

General Council
15-16 October 2002

Original: English/
French

CANADA - TARIFF TREATMENT FOR COMMONWEALTH CARIBBEAN COUNTRIES

Report of the Government of Canada on the Trade-Related Provisions of CARIBCAN Under the Decision of 14 October 1996¹

The following communication, dated 4 October 2002, has been received from the Permanent Mission of Canada.

1. Introduction

1. CARIBCAN is an economic and trade development assistance programme 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,

¹ WT/L/185.

Barbados, Belize, Bermuda, the British Virgin Islands, the Cayman Islands, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Christopher (Saint Kitts) and Nevis, Saint Lucia, Saint 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 60 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 60 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 2001 trade data. In general, these trade statistics indicate that:

- In 2001, more than Can\$766 million or 96 per cent of total Canadian imports from CARIBCAN beneficiaries entered Canada free of duty. Can\$111.6 million of this trade entered under preferential CARIBCAN tariffs. Annex V shows the top 25 commodity imports benefiting from the CARIBCAN preference. As shown in Annex III, Can\$644 million of this trade entered under MFN free rates while Can\$11.3 million entered under General Preferential Tariff (GPT).
- Total Canada-CARIBCAN trade (exports plus imports) has grown from Can\$576 million in 1991 to almost Can\$1.3 billion in 2001. The value of Canadian imports from the region has risen from Can\$290 million in 1991 to Can\$797 million in 2001. Despite some fluctuations, the value of Canadian exports to CARIBCAN countries has risen from Can\$285 million in 1991 to Can\$496 million in 2001.

6. Statistical Annexes:

- Annex I: Total Imports from CARIBCAN Beneficiaries 1991 - 2001
- Annex II: Total Canadian exports to CARIBCAN Beneficiaries 1991- 2001
- Annex III: 2001 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 2001

Total Canadian Imports from CARIBCAN Beneficiaries 1991 – 2001
(thousands of Canadian dollars)

Annex I

Country	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Anguilla	-	-	-	5	-	11	41	7	8	9	10
Antigua - Barbuda	200	394	393	368	389	1,857	1,256	2,698	402	10,380	340
Bahamas	38,769	50,097	34,806	44,867	16,715	23,432	8,056	22,002	25,959	14,003	13,785
Barbados	13,510	6,025	9,594	14,098	16,990	15,703	13,736	11,722	10,652	7,375	9,118
Belize	7,447	6,634	11,419	17,686	11,688	7,953	12,737	8,263	14,027	9,868	3,739
Bermuda	6,366	20,378	4,315	13,988	4,173	2,317	3,751	7,602	19,689	17,614	2,369
British Virgin Islands	16	10	44	37	91	1,299	199	615	614	1,376	1,324
Cayman Islands	321	489	1,628	586	638	1,968	624	1,070	654	522	27,571
Dominica	196	67	206	423	2,381	1,180	1,390	1,910	1,642	1,698	775
Grenada	420	321	337	440	639	559	1,112	1,067	1,602	1,523	1,037
Guyana	30,824	39,018	152,172	203,865	171,208	204,033	203,375	203,107	192,020	197,800	209,474
Jamaica	150,509	166,546	181,495	211,328	199,952	239,135	257,507	256,384	201,074	197,727	324,783
Montserrat	59	120	15	78	18	203	341	28	248	94	113
Saint Lucia	280	350	245	463	1,222	1,602	1,287	1,595	580	1,413	237
Saint Christopher (Kitts) and Nevis	84	-	225	1,888	2,937	2,958	4,426	4,494	5,120	4,399	6,121
Saint Vincent and the Grenadines	483	387	210	247	183	138	137	200	152	404	310
Trinidad & Tobago	40,800	38,101	23,108	16,122	18,469	46,599	26,215	34,157	73,688	72,327	195,141
Turks & Caicos Islands	-	-	-	66	17	93	338	686	1,823	1,647	1,007
Total:	290,284	328,937	420,212	526,555	447,890	551,046	536,630	557,608	549,954	540,178	797,254

Source: Statistics Canada.

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

Total Canadian Exports to CARIBCAN Beneficiaries 1991-2001
(thousands of Canadian dollars)

Annex II

Country	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Anguilla	308	331	272	127	548	588	881	1,007	673	651	2,802
Antigua - Barbuda	8,975	9,326	9,014	6,022	6,160	28,133	9,384	8,492	11,402	10,727	10,434
Bahamas	48,336	20,870	16,949	15,170	15,231	19,292	21,610	24,513	26,301	26,018	27,706
Barbados	35,385	20,469	20,490	33,459	31,554	35,872	37,193	36,396	41,087	33,783	29,104
Belize	3,067	3,532	12,543	4,776	4,232	2,586	9,847	3,760	3,332	2,598	3,505
Bermuda	27,208	38,472	41,891	22,004	34,302	33,453	39,177	40,165	42,973	34,540	34,715
British Virgin Islands	625	1,435	1,010	4,551	1,381	898	3,417	2,628	28,743	60,187	2,240
Cayman Islands	1,725	4,601	1,885	4,483	11,490	7,281	1,369	12,266	8,127	8,286	63,858
Dominica	1,027	1,368	1,672	1,613	1,891	2,238	1,840	3,236	5,560	4,436	2,671
Grenada	4,264	2,656	3,863	1,936	3,789	4,649	3,321	4,901	4,839	4,023	3,142
Guyana	13,592	6,034	9,118	5,517	8,144	11,171	10,671	9,968	14,655	8,073	8,068
Jamaica	73,259	64,940	85,549	89,578	96,645	90,784	86,937	98,032	96,699	99,815	121,933
Montserrat	312	301	248	208	128	185	149	81	83	289	214
Saint Lucia	7,229	6,811	7,400	10,425	12,521	5,426	8,729	11,493	12,524	9,683	7,375
Saint Christopher (Kitts) and Nevis	1,348	1,531	1,680	4,098	2,498	2,560	2,011	5,675	10,646	9,633	16,147
Saint Vincent and the Grenadines	2,357	3,277	2,630	3,015	2,815	3,116	4,063	3,676	4,633	4,906	3,941
Trinidad & Tobago	56,168	55,646	53,023	65,192	94,658	83,913	102,544	129,703	161,936	110,822	156,222
Turks & Caicos Islands	201	1,287	557	387	654	514	537	1,379	2,357	2,341	2,366
Total:	285,386	242,887	269,794	272,561	328,641	332,667	343,680	397,371	476,570	430,811	496,443

Source: Statistics Canada.

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

Annex III(i)

**Duty Free 2001 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	10,992	2,706	-	-	2,706	25%
Antigua and Barbuda	340,453	90,396	232,196	5,200	327,792	96%
Bahamas	13,784,770	6,434,368	-	6,007,124	12,441,492	90%
Barbados	9,118,396	2,584,242	26,040	4,391,566	7,001,848	77%
Belize	3,739,133	2,164,656	166,993	234,346	2,565,995	69%
Bermuda	2,368,730	2,050,711	11,478	475	2,062,664	87%
Br. Virgin Is.	1,324,482	964,043	-	-	964,043	73%
Cayman Islands	27,571,029	27,552,391	130	5,644	27,558,165	100%
Dominica	774,158	526,263	49,803	-	576,066	74%
Grenada	1,037,276	1,009,520	4,752	2,546	1,016,818	98%
Guyana	209,474,195	205,552,152	2,488,692	432,533	208,473,377	100%
Jamaica	324,658,503	292,924,669	8,240,358	14,843,984	316,009,011	97%
Montserrat	113,171	102,916	-	-	102,916	91%
Saint Christopher (Kitts) and Nevis	6,121,311	5,440,917	-	6,634	5,447,551	89%
Saint Lucia	236,981	149,190	12,620	-	161,810	68%
Saint Vincent/Gren.	310,699	256,153	-	-	256,133	82%
Trinidad and Tobago	195,141,578	95,235,228	84,157	85,714,006	181,033,391	93%
Turks/Caicos Is.	1,007,086	984,374	-	-	98,374	10%
Total	797,132,943	644,024,895	11,317,219	111,644,058	766,100,152	96%

Source: Statistic Canada.

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

Annex III(ii)

**Dutiable 2001 imports from CARIBCAN Beneficiaries by Tariff Treatment
(in Canadian dollars)**

Country	Total Imports	MFN Dutiable	GPT Dutiable	Caribbean Dutiable	Total Dutiable	Total Dutiable as % of Total Imports
Anguilla	10,992	8,286	-	-	8,268	75%
Antigua and Barbuda	340,453	12,661	-	-	12,661	4%
Bahamas	13,784,770	842,989	500,289	-	1,343,278	10%
Barbados	9,118,396	627,080	1,195,978	293,490	2,116,548	23%
Belize	3,739,133	810,823	-	362,315	1,173,138	31%
Bermuda	2,368,730	203,833	102,233	-	306,066	13%
Br. Virgin Is.	1,324,482	101,327	127,145	131,967	360,439	27%
Cayman Islands	27,571,029	12,864	-	-	12,864	0%
Dominica	774,158	198,092	-	-	198,092	26%
Grenada	1,037,276	20,458	-	-	20,458	2%
Guyana	209,474,195	198,120	150,737	651,961	1,000,818	0%
Jamaica	32,658,503	7,665,219	907,680	76,593	8,649,492	26%
Montserrat	113,171	10,255	-	-	10,255	9%
Saint Christopher (Kitts) and Nevis	6,121,311	673,760	-	-	673,760	11%
Saint Lucia	236,981	75,171	-	-	75,171	32%
Saint Vincent/Gren.	310,699	54,546	-	-	54,546	18%
Trinidad and Tobago	195,141,578	13,954,340	101,459	52,388	14,108,187	7%
Turks/Caicos Is.	1,007,086	22,712	-	-	22,712	2%
Total	505,132,943	25,492,536	3,085,521	1,568,714	30,146,753	6%

Source: Statistic Canada.

Note: 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 2001 (in Canadian Dollars)

HS Tariff	Description	Imports under CARIBCAN Treatment
72031000	Ferrous products obtained by direct reduction of iron ore	60,752,480
29051100	Methanol (methyl alcohol)	11,778,443
72139110	Of a diameter not exceeding 9.525 mm, for use in the manufacture of wire	7,185,007
03061100	Rock lobster and other sea crawfish (<i>Palinurus</i> spp., <i>Panulirus</i> spp., <i>Jasus</i> spp.)	6,262,982
22084010	Rum	5,172,287
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]	1,911,467
07099090	Other [Vegetables, fresh or chilled, not including: globe artichokes, asparagus, Aubergines (egg-plants), celery, mushrooms and truffles, fruits of the genus <i>Capiscum</i> or the genus <i>Pimenta</i> , spinach, New Zealand spinach and orche spinach (garden spinach)]	1,891,349
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), dasheens	1,667,533
72139190	Other [Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel, of a circular cross-section measuring less than 14 mm in diameter]	1,643,653
20059020	Artichokes (globe or Chinese), bamboo shoots, cactus leaves (nopales), cardoons, chickpeas (garbanzos), cilantro (Chinese or Mexican parsley or Yen Sai), jicama, leaf chervils, malanga, okra, peas (Angola, catjang, no-eye, pigeon), spinach, tamarillos	1,433,845
85369091	Other: Junction boxes; Receptacle boxes of metal	1,408,206
22021000	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured	981,576
19019020	Food preparations of flour, meal, starch or malt extract	945,064
07142000	Sweet potatoes	907,920
20059090	Other [Vegetables and mixtures of vegetables]	659,066
19059049	Other biscuits [Containing less than 25% by weight of wheat]	620,196
21039090	Other [Sauces and preparations]	541,169
22029049	Beverages containing milk: Other	440,973
21039020	Mixed condiments and mixed seasonings	329,634
04063010	Within access commitment [Processed cheese, not grated or powdered]	318,316
82054000	Screwdrivers	316,000
09109990	Other spices	276,892

HS Tariff	Description	Imports under CARIBCAN Treatment
19053092	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 com	271,493
19059020	Bread, leavened with yeast; Unleavened bread for sacramental purposes and communion wafers	250,318
22071010	For use as a spirituous or alcoholic beverage or for use in the manufacture of spirituous or alcoholic beverages	242,220

Source: Statistics Canada import data.
