated with the authorization of the Bank of Jamaica.

87. Output from the free zones is not included in domestic GDP, and exports are not included in national trade statistics, which only take into account the Customs Territory of Jamaica. Exports from the free zones were US\$300 million in 1996 (Table III.14).

**Table III.14**  
**Major indicators of free-zone activities, 1992-96**  
(US\$ million)

Indicators	1992	1993	1994	1995	1996
Foreign exchange earnings	39.39	42.98	51.50	65.03	55.05
Gross exports	214.41	260.26	289.80	316.96	301.71
Employment (number of persons)	14,220	15,791	16,444	15,373	13,914

Source: Data provided by the Planning Institute of Jamaica.

#### **(4) OTHER POLICIES RELATING TO PRODUCTION AND TRADE**

##### **(i) Adjustment assistance**

88. The Modernization of Industry Programme is aimed at the restructuring of industries or sectors. During 1996, 32 companies were the beneficiaries of J\$964.5 million (equivalent to some US\$25 million) from this programme. The assistance was directed especially to textiles and clothing, food and agro-processing, metal products, and paper and packaging products. The Government seems to favour a policy of identifying and supporting industries and firms with potential, allowing inefficient firms to close.<sup>55</sup> Five strategic clusters have been identified in the National Industrial Policy (1996): tourism, shipping and berthing, agro-processing, clothing, and bauxite and alumina.

(... continued)

restrictions, according to the trade policy regime of each country. Some CARICOM members (Barbados, Grenada, Montserrat, St. Kitts and Nevis) require licences for certain products imported from other members.

<sup>55</sup>National Industrial Policy (1996), p. 29.

Each of these has been linked to a number of sectors or subsectors to be developed and to two main supporting sectors: information technology and telecommunications.

89. The National Investment Bank of Jamaica (NIBJ) has a debt restructuring programme to provide companies registered in Jamaica with financing of up to 50% of the debt to be restructured, to a maximum of J\$50 million per company. The balance of the debt is expected to be restructured by the creditor bank, in the form of an interest rate reduction, a write-off, or by rescheduling. Funds are provided at a rate based on NIBJ's cost of funds, for a maximum period of seven years. The sectors targeted under this programme include agriculture, manufacturing, mining, tourism, information technology, entertainment and infrastructure.

**(ii) Assistance for research and development**

90. The main objective of Jamaica's research and technology policy is to apply science and technology to increase competitiveness and efficiency in production.<sup>56</sup> With this aim, the Government created the National Commission for Science and Technology (NCST) in 1995. The Secretariat of the NCST aims to coordinate science and technology activities and to facilitate the implementation of results in the production of goods and services. The NCST works in coordination with the Planning Institute of Jamaica (PIOJ) to set guidelines for action in specific areas.

91. The Scientific Research Council (SRC) conducts research and development in agriculture and agro-industry. The SRC encourages technological innovation and at plays a major role in the process of development. The SRC also collaborates with the Bureau of Standards in the area of certification.

**(iii) Assistance to small enterprises**

92. The Micro Enterprise Project, funded by a grant from the Governments of Jamaica and the Netherlands, provides credit for small and micro-enterprises. Financial resources are channelled through 12 participating credit institutions (PCIs), which comprise the National Development Foundation of Jamaica (NDFJ), the Eagle Merchant Bank of Jamaica (EMBJ), some credit unions, and the Self Start Fund. Credit from the project's resources is provided to the PCIs at a preferential interest rate, with the risk margin covered by the Government. The aim of the scheme is to ensure that small and micro-enterprises with difficulties in finding collateral get access to credit. PCIs must contribute from their own funds 15% of the credits financed under the scheme, with the remaining 85% provided by the project's funds. In 1996, total disbursements to the PCIs were J\$130 million. A similar scheme is the Government of Jamaica/ European Union Micro Enterprise Credit Scheme for the manufacturing sector. The incentives are extended to companies engaged in data processing and systems development, provided they export at least 20% of their production (Chapter III(3)(iii)(b)).

93. The Government also provides support to micro-enterprises through the Micro Industry Development Agency (MIDA), which operates through approved lending agencies.<sup>57</sup> MIDA fixes the interest rate at which the approved lending agencies provide funds. The rate is calculated according to funding costs, which are usually at the Jamaican Treasury Bills rate: funds for MIDA derive largely from floating bonds linked to Treasury Bill rates; the remainder is from budgetary resources, which

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<sup>56</sup>Planning Institute of Jamaica (1996), p. 16-1.

<sup>57</sup>According to the Ministry of Industry and Investment, there are around 92,000 micro-enterprises in Jamaica, defined as enterprises with less than 10 employees.

for calculation-of-costs purposes are tied to passport-book savings rates. During 1996, MIDA disbursed loans to a total of J\$129 million.<sup>58</sup>

**(iv) Tax incentives**

94. Jamaica has numerous tax-related production and investment incentive schemes in place. Investors are required to be registered or incorporated in Jamaica in order to benefit from the schemes and must apply for the status of "approved product" or "approved manufacturer". Beneficiaries of any scheme are precluded from using any other scheme. Most schemes are not subject to performance requirements.

95. Incentive schemes do not generally discriminate between domestic and foreign investors. There are, however, some exceptions that favour foreign over domestic investors, such as the International Finance Companies Act of 1971, which grants income tax relief to financial companies, and the Foreign Sales Corporation Act, by which income tax is reduced to 2.5%. The main requirement to receive tax relief under these Acts is that a minimum of 95% of the company's issued share capital be held by non-residents of Jamaica. All other incentive schemes are granted in a non-discriminatory fashion. Incentives under the Income Incentive Act include depreciation allowances for capital goods (equal to 50% of the full cost of any new piece of machinery in the year in which it was purchased and a further 50% in the following year). These incentives are granted under the Accelerated Depreciation Scheme, and apply to the manufacturing sector. They are extended to companies engaged in data processing and systems development, provided they export at least 20% of their production (Chapter III(3)(iii)).

96. Manufacturers producing for the domestic or CARICOM market may benefit from the Industrial Incentives Act.<sup>59</sup> They must be granted "approved status" by the Ministry of Industry and Investment, based on the degree of domestic value added, employment potential, use of domestic raw materials, and price competitiveness. Investors granted "approved status" are temporarily exempted from income tax on profits and withholding tax on dividends. The Moratorium on Duties Programme provides for a moratorium of up to three years on import duties on capital goods. The moratorium is granted to companies that do not have access to other tax incentives but are deemed to have potential as foreign exchange earners or providers of employment; it must be approved by the Minister of Finance. The application of this programme has been suspended.

97. There are also a number of sector-specific incentive programmes that grant tax and import duty relief, such as the Hotel Incentives Act, the Resort Cottages Incentives Act, the Shipping Incentives Act, the Motion Picture Encouragement Act, the Cooperatives Societies Act. Under these Acts, tax incentives include investment allowances up to 40% for plant and machinery and a five-year period to carry forward tax losses (carry forward of losses now applies across the board). In the case of free zones, income from qualifying activities is indefinitely exempt from tax.

98. Capital allowances for plant and machinery include an initial allowance of 20% and an annual allowance in accordance with a straight-line formula. Basic industry is granted an investment allowance of 20%, in place of any initial allowance. Specified industries are also granted a special allowance on machinery and equipment used on two or more shifts per day. There is a special investment allowance for the sugar industry (Sugar Industry Investment Allowance) of 40%, with a

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<sup>58</sup>Planning Institute of Jamaica (1997), p. 11.4.

<sup>59</sup>To benefit from the Act, in the case of sale in another CARICOM country, domestic production in the country of sale must cover less than 60% of the market for the product, KPMG (1996), p. 4.1.

write-off period of 17 years. Other agricultural products may benefit from the Agricultural Investment Allowance on Expenditure in Farming, which offers the same conditions as the Sugar Industry Investment Allowance, except that the write-off period is 11 years. In the case of the mining sector, there is also a special capital allowance scheme for plant and machinery, with the rates of allowance determined by the Commissioner of Mines.

99. Jamaica provides some non-fiscal incentives for investment. For this purpose, a group of institutions, including the National Development Bank, the Agricultural Credit Bank, and the National Export-Import Bank provide financing for investment projects under concessionary conditions. Incentives exist also at the pre-investment level. The Jamaica Pre-Investment Programme, a joint initiative of the Jamaican Government and the Inter-American Development Bank (IADB), may finance at preferential conditions up to 80% of pre-feasibility, technical and engineering studies for a maximum of US\$700,000.<sup>60</sup>

**(v) Interest rate subsidies and guarantee facilities**

100. Under the Interest Rebate Scheme, credit to some sectors is granted at preferential interest rates. Since 1995, when it was lowered from 30%, this rate has been fixed at 17%, compared to a current market rate of around 35% a year. Loans up to J\$3.2 million for each project may be granted at these concessional rates.<sup>61</sup> Credits at preferential rates for the agricultural sector may be obtained from the Agricultural Credit Bank (ACB), which secures funds at low interest rates, and lends them to approved financial institutions, which, in turn lend them to (generally) medium and large scale farmers. Small scale farmers obtain funds mainly from People's Cooperative Banks, which lend funds at the Commercial Passbook Rate (13% in 1998) plus a 4% spread. The Jamaican Agricultural Development Foundation also disburses loans at preferential rates (between 22% and 23% a year in 1996). The National Development Bank, under the Interest Rebate Scheme, supplies funds to other financial institutions (participating credit institutions) at 12% per annum to be on-lent at a maximum rate of 17% to fund projects of small and medium-size enterprises in the agro-industry, manufacturing, mining, and tourism sectors. In 1996, funds disbursed under this scheme were J\$3.2 million.<sup>62</sup> The NEIBJ runs a programme for the clothing industry to fund overhead costs. Funds are provided at a concessionary rate of 13% per year. The goal of the programme is to reorient the clothing sector towards higher value-added products.

101. The NIBJ runs a guarantee facility for companies in sectors identified by the National Industrial Policy as strategic. Guarantees are provided to secure credit lines to finance raw material purchases for the production of goods. Exceptionally, guarantees may be provided for the purchase of equipment. The guarantee period is normally six months, but may be extended once for a similar period. Guarantees are only provided in domestic currency; fees are charged at 1.5% of the amount of the guarantee.<sup>63</sup>

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<sup>60</sup>The loans are made available at a 12% interest rate plus a 0.5% commitment fee, an amortization period of between four and ten years, and a grace period of up to two years (<http://www.investjamaica.com/jp0135.htm>).

<sup>61</sup>U.S. Department of State (1996) p. 18.

<sup>62</sup>Planning Institute of Jamaica (1997), p. 11.4.

<sup>63</sup>Loans in place at 31 December 1997 reached J\$84.8 million. Beneficiaries include companies in the clothing, fruit, foods, chemical, engineering and services sectors.

**(vi) Price controls**

102. Price controls on basic consumer goods were imposed during the 1974 oil crisis, to restrain inflationary pressures. In 1986, the range of products subject to price controls widened. In 1990, a process of price liberalization began, and the prices of some consumer goods were decontrolled. The process continued in the following months and led in March 1991 to the elimination of prices controls and the suppression of food subsidies. Although prices are no longer controlled, certain products and services are subject to administered prices. The products under price administration are pimento, coconut and edible oils; the utilities and services regulated include water, electricity, telecommunications, and transportation services.

103. The price at which pimento (dry pimento berry), a non-traditional export, is purchased from the growers is set each year by the Ministry of Agriculture. Exports take place through two channels: either the Ministry buys pimento for export through approved buyers or it issues export licences to growers, who may export at or above the minimum administered price. The Coconut Industry Board fixes the price of coconut used for copra production.<sup>64</sup> Copra is used for the production of edible oils: the Coconut Industry Act (Section 5) gives the Minister of Agriculture the power to fix the maximum retail price of edible oils. In practice, however, price fixing of the final product does not occur; only the price of coconut as an input is administered.

104. The National Water Commission Act of 1980, gives the (National Water) Commission (NWC) the right, with the approval of the Minister of Water, to fix the price of water and the sewerage rate.<sup>65</sup> The Commission is empowered, with prior approval from the Minister, to apply price discrimination among users, fixing different scales for different locations depending on the user group. Commercial rates are higher than residential rates. The functioning of the NWC is not currently subject to supervision and regulation by the Office of Utilities Regulations (OUR). Legislation to change this will be presented during the 1998 legislative year.

105. The rate at which electricity is supplied is determined by the Jamaica Public Service (JPS) and must be approved by the Ministry of Transport and Works.<sup>66</sup> As with the supply of water, residential rates are lower than commercial rates. Although OUR was set up to regulate all utility companies, including JPS, it does not currently have the legal power to regulate electricity rates or influence pricing decisions. However, a legislative process is under way to amend the legislation to give OUR the necessary power to regulate utility service providers which predate the OUR Act, and to make pricing recommendations. Charges for basic telephony are approved by the Minister of Commerce and Technology and reviewed annually at the request of Cable and Wireless Jamaica, Ltd.<sup>67</sup> The rates for telephone usage are the same for residential and commercial customers, while there is distinction for line usage and installation. The prices of Internet and paging services are not regulated.<sup>68</sup> With regard to public transportation services, fares are fixed by the Transport Authority; the Government subsidizes the difference between the actual cost and the price of the service.

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<sup>64</sup>The Board is entitled to fix the price of all coconut traded, but in practice fixes only the price of coconut used for the production of copra.

<sup>65</sup>National Water Commission Act (1963), Sections 19-(1) (water supply) and 12-(1) (sewerage rate).

<sup>66</sup>The sector is regulated by the Electric Lighting Act (1890) which does not, however, address pricing issues.

<sup>67</sup>This segment of the telecommunication sector is not open to competition.

<sup>68</sup>In these market segments, competition is not restricted. Jamaica Telecom competes as a provider of Internet services, but does not provide any paging services.

**(vii) Competition policy**

106. Jamaica's law on competition, the Fair Competition Act (FCA), has been in force since 9 September 1993. The FCA's basic principles include: preventing the abuse of market power, derived from dominance in a market; prohibiting arrangements or agreements that coordinate market behaviour, eroding competition; and providing the consumer with adequate and relevant information. The FCA outlaws, in principle, business practices that restrict or impede competition, such as price-fixing, collusion, misleading advertisement, unfair trading practices, and interlocking directorships. There are no legally accepted import or export cartels. However, Section 29 of the FCA allows for situations in which restrictive business practices may be permitted by prior authorization of the Fair Trading Commission. The FCA is currently being revised to broaden its scope.

107. The Fair Trading Commission (FTC), under the Ministry of Commerce and Technology, is in charge of monitoring and enforcing the competition provisions of the FCA. The Commission may authorize an anti-competitive business practice or agreement if it deems that this practice or agreement will enhance public welfare: the burden of proof is on the applicant. The FTC is also currently working in cooperation with the Bureau of Standards to improve the quality of services and products offered.

108. Between 1993 and 31 March 1997, the FTC reviewed 547 complaints (Table III.15). Of these, 387 or 70.7% were resolved and the rest were under investigation. Over 40% of the complaints were related to misleading advertising (234). The companies involved in the complaints included motor vehicle firms, appliance, furniture, real estate, insurance and same-day loans companies.

**Table III.15**  
**Summary of complaints to the Fair Trading Commission, 1993-97**

Breach	Current cases	Resolved	Total
Misleading advertising	74	160	234
Abuse of dominance	4	2	6
Sale above advertised price	2	3	5
Tied selling	2	6	8
FTC investigations	5	2	7
Request for information	14	41	55
Request for opinion	13	28	41
Complaint not under the Act	37	142	179
Restrictive practice	2	3	5
Offence against competition	7		7
<b>TOTAL</b>	<b>160</b>	<b>387</b>	<b>547</b>

Source: Information provided by the Jamaican Fair Trading Commission.

109. The Government is preparing draft legislation to replace the Companies Act of 1965 to reflect the changed business environment. The draft legislation is aimed at facilitating company formation, stimulating corporate investment and enhancing accountability to shareholders. The new Companies

Act is expected to contain provisions that will enable the FTC to impose penalties directly, up to a maximum of J\$5 million to individuals, and J\$25 million to companies.<sup>69</sup>

110. A proposal to establish a Commercial Court is currently under consideration. The Court would deal with business litigation related to the Fair Competition Act, the Securities Act, and the new Companies Act.<sup>70</sup>

111. The Government is committed to the implementation of a consumer policy, through the Consumer Affairs Commission. The Commission will receive the support of the National Consumer Alliance.

112. Jamaica has no legislation forbidding parallel imports.

**(viii) Protection of intellectual property rights**

113. Laws to protect intellectual and industrial property rights in Jamaica exist in the areas of patents, copyrights, trade marks and designs. A number of measures to deal with cases of infringement and counterfeit are also available. Jamaica is a member of the World Intellectual Property Organization (WIPO) and has ratified the International Berne Convention, the Rome Convention, and the Geneva Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of their Phonogram and is expected to become party to the Paris Convention shortly. In March 1994, Jamaica signed a Bilateral Agreement for the Protection and Enforcement of Intellectual Property Rights with the United States. This Agreement includes the provisions already covered in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), plus some additional specific provisions. The Ministry of Commerce and Technology handles registrations of trade marks, patents, and copyrights, and implements relevant legislation.

114. The Trade Mark Act grants protection to distinctive marks, provided users register them with the Office of the Registrar of Companies. A certification of registration is issued after the trade mark has been advertised in the Jamaica Gazette and no opposition has been indicated. The registration is valid for an initial period of seven years, which can be extended thereafter for periods of 14 years. There are currently 34 classes of trade marks in Jamaica, and a separate application must be filed for each class. There is no obligation to register trade marks. Trade mark legislation is currently under review to bring it into full conformity with the TRIPS Agreement. It is envisaged that, under the new legislation, the definition of trade mark will be broadened to encompass colours, shapes, smells, sounds and packaging. It is also foreseen that established marks will receive enhanced protection, and that the initial registration will be for a period of no less than ten years, with the possibility of renewal every ten years for an indefinite period of time. Mechanisms of enforcement against the use of geographical denominations will be strengthened and non-use of a trade mark for a continuous period of two years may lead to its cancellation. It is expected that service marks will become registerable.<sup>71</sup> There were 14,975 trade marks registered in Jamaica at 31 December 1996; 1,721 trade marks were registered during 1997.

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<sup>69</sup>Currently, the FTC may make rulings that involve payment, but these are not legal fines. If payment is refused, the FTC must take the case to a Court, which may then impose a legal fine.

<sup>70</sup>National Industrial Policy (1996), p. 94.

<sup>71</sup>Goldson (1996).



115. The protection of industrial designs is regulated by the Designs Act. Applications for registration must be filed at the Office of the Registrar of Companies. To qualify for registration the design must be new and original. There are currently 12 separate classes of designs in Jamaica, and an application must be filed for each one. Protection of a design is granted for 15 years from the date of registration; it may be revoked if the design is not used within six months of registration. There were 133 registered designs in Jamaica on 31 December 1997.

116. Current patent laws are based on legislation from the United Kingdom, dating back to 1857. Patents are granted, both for products and processes, for a period of 14 years, extendable for seven years. Foreign patents do not protect an invention in Jamaica: a Jamaican patent must be obtained to secure protection. Patents are granted, after a thorough examination, by the Ministry of Commerce and Technology.<sup>72</sup> The conditions for grant of a patent are novelty, and public utility. Inventions must be described in a specification, which must describe the object of the invention and its benefits. The process of obtaining a patent is lengthy, lasting on average three years. A national registry of patents is kept by the Office of the Registrar of Companies and it is available for public consultation. The holder of a patent has the right to exclude others from making, selling or using the invention in Jamaica, and can, therefore, prevent the importation of the patented product. A total of 16 patents were registered in 1997, compared to 21 in 1996 (Table III.16).

**Table III.16**  
**Patents recorded, 1996-97**

No.	Country	Title of invention	Date recorded
3130	United States	Stable Anti plaque Dentifrice	19/02/1996
3131	United States	Fabric Softening Heavy Duty Liquid Detergent & Process for Manufacture thereof	19/02/1996
3132	United States	Visually Clear Dentifrice	19/02/1996
3133	United States	Concentrated Fabric Softening Composition and methods for making same	19/02/1996
3134	United States	Non Dairy Aerated Frozen Dessert Containing Citrus Juice Vesicles	14/03/1996
3135	Japan	Modular Devices for the Base of Use & Installation of Filtration Textiles	14/03/1996
3136	United States	Heat Treatment of Lyophilic Plasma Fractions	22/08/1996
3137	United States	Hollow Metallic Golf Club Head with Relieved Sole and Dendritic Structure	28/08/1996
3138	United States	Anhydrous Dentifrice	11/09/1996
3139	United States	Nail Polish Compositions and means for applying same	11/09/1996
3140	United States	Inhibition of Tumor Development	11/09/1996
3141	United States	Continuous Bioreactor and Process	11/09/1996
3142	United States	Hybrid Human Leukocyte Interferons	11/09/1996
3143	United States	Golf Putter with Face Plate Insert	11/09/1996
3144	United States	Compounds & Composition Containing them for use in the treatment of Mammals to Control Parasite Diptera Larvae	04/10/1996
3145	United States	Particulate Waste Product Combustion System	30/10/1996
3146	United States	Interferons & Process for their preparation	04/10/1996
3147	United States	Extrudable Dentifrice	04/10/1996
3148		6 (R-[8Cs]) (2, 2-Dimethyl lutrylory - 2 (S) etc.	04/10/1996
3149	United States	Low Pressure Burner for Coat-Water Slurry or fuel oil	05/12/1996
3150	Switzerland	Processed egg yolk	05/12/1996
3151	Canada	Cigarette Extinguishing Storage Device	05/12/1996
3152		1 2 3 - Thiadiazol-3-yl-5-Ylidend Urea Derivatives etc.	04/10/1996

**Table III.16 (cont'd)**

<sup>72</sup>Until the end of 1997, the Ministry of Industry, Investment and Commerce was responsible for granting patents.

No.	Country	Title of invention	Date recorded
3153	United States	Novel Low Temperature Maturing Dental Glaze	07/03/1997
3154	United States	Anticoceidal Compositions	24/07/1997
3155	United States	Astringent Dentifrice	08/08/1997
3156	United States	Gel Dentifrice of Desirable Consistency	08/08/1997
3157	United States	Light Duty Detergent	08/08/1997
3158	United States	Antiplaque Dentifrice having improved flavour	08/08/1997
3159	United States	Mixed surfactant laundry detergent composition	08/08/1997
3160	United States	Iron Golf Club Head	24/07/1997
3161	Switzerland	A Stackable Bottle Case	20/08/1997
3162	France	Process for the Agrochemical treatment of banana plants	20/08/1997
3163	United States	Hair relaxing compositions and preparation and use thereof	08/08/1997
3164	Japan	Method for the treatment of Bayer Liquor	08/08/1997
3165	Canada	Destabilization of sludge with hydrolized yam starch flocculants	20/08/1997
3166	Canada	Destabilization of sludge with hydrolized dasheen starch flocculants	18/12/1997
3167	Canada	Destabilization of sludge with hydrolized cassava starch flocculants	18/12/1997

Source: Information provided by the Jamaican authorities.

117. The forthcoming Patent Act, is intended to bring patent law into full conformity with the TRIPS Agreement, by introducing provisions for compulsory licensing if the patent is not used or the product is not imported, by extending the term of protection to 20 years from the date of filing of the application; and by simplifying registration procedures.

118. The Copyright Act of 1993 implements the Berne Convention, and incorporates most of the changes required for compliance with the copyright provisions of the TRIPS Agreement. The Act protects the owner (licensee) from unauthorized copying, sale, and distribution of original dramatic, artistic, musical and literary works (including computer programs), films, audio and video recordings, broadcasts and cable programmes. The Copyright Act also provides statutory rights in performances to performers and persons with recording rights. Additional amendments to make the Act fully consistent with the TRIPS Agreement and the Bilateral Intellectual Property Rights Agreement with the United States are expected to be brought before Parliament in 1998.

119. Under Jamaica's common law system, authorized importers as well as property rights holders may bring cases of infringement to court, and Customs may seize infringing goods ex officio.

120. Legislation with respect to trade secrets is expected to be introduced in the near future. This legislation will prevent disclosure or use by third persons of information that is within the control of an enterprise. The information to be protected must have a commercial value related to its secrecy and the enterprise that owns it must have taken steps to prevent its disclosure. The new law will also strengthen disciplines on governmental agencies dealing with confidential information, in particular bodies in charge of granting approvals, licences and registration.<sup>73</sup>

121. Legislation with respect to layout designs, required for compliance with the TRIPS Agreement, is expected to be brought before Parliament in 1998.

<sup>73</sup>Goldson (1996).

**(ix) Environmental policies**

122. The Government is attempting to apply a national policy to integrate environmental and developmental issues through the Ministry of Environment and Housing, Division of Environmental Protection and Conservation, and the Natural Resources Conservation Authority (NRCA). The Ministry is in charge of policy formulation and administration. The NRCA was established in 1991, under the NRCA Act, to develop environmental standards to protect Jamaica's natural resources, and is ultimately responsible for the management of the environment. The NRCA is also in charge of enforcing regulations under the Wildlife Protection Act, the Beach Control Act, and the Watershed Protection Act. It is expected that the NRCA will conduct environmental-impact assessments and act as a monitoring body.<sup>74</sup>

123. The NRCA Act requires that permission be obtained before undertaking any enterprise, construction or development anywhere in Jamaica or its territorial sea.<sup>75</sup> This requirement was implemented through the introduction of a Permit and Licences System in 1996. The categories of activities subject to the permit and licences system, as well as the procedures to obtain the permits, are defined in the Natural Resources (Prescribed Areas) (Prohibition of Categories of Enterprise, Construction and Development) Order, 1996, and the Natural Resources Conservation (Permits and Licences) Regulations, 1996. The system, which became operative on 1 January 1997, requires firms to obtain a licence before discharging commercial effluent in the environment. The granting of the licence is subject to the payment of a fee. Firms may be required to undergo an environmental audit of their operations, to identify areas of waste and possibilities for recycling and re-using materials.

124. As a response to commitments under Agenda 21, the Government developed the Jamaica National Environmental Action Plan (JANEAP) in 1995. The JANEAP resulted in the formulation of air emission, potable, irrigation and recreational water, commercial effluent and sewage effluent standards. In the last two cases, the standards were finalized in early 1997, and are in the process of implementation. The other standards were readied later in 1997. The JANEAP has also brought about the completion of guidelines to conduct environmental impact assessment. The NRCA and the JBS are working together to implement ISO 14000 standards in Jamaica. According to the authorities, the enforcement of environmental standards and legislation remains problematic. To improve the enforcement mechanism, an Environmental Warden Service was introduced in 1996. In 1997, the wardens were given the rank of Special District Constables. The Sustainable Development Council of Jamaica (SDC-J) was created in February 1997 under the auspices of the Capacity 21 programme of the United Nations Development Programme. The Council is composed of members from the private and the public sector, and is in charge of identifying and promoting sustainable development activities.

125. The Environmental Foundation of Jamaica (EFJ), created in 1992 by the Governments of Jamaica and the United States under the Enterprise of the Americas Debt Reduction Agreement, provides funding for environmental projects. Interest owed by Jamaica to the U.S. Government on certain portions of public debt may be deposited in an environmental fund administered by the EFJ. The Environmental Action Programme (ENACT), is aimed at supporting projects to identify and solve environmental problems. The programme is expected to provide some J\$300 million over a ten-year period ending in 2004.

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<sup>74</sup>National Industrial Policy (1996), p. 105.

<sup>75</sup>The NRCA Act refers to "prescribed areas"; but the whole territory of Jamaica has been declared a "prescribed area", Planning Institute of Jamaica (1997), p. 15-1.

126. The Sustaining the Environment and Tourism Programme was put in place in 1996 to repair infrastructure and engage in landscaping activities in the major tourist areas. A Master Plan for Sustainable Tourism Development is currently under preparation.

127. Jamaica is a party to 25 international and regional environmental treaties, such as the United Nations Convention on the Law of the Sea, the Vienna Convention for the Protection of the Ozone Layer, the Montreal Protocol on Substances that deplete the Ozone Layer, the Convention on Biological Diversity, etc. (Table III.17). Jamaica became a party to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in 1997.

**Table III.17**  
**Jamaica's status in international and regional environmental treaties**

Treaty	Status
- International Plant Protection Convention, Rome, 1951	Accession: 24 November 1969
- Convention on the Territorial Sea and the Contiguous Zone, Geneva, 1958	Accession: 8 October 1965
- Convention on the Continental Shelf, Geneva, 1958	Accession: 8 October 1965 Entry into force: 7 November 1965
- Convention on the High Seas, Geneva, 1958	Accession: October 1965 Entry into force: 30 September 1962
- Convention on Fishing and Conservation of the Living Resources of the High Seas, Geneva, 1958	Accession: 16 April 1964 Entry into force: 30 September 1996
- Treaty banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and Underwater, Moscow, 1963	Ratification: 22 November 1991
- Treaty on Principles Governing the Activities of States in the Exploration of Use of Outer Space Including the Moon and other Celestial Bodies, London, Moscow, Washington, 1967	Ratification: 10 August 1970
- Treaty of the Prohibition of the Emplacement of Nuclear Weapons and other Sea Bed and the Ocean Floor and the Subsoil thereof, Washington, 1971	Ratification: 30 July 1986
- Convention on the Prohibition of the Development Production and Stockpiling of Bacteriological (Biological) and Toxic Weapons and on their Destruction, London, Moscow, Washington, 1972	Accession: 13 August 1975
- Convention concerning the Protection of the World Cultural and Natural Heritage, Paris, 1972	Accession: 14 June 1983
- Convention on the Prevention of marine pollution by Dumping of Wastes and Other Matter (as amended) London, Mexico City, Moscow, (Washington), 1972	Ratification 22 March 1991
- International Convention on the Prevention of Pollution from Ships, London, 1973	Ratification: 13 June 1991
- Protocol of 1978 relating to the International Convention for the Prevention of Pollution from Ships, London, 1973	Ratification 13 June 1991
- United Nations Convention on the Law of the Sea, Montego Bay, 1982	Ratification: 21 March 1983
- Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region, Cartagena de Indias, 1983	Ratification: 1 May 1987
- Protocol Concerning Cooperation in Combating Oil Spills in the Wider Caribbean Region	Entry into force: 1 May 1987
- Vienna Convention for the Protection of the Ozone Layer, Vienna, 1985	Accession: 31 March 1993 Entry into force: 29 June 1993
- Montreal Protocol on Substances that Deplete the Ozone Layer, Montreal, 1987	Accession: 31 March 1993 Entry into force: 23 June 1993

**Table III.17 (cont'd)**

Treaty	Status
- London Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, London, 1990	Ratification: 31 March 1993
- United Nations Framework Convention on Climate Change, New York, 1992	Instrument of accession deposited: 6 January 1995 Effective: 5 April 1995
- Convention on Biological Diversity, Rio de Janeiro, 1992	Instrument of accession deposited: 6 January 1995 Effective: 5 April 1995
- Convention on International Trade in Endangered Species of Wild Flora & Fauna (CITES)	Instrument of accession deposited: signed on 24 March 1997 Will enter into force: 22 June 1997
- Convention on Wetlands on International Importance especially as Waterfowl Habitats, Ramsar	Instrument of accession deposited: 20 May 1997 Enter into force: February 1998
- The Copenhagen Amendment to the Montreal Protocol on Ozone Depleting Substances	Instrument of accession deposited: 6 November 1977 Entry into force: 4 February 1998
- United Nations Convention to Combat Desertification	Instrument of accession deposited: 12 November 1997 Entry into force: 10 March 1998

Source: Information provided by Jamaican authorities.