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## CANADA – TARIFF TREATMENT FOR COMMONWEALTH CARIBBEAN COUNTRIES

### 2004 Report of the Government of Canada on the Trade-Related Provisions of CARIBCAN under the Decision of 14 October 1996<sup>1</sup>

The following communication, dated 1 December 2004, is being circulated at the request of the Delegation of Canada.

#### 1. Introduction

1. CARIBCAN is an economic and trade development assistance program for the Commonwealth Caribbean countries and territories established as a result of a commitment by Canada at the Commonwealth Heads of Government meeting in Nassau in October 1985.

2. The objectives of CARIBCAN are to enhance Commonwealth Caribbean trade and export earnings, improve the trade and economic development prospects of the region, promote new investment opportunities, and encourage enhanced economic integration and cooperation. The main feature of CARIBCAN is the unilateral extension by Canada, beginning on 15 June 1986, of duty-free access to the Canadian market for most commodities originating in Commonwealth Caribbean countries.

3. On 28 November 1986, a decision by the Contracting Parties to the General Agreement on Tariffs and Trade (GATT) waived until 15 June 1998, the provisions of paragraph 1 of Article 1 of the General Agreement, "only to the extent necessary to permit the Government of Canada to provide duty-free treatment to eligible imports of Commonwealth Caribbean countries benefiting from the provisions of CARIBCAN, without being required to extend the same duty-free treatment to like products of any other contracting party." (L/6102). On 14 October 1996, the WTO extended the CARIBCAN waiver until 31 December 2006. (WT/L/185). The conditions associated with the CARIBCAN waiver remain unchanged.

4. This report is being made in accordance with paragraph 3 of the WTO waiver of 14 October 1996 and Article IX of the WTO Agreement.

#### 2. Country Coverage

5. The *Customs Tariff* lists 18 countries or dependent territories which are eligible to receive the duty-free benefits accorded under CARIBCAN: Anguilla, Antigua-Barbuda, The Bahamas,

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<sup>1</sup> WT/L/185.

Barbados, Belize, Bermuda, the British Virgin Islands, the Cayman Islands, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Christopher (St. Kitts) and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, and the Turks and Caicos Islands. No additions or deletions from this list have occurred since CARIBCAN was enacted on 15 June 1986.

### **3. Product Coverage**

6. There have been no amendments to CARIBCAN product coverage since the changes made in February 1998.

7. Today, product exclusions from the duty-free provisions of CARIBCAN are:

- Goods of HS Chapters 50 to 65 inclusive;
- Goods covered by tariff items with “over access commitment” rates of duty established in the “tariffication” process.

### **4. Rules of Origin**

8. The rules of origin for the purposes of the Commonwealth Caribbean Countries Tariff (CCCT) treatment are set out in regulations enacted pursuant to Section 24 of the *Customs Tariff*.

9. To qualify for the duty-free treatment accorded to Commonwealth Caribbean countries, at least sixty per cent of the ex-factory price of the goods as packed for shipment to Canada must originate in one or more beneficiary countries or Canada. The sixty per cent qualifying content may be cumulated from various CARIBCAN beneficiary countries or Canada. The goods must be finished in the beneficiary country in the form in which they are imported into Canada. Pursuant to the Proof of Origin Regulations, either a duly completed Certificate of Origin, Form A, or a written statement of origin signed by the exporter, must be presented to Customs at the time of release, accounting or refund.

### **5. Trade under CARIBCAN**

10. Canada-CARIBCAN trade statistics are annexed in a series of tables to this report and include 2003 trade data. In general, these trade statistics indicate that:

- In 2003, just over Can\$758 million or 97 per cent of total Canadian imports from CARIBCAN beneficiaries entered Canada free of duty. \$109.4 million of this trade entered under the preferential CARIBCAN tariff (CCCT). Annex V shows the top twenty-five commodity imports benefiting from the CARIBCAN preference. As shown in Annex III, \$634.5 million of this trade entered under MFN free rates while \$14.2 million entered duty-free under General Preferential Tariff (GPT).
- Total Canada-CARIBCAN trade (exports plus imports) has grown from Can\$690 million in 1993 to just over \$1.2 billion in 2003. The value of Canadian imports from the region has risen from \$420 million in 1993 to \$783 million in 2003. The value of Canadian exports to CARIBCAN countries has risen from \$270 million in 1993 to \$456 million in 2003.

**6. Statistical Annexes:**

- Annex I: Total Imports from CARIBCAN Beneficiaries 1993 - 2003
- Annex II: Total Canadian exports to CARIBCAN Beneficiaries 1993- 2003
- Annex III: 2003 Imports from CARIBCAN Beneficiaries by Tariff Treatment
- Annex IV: Top 25 Merchandise Imports from CARIBCAN Beneficiaries which entered Canada under the CARIBCAN Duty-Free Tariff Treatment (CCCT) in 2003

**Total Canadian Imports from CARIBCAN Beneficiaries 1993 – 2003**

**Annex I**

(thousands of Canadian dollars)

<b>Country</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Anguilla	-	5	-	11	41	7	8	9	10	13	8
Antigua - Barbuda	393	368	389	1,857	1,256	2,698	402	10,380	340	954	748
Bahamas	34,806	44,867	16,715	23,432	8,056	22,002	25,959	14,003	13,785	16,941	48,149
Barbados	9,594	14,098	16,990	15,703	13,736	11,722	10,652	7,375	9,118	7,543	6,282
Belize	11,419	17,686	11,688	7,953	12,737	8,263	14,027	9,868	3,739	6,381	4,501
Bermuda	4,315	13,988	4,173	2,317	3,751	7,602	19,689	17,614	2,369	3,803	1,655
British Virgin Islands	44	37	91	1,299	199	615	614	1,376	1,324	501	1,146
Cayman Islands	1,628	586	638	1,968	624	1,070	654	522	27,571	3,818	2,242
Dominica	206	423	2,381	1,180	1,390	1,910	1,642	1,698	775	944	358
Grenada	337	440	639	559	1,112	1,067	1,602	1,523	1,037	1,476	1,082
Guyana	152,172	203,865	171,208	204,033	203,375	203,107	192,020	197,800	209,474	225,368	201,099
Jamaica	181,495	211,328	199,952	239,135	257,507	256,384	201,074	197,727	324,783	270,927	264,871
Montserrat	15	78	18	203	341	28	248	94	113	267	453
St. Lucia	245	463	1,222	1,602	1,287	1,595	580	1,413	237	411	266
St. Christopher (Kitts) and Nevis	225	1,888	2,937	2,958	4,426	4,494	5,120	4,399	6,121	7,458	8,722
St. Vincent and the Grenadines	210	247	183	138	137	200	152	404	310	619	124
Trinidad & Tobago	23,108	16,122	18,469	46,599	26,215	34,157	73,688	72,327	195,141	166,704	232,921
Turks & Caicos Islands	-	66	17	93	338	686	1,823	1,647	1,007	2,347	7,980
<b>Total:</b>	<b>420,212</b>	<b>526,555</b>	<b>447,890</b>	<b>551,046</b>	<b>536,630</b>	<b>557,608</b>	<b>549,954</b>	<b>540,178</b>	<b>797,254</b>	<b>716,475</b>	<b>782,607</b>

Source: Statistics Canada.

Notes: A dash (-) indicates that an amount is nil or negligible.

**Total Canadian Exports to CARIBCAN Beneficiaries 1993-2003**

**Annex II**

(thousands of Canadian dollars)

<b>Country</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Anguilla	272	127	548	588	881	1,007	673	651	2,802	1,301	802
Antigua - Barbuda	9,014	6,022	6,160	28,133	9,384	8,492	11,402	10,727	10,434	7,970	17,273
Bahamas	16,949	15,170	15,231	19,292	21,610	24,513	26,301	26,018	27,706	33,245	28,883
Barbados	20,490	33,459	31,554	35,872	37,193	36,396	41,087	33,783	29,104	33,629	41,979
Belize	12,543	4,776	4,232	2,586	9,847	3,760	3,332	2,598	3,505	5,079	5,271
Bermuda	41,891	22,004	34,302	33,453	39,177	40,165	42,973	34,540	34,715	107,599	42,945
British Virgin Islands	1,010	4,551	1,381	898	3,417	2,628	28,743	60,187	2,240	2,167	2,129
Cayman Islands	1,885	4,483	11,490	7,281	1,369	12,266	8,127	8,286	63,858	6,807	7,671
Dominica	1,672	1,613	1,891	2,238	1,840	3,236	5,560	4,436	2,671	2,614	7,668
Grenada	3,863	1,936	3,789	4,649	3,321	4,901	4,839	4,023	3,142	4,450	5,868
Guyana	9,118	5,517	8,144	11,171	10,671	9,968	14,655	8,073	8,068	10,373	9,536
Jamaica	85,549	89,578	96,645	90,784	86,937	98,032	96,699	99,815	121,933	158,212	124,650
Montserrat	248	208	128	185	149	81	83	289	214	291	300
St. Lucia	7,400	10,425	12,521	5,426	8,729	11,493	12,524	9,683	7,375	7,804	7,423
St. Christopher (Kitts) and Nevis	1,680	4,098	2,498	2,560	2,011	5,675	10,646	9,633	16,147	27,036	12,059
St. Vincent and the Grenadines	2,630	3,015	2,815	3,116	4,063	3,676	4,633	4,906	3,941	3,743	5,874
Trinidad & Tobago	53,023	65,192	94,658	83,913	102,544	129,703	161,936	110,822	156,222	136,808	125,507
Turks & Caicos Islands	557	387	654	514	537	1,379	2,357	2,341	2,366	2,933	10,372
<b>Total:</b>	<b>269,794</b>	<b>272,561</b>	<b>328,641</b>	<b>332,667</b>	<b>343,680</b>	<b>397,371</b>	<b>476,570</b>	<b>430,811</b>	<b>496,443</b>	<b>552,061</b>	<b>456,210</b>

Source: Statistics Canada.

Notes: A dash (-) indicates that an amount is nil or negligible. Includes Canadian domestic exports only.

Annex III(i)

**Duty Free 2003 Imports from CARIBCAN Beneficiaries by Tariff Treatment**

(in Canadian dollars)

Country	Total Imports	MFN Free	GPT Free	Caribbean (CCCT) Free	Total Free	Total Free as % of Total Imports
Anguilla	7,623	5,474	-	-	5,474	72%
Antigua and Barbuda	748,304	718,099	1,430	12,406	731,935	98%
Bahamas	48,149,418	39,908,568	-	5,579,221	45,487,789	94%
Barbados	6,282,264	822,446	3,500,531	977,768	5,300,745	84%
Belize	4,501,154	3,752,566	17,729	67,833	3,838,128	85%
Bermuda	1,654,905	1,037,091	76,861	8,620	1,122,572	68%
Br. Virgin Is.	1,146,455	844,432	114,376	-	958,808	84%
Cayman Islands	2,241,901	2,185,361	-	-	2,185,361	97%
Dominica	358,019	145,299	-	33,600	178,899	50%
Grenada	1,082,446	830,102	77,646	117,614	1,025,362	95%
Guyana	201,098,967	193,701,532	4,701,285	1,624,999	200,027,816	99%
Jamaica	264,870,623	240,983,572	3,089,699	13,514,225	257,587,496	97%
Montserrat	452,999	450,884	-	-	450,884	100%
St. Christopher (Kitts) and Nevis	8,721,557	4,909,672	32,572	-	4,942,244	57%
Saint Lucia	265,770	212,892	-	2,831	215,723	81%
Saint Vincent/Gren.	123,756	50,463	-	-	50,463	41%
Trinidad and Tobago	232,920,742	136,187,605	2,602,106	87,430,678	226,220,389	97%
Turks/Caicos Is.	7,980,319	7,772,949	-	-	7,772,949	97%
<b>Total</b>	<b>782,607,222</b>	<b>634,519,007</b>	<b>14,214,235</b>	<b>109,369,795</b>	<b>758,103,037</b>	<b>97%</b>

Source: Statistic Canada.

Notes: A dash (-) indicates that an amount is nil or negligible.

Annex III(ii)

**Dutiable 2003 imports from CARIBCAN Beneficiaries by Tariff Treatment**

(in Canadian dollars)

Country	Total Imports	MFN Dutiable	GPT Dutiable	Caribcan Dutiable	Total Dutiable	Total Dutiable as % of Total Imports
Anguilla	7,623	2,149	-	-	2,149	28%
Antigua and Barbuda	748,304	16,369	-	-	16,369	2%
Bahamas	48,149,418	2,661,629	-	-	2,661,629	6%
Barbados	6,282,264	388,915	403,137	189,462	981,519	16%
Belize	4,501,154	656,746	6,280	-	663,026	15%
Bermuda	1,654,905	452,743	77,465	2,125	532,333	32%
Br. Virgin Is.	1,146,455	95,972	91,675	-	187,647	16%
Cayman Islands	2,241,901	53,487	3,053	-	56,540	3%
Dominica	358,019	150,687	-	28,433	179,120	50%
Grenada	1,082,446	56,619	465	-	57,084	5%
Guyana	201,098,967	861,743	192,693	16,715	1,071,151	1%
Jamaica	264,870,623	6,052,747	1,005,028	225,352	7,283,127	3%
Montserrat	452,999	2,115	-	-	2,115	0%
St. Christopher (Kitts) and Nevis	8,721,557	3,771,668	7,645	-	3,779,313	43%
Saint Lucia	265,770	35,289	-	14,758	50,047	19%
Saint Vincent/Gren.	123,756	73,293	-	-	73,293	59%
Trinidad and Tobago	232,920,742	3,406,895	502,746	2,790,712	6,700,353	3%
Turks/Caicos Is.	7,980,319	207,370	-	-	207,370	3%
<b>Total</b>	<b>782,607,222</b>	<b>18,946,436</b>	<b>2,290,187</b>	<b>3,267,557</b>	<b>24,504,185</b>	<b>3%</b>

Source: Statistic Canada.

Notes: A dash (-) indicates that an amount is nil or negligible.

Annex IV

**Top 25 Merchandise Imports from CARIBCAN Beneficiaries which entered Canada  
Under CARIBCAN Duty-Free Tariff Treatment in 2002**

(in Canadian Dollars)

<b>HS Tariff</b>	<b>Description</b>	<b>Imports under CARIBCAN Treatment (CCCT)</b>
29051100	Methanol (methyl alcohol)	61,725,135
72031000	Ferrous products obtained by direct reduction of iron ore	13,130,252
72139999	Other [Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel	11,861,235
03061100	Rock lobster and other sea crawfish ( <i>Palinurus spp.</i> , <i>Panulirus spp.</i> , <i>Jasus spp.</i> )	5,576,455
22084010	Rum	4,254,081
20089930	Akalas, akees, anchovy pears, apple-pears, avocados, bananas, banana chips (thin banana slices fried or otherwise prepared whether or not salted, sweetened or otherwise flavoured), bread fruit, carambolas, chayotes, cherimoyas (Jamaica apples)....	1,405,793
07149090	Other [Arrowroot, salep, Jerusalem artichokes and similar roots and tubers with high starch or inulin content, fresh, chilled or dried, whether or not sliced or in the form of pellets; sago pith]	1,276,987
20059090	Other [Other vegetables and mixtures of vegetables]	1,134,150
22071010	[Undenatured alcohol of an alcoholic strength by volume of 80% vol or higher] for use as a spirituous beverage or for use in the manufacture of spirituous alcoholic beverages	1,078,447
22021000	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured	987,891
19019020	Food preparations of flour, meal, starch or malt extract	960,206
21039020	Mixed condiments and mixed seasonings	929,190
85369091	Other: Junction boxes; Receptacle boxes of metal	897,823
07142000	Sweet potatoes	565,260
19059049	Other biscuits [Containing less than 25% by weight of wheat]	560,218
19053192	Other: Wafers and frozen waffles containing 25% or more by weight of wheat, in packages of a weight not exceeding 454 g each, and sweet biscuits containing 25% or more by weight of wheat, in packages of a weight not exceeding 1.36 kg each, over access....	413,744
21039090	Other [Sauces and preparations]	394,081
04063010	Within access commitment [Process cheese, not grated or powdered]	343,875
08129010	Akalas, akees, anchovy pears, apple-pears, avocados, bananas, bread fruit, carambolas, chayotes, cherimoyas (Jamaica apples), citris fruit, dates, durians, feijoas, figs, fu quas (alsam pears) genipes, guavas, imbus, jujubes, kiwi fruit,...	322,420
07099090	Other [Vegetables , fresh or chilled, not including: glove artichokes, asparagus, Aubergines (egg-plants), celery, mushrooms and truffles, fruits of the genus <i>Capsicum</i> or the genus <i>Pimenta</i> , spinach, New Zealand spinach and orche spinach (garden spinach)]	274,426
17049090	Other [Sugar confectionery (including white chocolate), not containing cocoa , not including chewing gum, whether or not sugar-coated]	265,914
09109990	Other spices	254,822
19059020	Bread, leavened with yeast; Unleavened bread for sacramental purposes and communion wafers	213,322
20089210	Mixtures of akalas, akees, anchovy pears, apple-pears, avocados, bananas, bread fruit, carambolas, chayotes, cherimoyas (Jamaica apples), citris fruit, dates, durians, feijoas, figs, fu quas (alsam pears) genipes, guavas, imbus, jujubes, kiwi fruit...	171,452
33012900	Other [Essential oils other than those of citrus]	157,023

Source: Statistics Canada import data.