



TRADE POLICY REVIEW

REPORT BY THE SECRETARIAT

JAMAICA

This report, prepared for the fourth Trade Policy Review of Jamaica, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Jamaica on its trade policies and practices.

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Document WT/TPR/G/359 contains the policy statement submitted by Jamaica.

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SUMMARY

1. This is Jamaica's fourth Trade Policy Review. During the review period 2011-17, Jamaica has made major strides in restoring macroeconomic stability, pursuing prudent fiscal policy, reducing public debt and undertaking significant changes to its tax policy. Moreover, the financial system has become more resilient to shocks, inflation is at historic lows, the current account deficit has more than halved, net international reserves have doubled and business confidence is high. Nonetheless, economic growth remains elusive with an average real GDP growth rate below 1% since 2011. As a result, one fifth of the population still lives below the poverty line.

2. Jamaica aims to achieve developed country status by 2030, and trade is seen as an important factor to overcoming this challenge from two perspectives: improving competitiveness in export markets, and ensuring that the wider society obtains development benefits from trade through increased revenues and employment. Jumpstarting private sector-led growth and the steady implementation of structural reforms in areas such as trade facilitation, contract enforcement, property registration, physical infrastructure, and human resources development are also essential in this endeavour.

3. In November 2016, Jamaica signed a three-year precautionary Stand-By Arrangement (SBA) with the IMF. This arrangement (approximately US\$1.64 billion) provides insurance against unforeseen adverse external economic shocks and allows the Government to focus reform efforts on: better support for growth, jobs, and social protection; reducing public debt from 122.5% of GDP in FY 2016/17 to 60% by FY2025/26 by maintaining a primary surplus at 7% of GDP for the duration of the new arrangement; modernizing the monetary policy framework and building the foundation for an eventual move to inflation targeting, while maintaining exchange rate flexibility and continuing to build precautionary reserves; and bolstering the resilience of the financial system.

4. Jamaica's current account deficit, as a percentage of GDP, decreased from 13.6% in FY2011/12 to 3.2% in FY2016/17, largely due to reduced import costs (notably fuels), and sustained tourism and remittances earnings. This improvement occurred despite a drop in some key exports such as aluminium ore and bauxite. Merchandise exports continue to be highly concentrated geographically; the United States, the European Union and Canada together take over two thirds of the total. There is more balance across both products and countries in Jamaica's import structure.

5. Jamaica is taking measures to attract larger FDI inflows and improve the business climate, such as simplifying the tax system; broadening the tax base; implementing an electronic platform for the payment of taxes; and establishing a 90-day window for development approvals. It has issued or amended a large amount of legislation since 2011, including the Insolvency Act, the Fiscal Incentives Act, the Special Economic Zones (SEZ) Act, the Public Procurement Act, the Bank Services Act, and the Electricity Act, among others. Nonetheless, private investment continues to be inhibited by several factors, notably crime and theft, inefficient government bureaucracy, and relatively high tax rates.

6. Trade policy in Jamaica is devised taking into account broad trade and development goals as set in a number of general policy documents, such as the National Development Plan – Vision 2030 and the Growth Agenda. For instance, the Growth Agenda highlights the importance of using an integrated framework for trade and production to ensure that Jamaica benefits from its trade relationships. As of mid-2017, a new Foreign Trade Policy was being drafted which, together with the second National Export Strategy, will allow the alignment of trade policy and strategy with the Growth Agenda. A Trade Facilitation Taskforce has recently been established to develop a trade facilitation implementation road map and project plan to enhance the potential contribution of trade to economic growth.

7. Jamaica is active in WTO negotiations. It emphasizes that special and differential treatment must be a fundamental pillar of WTO work and must be appropriately reflected in negotiation outcomes. Jamaica is a proponent of the Work Programmes on Small Economies, supporting the view that the needs and priorities of such economies must be addressed fully and in all areas of the WTO. Jamaica has never been a respondent or complainant in a WTO dispute; during the review period, it was a third party to the dispute settlement case involving bananas. Jamaica

submitted notifications to the WTO in a number of areas. However, no notifications have been made in the areas of customs valuation and GATS since 2011.

8. Jamaica is a member of the Caribbean Community and Common Market (CARICOM), and applies the CARICOM common external tariff (CET) with several exceptions. CARICOM has signed trade agreements with five Latin American countries: Colombia, the Bolivarian Republic of Venezuela, the Dominican Republic, Costa Rica and Cuba. Jamaica, through CARICOM, signed the Economic Partnership Agreement (EPA) with the European Union, which gives it quota-free and duty-free access to the European Union. It has preferential access to the United States through the Caribbean Basin Initiative (CBI), and to Canada under CARIBCAN, and qualifies for GSP treatment from a number of other countries.

9. Jamaica has no specific legislation on foreign investment, and has no policies or regulations reserving certain sectors exclusively to Jamaicans. Foreign companies may hold land without registering in Jamaica, and its privatization programme is open to foreign participation. Incentives, which are accessible to both local and foreign firms, were simplified and streamlined with the coming into force of the Omnibus Incentives legislation. Incentives now contain various levels of tax relief, including import tariffs, additional stamp duties, and corporate income tax.

10. Jamaica ratified the Trade Facilitation Agreement in January 2016. A new Customs Act is to be submitted to Parliament in 2017 to facilitate trade; encourage voluntary compliance with customs laws and procedures; and effectively support the implementation of ASYCUDA World. In addition, Jamaica has improved the use of risk management systems.

11. Tariffs and other duties and charges remain Jamaica's main trade policy instrument. A substantial share of the Government's central revenue is generated from taxes and charges on imports. International trade taxes as a percentage of total tax revenues rose from about 34% in FY2012/13 to some 40% in FY2016/17. Increasingly, the General Consumption Tax (GCT) on imports accounts for most of the revenue, followed by the Special Consumption Tax (SCT). Tariffs represent 7.5% of total taxation revenue. The Environmental Protection Levy on all manufactured goods (local and foreign) entered into force on 1 June 2015. Jamaica's discretionary waivers on duties and taxes have been cut over the last few years in order to reduce distortions and help combat the fiscal deficit.

12. Jamaica's simple average applied MFN tariff rose from 9.4% in 2010 to 10.4% in 2017 mainly due to increases on some items of CARICOM's CET. On average, tariff protection for agricultural products (20.8%) remains substantially higher than for non-agricultural products (7.9%). All imports entering Jamaica are subject to a basic stamp duty, while an additional stamp duty is payable on certain items (mostly agricultural products). When additional stamp duties are taken into account, the overall average border protection increases from 10.4% to 12.6%. Jamaica bound 100% of its tariff lines, with a current average rate of 50.3%. MFN applied rates exceed their bound levels for 32 tariff lines; for some products the gap is over 10 percentage points.

13. Jamaica applies few non-tariff barriers, mostly import and export licensing. Since its last TPR in 2011, Jamaica has not initiated any anti-dumping investigations (compared with five cases over 1995-2011), nor any safeguard cases (one in 1995-2011). It has never taken any countervailing action.

14. Jamaica recently adopted a new SEZ Act in an attempt to meet its obligations under the WTO's Agreement on Subsidies and Countervailing Measures. Under the Omnibus Incentives Legislation 2014, Jamaica repealed the four incentive schemes that were notified to the WTO as containing export subsidies: the Export Industry Encouragement Act; the Industrial Incentives (Factory Construction) Act; the Foreign Sales Corporation Act; and the Jamaica Export Free Zones Act.

15. The National Export-Import Bank (EXIM Bank) is Jamaica's principal trade financing institution and the Caribbean's first export-import bank. It provides financial support to the export sector. All exporters are eligible for financing but specific focus is placed on small and medium-sized entities (SMEs) involved in non-traditional exports (e.g. tourism, manufacturing, agro-processing, ICT and creative industries).

16. In December 2015, Jamaica's first stand-alone Public Procurement Act (PPA) was signed and is expected to enter into force during 2017. The new PPA seeks to improve efficiency, transparency and equity by harmonizing procurement methods and thresholds with international best practices. Nonetheless, a domestic preference of up to 10% will remain, while procuring entities will continue to be encouraged to set aside 15% of their total annual procurement for SMEs.

17. Jamaica's Copyright Act was recently amended to, *inter alia*, extend the term of copyright protection from 50 to 95 years for original literary, dramatic, musical and artistic works, and to fulfill Jamaica's obligations under the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty. Jamaica also amended its Trade Marks Act to establish a cooling-off period in opposition proceedings; increase the period of non-use for which a party can apply to revoke a registration; preserve the rights of an earlier trade mark user; allow the treatment of trade mark applications as property; and allow requests for extension of time in more circumstances. Jamaica is yet to accept the Protocol Amending the TRIPS Agreement.

18. Agriculture represents about 7% of GDP and employs about 18% of the total workforce. Its development has been constrained by an inadequate infrastructure and natural disasters. Jamaica is a net food importer. Its tariff protection for agricultural products remains substantially higher than for non-agricultural products: the simple average MFN tariff rates are 20.8% and 7.9%, respectively, in 2017. Overall protection is still higher, since additional stamp duties are applied mostly on agricultural products, while import licensing, export licensing, and export levies are applied on some agricultural products.

19. Jamaica's merchandise exports are dominated by mining and quarrying products plus alumina. The applied import tariff rate for bauxite is 0%, while that for alumina is 15%, reflecting the Government's intention to encourage local processing. Jamaica has made significant progress in increasing access to electricity, which now reaches 92% of the population. The Electricity Act 2015 replaced its 125-year-old legislation regulating this sector. To lower the burden for business development in Jamaica, the Government reduced the average electricity tariff from US\$0.39 per kWh in 2012 to US\$0.22 in 2016, which falls in the middle of the regional range. The Government has been making efforts to lower generation costs by diversifying electricity generation, by replacing aged generating units with more modern and efficient generation facilities, and by encouraging renewable energy. The contribution of manufacturing to GDP remains at about 8%, and it employs less than 7% of the total work force. After a number of years' contraction, value added of the manufacturing sector grew by 3.6% in 2015, facilitated by reduced electricity costs and lower crude oil prices.

20. Services are the main contributors to the economy, accounting for some 70% of GDP and employing about 67% of the workforce. With respect to financial services, new legislation was passed during the review period: the Banking Services Act was adopted in 2015, and the Bank of Jamaica Act was amended in the same year. Also, the Government has been pre-emptive in dealing with one of the main challenges faced by the banking sector: retaining banking services in the context of de-risking by overseas correspondent banks. As a result, the financial sector has remained relatively stable during the period; although capital adequacy ratios remained flat, profitability indicators improved in 2016. More importantly, the ratio of non-performing loans to total loans for commercial banks decreased from 8.7% in 2011 to 2.7% in 2016. On the other hand, interest-rate spread continues to be high. The Insurance Act was amended in 2016 to keep pace with the development in the local and international insurance markets. The Securities Act was amended in 2014, and in 2016 the Government implemented a strategy to tighten the prudential standards for the securities sector.

21. Competition has been strengthened in the telecommunications sector with the introduction of number portability, and the mobile termination rate was reduced from J\$9 to J\$1.10. During the review period, Internet became the primary means of communication. The overall Internet penetration rate jumped from 4.4% in 2011 to 65% in 2016; during the same period, penetration rates for mobile phone services went up from 108.6% to 120%, while that for fixed line subscribers increased from 9.9% to 11.4%. The establishment of Jamaica's first Internet Exchange Point (IXP) in 2014 is expected to reduce the cost of local Internet traffic.

22. Transport has seen some major progress during the past few years: legislative developments, including those related to civil aviation and shipping; the privatization of the Kingston Container Terminal; the designation of the Ian Fleming Airport as an international

airport; the establishment of another cruise ship terminal; and the completion of a new segment of the tolled highway. These will help reduce transport costs, improve connectivity and help boost the tourism industry. In air transport, cabotage by foreign operators is allowed if there is an un-met need. In maritime transport, foreign-owned ships, if they meet certain conditions, may participate in local trade. Jamaican ships engaging in foreign trade may be declared "exempted ships", and the entities that own or operate them may be exempted from income tax in respect of gains derived from the ownership or operation of the ship for 10 years, renewable. They may also be exempted from transfer tax, stamp duties, and customs duties and GCT on imports to be used for the operation of the exempted ship and on articles imported for the construction, repair, of the ship.

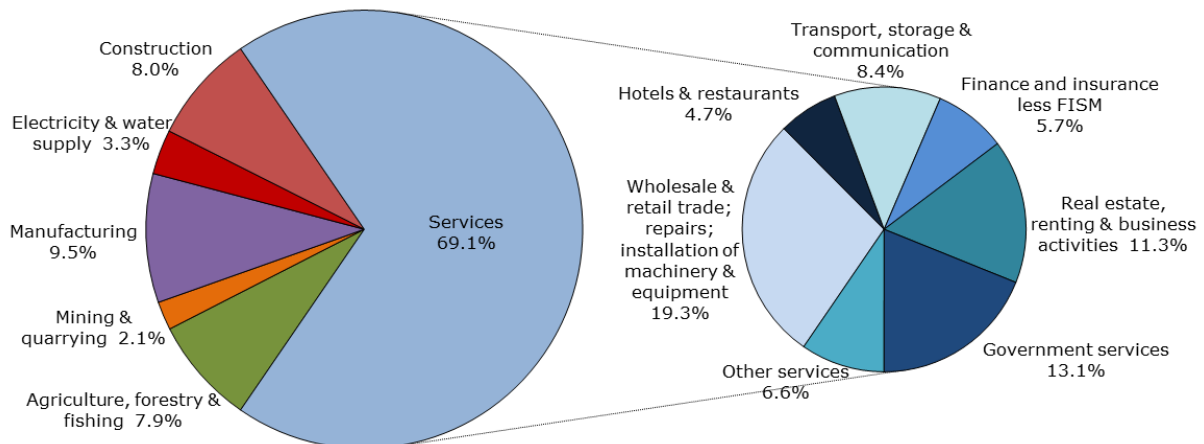
23. The tourism sector is the mainstay of the Jamaican economy: it continues to grow, and contributes over 9% to GDP directly – and about 30% when secondary effects are included. It is also a major foreign exchange earner, accounting for over half of total exports. The sector benefits from the new Omnibus Incentive schemes, which mainly include reduced customs duty, additional stamp duty rates, and corporate income tax rates. In this respect, the authorities indicated that more persons and more subsectors benefit from the incentive programmes under the new legislation, and incentives are now in perpetuity.

1 ECONOMIC ENVIRONMENT

1.1 Main Features of the Economy

1.1. The Jamaican economy is highly trade-oriented and dependent on travel and tourism (about 8% of GDP and 1 in 13 jobs in 2015), remittances (16.7% of GDP in 2015), and relatively few export products (Section 1.3.1). Commercial services are the main contributor to its output, with an estimated 69.1% share of GDP in 2016, followed by manufacturing; construction; and agriculture, forestry and fishing (Chart 1.1). For several decades, Jamaica has been afflicted by low economic growth, with real GDP averaging 0.7% since 1990¹, a high unemployment rate (rarely dropping below 13%), and a large informal sector.²

Chart 1.1 GDP by economic activity (at current prices), 2016



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

1.2. Jamaica's low economic growth is partly due to negative external shocks, such as the drought conditions that led to a decline in agriculture in 2013-2015 (Section 4.1.1), and the falling aluminium prices that depressed exports (Section 1.1.2.1). Nonetheless, slow growth is also the result of structural constraints, notably public sector low efficiency that has caused an inadequate allocation of resources and weak public financial management; key infrastructure bottlenecks, such as energy and transportation; long-term decline in productivity; and continued dependence on a few export products that have lost competitiveness in recent times.

1.3. At the time of its previous TPR, Jamaica had been affected by the global economic crisis that resulted in an economic decline of 1.9% on average during 2008-10, as well as marked decreases in foreign exchange earnings.³ After the economy contracted again in fiscal year 2012/13 in the wake of Hurricane Sandy, a US\$932 million four-year Extended Fund Facility (EFF) was signed with the IMF in May 2013 to avert a severe fiscal and balance of payments crisis. Under the EFF, the key goals of Jamaica's economic reform programme included boosting growth and employment, improving external competitiveness, achieving fiscal and debt sustainability, strengthening the financial system, supporting the poor, and tackling structural issues.⁴

1.2 Recent Economic Developments

1.4. In November 2016, the Jamaican Government terminated the EFF and signed a three-year precautionary Stand-By Arrangement (SBA) with the IMF. The SBA arrangement, approximately

¹ Jamaica's GDP growth rate is well below, for example, the 3.8% average achieved across Latin America and the Caribbean between 1990 and 2015. Inter-American Development Bank and Inter-American Investment Corporation (2016), *IDBG Country Strategy with Jamaica 2016-2021*, Washington D.C.

² Some studies estimate the informal sector in Jamaica at about 40% of GDP. See C. Wedderburn, E. Chiang, and R. Rhodd (2010), *"The informal economy in Jamaica: Is it feasible to tax this sector?"*, Journal of International Business and Cultural Studies. The most common explanation for why enterprises remain informal is the high cost of doing business (Section 3.1.1). Tax avoidance is perhaps the single key reason.

³ WTO (2010), *Trade Policy Review of Jamaica*, Geneva.

⁴ IMF Country Report No. 16/181.

US\$1.64 billion, provides insurance against unforeseen adverse external economic shocks and allows the Government to focus reform efforts to deliver better growth and job outcomes, reduce poverty and sustain macroeconomic stability. The main pillars of the SBA are to: better support growth, jobs, and social protection, including by improving public sector efficiency, rebalancing from direct to indirect taxes, strengthening the social safety net, and reallocating public resources to growth-enhancing capital spending; reduce public debt to 60% of GDP by 2025/26 by maintaining primary surplus at 7% of GDP for the duration of the new arrangement; modernize the monetary policy framework and build the foundation for an eventual move to inflation targeting, while maintaining exchange rate flexibility and continuing to build precautionary reserves; and bolster the resilience of the financial system.⁵

1.5. Jamaica has made major strides in restoring macroeconomic stability over the last few years, pursuing prudent fiscal policy, reducing public debt, and undertaking significant changes to its tax policy. Moreover, the financial system has become more resilient to shocks, inflation is at historic lows, the current account deficit has more than halved, net international reserves have doubled, and business confidence is high. Nonetheless, economic growth remains elusive with an average GDP growth rate of only 0.7% since fiscal year 2011/12 (Table 1.1). As a result, one fifth of the population still lives under the poverty line. The Jamaican authorities' GDP growth forecast is 1.6% and 2% for FY 2016/17 and FY 2017/18, respectively.⁶ Good tourism performance is expected to continue driving the economy, with recovery in agriculture and manufacturing also contributing.

Table 1.1 Selected economic indicators, 2011/12-2016/17^a

	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017 ^b
Real sector indicators						
Nominal GDP (J\$ billion)	1,260	1,338	1,462	1,572	1,690	1,758
Nominal GDP (US\$ million)	14,590	14,682	14,078	13,901	14,239	13,828
Real GDP at basic prices (% change)	0.9	-0.7	1.0	0.2	1.0	1.6
Consumer prices (average; % change)	7.3	7.2	9.4	7.2	3.4	2.4
Consumer prices (end period; % change)	7.3	9.1	8.3	4.0	3.0	4.1
Unemployment rate (%)	14.4	16.3	13.6	13.2	13.7	12.9
Money and banking (% change)						
Broad money (%change)	5.1	13.3	6.1	5.7	19.4	10.9
Credit to the private sector (%change)	13.7	18.2	11.0	4.0	9.6	15.6
Central government finances (% of GDP)						
Budgetary revenue	25.6	25.8	27.1	26.2	27.0	28.2
Of which: Tax revenue ^c	23.0	23.9	23.6	23.6	24.4	25.7
Budgetary expenditure	32.0	29.8	27.0	26.7	27.2	28.9
Budgetary balance	-6.4	-4.1	0.1	-0.5	-0.3	-0.7
Public debt ^d	140.3	145.3	140.5	136.6	120.2	122.5
External sector						
J\$/US\$ (period average)	86	91	104	113	119	127
Real effective exchange rate (end of period, % change; appreciation +)	2.8	-3.7	-4.2	2.0	-2.3	1.5
Current account (% of GDP)	-13.6	-10.4	-8.7	-7.0	-1.7	-3.2
External debt (% of GDP) ^e	59.5	60.2	63.0	62.8	77.1	75.6
FDI, net (% of GDP)	2.1	2.7	4.1	4.7	6.9	5.4
Gross international reserves (US\$ million)	2,639	1,718	2,049	2,690	2,894	3,200
In months of imports	4.3	2.9	3.6	4.8	5.6	5.9

a Fiscal year from 1 April to 31 March.

b Provisional.

c As from 2014/15, it reflects the extension of the General Consumption Tax (GCT) to government purchases.

d Central government direct and guaranteed only, including PetroCaribe debt (net of its financing to the central Government) and projected IMF disbursements and other IFIs.

f Total foreign currency denominated debt of the central Government.

Source: Data provided by the Jamaican authorities.

1.6. The inflation rate (end period) fell from 7.3% in FY 2011/12 to 4.1% in FY2016/17, primarily owing to lower world oil prices and weakness in domestic demand due to the impact of fiscal

⁵ IMF Press Release No. 16/503, 11 November 2016.

⁶ The IMF estimates real GDP growth rates of 1.5% and 2% for 2016 and 2017, respectively. IMF (2017), World Economic Outlook, April, Washington, D.C.

consolidation.⁷ Supported by low inflation, the real effective exchange rate has depreciated during the period under review. According to the IMF, the exchange rate is broadly in line with fundamentals, and maintaining a floating exchange rate, with the Jamaican dollar (J\$) depreciating by at least as much as the inflation differential with its key trading partners, is needed to avoid past patterns of competitiveness erosion from currency overvaluation.⁸ For 2017, the IMF estimates an average inflation rate of 4.5% (3.8% in 2016).⁹

1.7. Fiscal discipline has been the central plank for macroeconomic stability in Jamaica, after decades of high debt service hindered the provision of essential public services, including security, education, and energy. Over the last few years, comprehensive reforms have been taken in tax policy and administration, including reductions on discretionary waivers on duties and taxes (Section 3.1.3). This, together with strong programme implementation and a PetroCaribe debt buyback¹⁰, have helped to reduce the fiscal deficit from 6.4% of GDP in FY 2011/12 to 0.7% in FY 2016/17. Similarly, public debt, as a percentage of GDP, fell from 140.3% to 122.5% during the period. Nonetheless, according to the IMF further fiscal reforms are needed. For example, the public sector wage bill, which is budgeted to exceed 10% of GDP in FY 2016/17 and absorbs over one third of government revenues, continues to crowd out other spending, and its reduction hinges on reforms to modernize the public sector.

1.8. The Jamaican authorities remain resolute in maintaining a strong fiscal position and aim to achieve a primary surplus of 7% of GDP for FY 2017/18 through to FY 2019/20 and bring debt-to-GDP down to 60% by FY 2025/26. A key part of the Government's fiscal strategy is to improve the growth-friendliness of the tax system by shifting some of the tax burden from productive inputs, notably labour, to indirect taxation (Section 3.1.5). Under the 2016/17 budget, the annual exemption threshold for personal income tax was increased from J\$592,800 to J\$1,500,096 in a two-step process.¹¹

1.9. Jamaica's current account deficit, as a percentage of GDP, decreased from 13.6% in 2011/12 to an estimated 3.2% in 2016/17, largely due to reduced import costs (notably fuels), and sustained tourism and remittances earnings. This improvement occurred despite a drop in some key exports such as aluminium ore and bauxite (Section 1.1.2). For 2017, the IMF expects a current account deficit of 3.1% of GDP (2.7% in 2016).¹² Traditionally, Jamaica has had a persistent merchandise trade deficit. During the review period, it decreased from US\$4,112 million in 2011 to US\$3,177 million in 2016 (Table 1.2), consistent with movements of the real exchange rate. With a more sound current account position and capital inflows, the Bank of Jamaica was able to build up gross reserves from US\$2,639 million to US\$3,200 million during the review period (Table 1.1).

Table 1.2 Balance of payments, 2011-16

(US\$ million)

	2011	2012	2013 ^a	2014 ^a	2015 ^b	2016 ^b
Current account	-1,913.8	-1,440.2	-1,356.8	-1,114.4	-399.8	-306.5
Goods balance	-4,111.7	-3,905.7	-3,877.7	-3,759.0	-3,164.0	-3,177.1
Exports (f.o.b.)	1,623.7	1,728.5	1,580.5	1,448.6	1,254.8	1,117.1
Imports (f.o.b.)	5,735.3	5,634.2	5,458.2	5,207.6	4,450.4	4,348.2
Services balance	667.5	578.3	696.6	707.5	897.9	1,065.0
Transportation	-559.7	-726.2	-688.8	-696.0	-573.3	-593.5
Travel	1,830.8	1,885.3	1,895.5	2,057.3	2,166.1	2,286.8
Other services	-603.7	-580.9	-510.4	-653.8	-694.9	628.3

⁷ Until its recent decline, inflation in Jamaica had been high and unstable, making expectations hard to anchor. According to the IMF, although the Bank of Jamaica regards inflation target as its nominal anchor, it should firmly establish a single mandate for achieving price stability to provide clear policy signals. IMF Country Report No. 16/181.

⁸ Maintaining a flexible exchange rate would imply that interventions by the Bank of Jamaica in the foreign exchange market should be largely for the purpose of building reserves and smoothing out excessive exchange rate volatility. IMF Country Report No. 16/181.

⁹ IMF (2017), World Economic Outlook, April, Washington, D.C.

¹⁰ On 23 July 2015, Jamaica raised US\$2 billion on the international capital market through the issue of two new Eurobonds. In August 2015, US\$1.5 billion was used to purchase US\$3.25 billion in debt owed to state-owned Venezuelan oil company Petróleos de Venezuela SA by Jamaica's PetroCaribe Development Fund.

¹¹ The first phase came into effect in July 2016 (raising the income tax threshold to J\$1 million), and the second phase increase to J\$1.5 million in April 2017.

¹² IMF (2017), World Economic Outlook, April, Washington, D.C.

	2011	2012	2013 ^a	2014 ^a	2015 ^b	2016 ^b
Income	-459.4	-199.6	-333.6	-298.4	-440.0	-585.1
Compensation of employees	46.3	59.6	50.0	63.9	80.9	76.8
Investment income	-505.7	-259.2	-383.6	-362.3	-520.8	-661.9
Current transfers	1,989.8	2,086.8	2,157.9	2,235.5	2,306.4	2,390.8
Official	141.3	168.3	196.6	165.3	165.5	186.8
Private	1,848.4	1,918.5	1,961.2	2,070.2	2,140.8	2,204.0
Capital & financial account	1,913.8	1,440.2	1,356.8	1,114.4	399.8	306.5
Financial account	1,554.9	2,092.3	1,421.7	755.5	273.0	324.3
Other official investment	488.7	781.8	516.6	821.8	1,202.2	25.4
Other private investments ^c	861.0	-217.4	732.8	1,208.0	1,365.1	632.1
Reserves ^d	205.2	840.5	77.8	-953.3	-435.9	-282.3

a Revised.

b Provisional.

c Includes errors and omissions.

d Minus denotes increase.

Source: Data provided by the Jamaican authorities.

1.3 Developments in Trade and Investment

1.3.1 Trends and patterns in merchandise and services trade

1.10. As a small, open, island economy, Jamaica is highly dependent on international trade: its ratio of exports and imports of goods and services to GDP averaged around 80% during the review period. Jamaica ranks 118th among world merchandise exporters and 96th among importers (considering EU member States as one and excluding intra-EU trade).¹³

1.11. Jamaica's merchandise exports (including re-exports) decreased from US\$1,623 million in 2011 to US\$1,202 million in 2016 mainly due to the decline in global commodity prices of mineral exports. Re-exports accounted for 8.7% of total merchandise exports in 2016 (5% in 2011). The export structure remains heavily concentrated in chemical and mineral products (mostly bauxite and aluminium) which together accounted for 62.8% of total exports in 2016, against 70% in 2011 (Chart 1.2 and Table A1.1). Also important are prepared foodstuffs, beverages, and spirits, their share in total merchandise exports increased from 16.4% to 17.4% during the period.

1.12. Merchandise exports are also highly concentrated geographically; the United States, the European Union and Canada together took 71.4% of Jamaica's exports in 2016 (Chart 1.3 and Table A1.3). Nonetheless, the share of the United States, Jamaica's single most important export market destination, decreased from 51.7% in 2011 to 41.5% in 2016. The European Union's participation in Jamaica's total merchandise exports (led by the Netherlands and the United Kingdom) averaged 18.5% during the period. Noteworthy is the increase in the share of Iceland in Jamaica's total exports from 0.5% in 2011 to 7.8% in 2015 reflecting higher demand for alumina to produce aluminium¹⁴, although this share decreased to 2% in 2016.

1.13. Merchandise imports went down from US\$6,437 million in 2011 to US\$4,767 million in 2016, largely associated with the decline in the international price of crude oil. There is considerably more balance across commodity groups in Jamaica's import structure (Chart 1.2 and Table A1.2). The largest category is mineral fuels (petroleum products) although its share declined from 35.9% in 2011 to 19.8% in 2016, while that of machinery and transport equipment (including motor vehicles) increased to 14.7% in 2016 (10.% in 2011). Prepared foodstuffs, beverages and spirits; and chemicals, including ethanol feedstock, and medicinal and pharmaceutical products also represent a sizeable part of Jamaica's total merchandise imports.

1.14. The United States continues to be Jamaica's largest source of merchandise imports with 39.5% in 2016, up from 33.6% in 2011. Much of this trade is in food, machinery, motor vehicles, industrial inputs, and materials for assembly and exports. Trinidad and Tobago was the second largest single source market accounting for 7.3% of merchandise imports in 2016. The

¹³ WTO Statistics database, "Trade Profiles: Jamaica ". Viewed at: <http://stat.wto.org/CountryProfile/JM-e.htm>

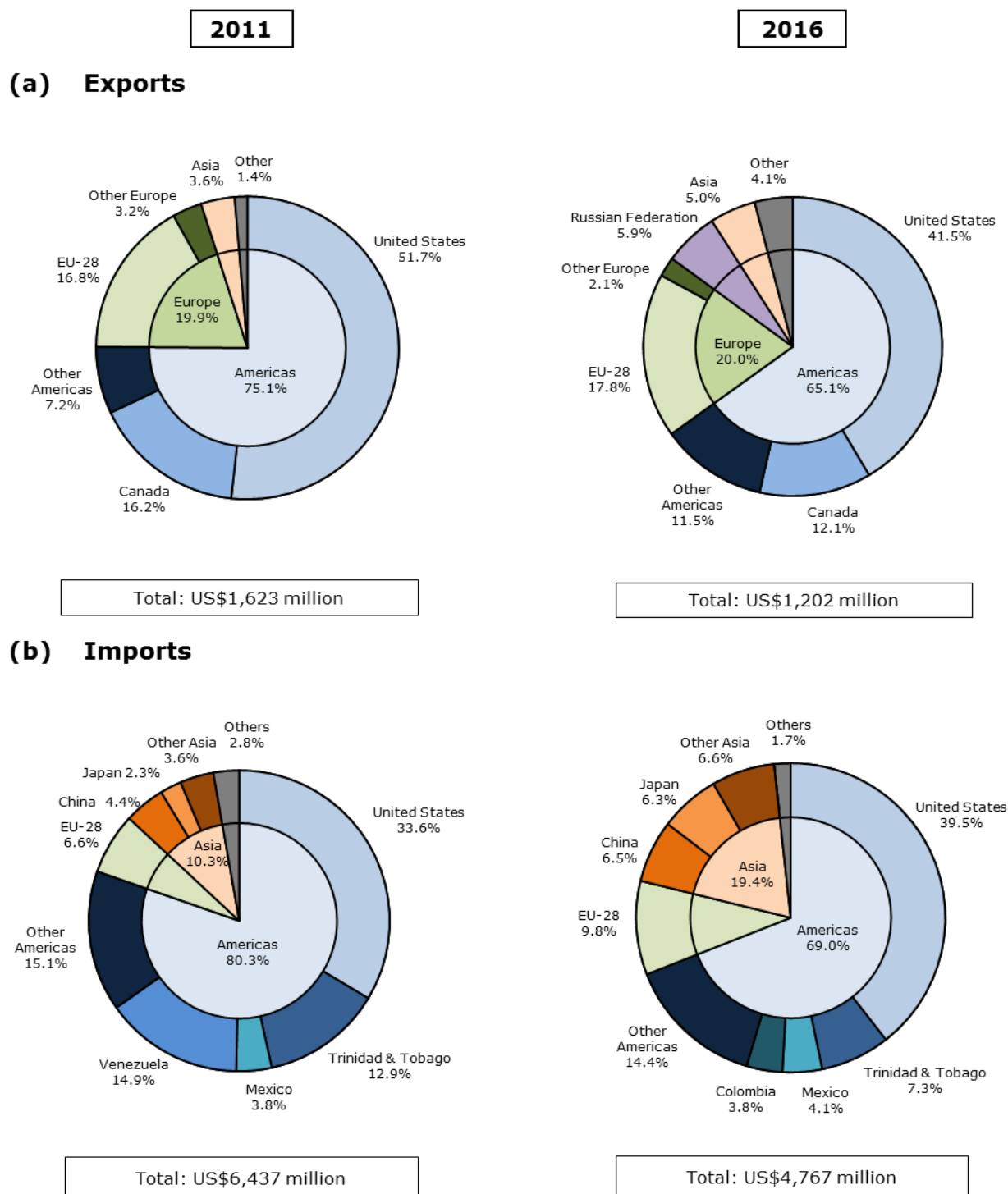
¹⁴ Iceland is now one of the ten largest aluminium producers in the world following the completion of large-scale investment projects in the aluminium and power sectors.

participation of the European Union in Jamaica's total imports went up from 6.6% to 9.8% during the period, while that of China and Japan also increased (Chart 1.3 and Table A1.4).

Chart 1.2 Merchandise trade by main HS sections, 2011 and 2016



Source: UNSD, Comtrade database.

Chart 1.3 Direction of merchandise trade, 2011 and 2016

Source: UNSD, Comtrade database.

1.15. In services trade, Jamaica ranks 67th as exporter and 82nd as importer in the world (considering EU member States as one and excluding intra-EU trade).¹⁵ On the back of strong tourism (travel) earnings, Jamaica has traditionally been a net exporter of services, with a surplus that averaged US\$620 million since 2011. Main services outflows refer to transportation and other business services (Table 1.3).

¹⁵ WTO Statistics database, "Trade Profiles: Jamaica".

Viewed at: <http://stat.wto.org/CountryProfile/JM-e.htm>

Table 1.3 Trade in services (net), 2011-16

(US\$ million)

	2011	2012	2013	2014	2015 ^a	2016 ^a
Services	667.5	578.3	696.6	707.5	897.9	1,065.0
Transportation	-559.7	-726.2	-688.8	-696.0	-573.3	-593.5
Passenger fares	-6.4	-234.2	-215.5	-258.7	-178.0	-203.7
Freight	-715.5	-710.0	-684.6	-647.5	-569.6	-583.6
Other	161.9	218.0	210.6	210.1	174.3	193.8
Travel	1,830.8	1,885.3	1,895.8	2,057.3	2,166.1	2,286.8
Other services	-603.7	-580.9	-510.4	-653.8	-694.9	-628.3
Construction services	-72.6	-32.4	-44.0	-61.1	-91.6	-60.2
Communication services	36.9	25.4	49.2	25.1	25.1	30.3
Insurance services	-134.1	-166.6	-131.4	-172.6	-149.8	-114.7
Financial services	-2.7	-8.7	-14.3	-27.7	-30.9	-30.4
Computer and information services	-0.9	12.1	14.1	17.1	16.8	17.1
Royalties and licence fees	-43.5	-56.1	-50.9	-44.5	-45.2	-45.5
Other business services	-380.7	-389.0	-377.8	-421.4	-451.9	-457.4
Personal, cultural and recreational	23.4	75.7	75.4	62.7	62.7	62.7
Government services	-29.3	-41.3	-30.7	-31.4	-30.2	-30.2

a Preliminary.

Source: Data provided by the Jamaican authorities.

1.3.2 Trends and patterns in FDI

1.16. During the review period, Jamaica took measures to attract larger FDI inflows and improve the business climate, as shown in the World Bank's report on doing business, where Jamaica's ranking improved from 81st (out of 183 economies) in 2011 to 67th (out of 190 economies) in 2017.¹⁶ These measures include: simplifying the tax system; broadening the tax base; implementing an electronic platform for the payment of taxes and establishing a 90-day window for development approvals; enacting the Insolvency Act to make bankruptcy proceedings more efficient; establishing credit bureaux and the Collateral Registry under the Secured Interest in Personal Property legislation to improve access to credit; and the enactment of the new Electricity Act (Section 4.2.2) and the new Public Procurement Act 2015 (Section 3.3.6). Once fully implemented, these measures will positively impact the investment climate.

1.17. Nonetheless, Jamaica's potential for attracting foreign investors and fostering domestic investment remains largely untapped. Its FDI inflows averaged around US\$664 million per year during 2012-15 (Table 1.4), and total FDI inflows and domestic investment totalled 21% of GDP in 2014, one of the lowest in the region. According to external sources, private investment has been inhibited by several factors, notably crime and theft, government bureaucracy, and relatively high tax rates.¹⁷

Table 1.4 FDI, 2012-16

(US\$ million)

	2012	2013	2014	2015	2016
FDI inflows	413	545	582	925	856
FDI inward stock	12,119	12,664	13,246	14,171	15,027
FDI inward stock (% of GDP)	85.4	89.6	95.5	99.7	107.7
FDI outflows	90	-86	-2	4	286
FDI outward stock	510	317	314	319	604
FDI outward stock (% of GDP)	3.4	2.3	2.3	2.2	4.3

Source: UNCTAD (2017), *World Investment Report 2017*, Geneva.

1.18. Tourism, mining and the IT/telecoms sectors remain key FDI inflow drivers in Jamaica (Table 1.5), led by investors from China and Spain. Business process outsourcing, including call centre and other technical support, has become an emerging activity for local and foreign

¹⁶ World Bank online information.Viewed at: <http://www.doingbusiness.org/data/exploreeconomies/jamaica>¹⁷ World Economic Forum online information.Viewed at: <http://reports.weforum.org/global-competitiveness-report-2016-2017/economies/#economy=JMA>

investment, most prominently from the United States, and the Jamaican Government recently approved a five-year plan to expand these activities.¹⁸

Table 1.5 FDI inflows by sector, 2011-16

(US\$ million)

	2011	2012	2013	2014	2015	2016 ^a
Information technology and communication	85.7	93.8	51.1	14.2	1.1	9.3
Minerals and chemicals	6.0	33.9	56.9	0.0	0.0	0.0
Tourism	7.5	5.8	103.8	124.8	368.2	257.6
Mining	29.2	55.9	28.3	25.8	82.1	25.5
Other	43.9	136.7	261.1	326.7	246.8	305.1
Sub-total	172.3	326.1	501.3	491.6	698.2	597.5
Retained earnings	45.9	87.1	43.5	90.6	226.8	192.9
Total	218.2	413.3	544.7	582.1	925.0	790.4

a Preliminary.

Source: Data provided by the Jamaican authorities.

1.4 Outlook

1.19. According to the IMF, Jamaica's potential GDP growth is below 1.5%, among the lowest in the region. Steady implementation of structural reforms (especially in the business environment, physical infrastructure, and human resources development areas) and prudent macroeconomic policies seem critical to boost potential growth and reduce poverty in Jamaica. On 27 April 2016, the Economic Growth Council was established with the key goal of increasing GDP growth to 5% by 2020.¹⁹ The Jamaican authorities acknowledge that an increase in potential growth also requires redoubling efforts to jumpstart private sector-led growth. Private sector dynamism is constrained by multiple factors, such as high crime, lack of financial access and high financing cost, and high tax compliance cost. The World Bank's Doing Business indicators show that trade facilitation, contract enforcement, and property registration are some of the areas Jamaica needs urgently to improve.²⁰

1.20. Jamaica's development goals are defined in its "Vision 2030", which dates back to 2009. This National Development Plan, implemented through a series of three-yearly medium-term socio-economic policy frameworks, presents a strategic roadmap for Jamaica to achieve developed country status by 2030. In these documents and strategies, trade is an important factor to overcome development challenges from two perspectives: developing the capacity to trade, i.e. improving competitiveness in export markets; and ensuring that the wider society obtains development benefits from trade through increased revenues and employment. For instance, reference is made to the need to develop economic linkages and clusters and to the need to support local communities.²¹

1.21. Prioritized sectors under Jamaica's second National Export Strategy II (NES II) 2015-2019 are: agro-processing and agribusiness (including nutraceuticals), mining, film and animation, information technology enabled services, and manufacturing (Section 2.2).

¹⁸ U.S. Department of State online information. "2015 Investment Climate Statement: Jamaica". Viewed at: <http://www.state.gov/e/eb/rls/othr/ics/2015/241607.htm>

¹⁹ The Economic Growth Council comprises public and private sector participants to drive growth-oriented projects. Over the next years, the authorities plan to invest in agro-parks and water infrastructure, seek out large foreign investments, and improve skill training of young people, in order to support growth and job creation.

²⁰ World Bank online information. Viewed at: <http://www.doingbusiness.org/data/exploreeconomies/jamaica>

²¹ UNCTAD (2015), *Trade Policy Framework: Jamaica*, Geneva.

2 TRADE AND INVESTMENT REGIME

2.1 General Framework

2.1. Jamaica is a parliamentary democracy based on the British model. The British monarch is the Head of State, and is represented locally by the Governor-General. Under the 1962 Constitution, the Governor-General is appointed on the recommendation of the Prime Minister, and acts in accordance with the advice of the Prime Minister in most cases.¹ The current Governor-General has served since 2009.

2.2. The legislative power is vested in the bicameral Parliament consisting of two houses: a nominated Senate and an elected House of Representatives. The Senate consists of 21 Members appointed by the Governor-General: 13 on the advice of the Prime Minister and 8 on the advice of the Leader of the Opposition. The House of Representatives is made up of 63 Members of Parliament, elected for five-year terms.

2.3. The executive authority rests with the Cabinet, which is accountable to Parliament. The Prime Minister forms the Cabinet and presides over it. The Prime Minister selects the Ministers and the Ministers of State and Parliamentary Secretaries to be appointed by the Governor-General. The current Prime Minister was elected in February 2016 and was inaugurated in March 2016.

2.4. A bill may be introduced by any member of either House, while money bills can only be introduced in the House of Representatives. The Senate may submit bills, and it also reviews legislation submitted by the House of Representatives. It may not delay budget bills for more than one month, or other bills for more than seven months. The Governor-General's formal assent is required for bills of Parliament to become law. When the Governor-General assents to a bill, the notification of the assent must be published in the Gazette. Every Act, except where expressly provided for within the Act, comes into effect on the date of the publication of the assent.

2.5. A network of courts is responsible for the administration of justice in Jamaica. Judges are appointed by the Governor-General on the advice of a Judicial Service Commission, which includes the Chief Justice and the President of the Court of Appeal. The Governor-General, on the advice of the Prime Minister, appoints the Chief Justice and the President of the Court of Appeal, after consultation with the Leader of the Opposition. The head of the judicial system is the Chief Justice. The Judicial Committee of the Privy Council, which sits in the United Kingdom, is the court of final appeal for Jamaica.

2.6. CARICOM governments created the Caribbean Court of Justice (CCJ) in 2005, which has an exclusive jurisdiction for interpreting provisions of the Revised Treaty of CARICOM (RTC). The CCJ has both an original and an appellate jurisdiction. In its original jurisdiction, the Court has compulsory and exclusive jurisdiction to hear and determine disputes concerning the interpretation and application of the RTC. Jamaica has accepted the original jurisdiction of the CCJ, which is incorporated under domestic law through the Caribbean Court of Justice (Original Jurisdiction) Act (entered into force on 23 March 2012). Jamaica is not a party to the Court's appellate jurisdiction.

2.7. International agreements are concluded by Jamaica after approval by the Cabinet. Provisions of international agreements to which Jamaica is a party, including WTO agreements, must first be incorporated into domestic law before they can be invoked before the courts. The authorities stated that there are instances where a court may refer to the provisions of a treaty to which Jamaica is a party even though it has not been incorporated into domestic law.²

2.8. According to the World Bank's Doing Business Report, in 2017 resolving a standard contract enforcement dispute takes 550 days and costs 45.6% of the value of the claim (the Latin America and Caribbean average is 749 days and 31.3% of the claim).³ Jamaica stands globally at 117th out of 190 economies on the ease of enforcing contracts, which is one of the major areas requiring improvement (Section 2.4.4).

¹ The Jamaica Constitution, 1962. Viewed at: <http://jis.gov.jm/media/constit.pdf> [4 November 2016].

² This could possibly occur, for example, in relation to certain environmental and human rights matters.

³ World Bank (2016), *Doing Business 2017 – Equal Opportunity for All – Economy Profile 2017 Jamaica*.

Viewed at: <http://www.doingbusiness.org/~media/wbq/doingbusiness/documents/profiles/country/jam.pdf> [07 November 2016].

2.9. The formulation and coordination of Jamaica's international trade policy remains mainly under the authority of the Ministry of Foreign Affairs and Foreign Trade (MFAFT), which coordinates trade policy matters and is responsible for bilateral, regional and multilateral trade and investment negotiations.

2.10. The Jamaica Trade and Adjustment Team (JTAT), set up in 2001, is the consultation and coordination mechanism between the public and private sectors. Its main functions include: assisting in policy formulation and implementation on foreign trade policy issues; facilitating effective coordination of public and private sector organizations and individuals involved in foreign trade policy formulation and implementation; and providing information and advice regarding multilateral and bilateral negotiations.

2.11. Other ministries, departments and agencies involved in trade-related activities include: the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAFA); the Ministry of Economic Growth and Job Creation; the Ministry of Transport and Mining; the Ministry of Tourism; the Ministry of Culture, Gender, Entertainment and Sport; the Ministry of Science, Energy and Technology; the Statistical Institute of Jamaica; the Ministry of Finance and the Public Service; the Bank of Jamaica (BOJ); the Jamaica Customs Agency; Jamaica Promotions Corporation (JAMPRO); and the Financial Services Commission.

2.12. Jamaica ratified the United Nations Convention against Corruption (UNCAC) in 2005, which took effect in 2008.⁴ It is also a party to the Inter-American Convention against Corruption. The Commission for the Prevention of Corruption remains the national anti-corruption agency. It administers and enforces the Corruption (Prevention) Act, which was passed in 2000 and became operational in 2003. Under the Act, public servants may be imprisoned for up to 10 years and fined up to J\$160,000 if convicted of engaging in acts of bribery. Jamaican individuals and companies face the same penalties as public servants if they bribe foreign public officials. Certain categories of public servants must make statutory declarations of their assets, liabilities and income, and investigations are conducted if those government employees' declared assets are not in keeping with their total emoluments.⁵ In 2011, the Protected Disclosures Act was passed.

2.13. The authorities considered "crime and a lack of public security as a key social and economic issue that is holding Jamaica back".⁶ The Government intends to address corruption by strengthening the framework around seizures, forfeitures, and witness protection, and implementing AML/CFT (anti-money laundering/combating the financing of terrorism) measures to prevent the laundering of proceeds of corruption. The Economic Growth Council (EGC) (see below) proposed submitting legislation to Parliament to establish a Major Organized Crime and Anti-Corruption Agency, as an independent national law enforcement agency focused on terrorism, major organized crime, and serious corruption. The IMF stated that implementation of proposals made by the EGC, including a comprehensive review of several laws that govern crime and corruption, is advancing.⁷

2.14. Legislation passed prior to 2010 is available online on the Ministry of Justice website (<http://moj.gov.jm/laws>), while legislation passed after 2009 is available on the Parliament website (<http://www.japarliament.gov.jm>). A large amount of trade-related legislation has been revised or amended since 2011 (Table 2.1).

⁴ United Nations Office on Drugs and Crime (UNODC) online information. Viewed at: <https://www.unodc.org/unodc/en/treaties/CAC/signatories.html> [7 November 2016].

⁵ Ministry of Justice online information. Viewed at: <http://moj.gov.jm/commission-for-the-prevention-of-corruption> [8 November 2016].

⁶ IMF (2017), *Jamaica – First review under the stand-by arrangement, request for waiver of a performance criterion, and request for modification of performance criteria*, IMF Country Report No. 17/98, April, Washington D.C. Viewed online at: <http://www.imf.org/en/Publications/CR/Issues/2017/04/18/Jamaica-First-Review-Under-the-Stand-By-Arrangement-Request-for-Waiver-of-a-Performance-44844> [22 May 2017].

⁷ IMF (2017), *Jamaica – First review under the stand-by arrangement, request for waiver of a performance criterion, and request for modification of performance criteria*, IMF Country Report No. 17/98, April, Washington D.C. Viewed online at: <http://www.imf.org/en/Publications/CR/Issues/2017/04/18/Jamaica-First-Review-Under-the-Stand-By-Arrangement-Request-for-Waiver-of-a-Performance-44844> [22 May 2017].

Table 2.1 Selected trade-related legislation, revised, amended or newly issued since 2011

Area	Legislation
Import and export procedures	Customs (Amendment) Act, 2014 & 2015
	Trade (Prohibition of Import) (Hydraulic Cement) Order, 2015
	Trade Scrap Metal Regulations, 2013
	Aquaculture, Inland and Marine Produce and By-Products (Inspection, Licensing and Export) (Change of Name and Amendment) Act, 2013
	Conch (Export Levy) (2013 Conch Season) (Special Provision) Act, 2013
	Conch (Export Levy) (Special Provision) Act, 2015
	Conch (Export Levy) (Validation and Indemnity) Act, 2013
Tariff	Customs Tariff (Revision) (Amendment) Resolution, 2013
	Customs Tariff (Revision) (Amendment) (No. 2) Resolution, 2013
	Customs Tariff (Revision) (Amendment) (No. 3) Resolution, 2013
	Customs Tariff (Revision) (Amendment) (No. 4) Resolution, 2013
	Customs Tariff (CARICOM Costa Rica Free Trade Agreement) Resolution, 2014
	Customs Tariff (CARICOM Republic of Cuba Economic Cooperation Agreement) Resolution, 2014
	Customs Tariff (CARICOM Dominican Republic Free Trade Agreement) Resolution, 2014
Investment, taxation and incentives	Customs Tariff (Revision) (Amendment) (No. 2) Resolution, 2014
	Customs Tariff (Revision) (Amendment) (No. 3) Resolution, 2014
	Insolvency Act, 2014
	General Consumption Tax (Amendment) Act, 2014
	General Consumption Tax (Amendment) (No. 2) Act, 2014
	Revenue Administration (Amendment) Act, 2015
	Minimum Business Tax Act, 2015
SEZs	Urban Renewal (Tax Relief) (Amendment) Act, 2015
	Fiscal Incentives (Miscellaneous Provisions) Act, 2013
	Income Tax Relief (Large Scale Projects and Pioneer Industries) Act, 2013
	Income Tax (Amendment) Act, 2015
	Transfer Tax (Amendment) Act, 2014
	Stamp Duty (Amendment of Schedule) Order, 2013
	Special Economic Zones Act, 2016
Competition policy	Consumer Protection (Amendment) Act, 2012
TBT	Standards (Amendment) Act, 2012
SPS	Aquaculture, Inland and Marine Produce and By-Products (Inspection, Licensing and Export) (Change of Name and Amendment) Act, 2013
	Weights and Measures (Amendment) Act, 2015
	Processed Food (General) (Amendment) Regulations, 2012
	Standards (Labelling of Processed Food) (Amendment) Regulations, 2012
Government procurement	Public Procurement Act, 2015
IPRs	Protection of Plant Genetic Resources for Food and Agriculture Act, 2013
	Trade Marks (Amendment) Rules, 2011
	Trade Marks (Amendment) Act, 2013
	Copyright (Amendment) Act, 2015
Sectoral legislation	
Agriculture, fishery	Fishing Industry (Amendment) Act, 2015
Electricity	Electricity Act, 2015
Services	Bank of Jamaica (Amendment) Act, 2015
	Banking Services Act, 2014
	Banking Services (Amalgamation & Transfers) (Banks & Merchant Banks Regulations), 2015
	Banking Services (Deposit Taking Institutions) (Capital Adequacy) Regulations, 2015
	Banking Services (Deposit Taking Institutions) (Licence Applications) Rules, 2015
	Banking Services (Establishment of Branches) Regulations, 2015
	Banking Services (Hours of Opening) Regulations, 2015
	Banking Services (Licence Fees) Regulations, 2015
	Financial Services Commission (Amendment) Act, 2013, 2014 & 2016
	Jamaican International Financial Services Authority Act, 2011
	Financial Administration and Audit (Amendment) Act, 2014
	Insurance (Amendment) Act, 2016
	Insurance (Actuaries) (General Insurance Companies) (Amendment) Regulations, 2011
	Insurance (Amendment of Schedules) Regulations, 2015

Area	Legislation
	Insurance (Amendment) Regulations, 2011
	Mortgage Insurance (Amendment) Act, 2014
	Securities (Amendment) Act, 2013 & 2014
	Securities (Licensing and Registration) Regulations, amended in 2014
	Securities (Collective Investment Schemes) Regulations 2013, amended in 2014 and 2015
	Securities (Takeover and Mergers) Regulations, amended in 2014
	Securities (Retail Repurchase Agreement) Regulations 2014, amended in 2015
	Securities (Prudential) Regulations, 2014
	Pensions (Superannuation Funds and Retirement Schemes) (Validation and Amendment) Act, 2013
	Telecommunications (Amendment) Act, 2012
	Cybercrime (Amendment) Act, 2015
	Legal Profession (Amendment) Act, 2012
	Civil Aviation (Amendment) Act, 2015 (still not enacted into law)
	Civil Aviation Regulations, 2012
	Pilotage (Amendment) Regulations, 2013
	Shipping (Declaration of Port of Registry) Order, 2014
	Shipping Fees (Amendment) Regulations, 2014
	Shipping (Registration of Ships) (Amendment) Regulations, 2014
	Shipping (Load Lines) Regulations, 2011
	Shipping (Medical Examination) (Amendment) Regulations, 2015
	Travel Agencies Regulation (Amendment) Act, 2011
	Caribbean Maritime University Act, 2017
	The Partnership (General) Act, 2017
	The Partnership (Limited) Act, 2017
Bills to be enacted	Draft Customs Act
	International Holding Companies Bill
	International Trust and Corporate Services Bill
	Civil Aviation (Aviation Occurrences) (Annex 13) Regulations (still not enacted into law)
	Civil Aviation (Amendment) Regulations
	Ballast Water Management Convention Bill (still not enacted into law)
	Shipping (Amendment) Bill (still not enacted into law)
	Shipping (Welfare of Seafarers and Maritime Labour Compliance) Regulations (still not enacted into law)
	Shipping (Pollution Prevention, Response, Liability and Compensation) Bill (still not enacted into law)
	Shipping (Training, Certification, Safe Manning, Hours of Work and Watchkeeping) (Amendment) Regulations

Source: Information provided by the authorities.

2.2 Trade Policy Formulation and Objectives

2.15. In addition to Jamaica's new Trade Policy issued in 2001 and the National Export Strategy issued in 2009, Vision 2030 – Jamaica's national development plan – specifies the country's main trade policy objectives. Covering a 21-year period (2009-30), Vision 2030 presents a strategic roadmap for Jamaica to achieve developed country status by 2030. It is implemented through a series of medium-term socio-economic policy frameworks (MTFs), which identify the priority outcomes, strategies and actions for each three-year period from 2009 to 2030. According to MTF 2015-18, key reforms in the economy include the establishment of a Cash Management Unit in the Account General's Department, the tabling and passage of legislation on Special Economic Zones (SEZs), the completion of the pilot testing of ASYCUDA World at Kingston port, and the full implementation of the Banking Services Act which assigned overall responsibility for financial stability to the BOJ.⁸

2.16. Jamaica has been facing persistent trade deficits, caused mainly by three interconnected factors: high concentration in export markets; undiversified export products; and deterioration in terms of trade.⁹ The authorities stated that other factors include the differential inflation *vis-à-vis*

⁸ Vision 2030 Progress Report. Viewed at: http://www.vision2030.gov.jm/Portals/0/Progress_Reports/Update%20on%20Vision%202030%20Jamaica%20-%20September%2025,%202016.pdf [10 November 2016].

⁹ UNCTAD (2015), *Trade Policy Framework: Jamaica*. Viewed at: http://unctad.org/en/PublicationsLibrary/ditctncd2013d9_en.pdf [11 January 2017].

trading partners, an uncompetitive exchange rate, and low productivity. The Growth Agenda Policy Paper FY2015/16 outlined measures and policies that focused specifically on accelerating growth.¹⁰ In particular, it highlighted the importance of an integrated framework for trade and production to ensure that Jamaica benefits from its external trade relationships. Specific areas of alignment include: the development of the new policy, legislative, regulatory and institutional framework for SEZs; the negotiation of relevant partial scope and free trade agreements; the strengthening of the infrastructure needed to conduct certification to meet with international standards; the strengthening of the capacities for market research, intelligence and penetration; and the strengthening of the capacity for collaboration between the public and private sectors in developing new markets, industries and value chains.

2.17. The new Foreign Trade Policy (being drafted and undergoing consultation) and the second National Export Strategy represent particular opportunities to advance the alignment of trade policy and strategy with the Growth Agenda. The Ministry of Industry, Commerce, Agriculture and Fisheries (MICAFA) recently established a Trade Facilitation Task Force, which reports to the National Competitiveness Council (NCC). The Task Force is developing a Trade Facilitation Implementation Road Map and Project Plan to enhance the potential contribution of trade to economic growth. The aim is to organize reform activities to meet obligations above and beyond the TFA.

2.18. To implement the Growth Agenda, a Growth Agenda Subcommittee (GASC) was established in 2014, under the Economic Development Committee of the Cabinet, chaired by the Minister of Finance and the Public Service. The GASC was replaced by the Economic Growth Council (EGC) in 2016 under the Ministry of Economic Growth and Job Creation, which is responsible for the development of growth initiatives (Section 1.2, Outlook). It also monitors the implementation of the reforms and strategic investment projects of the Growth Agenda. The operation of the EGC is supported by a multi-agency technical team with representatives from the Port Authority, the Planning Institute of Jamaica, the Development Bank of Jamaica, MICAFA, the Ministry of Finance and the Public Service, and JAMPRO. The EGC prepared a detailed Growth Agenda Matrix of priority business environment reforms and strategic projects. This Matrix focuses on three components: business environment competitiveness reforms, strategic investment projects, and human capital development and protection.

2.19. Jamaica's second National Export Strategy II (NES II) 2015-2019 was launched in August 2015.¹¹ The key goal is to position the country for a "market-driven approach to export development". Prioritized sectors identified in NES II are: agro-processing and agribusiness (including nutraceuticals), mining, film and animation, information technology enabled services, and manufacturing. Measures to support the development of an enabling environment for export include: lowering the transaction cost of trading across borders, improving standards and quality management, and enhancing supply capacity, among others.

2.3 Trade Agreements and Arrangements

2.3.1 WTO

2.20. Jamaica has been a member of the GATT since 1963 and a Member of the WTO since 1995. Jamaica grants at least MFN treatment to all its trading partners. Under the GATS, Jamaica made commitments in 8 of the 12 sectors, and participated in the extended negotiations on basic telecommunications and financial services. Jamaica ratified the Fifth Protocol to the GATS in 2012, and the WTO Trade Facilitation Agreement in January 2016. In February 2015, Jamaica submitted its Category A notification (Section 3). Jamaica's trade policies have been reviewed three times in the WTO; the last review took place in January 2011.

2.21. In WTO negotiations, Jamaica is a member of the following groups: the African, Caribbean and Pacific (ACP) group of countries, G-90 (ACP, African Group and LDC), G-33 (agriculture),

¹⁰ Jamaica Chamber of Commerce online information. Viewed at: <http://jamaicachamber.org.jm/wp-content/uploads/2015/03/Growth-Agenda-Policy-Paper.pdf> [12 January 2017].

¹¹ JAMPRO online information. Viewed at: http://www.jamaicatradeandinvest.org/nas/documents/NES_FullVersion_2015.pdf [10 November 2016].

"W/52 Co-sponsors" (geographical indications), and Small and Vulnerable Economies (SVEs).¹² Jamaica emphasizes that special and differential treatment must be a fundamental pillar of the work of the WTO and must be appropriately reflected in any outcomes in the negotiations. Jamaica is a proponent of the WTO Work Programmes on Small Economies, supporting the view that the needs and priorities of SVEs must be addressed fully and in all areas of the WTO. Therefore, Jamaica:

- a. supports the work of the G-33, particularly in calling for the conclusion of the negotiations on the Special Safeguard Mechanism (SSM);
- b. advocates that the scope and structure of any disciplines of fisheries subsidies must be flexible in design and implementation, including the provision of technical assistance and capacity-building support that may be needed; and
- c. considers that flexibilities must be given to developing countries under the GATS during services negotiations.

2.22. In the SVE Ministerial Declaration issued in 2015 during the 10th WTO Ministerial Conference, Jamaica, as part of the SVE Group, urged WTO Members to commit to preserving the flexibilities that have been stabilized and identified in the DDA negotiations, including in agriculture and NAMA, and to provide enhanced flexibilities for SVEs in other negotiating areas.¹³

2.23. Jamaica has never been a respondent or complainant in a WTO dispute; during the review period, it was a third party to the dispute settlement case involving bananas.¹⁴

2.24. Since 2011, Jamaica has submitted notifications to the WTO in a number of areas (Table 2.2). However, no notifications have been made in the areas of customs valuation or GATS (except one notification on contact enquiry points).

Table 2.2 Notifications to the WTO, 1 January 2011-27 June 2017

Legal provision	Description of requirements	WTO document (most recent or series) and date
Agreement on Agriculture		
Article 10 & 18.2 – ES:1	Export subsidy commitments	G/AG/N/JAM/14, 7 April 2016 G/AG/N/JAM/12, 16 June 2014 G/AG/N/JAM/8, 23 February 2012
Article 18.2 – DS:1	Domestic support	G/AG/N/JAM/13, 8 April 2016 G/AG/N/JAM/11, 9 May 2014 G/AG/N/JAM/10/Rev.1, 28 October 2013 G/AG/N/JAM/10, 2 August 2013 G/AG/N/JAM/9/Rev.1, 28 October 2013 G/AG/N/JAM/9, 11 April 2012
General Agreement on Trade in Services		
Article III:4 and/or IV:2	Contact enquiry points	S/ENQ/78/Rev.14, 25 October 2013
Agreement on the Implementation of Article VI of the GATT 1994 (Anti-Dumping Agreement)		
Article 16.4	Ad hoc	G/ADP/N/213, 12 April 2011
Article 16.4	Semi-annual report	G/ADP/N/209/JAM, 6 April 2011
Agreement on the Implementation of Article XVII of the GATT 1994 (State trading)		
Article XVII:4(a) and Paragraph 1 of the Understanding on the Interpretation of Article XVII	Notification	G/STR/N/13 - 16/JAM, 17 August 2016
Agreement on Import Licensing Procedures		
Article 5.1, 5.2, 5.3	Import licensing procedures	G/LIC/N/2/JAM/3, 1 April 2016 G/LIC/N/2/JAM/2, 4 October 2011
Article 7.3	Replies to questionnaire	G/LIC/N/3/JAM/5, 1 April 2016 G/LIC/N/3/JAM/4, 7 October 2014

¹² WTO online information. Viewed at: https://www.wto.org/english/thewto_e/countries_e/jamaica_e.htm [12 January 2017].

¹³ WTO document, WT/MIN(15)/18, 15 December 2015.

¹⁴ Information on this case is available on the WTO website. *EC — Regime for the Importation, Sale and Distribution of Bananas* (DS27).

Legal provision	Description of requirements	WTO document (most recent or series) and date
Agreement on Subsidies and Countervailing Measures		
Article 25.1 – Article XVI:1	New and full notification	G/SCM/N/284/JAM, G/SCM/N/290/JAM, 14 January 2016 G/SCM/N/253/JAM, G/SCM/N/260/JAM, 1 November 2013 G/SCM/N/220/JAM, G/SCM/N/226/JAM, 19 September 2011
Article 27.4 Part VIII: DCM	New and full notification	G/SCM/N/299/JAM, 23 August 2016 G/SCM/N/284/JAM, G/SCM/N/290/JAM, 14 January 2016 G/SCM/N/253/JAM, G/SCM/N/260/JAM, 1 November 2013 G/SCM/N/243/JAM, 19 July 2012 G/SCM/N/220/JAM, G/SCM/N/226/JAM, 19 September 2011
Agreement on Sanitary and Phytosanitary Measures		
Article 7 Annex B	Emergency measures	G/SPS/N/JAM/13, 10 August 2010 G/SPS/N/JAM/13/Add.1, 2 February 2011 G/SPS/N/JAM/13/Add.2, 3 December 2012
Agreement on Technical Barriers to Trade		
Article 2.9	Technical regulations	2017: G/TBT/N/JAM/55-61 2016: G/TBT/N/JAM/54 2015: G/TBT/N/JAM/46-53 2014: G/TBT/N/JAM/39-45 2013: G/TBT/N/JAM/37-38 2012: G/TBT/N/JAM/28-36 2011: G/TBT/N/JAM/23-27
Agreement on Trade Facilitation		
WT/L/911	Category A commitments	WT/PCTF/N/JAM/1, 3 March 2015

Source: Jamaica's notifications to the WTO.

2.3.2 Regional and preferential agreements

2.3.2.1 CARICOM

2.25. Jamaica is a member of the Caribbean Community and Common Market (CARICOM) (Table 2.3). Trade policies defined in the context of CARICOM provide guidance to trade policies pursued by Jamaica with respect to economic integration, cooperation (aimed at creating economies of scale and sharing the costs of provision of public goods), and coordination of positions on trade negotiations.

2.26. The Revised Treaty of Chaguaramas (RTC), signed in the Bahamas in 2001, established the CARICOM Single Market and Economy (CSME). This regional integration process aims at creating a single market and economy among CARICOM member States through the removal of barriers to the free movement of people, capital, goods and services, and the establishment of companies. Jamaica was one of the first member countries to implement the first component of the CSME – single market – in 2006. The second component, the "single economy", was scheduled for 2016, but has been deferred due mainly to pending administrative, fiscal and legal issues.

2.27. CARICOM members apply the Common External Tariff (CET) whereby goods entering any member country are assessed with the same tariff rate. Exceptions to the CET are permitted for certain products of particular sensitivity to a CARICOM member (Section 3.1). Thus, a wide range of applied tariff rates continue to exist across member countries. The RTC generally prohibits the application of import licensing requirements on goods of Community origin, except where required for SPS, technical standards, monitoring or other similar purposes. With some exceptions, goods from a CARICOM member State enter Jamaica duty free.

Table 2.3 Jamaica's notified RTAs in force: main features, 2017

RTAs	Main features
CARICOM	
Type of agreement	Customs union and economic integration agreement
Date of signature (goods)	4 July 1973
Entry into force (goods)	1 August 1973
End of implementation period (goods)	14 October 1974
Date of signature (services)	5 July 2001
Entry into force (services)	4 July 2002
End of implementation period (services)	19 February 2003
Coverage (selected features)	Goods and services
Jamaica's merchandise trade with other CARICOM members (2016)	10.5% of total imports; 8.1% of total exports
WTO consideration status	Factual abstract distributed
WTO document series	WT/REG155/1, 8 July 2003; S/C/N/229, 19 February 2003
EU – CARIFORUM States EPA	
Type of agreement	Free trade agreement and economic integration agreement
Date of signature	15 October 2008
Entry into force	1 November 2008
End of transition period	2033
Coverage (selected features)	Goods and services
Jamaica's merchandise trade with EU (2016)	9.8% of total imports; 17.8% of total exports
WTO consideration status	Factual presentation not distributed
WTO document series	WT/REG255/N/1/Rev.1, S/C/N/469/Rev.1, 24 October 2008

Source: WTO Secretariat, based on information from the WTO RTA database. Viewed at: <http://rtais.wto.org/UI/PublicSearchByMemberResult.aspx?MemberCode=388&lang=1&redirect=1> [13 January 2017].

2.28. CARICOM has signed trade agreements with Venezuela (1992), Colombia (1994), Dominican Republic (1998), and Costa Rica (2004), and a trade and economic cooperation agreement with Cuba (2000) (Table 2.4). Not all of them have been notified to the WTO. Jamaica implemented these agreements through the Customs Tariff Resolutions, or through other administrative actions. All agreements, except the one with Venezuela, were published in the official gazette.

Table 2.4 CARICOM bilateral RTAs

RTAs	Main features
CARICOM–Venezuela	
Agreement name	Trade and Investment Agreement
Main features	Non-reciprocal preferential agreement, granting most CARICOM exports to Venezuela preferential or duty-free access.
Jamaica's merchandise trade with Venezuela (2016)	1.3% of total imports; 0.2% of total exports
CARICOM–Colombia	
Agreement name	Agreement on Trade, Economic and Technical Cooperation
Main features	Trade liberalization and facilitation, as well as promotion and protection of investment. Reciprocal to the CARICOM More Developed Countries (MDCs) ^a . The Agreement also provides for the phasing out of non-tariff barriers.
Jamaica's merchandise trade with Colombia (2016)	3.8% of total imports; 0.1% of total exports
CARICOM–Dominican Republic	
Agreement name	Free Trade Agreement
Main features	Mutual granting of tariff concessions between CARICOM MDCs ^a and the Dominican Republic. The Agreement also deals with services, investment, and government procurement.
Jamaica's merchandise trade with the Dominican Republic (2016)	1.6% of total imports; 0.1% of total exports
CARICOM–Cuba	
Agreement name	Trade and Economic Agreement
Main features	Duty-free treatment on specific goods agreed by both sides: specific treatment for a seasonal list of agricultural products; elimination of tariffs on specified products through four annual reductions. The Agreement also deals with taxation, trade promotion and facilitation, services, tourism investment, and intellectual property rights.
Jamaica's merchandise trade with Cuba (2016)	0.1% of total imports; 0.1% of total exports

RTAs	Main features
CARICOM–Costa Rica	
Agreement name	Free Trade Agreement
Main features	Reciprocal for CARICOM MDCs ^a . Duty-free or preferential access for a wide range of products.
Jamaica's merchandise trade with Costa Rica (2016)	1.1% of total imports; 0.3 % of total exports

a CARICOM MDCs are: Barbados; Guyana; Jamaica; and Trinidad and Tobago.

Source: WTO document, WT/TPR/S/242/Rev.1. and information provided by the authorities.

2.3.2.2 EU–CARIFORUM Economic Partnership Agreement

2.29. The Economic Partnership Agreement (EPA) between the European Union and CARIFORUM (CARICOM plus the Dominican Republic) was signed in 2008, and was notified to the WTO in the same year.¹⁵ The EPA allows for immediate duty-free and quota-free market access for all goods originating in CARIFORUM States, except for rice and sugar which both had a phase-in period with a regional tariff quota at zero duty. On 1 January 2010, customs duties and quotas on rice originating from all CARIFORUM States were eliminated. In 2015, all duties and quotas on sugar were removed. CARIFORUM tariff elimination commitments cover 87% of EU exports (90.2% of tariff lines) and are to be implemented over a 25-year period.

2.30. In addition to trade in goods, the EPA covers trade in services; investment; intellectual property; transparency in public procurement; competition; and development support. Sectors excluded are processing of nuclear material; trade in arms; audio-visual services; national maritime cabotage; and air traffic rights. Annex IV F to the Agreement lists limitations to market access and national treatment for trade in services.

2.31. Jamaica is provisionally applying the EPA pending its ratification. The authorities stated that steps are to be taken to ratify the EPA in 2017. Jamaica commenced the phased reduction of tariffs under the EPA in 2011, and implemented the fourth phase of reductions in January 2017.

2.3.2.3 Other arrangements

2.32. Jamaica benefits from two unilateral trade preference programmes: the Caribbean Basin Initiative (CBI), and CARIBCAN. The CBI is a unilateral arrangement established by the United States to facilitate economic development and export diversification in Caribbean economies. It was launched in 1983 as the Caribbean Basin Economic Recovery Act (CBERA), and then expanded through the enactment of the Caribbean Basin Trade Partnership Act (CBTPA) in 2000, and through relevant provisions in the Trade Act of 2002. CBI beneficiary economies receive duty-free access for most of their originating goods in the US market.

2.33. In 2011, 51.7% of Jamaica's exports were destined for the United States; this proportion changed to 41.5% in 2016. Jamaica's top exports to the US market were: petroleum oils and oils obtained from bituminous minerals (other than crude), aluminium ores and concentrates, and aluminium oxides; in 2016, they accounted for 34.6%, 18.5%, and 8% of total merchandise exports, respectively.¹⁶

2.34. Under CARIBCAN, established in 1986, Canada grants unilateral duty-free market access for goods and services from Caribbean Commonwealth partners. In 2011, 16.2% of Jamaica's exports were destined for Canada; this proportion changed to 12.1% in 2016. Jamaica's top export to the Canadian market was aluminium oxides, accounting for 81% of total merchandise exports in 2016. This was followed by undenatured ethyl alcohol, accounting for 3.8% of total merchandise exports.

2.35. Waivers granted by the WTO for the CBTPA and CARIBCAN will expire in 2019 and 2023, respectively.

2.36. Jamaica is also a beneficiary of the Generalized System of Preferences (GSP) schemes of Australia, Japan, Kazakhstan, New Zealand, Norway, the Russian Federation, and Switzerland.

¹⁵ WTO documents WT/REG255/N/1/Rev.1 and S/C/N/469/Rev.1, 24 October 2008.

¹⁶ Calculated by WTO Secretariat, based on COMTRADE data.

2.4 Investment Regime

2.4.1 Institutional and legal framework for business

2.37. JAMPRO is the investment promotion agency in Jamaica under the Ministry of Economic Growth and Job Creation, promoting business opportunities in export and investment. It provides advice to the Government in matters pertaining to improving business environment and developing new industries. JAMPRO's sector teams promote investment in target sectors such as business process outsourcing, tourism, agri-business, manufacturing, mining, and logistics. JAMPRO facilitates investment by helping firms access the necessary licences, permits, and incentives, and by providing after-care services to investment projects.

2.38. JAMPRO is seeking Cabinet approval for the development of a National Investment Policy (NIP) to provide a comprehensive framework to attract and facilitate investment in Jamaica.

2.39. The CARICOM Secretariat drafted a CARICOM Investment Code, which is subject to further review in the member States. The Code is intended to be used as a legally binding instrument that elaborates the treatment of intra-regional investors.

2.4.2 Incentives

2.40. The Government has been making efforts to simplify and streamline its incentive programmes for businesses. In 2014, the Omnibus Incentives Legislation, comprising four pieces of legislation (Table 2.5), was introduced to create a transparent and automatic fiscal incentives framework. The incentives comprise various levels of tax relief, including in respect of customs tariffs, additional stamp duties, and corporate income tax.

Table 2.5 Omnibus Incentives

Legislation	Targeted companies	Tax reductions	Details
Fiscal Incentives (Miscellaneous Provisions) Act	Unregulated companies ^a	Corporate income tax	- An Employment Tax Credit (ETC) at a maximum value of 30%; - a capital allowance applicable to a broadened definition of industrial buildings
Income Tax Relief (Large-Scale Projects and Pioneer Industries) Act	Large-scale projects and/or pioneering projects	Corporate income tax (lowered from 25% to 17.5%)	Improved and more attractive rate for the Employment Tax Credit (ETC)
Customs Tariff (Revision) (Amendment) Resolution 2013	Productive sectors	Import tariff	0% import tariff on capital equipment and raw materials; manufacturing, tourism and creative industries may benefit from duty-free importation of industry-related consumer goods
Stamp Duty (Amendments of Schedule) Order, 2013	Manufacturing sector	Stamp duty	Exemption from additional stamp duty on raw materials and non-consumer goods

a An unregulated company is one which is not regulated by BOJ, the Financial Services Commission, the Office of Utilities Regulators, or the Ministry of Finance and the Public Service, and is subject to a lower corporate income tax rate of 25%. The tax rate can be made effectively lower with the application of the Employment Tax Credit (ETC), which could reduce it to as low as 17.5%. The corporate income tax rate for regulated companies is 33.3%.

Source: JAMPRO online information. Viewed at: <http://www.jamaicatradeandinvest.org/investment/incentives> [16 January 2017].

2.41. There are a number of other incentives, such as:

- a. Under the Special Economic Zone Act, entities in this regime benefit from a range of tax concessions including a maximum headline corporate income tax rate of 12.5% (Table 2.6 and Section 3.2.4); the Act repealed and replaced the Free Zone Act and came into force in 2016.

- b. Under the Urban Renewal Act, companies undertaking development within the designated special development areas benefit from tax-free urban renewal bonds, a 33.3% investment tax credit, double tax-free rental income, and exemption from transfer tax and stamp duties on the improved property (i.e. properties with improved value because of additional construction or façade improvement work).
- c. Under the Income Tax Act (Junior Stock Exchange – Section 48B), as of 1 January 2014, companies listed on the junior stock exchange pay no income tax for the first five years, and 50% of the taxable amount in the following five years.
- d. Under the Bauxite and Alumina Industries (Encouragement) Act, recognized bauxite and alumina producers are permitted to import all productive inputs free of import tariffs, General Consumption Tax (GCT), and other port-related taxes and charges except taxes due and payable.
- e. Under the Petroleum Act and Regulations, a registered oil refinery may import products duty free for the construction and operation of the refinery and for the manufacturing of petroleum. The manufacturer is exempt from paying income tax, or tax on dividends paid to shareholders, for a period of up to seven years, after which it has six years to carry forward net losses incurred during that period.

Table 2.6 Comparison of incentives

	Fiscal Incentives Act (FIA)	SEZ ^a Act
Corporate income tax:		
Corporate income tax concessions		√ (headline tax of 12.5%)
Employment tax credit (ETC)	√ ^b	√ ^b
Productive tax credit (PTC)		√ ^c
Withholding tax concession		√ ^d
Border taxes:		
Duty-free importation of capital equipment and machinery	√	√
Duty-free importation of industry-related consumer goods, including raw materials	√ ^e	√
Duty-free importation of building materials		√
Exemption from stamp duty/additional stamp duty/environmental levy	√ ^f	√
Exemption from the customs administration fee (CAF)	√ ^g	√
Indirect taxes:		
GCT exemption/deferment	√ ^h	√
Property tax exemption		√ ⁱ
Stamp duty and transfer tax		√ ^j
Capital allowance:		
Capital allowance scheme	√	√
Loss carry-forwards	√ ^k	
Developers' tax credit		√ ^l

- a Goods produced within SEZs are not guaranteed duty-free access to CARICOM countries.
- b A non-refundable ETC is applicable to trading income, capped at 30% of income tax chargeable on profits/income from a trade, profession, or vocation.
- c PTC is for expenditure on specified activities (such as R&D, training, technology transfer, and innovation-based activities), to be capped at a maximum of 10% of the tax chargeable on profits/income from a trade, profession, or vocation. Applied jointly with the ETC, the PTC may reduce the corporate income tax to as low as 7.25%.
- d Withholding tax on dividends is at a rate of 0% on distributions by way of dividends on profits from the conduct of a trade, profession or vocation within an SEZ by an approved SEZ occupant.
- e Productive input relief for tourism, manufacturing and creative industries.
- f Only companies benefiting from the product input relief are exempted from the additional stamp duty.
- g A 50% discount on CAF for approved manufacturers.
- h GCT deferment programme for manufacturers.
- i Applicable only to lands registered to the SEZ Authority. The transfer tax and stamp duty are also only exempted between and among SEZ developers.
- j The same rules apply in the SEZ as those within the domestic market.
- k Capped at 50% of chargeable income for that year (before deduction of tax losses carried forward).
- l Credit on capital expenditures directly incurred in the carrying out of SEZ-related construction or improvement that may be set off against other income tax liabilities of the SEZ developer from any other source but capped at 50% of that liability in any one year of assessment.

Source: JAMPRO online information, *Comparison chart of select fiscal incentives*. Viewed at: http://www.jamaicatradeandinvest.org/sites/default/files/Fiscal%20Incentive%20Comparison%20Chart_160115_Final.pdf [16 January 2017]; and information provided by the authorities.

2.42. The authorities estimated that tax revenue foregone increased from J\$9.7 billion in 2012 to J\$12.2 billion in 2013, and fell to J\$11.2 billion in 2014 and J\$11.3 billion in 2015.¹⁷

2.4.3 Foreign investment

2.43. Currently there is no specific legislation on foreign investment in Jamaica. The Government encourages foreign investment as a source of development, and has no policies or regulations reserving certain sectors exclusively for Jamaicans. The authorities stated that Jamaica applies the principle of national treatment to foreign investors. Incentives are accessible to both local and foreign firms, and the privatization programme is open to participation by foreign investors. The Companies Act, which entered into force in 2006, allows foreign companies to hold land without registering in Jamaica.

2.44. FDI performance in Jamaica has traditionally lagged behind that of other developing countries,¹⁸ although, in 2015, Jamaica had the highest increase in investment inflows in the region.¹⁹ According to UNCTAD, the rise of inflows by 34% was associated with activities in the hotel sector, as well as FDI in infrastructure and business process outsourcing. Jamaica also attracted 40% of all announced greenfield investment made in small island developing States (SIDS).

2.45. Jamaica is a party to 12 double taxation treaties (with Canada, China, Denmark, Germany, Israel, Norway, Spain, Sweden, Switzerland, United Kingdom, United States, and CARICOM States). It also signed a DTA with Mexico in May 2016; this Agreement has not yet entered into force. It has 17 bilateral investment treaties (BITs) with international partners (Table 2.7).

Table 2.7 Bilateral investment treaties

BIT partner	Status	Date of signature	Date of entry into force
Argentina	In force	08/02/1994	01/12/1995
China	In force	26/10/1994	01/04/1996
Cuba	Signed (not in force)	31/05/1997	
Egypt	Signed (not in force)	10/02/1999	
France	In force	25/01/1993	15/09/1994
Germany	In force	24/09/1992	29/05/1996
Indonesia	Signed (not in force)	10/02/1999	
Italy	In force	29/09/1993	09/11/1995
Republic of Korea	In force	10/06/2003	05/11/2007
Kuwait	Signed (not in force)	01/04/2013	
Netherlands	In force	18/04/1991	01/08/1992
Nigeria	Signed (not in force)	05/08/2002	
Spain	In force	13/03/2002	25/11/2002
Switzerland	In force	11/12/1990	21/11/1991
United Kingdom	In force	20/01/1987	14/05/1987
United States	In force	04/02/1994	07/03/1997
Zimbabwe	Signed (not in force)	10/02/1999	

Source: International Investment Agreements Navigator (UNCTAD, 2017).

2.46. Jamaica has been a signatory to the International Centre for Settlement of Investment Disputes (ICSID) since 1965. Commercial disputes that are not resolved in the local courts may be brought to arbitration under ICSID, with prior consent provided through a BIT or an investment contract. The awards are then enforceable by the Jamaican courts. Judgements of foreign courts are accepted and enforced if there is a reciprocal enforcement of judgement treaty with the

¹⁷ The authorities indicated that these revenue forgone estimates included revenue forgone from other taxes (not only trade taxes).

¹⁸ UNCTAD (2015), *Trade Policy Framework: Jamaica*. Viewed at: http://unctad.org/en/PublicationsLibrary/ditctncd2013d9_en.pdf [11 January 2017].

¹⁹ UNCTAD (2016), *World Investment Report 2016*. Viewed at: http://unctad.org/en/PublicationsLibrary/wir2016_en.pdf [16 January 2017].

relevant foreign nation.²⁰ Jamaica also has legislation allowing for enforcement of foreign arbitral awards.

2.4.4 Improvements in the business environment

2.47. According to a study conducted by the Inter-American Development Bank (IDB), Jamaica's business climate used to be weak in the areas of taxation, accessing electricity, resolving legal disputes, and obtaining construction permits. Insufficient trade facilitation and weak logistics also hindered exports and diversification of the economy.²¹ The private sector in Jamaica employed almost 90% of the total work force, of which about 82% works in micro, small and medium-sized enterprises (MSMEs). Although Jamaica has a high level of early-stage entrepreneurial activity, it also has a high rate of business discontinuation. While early-stage entrepreneurship provides dynamism in an economy, established businesses are needed to provide stability and employment. Against this background, the Government launched its MSME and Entrepreneurship Policy in 2013 to: identify and implement strategies that increase the capacity of MSMEs through greater access to business development support; increase access to MSME-specific financing; improve the business environment; and foster innovation and standards.

2.48. Jamaica has been improving its business environment by simplifying its regulations and procedures, and creating a more business-friendly climate. The medium-term socio-economic policy framework (MTF) 2015-2018 intends to address: delays and problems in licensing and approval processes for construction projects, as well as in the acquisition, titling and transfer of land, and further simplification of tax administration processes. The Government also intends to facilitate private sector-led economic projects in areas of comparative advantage through public-private partnerships (PPPs) given the current fiscal constraints.

2.49. The National Competitiveness Council (NCC), chaired by the Minister of Economic Growth and Job Creation, has developed an NCC Doing Business Reform Agenda. The Agenda focuses on improving the ranking of 10 indicators in the Doing Business Report, through initiatives such as streamlining development approvals, increasing access to capital, and improving trading across borders.²²

2.50. Reforms implemented during the review period also include: the expansion of Jamaicans' ability to pay taxes online; and the passing of the Insolvency Act.²³ Other efforts include those to improve transparency, and set up the large taxpayer office (LTO) to cater exclusively to large companies in response to their demand for tax information and speedier turnaround on transactions.

2.51. The World Bank Doing Business indicators reflected progress that has been made, although several areas remain weak. In 2017, Jamaica was ranked 67th in the World Bank's Doing Business Report for ease of doing business, among 190 countries.²⁴ This ranking is better than the regional average for Latin America and the Caribbean. It is particularly successful in starting a business (12th), getting credit (16th), and resolving insolvency (38th). It ranks 63rd in protecting minority investors, and 75th in dealing with construction permits. On the other hand, trading across borders (131st), registering property (123rd), enforcing contracts (117th), paying taxes (116th), and getting electricity (101st) are major areas requiring improvement.

²⁰ United States Trade Representative (USTR) (2013), *Tenth Report to Congress on the operation of the Caribbean Basin Economic Recovery Act*. Viewed at: <https://ustr.gov/sites/default/files/CBERA%20Report%20Final.pdf> [8 November 2016].

²¹ IDB (2016), *IDBG Country Strategy with Jamaica 2016-2021*, draft. Viewed at: <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=40713849> [8 November 2016].

²² UNCTAD (2015), *Trade Policy Framework: Jamaica*. Viewed at: http://unctad.org/en/PublicationsLibrary/ditctn2013d9_en.pdf [11 January 2017].

²³ JAMPRO Annual Report 2015-16. Viewed at: http://www.jamaicatradeandinvest.org/sites/default/files/annual_reports/AnnualReport2015_16_JAMPRO_Electronic.pdf [16 January 2017].

²⁴ World Bank Doing Business rank. Viewed at: <http://www.doingbusiness.org/data/exploreeconomies/jamaica> [16 January 2017].

2.52. The Global Competitiveness Index ranked Jamaica 75th out of 138 economies in 2016-17, up from 86th in 2015-16 and 97th in 2012-13 out of 144 economies.²⁵ The most problematic factors for doing business include: inefficient government bureaucracy, crime and theft, and tax rates. Jamaica's ranking in the Global Innovation Index was 96th among 141 countries in 2015 and 89th among 128 countries in 2016.²⁶ Its rankings in the areas of infrastructure, knowledge and technology outputs, and creative outputs are particularly lagging behind.

²⁵ World Economic Forum (2017), The Global Competitiveness Report 2016-17. Viewed at: http://www3.weforum.org/docs/GCR2016-2017/05FullReport/TheGlobalCompetitivenessReport2016-2017_FINAL.pdf [24 May 2017].

²⁶ Global Innovation Index 2015 – Jamaica. Viewed at: <https://www.globalinnovationindex.org/gii-2016-report#> [16 January 2017].

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures Directly Affecting Imports

3.1.1 Customs procedures, valuation, and requirements

3.1. The main legal instruments of Jamaica's customs regime include the Customs Act, Customs Regulations 1955 and the Customs Tariff. According to the authorities, a new Customs Act is to be submitted to Parliament by August 2017. The main objectives of the new Act are to: facilitate the efficient processing of customs-related transactions; encourage voluntary compliance with customs laws and procedures; effectively support the implementation of ASYCUDA World, a risk-based inspection system to clear customs; improve and increase the collection of customs duties; strengthen the enforcement powers of the Commissioner of Customs; strengthen the ability of the Jamaica Customs Agency (JCA) to effectively protect Jamaica's borders; and increase the ease with which the legislation is being read and understood.

3.2. The authorities anticipate that the new Customs Act will also facilitate the observance and implementation of customs-related international best practices by the JCA, including those from the World Customs Organization (WCO), the International Convention on the Simplification and Harmonization of Customs Procedures (the Revised Kyoto Convention), and the WTO's Trade Facilitation Agreement (TFA). On 19 January 2016, Jamaica ratified the TFA.

3.3. The JCA, under the Ministry of Finance and the Public Service, became an executive agency on 2 April 2013. The JCA is currently going through a number of organizational changes in accordance with its proposed long-term modernization plan with the aim of transitioning into a semi-autonomous customs administration agency, lowering costs, enhancing efficiency of services delivery, and improving decision-making and management practices.

3.4. The documents required for the importation of goods include a supplier invoice, a certificate of origin (when preferential access is sought), a bill of lading, an airway bill and other shipping documents, a declaration of value, and an import license and/or permit, if necessary (certain products may also require a health and/or phytosanitary certification). When goods arrive in Jamaica, the relevant documents are submitted to the JCA. Duties must be paid before the goods may be cleared into the country, although there are measures in place to allow the provisional clearance of goods. All importers and exporters must provide a Taxpayer Registration Number (TRN), and in the case of commercial importation a Tax Compliance Certificate (TCC) is required.

3.5. For importations (not including motor vehicles) of US\$5,000 (c.i.f.) or less, the importer can proceed to the port and effect clearance without a licensed customs broker, using the declaration IMS4. Importations of over US\$5,000 require a customs broker (who must be a Jamaican resident) and must be done on a commercial declaration IM4. Under the Authorized Economic Operator (AEO) system, importers without a record of customs violations are allowed to import without inspection, although they may undergo random examination. The JCA officially launched its e-Payment Facility in 2001.

3.6. Risk assessment is based on four channels: the red channel for high risk goods which need to be examined (47% of imports in 2016); the yellow channel for medium risk goods, which require additional documentation and on which a decision is made whether to release or examine the goods (23% of imports in 2016); and the blue and green channels, for goods deemed risk-free and released immediately without any checks (30% of imports in 2016). According to the authorities, the application of advance risk assessment improved the average clearance of cargo within 24 hours to 55-57% in 2016 (up from 22% in 2014).

3.7. Over the last few years, Jamaica has taken measures to reduce the time needed to import, including by allowing customs entries to be lodged at night. Despite this, according to the latest World Bank figures, in 2016, Jamaica was 131st in the ranking of 190 economies on the ease of trading across borders (compared with 104th out of 183 economies in 2011). Regarding border compliance, it takes 80 hours and US\$906 to import to Jamaica, more than the Latin America and

Caribbean average. However, regarding documentary compliance, Jamaica ranks better than the Latin America and Caribbean average (Table 3.1).¹

Table 3.1 Import time and cost, 2017

Indicator	Jamaica	LA & Caribbean
Time to import: border compliance (hours)	80	65
Cost to import: border compliance (US\$)	906	685
Time to import: documentary compliance (hours)	72	83
Cost to import: documentary compliance (US\$)	90	120

Source: World Bank online information. Viewed at: www.doingbusiness.org/data/exploreeconomies/jamaica

3.8. While the JCA does not carry out mandatory pre-shipment inspections, the Contraband Enforcement Team may conduct examinations for imports on a risk based/intelligence driven basis.

3.9. Under Section 19 of the Customs Act, the primary basis of determining the value for duty of imported goods is the transaction value. According to the authorities, some 80% of declarations are valued using this method. If it cannot be used, five other methods apply in sequential order: (i) the transaction value of identical goods; (ii) the transaction value of similar goods; (iii) the deductive value method; (iv) the computed value method; and (v) the fall-back method. The order of application of methods (iv) and (v) can be reversed only at the request of the importer with the consent of the Customs Commissioner.

3.10. Importers have the right to request a review from the Valuation Branch of the JCA before writing to the Commissioner requesting a formal appeal. In the case of disputes over the duty demanded, the importer/consignee/exporter/or his agent, shall deposit the duty demanded. In the case of dispute, the importer/consignee/exporter/or his agent, after having first deposited the duty in accordance with the statement above, may, within three months of making such deposit, appeal in writing to the Commissioner to review and revise the assessment of the duty on the goods. On receipt of a reply from the Commissioner concerning the objection, if the importer is still dissatisfied he/she may, within 30 days of receiving such notice, appeal to the Revenue Appeals Division.² An objector who is dissatisfied with the decision of the Revenue Appeals Division may appeal to the Revenue Court within 30 days of the date of receiving that decision or within such longer period of time as may be permitted by, or pursuant to, rules of court. In 2016, there were 14 internal reviews, of which 7 were upheld, 6 produced a reverse of the assessment, and 1 was withdrawn; none exercised their right of further appeal to the Revenue Appeals Division of the JCA.³

3.11. According to Customs, it is difficult to estimate the current volume of false/under-invoicing due, *inter alia*, to language barriers and perceived supplier/importer collusion. Valuation problems, however, still appear to be serious. Customs currently lacks the mechanism to measure the amount of revenue lost due to under-invoicing. However, through detection of under-invoicing, Customs was able to recuperate additional duties and revenue amounting to J\$715 million in 2016 and J\$1.02 billion for the period April 2016-February 2017. A valuation database – the Valuation Intelligence Risk Management System (VIRMS) – is in place.

3.1.2 Rules of origin

3.12. Jamaica notified the WTO 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.⁴ It has not notified any new rules of origin during the review period.

3.13. Preferential rules of origin apply to imports from other Caribbean Community (CARICOM) countries and countries with which Jamaica has concluded bilateral preferential agreements, as part of CARICOM, as well as under the CARIFORUM-EU Economic Partnership Agreement (EPA)

¹ World Bank online information. Viewed at: www.doingbusiness.org/data/exploreeconomies/jamaica

² Formerly Taxpayer Appeals Department.

³ An Internal Review Committee is in place to assess the justification for valuation decisions. Senior officials from outside the valuation unit are placed on the Committee to ensure transparency.

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

(Section 2.3.2.2). Goods are treated as being of CARICOM origin if they have been wholly produced within the Common Market, or they have been produced within the Common Market wholly or partly from materials imported from third countries, provided substantial transformation has taken place within the Common Market or in accordance with the conditions as outlined in the 'List' attached to the Schedule in the Treaty. Substantial transformation requires that goods be classified under a different tariff heading than the materials utilized, or meet the product-specific rules set out in the List in Schedule 1 of the Rates, Terms and Conditions (RTC) document which includes *ad valorem* and technical requirement criteria for substantial transformation. For most agricultural products, origin is conferred only if the good is wholly produced within CARICOM or is produced using regional materials. The EPA rules of origin are also significantly more flexible than the Cotonou Agreement in the areas of textiles and clothing, and offer improvements in agriculture and fisheries.⁵

3.1.3 Tariffs

3.14. Tariffs and other duties and charges remain Jamaica's main trade policy instrument. A substantial share of the Government's central revenue is generated from taxes and charges on imports. International trade taxes as a percentage of total tax revenues increased from 33.7% in 2013/14 to an estimated 40.4% in 2016/17 (compared with 27% to 28% in 2005-10): increasingly, the General Consumption Tax (GCT) on imports accounts for most of the revenue, followed by the Special Consumption Tax (SCT). Tariffs represent 7.5% of total taxation revenue (Table 3.2). The Environmental Protection Levy (EPL) on all manufactured goods (locally-produced and imported) entered into force on 1 June 2015 (Section 3.1.5).⁶

Table 3.2 International trade taxes as a share of total tax revenue, 2013/14-2016/17

(per cent)

Type	2013/14	2014/15	2015/16	2016/17
Customs duty	8.0	7.4	7.5	7.5
GCT (imports)	14.9	15.6	16.0	17.5
SCT (imports)	8.4	7.4	8.9	10.7
Stamp duty and travel tax	2.4	3.0	3.1	4.1
Environmental levy	n.a.	n.a.	0.6	0.6
Total	33.7	33.4	36.1	40.4

n.a. Not applicable.

Source: WTO Secretariat, based on the Ministry of Finance and the Public Service budget figures.

3.15. Tariffs, like other taxes, can be modified only by the House of Representatives. Section 5(1) of the Customs Act gives the House of Representatives the legal authority to impose import or export duties and to revoke, reduce, increase or alter these duties. Taxes may be increased or reduced via provisional orders signed by the Minister of Finance and the Public Service but these are temporary and would have to be brought into law subsequent to approval in the House of Representatives.

3.16. Jamaica's discretionary waivers on duties and taxes (e.g. GCT, SCT) have been reduced over the last few years in order to limit distortions and help combat the fiscal deficit (Table 3.3).⁷ According to the IMF, a rules-based and more transparent framework is now in place.⁸

⁵ There is a general clause for a review of these rules of origin with a view to further simplifying them in the light of CARIFORUM development needs. Under Cotonou, garments had to undergo double transformation (i.e. from yarn to cloth and from cloth to garments) to receive preferential access. The EPA allows single-step transformation, meaning CARIFORUM countries may import cloth from world suppliers to manufacture garments and export them duty free to Europe.

⁶ Provisional Collection Tax (Environmental Protection Levy) Order 2015. The EPL was introduced in FY 2007/08 when it applied only to imports.

⁷ It is not possible to compare waivers before and after 2014. Formal legislation to deal with tax breaks given to charities, for example, was brought into law post-2014 and dealt with under the Charities Act. Before, these tax breaks would have been administered using the "waiver" mechanism. Other tax breaks which were previously coded as "ministerial waivers" are now under their own Act recorded with a particular code. Current data on waivers include tax concessions on special projects and arguably are not purely discretionary. After 2014, discretionary waivers are estimated at J\$120 million per calendar year.

⁸ IMF Country Report No. 16/181.

Table 3.3 Tax revenue collected, waivers, and incentives, 2011/12-2015/16

(J\$ billion)

	2011-12	2012-13	2013-14	2014-15	2015-16
Total revenue ^a	98,830	107,428	115,976	129,602	147,302
Import duty	20,769	24,414	25,559	26,558	29,521
Waivers ^b	5,093	3,687	2,962	4,700	2,381
Waivers' share of revenue (%) ^c	5.2	3.4	2.6	3.6	1.6
Incentives ^d	3,825	3,813	5,934	4,509	2,767

a Revenue data are for fiscal years FY 2011/12 – 2015/16.

b Data on discretionary waivers of customs duty are based on calendar years 2011-15. Data on waivers include discretionary waivers approved by the Minister of Finance as well as waivers/exemptions/tax concessions on goods being used, for example, for charitable purposes to facilitate imports under trade agreements.

c This share refers to total trade tax revenues which includes import duties and other border taxes.

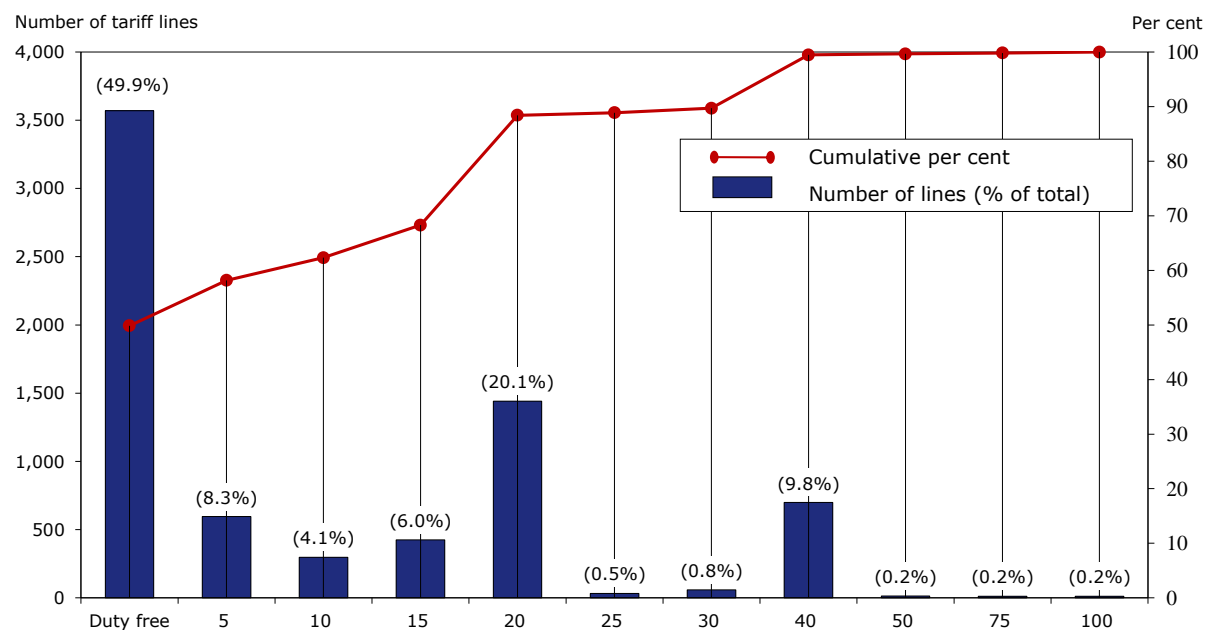
d Data on incentives are for calendar year 2011-15 and in respect to customs duty only. Data covers those incentives given under the following incentives regimes: hotels, bauxite and alumina, motion pictures, petroleum, export industries encouragement, free zones, industrial, and charities.

Source: Data provided by the Jamaican authorities.

3.1.3.1 Applied tariffs

3.17. Jamaica grants at least MFN treatment to all trading partners. It has been applying the fourth (and most recent) phase of CARICOM's CET since January 1999. The latest version of the CET is based on the Harmonized Commodity Description and Coding System (HS) 2012. The exceptions to the CET in respect of Jamaica's obligations are included in Lists A and C, which refer to items on which suspension of the CET for an indefinite period has been granted under Article 32 of the Common Market Annex, and items on which a minimum CET rate has been agreed but where members States have the freedom to apply higher rates.

3.18. Jamaica's schedule comprises 7,159 lines (up from 6,856 lines in 2010) at the 10-digit level. The tariff has 11 tiers, with rates of zero, 5, 10, 15, 20, 25, 30, 40, 50, 75, and 100% (the same as in 2010). All tariffs are *ad valorem*, levied on the c.i.f. value of the import. About half of all tariff lines are duty free (down from 57.9% at the time of the previous Review) while a 20% tariff rate is applied to 20.1% of total lines (Chart 3.1).

Chart 3.1 Frequency distribution of MFN tariff rates, 2017

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

3.19. Some 9.8% of lines bear rates of 40%, and only 0.6% of lines have a tariff greater than 40%. Items subject to a duty rate of 100% (equal to the bound rate) comprise 11 lines of meat and edible meat offal, and edible vegetables. The 75% rate is applied to 12 lines of dairy products, and the 50% rate is applied to 14 lines of dairy products and arms and ammunitions.

3.20. The simple average applied MFN tariff rose from 9.4% in 2010 to 10.4% in 2017 (Table 3.4). According to the authorities, this was mainly due to increases of between 5 and 10 percentage points on some List C items of the CET in 2012. Tariff rates range from 0% to 100% for agricultural products (WTO definition), and from 0% to 50% for non-agricultural products. On average, tariff protection for agricultural products remains substantially higher than for non-agricultural products, at 20.8% and 7.9%, respectively. Product groups with relatively high average tariffs include animals and animal products; dairy products; fruits, vegetables and plants; sugar and confectionary; and beverages, spirits and tobacco (Table 3.4).

Table 3.4 Structure of the tariff schedule in Jamaica, 2010 and 2017

(per cent)

		2010	2017
1.	Total number of tariff lines	6,856	7,159
2.	Non- <i>ad valorem</i> tariffs (% of all tariff lines)	0.0	0.0
3.	Non- <i>ad valorem</i> with no AVEs (% of all tariff lines)	0.0	0.0
4.	Lines subject to tariff quotas (% of all tariff lines)	0.0	0.0
5.	Duty free tariff lines (% of all tariff lines)	57.9	49.9
6.	Dutiable lines tariff average rate (%)	22.4	20.7
7.	Simple average tariff (%)	9.4	10.4
8.	WTO agriculture	19.0	20.8
9.	WTO non-agriculture (incl. petroleum)	7.3	7.9
10.	Agriculture, hunting, forestry and fishing (ISIC 1)	21.8	22.8
11.	Mining and quarrying (ISIC 2)	2.6	2.2
12.	Manufacturing (ISIC 3)	8.6	9.4
13.	First stage of processing	17.1	18.6
14.	Semi-processed products	1.9	2.6
15.	Fully processed products	11.2	12.0
16.	Domestic tariff "peaks" (% of all tariff lines) ^a	10.4	10.3
17.	International tariff "peaks" (% of all tariff lines) ^b	29.1	31.7
18.	Overall standard deviation	n.a.	13.7
19.	Nuisance applied rates (% of tariff lines) ^c	0.0	0.0
20.	Bound tariff lines (% of all tariff lines)	100.0	100.0

n.a. Not available.

a Domestic tariff peaks are defined as those exceeding three times the overall average applied rate.

b International tariff peaks are defined as those exceeding 15%.

c Nuisance rates are greater than 0% but inferior or equal to 2%.

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

3.21. All imports entering Jamaica are subject to a basic stamp duty (Section 3.1.5), while an additional stamp duty is payable on certain items (mostly agricultural products). When additional stamp duties, levied on the c.i.f. value, are taken into account⁹, the overall average border protection increases from 10.4% to 12.6% (Table 3.5).¹⁰ While the average for non-agricultural products rises from 7.9% to 8%, for agricultural products (WTO definition) it jumps from 20.8% to 32.3%. The highest stamp duties are: 90% (5 lines) for certain vegetables and oil seeds; 86% (18 lines) for edible vegetables and certain roots and tubers; 80% (12 lines) for meat and edible vegetables; 77.1% (2 lines) for meat; and 70% (24 lines) for cereals, products of the milling industry, grains and residues and waste from the food industry.

3.22. Jamaica does not use seasonal tariffs or tariff quotas.

⁹ Secretariat calculations are based on 382 tariff lines subject to additional stamp duties. Additional stamp duties are distributed into 23 tiers and 2 specific tariffs. The 23 *ad valorem* rates range from 15% to 90%, while 12 lines have two specific duties (US\$0.60 and US\$1 per litre on certain beverages, spirits and vinegar). Regarding these 12 lines, it was not possible to estimate the impact of the additional stamp duty because of a lack of data on the corresponding AVEs; only the *ad valorem* MFN tariff was included.

¹⁰ In Jamaica's previous TPR, the 2010 simple average applied MFN tariff increased from 9.4% to 11.5% when additional stamp duties were included. WTO (2010), *Trade Policy Review of Jamaica*, Geneva.

Table 3.5 Summary analysis of Jamaica's MFN tariff, 2017

Description	MFN				MFN incl. stamp duty	Final bound average ^a (%)
	No. of lines	Average (%)	Range (%)	Coefficient of variation		
Total	7,159	10.4	0 - 100	1.3	12.6	50.3
HS 01-24	1,599	23.4	0 - 100	0.8	33.3	90.5
HS 25-97	5,560	6.7	0 - 50	1.3	6.7	43.0
By WTO category						
WTO Agriculture	1,374	20.8	0 - 100	0.9	32.3	97.3
- Animals and products thereof	201	27.2	0 - 100	0.8	41.4	100.0
- Dairy products	48	34.8	0 - 75	0.8	37.3	100.0
- Fruit, vegetables and plants	416	24.2	0 - 100	0.8	37.8	99.5
- Coffee and tea	30	16.8	0 - 40	0.8	16.8	100.0
- Cereals and preparations	170	13.2	0 - 40	0.9	23.2	100.0
- Oil seeds, fats and oils and products	129	12.7	0 - 40	1.4	24.3	99.4
- Sugars and confectionary	26	24.8	0 - 40	0.7	29.3	100.0
- Beverages, spirits and tobacco	171	30.0	0 - 40	0.4	51.7	100.0
- Cotton	6	0.0	0 - 0	..	0.0	100.0
- Other agricultural products	177	7.1	0 - 40	1.9	7.9	86.3
WTO Non-agriculture (incl. petroleum)	5,785	7.9	0 - 50	1.4	8.0	42.4
- WTO Non-agriculture (excl. petrol.)	5,745	7.9	0 - 50	1.4	8.0	42.4
- - Fish and fishery products	303	29.6	0 - 40	0.5	29.6	50.8
- - Minerals and metals	1,165	4.9	0 - 40	1.5	5.1	46.4
- - Chemicals and photographic supplies	1,073	4.2	0 - 40	1.8	4.2	25.5
- - Wood, pulp, paper and furniture	340	8.6	0 - 20	1.0	8.6	48.8
- - Textiles	629	3.7	0 - 30	2.0	3.7	49.5
- - Clothing	281	19.8	0 - 20	0.1	19.8	50.0
- - Leather, rubber, footwear, etc.	182	8.0	0 - 40	1.2	8.0	40.7
- - Non-electric machinery	604	2.7	0 - 25	2.4	2.7	38.4
- - Electric machinery	270	8.0	0 - 25	1.2	8.0	46.9
- - Transport equipment	394	10.9	0 - 30	0.9	10.9	47.3
- - Non-agriculture articles	504	11.8	0 - 50	0.9	11.8	50.0
- Petroleum	40	8.5	0 - 30	1.0	8.5	50.0
By ISIC sector^b						
Agriculture and fisheries	613	22.8	0 - 100	0.9	30.7	83.4
Mining	108	2.2	0 - 20	2.5	2.2	47.6
Manufacturing	6,437	9.4	0 - 100	1.3	11.1	48.3
By HS section						
01 Live animals and prod.	519	29.8	0 - 100	0.7	34.8	77.9
02 Vegetable products	574	19.3	0 - 100	1.0	32.2	95.7
03 Fats and oils	54	25.1	0 - 40	0.7	38.8	96.5
04 Prepared food, etc.	452	21.1	0 - 40	0.6	32.3	96.2
05 Minerals	202	4.9	0 - 40	1.6	4.9	48.1
06 Chemical and prod.	1,008	4.0	0 - 40	1.9	4.0	25.1
07 Plastics and rubber	245	6.5	0 - 40	1.3	6.5	43.0
08 Hides and skins	81	7.5	0 - 20	1.3	7.5	58.6
09 Wood and articles	133	9.6	0 - 20	0.8	9.6	48.2
10 Pulp, paper, etc.	172	5.6	0 - 20	1.5	5.6	49.0
11 Textile and articles	899	8.2	0 - 20	1.2	8.2	51.2
12 Footwear, headgear	61	16.1	0 - 20	0.4	16.1	50.0
13 Articles of stone	186	8.2	0 - 20	1.0	8.2	50.0
14 Precious stones, etc.	62	12.5	0 - 20	0.6	12.5	50.0
15 Base metals and prod.	761	4.0	0 - 20	1.7	4.4	44.8
16 Machinery	894	4.5	0 - 25	1.8	4.5	41.1
17 Transport equipment	405	10.7	0 - 30	0.9	10.7	47.5
18 Precision equipment	239	7.8	0 - 20	1.0	7.8	50.0
19 Arms and ammunition	22	35.5	0 - 50	0.4	35.5	50.0
20 Miscellaneous manuf.	182	14.9	0 - 20	0.5	14.9	50.0
21 Works of art, etc.	8	20.0	20 - 20	0.0	20.0	50.0
By stage of processing						
First stage of processing	1,059	18.6	0 - 100	1.1	24.0	70.6
Semi-processed products	1,948	2.6	0 - 40	2.7	2.9	39.9
Fully-processed products	4,152	12.0	0 - 100	1.0	14.3	51.9

a Bound rates are provided in the HS2007 classification and applied rates in the HS2012; therefore, there is a difference between the number of lines included in the calculation.

b ISIC (Rev.2) classification, excluding electricity (1 line).

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

3.1.3.2 Bound tariffs

3.23. As a result of the Uruguay Round, Jamaica bound 100% of its tariff lines, with a current average rate of 50.3% (97.3% for agricultural products (WTO definition) and 42.4% for non-agricultural products). MFN applied rates exceeded their bound levels for 32 tariff lines; for some products the gap is over 10 percentage points (Table 3.6).

Table 3.6 Lines where the MFN duty is greater than the bound duty, for comparable lines

Tariff Code	Description	MFN duty (%)	Bound comparable tariff code	Bound description	Bound duty
2704001000	Coke and semi-coke of coal	5	2704001000	- Coke and semi-coke of coal	0
2807002000	Other sulphuric acid	15	2807000000	Sulphuric acid; oleum	10
2811210000	Carbon dioxide	15	2811210000	- - Carbon dioxide	10
2814100000	Anhydrous ammonia	15	2814100000	- Anhydrous ammonia	10
2818200000	Aluminium oxide (alumina), other than artificial corundum	15	2818200000	- Aluminium oxide, other than artificial corundum	10
2833220000	Of aluminium	15	2833220000	- - Of aluminium	10
2904101000	Sulphonic acid (tridecylbenzene [TDBSA] and Linear Alkylbenzene [LABSA])	15	2904100000	- Derivatives containing only sulpho groups, their salts and ethyl esters	10
2904102000	Sulphonic acid (Dodecylbenzene [DDBSA])	15	2904100000	- Derivatives containing only sulpho groups, their salts and ethyl esters	10
3919100000	In rolls of a width not exceeding 20 cm	15	3919100000	- In rolls of a width not exceeding 20 cm	10
3919901000	Having the characteristics of articles ready for use, or marked for cutting into such	15	3919900000	- Other	10
3919909000	Other	15	3919900000	- Other	10
4406100000	Not impregnated	15	4406100000	- Not impregnated	5
4406900000	Other	15	4406900000	- Other	5
4417001000	Handles for axes, brooms, mops, files, hammers, hoes, picks, rakes and shovels	15	4417000000	Tools, tool bodies, tool handles, broom or brush bodies and handles, of wood; boot or shoe lasts and trees, of wood	3.5
4417003000	Broom or brush bodies	5	4417000000	Tools, tool bodies, tool handles, broom or brush bodies and handles, of wood; boot or shoe lasts and trees, of wood	3.5
4417009000	Other	5	4417000000	Tools, tool bodies, tool handles, broom or brush bodies and handles, of wood; boot or shoe lasts and trees, of wood	3.5
4802621000	Other paper and paperboard of a kind used for writing, printing or other graphic purposes	20	4802621000	- - - Newsprint with one side exceeding 36 cm and the other side exceeding 15 cm in the unfolded state	15
7312101000	Stranded wire	15	7312100000	- Stranded wire, ropes and cables	3.5
7312102000	Cables	15	7312100000	- Stranded wire, ropes and cables	3.5
7312103000	Ropes	5	7312100000	- Stranded wire, ropes and cables	3.5
7312900000	Other	5	7312900000	- Other	3.5
8205510000	Household tools	20	8205510000	- - Household tools	3.5
8407330000	Of a cylinder capacity exceeding 250 cc but not exceeding 1,000 cc	20	8407330000	- - Of a cylinder capacity exceeding 250 cc but not exceeding 1,000 cc	15
8407340000	Of a cylinder capacity exceeding 1,000 cc	20	8407340000	- - Of a cylinder capacity exceeding 1,000 cc	15
8511100000	Sparkling plugs	20	8511100000	- Sparking plugs	0
8511200000	Ignition magnetos; magneto-dynamos; magnetic flywheels	20	8511200000	- Ignition magnetos; magneto-dynamos; magnetic flywheels	0
8511300000	Distributors; ignition coils	20	8511300000	- Distributors; ignition coils	0
8511400000	Starter motors and dual purpose starter-generators	20	8511400000	- Starter motors and dual purpose starter-generators	0
8511500000	Other generators	20	8511500000	- Other generators	0
8511800000	Other equipment	20	8511800000	- Other equipment	0
8511900000	Parts	20	8511900000	- Parts	0
8517110000	Line telephone sets with cordless handsets	5	8517110000	- - Line telephone sets with cordless handsets	0

Tariff Code	Description	MFN duty (%)	Bound comparable tariff code	Bound description	Bound duty
8518300000	Headphones and earphones, whether or not combined with a microphone, and sets consisting of a microphone and one or more loudspeakers	20	8518300000	- Headphones and earphones, whether or not combined with a microphone, and sets consisting of a microphone and one or more loudspeakers	0
8518900000	Parts	20	8518900000	- Parts	0

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

3.1.3.3 Preferential tariffs

3.24. As in previous TPRs of Jamaica, it was not possible to calculate the preferential tariff due to unavailability of data. According to the authorities, Jamaica does not have a differentiated tariff for its preferential trade agreements, and preferential access is administered through the use of "additional national codes" depending on the particular regional trade agreement.

3.25. All imports from other CARICOM countries are admitted duty free if they meet the rules of origin criteria, although the CARICOM Treaty allows a few national exceptions (Schedule I) to this duty-free entry. Specified imports from other countries with which CARICOM has entered into FTAs are also admitted duty free. Imports from other CARICOM countries of products that are on Jamaica's list of exceptions are subject to the CET.

3.26. Under the CARIFORUM-EU EPA, Jamaica and other CARIFORUM countries were not obliged to begin reducing tariffs on items subject to phased reduction commitments until January 2011. Since then, CARIFORUM states have reduced tariffs on products from the EU in several phases in order to allow time to find alternative revenue sources and for their industries to adjust to increased competition.¹¹ Goods to be liberalized by CARIFORUM countries comprise 61.2% of imports from the EU in value over 10 years (or by 2018), 82.7% over 15 years, and 86.9% over 25 years (or in 2033), covering 90.2% of tariff lines.

3.27. The main exclusions and long phase-in periods for sensitive products include: agricultural products (poultry and other meat, dairy products, certain fruits and vegetables), fishery products, food preparations (sauces, ice cream, syrup), beverages, ethanol, rum, vegetable oils, chemicals (paints/varnishes, perfumes, make-up/cosmetics, soaps, shoe polish, candles, disinfectants), furniture and parts, and certain apparel items. Overall, 13.1% of such products imported from Europe make up the exclusion list. For agricultural products, most sectors have either been excluded from liberalization or have been subject to long transition periods.

3.1.4 Other charges affecting imports

3.28. Jamaica charges other taxes and fees which in most cases apply to both domestic and imported goods: the General Consumption Tax, the Special Consumption Tax, the Environmental Protection Levy, the Customs Administrative Fee, the Standard Compliance Fee, as well as basic and additional stamp duties.

3.29. The General Consumption Tax (GCT) is a value-added tax on the consumption of goods and services. The taxable base for the GCT on imported goods is the c.i.f. value, inclusive of other fees and charges; the base for imported services is the sum charged for the services. The GCT has six rates: 0% (zero rated goods and services); 2% (books and other printed material)¹²; 10% (tourism); 16.5% (standard rate) as from 1 June 2012 pursuant to amendment of Section 4(1)(a) of the GCT Act; 21.5% (includes 5% advanced GCT); and 25% (telephone service and telephone instruments). GCT exceptions include petroleum products (as outlined in the second schedule under the GCT Act), goods that are exempt under the Act, and goods designated as capital goods by the Customs Act.¹³ During the review period, the GCT base was broadened to include government purchases, electricity and some foodstuffs. A recent GCT gap analysis shows that

¹¹ Tariffs continue to be a significant source of revenue for CARIFORUM states.

¹² Religious materials and books imported by schools, churches, government offices, etc. are duty free. However, when imported by persons other than such groups, they pay 2%.

¹³ GCT paid at standard rate, no advance GCT payable.

Jamaica's GCT collections could be higher by as much as 2% of GDP if compliance were improved, and by 5% of GDP if tax expenditures and policy were improved.¹⁴

3.30. Jamaica also imposes a Special Consumption Tax (SCT) on a limited number of imported and domestically produced goods (i.e. alcoholic beverages, most tobacco products, some petroleum products, and motor vehicles). The specific SCT on alcoholic beverages is J\$1,230 per litre of pure alcohol. The *ad valorem* SCT on manufactured tobacco products is 12%. The specific SCT on cigarettes, cigars, cheroots and cigarillos is J\$17 per stick. The specific SCT on unmanufactured tobacco is J\$1.05 per 0.7 grams/stick. Specified petroleum products (Chapter 27) attract both a specific and an *ad valorem* SCT rate but no GCT. The *ad valorem* SCT component on gasoline is 10% on the ex-refinery price. A specific SCT on the importation or refining in Jamaica of automotive fuels was increased by J\$6 per litre as from 10 March 2017. The SCT *ad valorem* on motor vehicles is based on the vehicle's engine capacity, and the rates range from 0% to 40% for individual importers and 0% to 30% for dealers. The SCT rates are further broken down to range from 0% for engines of less than 1,000 cc to 40% for engines greater than 3,000 cc.

3.31. The Environmental Protection Levy (EPL) was introduced in FY 2007/08; it applied only to imports at a rate of 0.5% of the c.i.f. value. As from 1 June 2015, the EPL applies to the sale of all manufactured goods, locally produced and imported, including from CARICOM.

3.32. The Customs Administrative Fee (CAF) is a service charge, which is designed to be commensurate with the cost of the service rendered by the JCA. According to the authorities, it replaced the Customs User Fee because it was not WTO-compliant.

3.33. The Standard Compliance Fee (SCF) of 0.3% of the c.i.f. value is collected on behalf of the Bureau of Standards on most food products, tobacco products, chemicals, some textiles and apparel, and most industrial products (Section 3.1.8). The fee is designed to cover the cost of legitimate standards-related services (e.g. certification and testing) provided by the Government.

3.34. All imports entering Jamaica are subject to a basic stamp duty of J\$5 on goods up to a c.i.f. value of J\$5,500, and J\$100 above that level. An additional stamp duty is payable on some imported items, mostly agricultural products. When additional stamp duties are taken into account, the overall average border protection increases from 10.4% to 12.6% (Section 3.1.4.1). With respect to the additional stamp duty, the CARIFORUM-EU EPA provides for complete elimination within 10 years (i.e. by 2018) for the member states of CARIFORUM. This requirement is, however, immediately binding on EU member States.

3.1.5 Import prohibitions, restrictions, and licensing

3.35. Import prohibitions are applied for health, security, moral or environmental considerations, or under international conventions (Box 3.1).

Box 3.1 Import prohibitions, 2017

Articles prohibited under the Customs Act

Counterfeit goods

Clocks and watches or other articles of metal, falsely representing any legal Commonwealth assay, mark or stamp, or purporting to be made in the Commonwealth

Coins (base or counterfeit) of any country

Coins, silver or money not of the established standard in weight and fineness

Obscene and indecent printed matter, films, and articles

Rum colouring solutions or extracts

Articles prohibited under other acts or international conventions

Agricultural implements and plants, bulbs, seeds, cuttings, etc. prohibited under the Plant Quarantine Act

All goods prohibited under the Anthrax Prevention Act, 1919 (United Kingdom)

¹⁴ These gaps, while still sizeable and on par with Latin America, have been declining in recent years due to Jamaica's ongoing reform efforts. In terms of tax policy, a continued broadening of the GCT base will not only reduce the policy gap but also improve compliance as exemption loopholes are closed. IMF Country Report No. 16/181.

Animals and their carcasses prohibited under the Animals (Diseases and Importation) Act and any of its amendments or laws
Dogs for racing
Dog racing equipment
Tablets containing the combination methaqualone and diphenhydramine hydrochloride
Goods covered by the Basel Convention on Hazardous Wastes
Substances included in the Montreal Protocol on Protection of the Ozone Layer
Endangered species according to the CITES Convention

Source: Customs Act, 1941, as amended; and Trade Board Ltd. online information, "Banned List". Viewed at: http://www.tradeboard.gov.jm/import_banned.htm

3.36. Import licensing is covered by the Trade Act, Law 4 (1955), and is administered by the Trade Board Limited, under the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAF). The licensing system serves to monitor imports that could have a negative impact on the environment, health, economic activities and security in Jamaica. According to the authorities, this system is not intended to restrict the quantity or value of imports. Items that require an import licence include concentrated milk and cream, fireworks, motor vehicles, specific motor vehicle parts and motorized equipment (Table 3.7). The Trade Board Limited is responsible for granting licences; licences must be obtained before importation. Import licensing on industrial products is automatic. Enterprises that operate in the free-zones or that benefit from single-entity free-zone status are not subject to import licensing.

Table 3.7 Goods subject to import licensing, 2017

HS code	Description of product	Automatic licensing	Other documents required
0402	Milk and cream, concentrated or containing added sugar or other sweetening matter in powder, granules or other solid forms:		Approval from the Bureau of Standards Jamaica (BSJ)
0402.10	of a fat content not exceeding 1.5%	Yes	
0402.20	of a fat content exceeding 1.5%	Yes	
1211.009	Other plant parts for perfume and pharmaceutical purposes, e.g. cannabis and cocoa leaf	Yes	Reference from MICAF, and drug permit from MoH
1301.001	Cannabis resin	Yes	Drug permit from MoH
1302.10	Vegetable saps and extracts e.g. agar-agar, concentrate of poppy straw, extracts and tinctures of cannabis and opium	Yes	Drug permit from MoH
1701.99.90	Refined sugar	Yes	
2523	Portland cement, aluminous cement, slag cement. Super sulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers		
2523.1000	Cement clinkers; portland cement	Yes	
2523.2100	White cement, whether or not artificially coloured	Yes	
2523.2900	Other	Yes	
2523.2910	Building cement (grey)	Yes	Reference from MICAF
2523.2920	Oil well cement	Yes	
2523.2990	Other	Yes	
2523.3000	Aluminous cement	Yes	
2523.9000	Other hydraulic cements	Yes	
2804.10	Hydrogen	Yes	Drug permit from MoH
2804.20	Rare gases	Yes	Drug permit from MoH
2807.001	Sulphuric acid, for chemical analysis	Yes	Drug permit from MoH
2807.002	Sulphuric acid, other	Yes	Drug permit from MoH
2807.003	Oleum	Yes	Drug permit from MoH
3601.00	Propellant powders	Yes	Permit from the Commissioner of Police Approval from the Ministry of National Security and Justice
3602.00	Prepared explosives other than propellant powders	Yes	Permit from the Commissioner of Police Approval from the Ministry of National Security and Justice

HS code	Description of product	Automatic licensing	Other documents required
3603.00	Safety fuses, detonating fuses, percussion or detonating caps, igniters, electric detonators	Yes	Permit from the Commissioner of Police Approval from the Ministry of National Security and Justice
3604.10	Fireworks	Yes	Permit from the Commissioner of Police Approval from the Ministry of National Security and Justice
3604.90	Other pyrotechnic articles	Yes	Permit from the Commissioner of Police Approval from the Ministry of National Security and Justice
8427	Cranes and forklift trucks, other work trucks fitted with lifting or handling equipment	Yes	
8429	Self-propelled bulldozers, angel dozers, graders, levellers, scrapers, mechanical shovels, excavators, shovel loaders, trenchers, back hoes, harvesters, pipe layers, road rollers, asphalt plants and pavers (excluding tamping machines)	Yes	
8430	Compactors and concrete drop hammers only	Yes	
8433	Sugar cane harvesters and mowers for lawns, parks or sports grounds (12.5 horse power/ 344 cc and above only)	Yes	
8702	Public-transport-type passenger motor vehicles	Yes	
8703	Motor cars and other motor vehicles including station wagons and racing cars and all-terrain vehicles	Yes	
8704	Motor vehicles for the transport of goods (excluding pick-ups and trucks over 3 tons)	Yes	
8705	Special purpose motor vehicles, other than those principally designed for the transport of persons or goods (for example, breakdown lorries, crane lorries, fire-fighting vehicles, concrete-mixer lorries, road sweeper lorries, spraying lorries, mobile workshops, mobile radiological units and mobile kitchens)	Yes	
8706	Chassis fitted with engines (for motor vehicles of HS Nos. 87.02 to 87.05)	Yes	
8707	Bodies (including cabs) for motor vehicles of HS Nos. 87.02 to 87.04 (excluding cabs for pick-ups)	Yes	
8708	Parts and accessories for motor vehicles of HS Nos. 87.01 to 87.05	Yes	
8708.99.9	Other (motor vehicle parts)	Yes	
8709	Work trucks, self-propelled, not fitted with lifting or handling equipment, of the type used in factories, warehouses, dock areas or airports for the short distance transport of goods; tractors of the type used on railway station platforms	Yes	
8711	Motor cycles (including mopeds) and cycles fitted with an auxiliary motor, with or without sidecars; two-wheeled self-balancing, battery powered electric vehicles and hover boards	Yes	Approval from the Ministry of National Security and Justice for motor cycles of 700 cc and over
8716	Trailers and semi-trailers; other vehicles, not mechanically propelled (only those HS Nos. listed below)	Yes	
8716.10	Trailers and semi-trailers of the caravan type, for housing or camping	Yes	
8716.20	Self-loading or self-unloading trailers and semi-trailers for agricultural purposes; other trailers or semi-trailers for the transport of goods (20ft/6.1m and above)	Yes	
8716.31	Tanker trailers and tanker semi-trailers	Yes	

HS code	Description of product	Automatic licensing	Other documents required
9301.00	Military weapons other than revolvers, pistols and arms of HS No. 93.07.00	Yes	Permit from the Commissioner of Police Approval from the Firearm Licensing Authority and the Ministry of National Security and Justice
9304.00	Other arms (rifle, air/spring gun, pistol etc. including those with HS No. 93.07.00	Yes	Approval from the Firearm Licensing Authority and the Ministry of National Security and Justice
9302.00	Revolvers and pistols other than those of HS Nos. 93.03 or 93.04.00	Yes	Approval from the Firearm Licensing Authority and the Ministry of National Security and Justice
9305	Parts and accessories for HS Nos. 93.01-93.04	Yes	Approval from the Firearm Licensing Authority and the Ministry of National Security and Justice
9306	Bombs, grenades, torpedoes, mines, missiles, similar ammunitions of war and parts thereof, including shot and cartridge wads (only those HS Nos. listed below)	Yes	Approval from the Firearm Licensing Authority and the Ministry of National Security and Justice
9307	Swords, cutlasses, bayonets, lances, similar arms, parts thereof and scabbards and sheaths therefor	Yes	Approval from the Ministry of National Security and Justice
9503	Other (toy guns, recreational including water pistols)	Yes	Approval from the Commissioner of Police
9505	Other games, coin- or disc-operated; amusement machines other than bowling alley equipment	Yes	Approval from the Betting, Gaming and Lotteries Commission

Note: MICAF = Ministry of Industry, Commerce, Agriculture and Fisheries; MoH = Ministry of Health

Source: Information provided by the Jamaican authorities.

3.37. The Trade Board Limited manages a verification process of importers of refined sugar and milk powder. Under the Refined Sugar Regimes, a duty waiver is applicable for importers using this product as a raw material in their production processes. In addition to the relevant licensing requirement attached to both refined sugar and milk powder commodities, the Trade Board conducts a pre-entry verification process to ensure that persons registered are *bona fide* manufacturers and, in the case of refined sugar, are eligible for duty waivers.

3.38. The Trade Board Limited issues import licences for items that require close monitoring, with motor vehicle imports accounting for the bulk of import licence applications. The Motor Vehicle Import Policy of 2014¹⁵, in force since 3 April 2014, superseded the Motor Vehicle Import Policy of 2004. Regulations for this Policy are being developed and will be gazetted in due time. All motor vehicles¹⁶ require import permits (order and clearance permit) before shipment to Jamaica. Motor vehicle parts (front and back clip) of tariff heading No. 87.08.99.9, pick-up cab, pick-up beds and truck cabs of tariff Heading No. 87.07 also require import licences. Import licences are obtained from the Trade Board Limited.

3.39. A private importer is entitled to import, every three years, one motor vehicle and one light commercial vehicle; or two light commercial vehicles; or one light commercial vehicle and one regular commercial vehicle unit. Companies, with the exception of certified motor vehicle dealers, are allowed to import three units within the age limits specified in the Policy, over a three-year period.¹⁷ The number of vehicles that may be imported by a dealer is not limited. Car dealers must

¹⁵ Ministry of Industry, Investment and Commerce (at that time) Paper No. 36/14.

¹⁶ Cars, trucks designed specifically for the transportation of passengers, trucks designed specifically for the transportation of cargo, pick-up trucks, panel vans, motorcycles, tractors, trailers, all-terrain vehicles (ATVs), two-wheeled, self-balancing, battery-powered electric vehicles (e.g. Segway PTs), and specific motorized equipment. The importation of ATVs and two-wheeled, self-balancing, battery-powered electric vehicles is allowed for use on private property. The usage of these vehicles on public roads is prohibited.

¹⁷ A 12-month restrictive clause prohibiting the unauthorized sale, transfer or pledging of such vehicles will be incorporated in the import permits approved for importation by such companies. Any requirement for

be approved and certified by the Trade Board Limited and registered under the Companies Act 2004. Motor vehicle dealers must be inspected and recertified annually by the Trade Board Limited, for a fee currently set at J\$104,850 for each primary location.

3.40. Import licence applications are generally processed within three working days, subject to the payment of receipt and processing fees, and are valid for one year in most cases, based on the items being imported. However, the validity can be extended. For refined sugar and milk powder, licences are valid for three to six months. Total processing fees per motor vehicle unit amount to J\$6,407.50 (online payment) and J\$8,737.50 (manual); the charge for amendments is J\$2,912.50, and there is a service charge of J\$1,000 for manual applications. The same fees apply whether the application is for commercial or personal effects.

3.1.6 Anti-dumping, countervailing, and safeguard measures

3.41. No major changes have been made to the legislative and institutional framework for contingency trade measures since Jamaica's last TPR. The Anti-dumping and Subsidies Commission (ADSC), under MICA, administers the provisions of the Customs Duties (Dumping and Subsidies) Act, 1999, the Customs Duties (Dumping and Subsidies) (Determination of Fair Market Price, Material Injury and Margin of Dumping) Regulations, 2000, the Safeguard Act, 2001, and the Safeguard Regulations, 2003. According to the authorities, Jamaica's trade remedies legislation is based on the relevant WTO agreements.

3.42. The core mandate of the ADSC is the investigation of unfair practices in international trade and the determination of remedies to defend domestic industry. The ADSC also engages in a programme of industry stakeholder engagement and training to equip domestic producers to use the trade remedy instruments, by holding consultations and seminars and providing training and resource materials.¹⁸

3.43. The ADSC, in conjunction with its portfolio Ministry, has proposed amendments to the Customs Duties (Dumping and Subsidies) Act, which are currently pending, in an effort to improve the clarity and usability of the regime for contingency measures in Jamaica. Under the current legislative framework, investigations in relation to dumping, subsidies, safeguards or other necessary investigations can be carried out by the Commission on its own initiative or on receipt of a written complaint by, or on behalf of, a domestic industry. If an investigation is required, the ADSC notifies the relevant parties, including the government of the exporting country, known Jamaican importers, and foreign exporters of the goods, and publishes a public notice of initiation inviting interested parties to comment. In the case of a preliminary determination of dumping, subsidization and injury, provisional duties may be applied not earlier than 60 days after the date on which investigation was initiated, and cannot remain in place for more than four months, except on the request of an exporter that has a significant share of trade concerned, in which case they can remain in place for up to six months. Where there is a final determination of dumping, subsidization, and injury, a definitive duty may be applied for a maximum of five years.

3.44. Since its last TPR in 2011, Jamaica has not initiated any anti-dumping investigations (compared with five cases over 1995-2011), nor any safeguard cases (one during 1995-2011). Jamaica has never taken any countervailing actions.

3.45. Under CARICOM, Articles 96 to 116 of the Revised Treaty of Chaguaramas provide rules for subsidies and countervailing duties; and Articles 125 through 133 relate to anti-dumping actions. Jamaica has not invoked these provisions. The provisions require some clarification and work has taken place within the last several years to accomplish a WTO-compliant regime for the region and for individual territories within the region. Provision has also been made for bilateral safeguards under the EPA.

more than three units within the specified period must be satisfied through purchases from local certified dealers.

¹⁸ The work of the ADSC to support Jamaica's industry is included in "Vision 2030" and the National Development Plan Medium Term Framework for 2015-2018.

3.1.7 Other measures affecting imports

3.46. Jamaica has notified the WTO that it is not applying any trade-related investment measures which are not in conformity with the provisions of the TRIMS Agreement.¹⁹

3.2 Measures Directly Affecting Exports

3.2.1 Customs procedures and requirements

3.47. Exporters must be registered with JAMPRO. To register, a company must submit a copy of its certificate of incorporation or of the certificate of business name, and the taxpayer registration number. Additional document requirements depend on the product to be exported. According to the latest World Bank figures, in terms of border compliance, it takes 58 hours and US\$876 to export from Jamaica (Table 3.8). A competitiveness committee has been established to, *inter alia*, monitor this, and to chart a roadmap to address the issues/barriers identified as constraints to competitiveness.

Table 3.8 Export time and cost, 2017

Indicator	Jamaica	LA & Caribbean
Time to export: border compliance (hours)	58	63
Cost to export: border compliance (US\$)	876	527
Time to export: documentary compliance (hours)	47	56
Cost to export: documentary compliance (US\$)	90	111

Source: World Bank online information. Viewed at: www.doingbusiness.org/data/exploreeconomies/jamaica

3.2.2 Taxes, charges and levies

3.48. Jamaica applies no taxes or charges on exports. The GCT rate for exports is zero.

3.49. Under the Conch (Export Levy) (Special Provision) Act of 2015, exporters pay US\$0.50 per pound of conch. The proceeds from the levy go towards the Fisheries Management and Development Fund aimed at the sustainable management and development of the fisheries sector and the reduction of illegal, unreported and unregulated fishing.

3.2.3 Export prohibitions, restrictions, and licensing

3.50. Goods generally prohibited for export are listed in the Customs Act and refer mainly to arms, ammunition, and naval stores; and spirits and wines. In addition, exports of shells and some live animals are prohibited under international conventions.

3.51. Certain items are subject to export permits, including queen conch, orchids, dolphins, Caribbean mahogany, Spanish Cedar Lignum Vitae, Jamaican parrots, as well as other live animals and plants subject to CITES, administered by the National Environment and Planning Agency (NEPA) in Jamaica. For other products, licences are required for the control, monitoring and protection of heritage, as required by the Trade Act. To attest that royalties have been paid, major producers of bauxite and alumina are granted one-year export permits, and smaller producers are granted shipment-by-shipment automatic export licences by the Ministry of Transport and Mining. Licences for sugar exports are granted according to availability under the guaranteed quota allocations. An export licence is still required from the Coconut Board to export coconuts. Export licences are granted at no charge.

3.52. The Trade Board is responsible for issuing export licences for specific items, the exportation of which may impact negatively on the environmental, social and economic conditions of the country, or which may not be in keeping with international obligations. The Trade Board also deals with issuing certificates of origin for Jamaican products exported under various preferential trade agreements (except for the CARIFORUM and EU EPA which fall under the purview of the JCA), and with monitoring imports and exports of specified commodities, as required by MICAFA. The conditions under which export licences are granted remain unchanged, and scrap metal (including scrap jewellery) is now on the list of products requiring export licences (Table 3.9).

¹⁹ WTO document G/TRIMS/N/1/JAM/1, 31 July 1998.

Table 3.9 Goods subject to export licensing, 2017

Product	Authority
Ammunition (explosives and firearms)	Trade Board with authorization from the Commissioner of Police
Coconut	Coconut Industry Board
Crocodiles	Trade Board Limited with authorization from the National Environment and Planning Agency
Crocodiles eggs	Trade Board Limited with authorization from the National Environment and Planning Agency
Eggs (National Organic Programme)	Trade Board Limited with authorization from MICAF
Antique furniture	Trade Board Limited
Gold bullion and fully or semi-manufactured gold	Trade Board Limited
Ores, minerals, and metal, including bauxite, alumina, and gypsum	Trade Board Limited with authorization from the Ministry of Energy, Science, and Technology
Antique paintings	Trade Board Limited
Pimento	Trade Board Limited with authorization from MICAF
Plasma, in any form	Trade Board Limited with authorization from the MoH
Sugar	Trade Board Limited with authorization from the Sugar Industry Authority
Lignum Vitae ^a and log wood	Trade Board Limited with authorization from MICAF
Petroleum products	Trade Board Limited with authorization from the Commissioner of Mines
Motor vehicles	Trade Board Limited
Live animals (subject to CITES)	Trade Board Limited with authorization from the National Environment and Planning Agency
Jewellery, excluding those from earth metals	Trade Board Limited
Shells (subject to CITES)	Trade Board Limited with authorization from the National Environment and Planning Agency
Green coffee beans (more than 60 kg)	Coffee Industry Board
Scrap metals, including scrap batteries	Trade Board Limited with authorization from the JCA
Scrap jewellery	Trade Board Limited with authorization from the JCA
Aggregates, including sand and stone	Trade Board Limited with authorization from the Commissioner of Mines (Mines and Quarries Division)
Processed foods and furniture	Export permit from the Bureau of Standards Jamaica
Animal or plant products	Permit from MICAF
Dangerous goods	Permit from the National Environment and Planning Agency

a Lignum Vitae species need a CITES permit.

Source: Information provided by the Jamaican authorities.

3.53. The Natural Resources Conservation Authority (NRCA) issues permits for the transboundary movements of wastes defined as hazardous under the Natural Resources (Hazardous Wastes) (Control of Transboundary Movements) Regulations, 2002. Under these Regulations, the importation of hazardous waste is prohibited, whilst their transit and export are controlled under a permit system.

3.2.4 Export support and promotion

3.54. The Special Economic Zone (SEZ) Act of 2015, approved by Parliament on 12 January 2016 and entered into force on 1 August 2016, replaced the Jamaica Free Zones Act of 1996 and the Export Free Zones Act of 1982. The new SEZ regime aims to attract large and medium-sized corporations that are eager to benefit from trade flows that pass through the Caribbean region as part of global value chains. According to the authorities, the new SEZ regime is an attempt to meet Jamaica's obligations under the WTO's Agreement on Subsidies and Countervailing Measures, and also to realize Jamaica's vision of being a global logistics hub.²⁰

3.55. Under the SEZ Act, a SEZ is a designated geographical area limited to specific economic activities. The SEZ Act does not state the allowed activities, but it prohibits the following: extractive industries (mining, quarrying, or drilling for natural resources, excluding the lawful extraction of water for use by the occupant or developer); tourism; telecommunications; public utilities (excluding the generation of electricity by the occupant or developer for use in the zone);

²⁰ Jamaican Parliament online information. Viewed at: <http://www.japarliament.gov.jm/attachments/article/341/The%20Special%20Economic%20Zones%20Act,%202016%20No.%207.pdf>

financial services regulated by the BOJ or the Financial Services Commission; construction services (unless part of a manufacturing process within the zone); real estate; health services (excluding R&D); catering services; and retail trade.²¹ No company in the SEZ can operate rental and non-rental activities through the same company.

3.56. The SEZ regime allows for interested parties to be developers, occupants and users of spaces designated as SEZs by the SEZ Authority. A developer is defined as a company limited by shares incorporated under the Companies Act of Jamaica and established by a sponsor (i.e. an investor) for the purposes of entering into a master-concession or a licence agreement to develop and construct an SEZ. An occupant refers to a person who conducts business in the SEZ under a sub-concession agreement with the developer. SEZ users are persons, other than occupants and developers, who have been authorized by the SEZ Authority to perform activities or services within the SEZs.

3.57. Under the SEZ regime, there is no minimum threshold export requirement. This is a fundamental difference between the SEZ regime and the previous Export Free Zone regime where 85% of sales were required to be exported. The SEZ regime provides a wide range of tax concessions for entities entering that regime such as: a maximum GCT rate of 12.5%, or as low as approximately 7.5% if they qualify for certain tax credits; and no customs duties on imported items (once products imported from the SEZ entity enter the domestic territory then all duties will apply). Export-related incentives were repealed in accordance with Jamaica's WTO obligations that, in turn, will likely result in an increased interaction between the zones and the local economy. However, it should be noted that free zone entities, of which a substantial amount are in the services sector and therefore not under the requirements of the WTO's Agreement on Subsidies and Countervailing Measures, have been grandfathered for four years from the date of the passage of the SEZ Act.

3.58. Jamaica has a number of active industrial park/free-trade zones: the Kingston Free Zone, the Montego Bay Free Zone, Garmex, Portmore Informatics, and Cazoumar. All zones, except the Cazoumar Free Zone, are government-owned and managed. A feasibility study is to be done on a project to establish a large logistical center including a free zone (Caymanas Economic Zone) located adjacent to Kingston and to shipping and transshipment services provided by the Port of Kingston.

3.2.5 Export finance, insurance, and guarantees

3.59. The National Export-Import Bank (EXIM Bank) is Jamaica's principal trade financing institution and the Caribbean's first Export-Import Bank. It provides financial support to the export sector. All exporters are eligible for financing but specific focus is placed on small and medium-sized entities (SMEs) involved in non-traditional exports (e.g. tourism, manufacturing, agro-processing, ICT and creative industries).²²

3.60. The EXIM Bank offers Trade Credit Insurance (TCI), an insurance programme with the following features: facilitates businesses expanding into new markets and increases their capacity for growth; offers commercial risk coverage to Jamaican businesses against non-payment from both foreign and domestic buyers due to bankruptcy, insolvency and even payment default covering up to 85% of the gross invoice value; and provides insurance cover against receivables. Through the TCI, EXIM Bank conducts investigations on prospective buyers to determine their creditworthiness and provides independent, recognizable information to enable its customers to make a decision.

3.61. The TCI is available to business entities registered in Jamaica. It is applicable to export sales of goods and services, domestic sales of Jamaican manufactured goods, third country sale of goods supplied by subsidiaries of Jamaican companies, the sale of goods only supplied by subsidiaries of Jamaican companies located and operating within CARICOM, and the sale of goods trans-shipped from Jamaica's duty-free zones to countries within the Caribbean region. It can also be used as collateral when accessing short-term working capital loans from EXIM Bank;

²¹ The Minister of Economic Growth and Job Creation may add other prohibited activities to the list.

²² EXIM Bank also facilitates capacity building among SMEs by offering seminars and workshops to increase their awareness and provide information that would enhance their ability to access financing. Areas covered include business planning, record keeping, registration requirements, standards and quality.

policyholders can access up to 80% of the value of their receivables for approved buyers in this regard.

3.62. EXIM Bank, as an Approved Financial Intermediary (AFI) of the Development Bank of Jamaica (DBJ), facilitates its clients' access to finance through the use of partial credit guarantees under the Credit Enhancement Facility (CEF) operated by the DBJ. Loans made by EXIM Bank and other AFIs to SMEs are eligible for guarantees of up to 50% of the loan amount, to a maximum of J\$15 million, and 80% for energy loans also up to a maximum of J\$15 million. Loans not exceeding J\$6.25 million are eligible for guarantees of up to 80% of the loan amount up to a maximum of J\$5 million. The objective of the CEF is to: provide an incentive to AFIs to increase lending to SMEs; facilitate loans to qualified SMEs, for viable projects, by providing additional security coverage on loans; allow the AFI to accept non-traditional collateral which it may not normally accept, and grant credit based on criteria such as the borrower's character and the future cash flows of the business; and reduce the risk exposure to the AFI that is normally associated with providing credit to SMEs.

3.63. One of the strategies under the National Export Strategy (NES) Phase II, is to move away from the traditional form of lending in order to facilitate the ease of doing business by encouraging more flexibility in offering loans and other financial services. The related activity involves developing a guarantee system - Financial Guarantee System to MSMEs – formulated through the Ministry of Finance and Public Finance, the CBJ and the DBJ to partner with MSMEs to arrive at solutions, e.g. provide guarantees to a percentage of loans being requested by MSME through all financial institutions.

3.3 Measures Affecting Production and Trade

3.3.1 Incentives

3.64. Jamaica continues to apply a comprehensive set of incentive schemes. Nonetheless, since the last TPR, efforts have been made to simplify and streamline the incentives programme, notably by introducing the Omnibus Incentives Legislation (Section 2.4.2)

3.65. Under the Fiscal Incentives (Miscellaneous Provisions) Act (FIA) 2013, Jamaica repealed four incentive schemes that were notified to the WTO as containing export subsidies: the Export Industry Encouragement Act; the Industrial Incentives (Factory Construction) Act; the Foreign Sales Corporation Act; and the Jamaica Export Free Zones Act. Initially, Jamaica was expected to eliminate its export subsidies by 1 January 2003 to comply with the requirements of the WTO Agreement on Subsidies and Countervailing Measures. However, two extensions were granted by the WTO that allowed Jamaica to maintain these export subsidy programmes until 31 December 2007²³, and then until 31 December 2015.²⁴ Extensions were renewed annually subject to fulfilling the transparency and standstill requirements under these decisions.

3.66. Existing beneficiaries of the Export Industry Encouragement Act were given the option of either having the incentives grandfathered for the remaining period granted or begin operations under the FIA.²⁵ Regarding the Export Industry Encouragement Act and the Foreign Sales Corporation Act²⁶, there was very little activity under these two programmes and therefore no incentives were recorded as grandfathered.²⁷

²³ Ministerial Decision on Implementation-Related Issues and Concerns (WT/MIN(01)/17) paragraph 10.6 and G/SCM/39.

²⁴ WTO document WT/L/691, dated 31 July 2007.

²⁵ The Export Industry Encouragement Act was established as an incentive framework geared toward the encouragement of export industries.

²⁶ The Industrial Incentives (Factory Construction) Act provided an enabling framework for the provision of factory space in Jamaica, while the Foreign Sales Corporation Act was a legislative framework for the operation of Foreign Sales Corporations (FSCs) in Jamaica.

²⁷ WTO document G/SCM/N/299/JAM, 23 August 2016.

3.3.2 Standards and other technical requirements

3.67. The Bureau of Standards Jamaica (BSJ), under MICAFA, remains the WTO enquiry point for issues related to technical barriers to trade (TBT).²⁸ The BSJ has responsibility for the promulgation and implementation of standards, and performs trade facilitation, business support, and consumer protection roles through standardization, metrology, technical information, training, energy efficiency evaluation and conformity assessment (inspection, calibration, laboratory testing, product and system certification). In 1996, Jamaica accepted the Code of Good Practice.²⁹ Jamaica has submitted 55 notifications to the WTO TBT Committee (up to March 2017). No specific trade concern has been raised in the Committee regarding Jamaica's measures.

3.68. The Bureau's portfolio includes ensuring compliance with the Standards Act (1969), the Processed Food Act (1959) and the Weights and Measures Act (1976). The Standards (Amendment) Act 2012 (No. 3 of 2012) amends the Standards Act in Sections 11 and 12 with respect to regulation-making and penalties for offences defined by the principal Act. The Minister of MICAFA is entitled to amend any monetary penalty specified in the principal Act. Other aspects of the BSJ mandate are implemented under the Trade Act (1955), the Customs Act (1941), the Petroleum (Quality Control) Regulations (1990) and the CARICOM Regional Organization for Standards and Quality Act (2005).

3.69. The Standards Compliance Programme (SCP) continues to be implemented to ensure the compliance of all goods (locally produced and imported) with the requirements of compulsory product standards (technical regulations) and labelling regulations.³⁰ The Standards Compliance Fee (SCF), at 0.3% of the c.i.f. value of commodities in each shipment is paid on all imports of products subject to the SCP (e.g. all finished goods), except imports of exempted goods, including commodities imported in connection with government incentive programmes, programmes relating to health and welfare, international agreements and protocols, personal effects, and raw materials and capital goods imported for use in the manufacturing process, crude petroleum, and certain agricultural products.³¹

3.70. Jamaica published 36 domestic/national standards during the period 2011-17. These are mostly based on international standards, primarily the International Organization for Standardization (ISO) and Codex Alimentarius, but also on those of the United States and the United Kingdom. Currently, Jamaica has 179 international and regional standards: 106 ISO standards, 7 European standards (EN), 1 Indian, 1 American National Standards Institute (ANSI), 1 Codex Alimentarius, 8 American Society for Testing and Materials (ASTM International), 15 Gaming Laboratory Institute, and 40 CARICOM. Since its previous Review in 2011, Jamaica has introduced 45 compulsory standards (technical regulations) relating, *inter alia*, to brewery products, toys, labelling and pre-packaged food, bread, furniture, and building and associated materials (Table 3.10). Compliance with standards and technical regulations is verified through random inspection and sampling at ports of entry and in the market place. All food processing establishments are required to be inspected and registered annually. For specified products (e.g. stoves and fans), type testing and approval services are offered to importers on request.

Table 3.10 Compulsory Jamaican Standards, 2011-17

Standard No.	Name of Standard
JS 35: 2011	Standard Specification for Standard Hollow Concrete Blocks (Revised)
JS CRS 25: 2012	Standard Specification for Rum
JS CCS 0045: 2012	Standard for Safety Matches
JS CRS 27: 2012	Standard Specification for Fruit and Vegetable Juice and Drinks, and Fruit Nectars
JS CCS 41: 2012	Standard Specification for Brewery Products: beer, stout, shandy, malt
JS CCS 52: 2012	Standard Specification for Grading and Quality Requirements of Tables Eggs
JS CRS 5: 2012	Standard Specification for Labelling of Pre-packaged Food
JS CRS 1: 2012	Standard Specification for Packaged Water

²⁸ WTO document G/TBT/ENQ/38/Rev.1, 8 July 2011.

²⁹ WTO document G/TBT/CS/2/Rev.22, 29 February 2016.

³⁰ General standards regulations are contained in Standards Regulations 1983; Standards (Amendment) Regulations 1999; and Standards (Amendment) Regulations 2000.

³¹ These products are: crude oil, ham and bacon, some poultry, pork and bovine meat cuts, soybeans, string beans, cooked and frozen carrots, pigeon peas in packages of a certain size, cereals for animal feed, meals of oil seeds, oleaginous fruits, meat, and some petroleum oils.

Standard No.	Name of Standard
JS 322: 2012	Standard Specification for Transportable Gas Cylinders – fully wrapped composite cylinders
JS 323: 2012	Standard Specification for Transportable Gas Cylinders – periodic inspection and testing of composite gas cylinders
JS CRS 19: 2013	Standard Specification for Cassava Bread
JS CRS 22: 2013	Standard Specification for Achar, Amchar and Kuchela
JS CRS 37: 2013	Standard Specification for Labelling of Retail Packages of Aerosol Insecticide
JS 303: 2013	Standard Specification for General Hydraulic Cement
JS 325: 2013	Standard Specification for Football Goals
JS 301: 2013	Standard Specification for Blended Hydraulic Cements
JS 73: 2013	Standard Specification for Synthetic Laundry Detergent
JS 41: 2014	Standard Specification Inspection, Retesting and Use of Transportable Gas Containers (Revised)
JS 75: 2014	Standard Specification for Vinegar
JS 277: 2014	Standard Specification for Household Cooking Gas Appliances
JS 145: 2014	Standard Specification for Bread (Revised)
JS 1 Part 1: 2014	Standard Specification for Labelling of Furniture (Revised)
JS 1 Part 9: 2014	Standard Specification for Labelling of Toys (Revised)
JS 1 Part 26: 2014	Standard Specification for Labelling of Tissue Products and Wipes (Revised)
JS 33: 2014	Standard Specification for Hot Rolled Steel Bars for the Reinforcement of Concrete (Revised)
JS 31: 2014	Standard Specification for Repair of Low-Pressure Welded steel Transportable Gas Containers (Revised)
JS 32: 2014	Standard Specification for Portland Cement: Ordinary or Rapid Hardening
JS 22: 2014	Standard Specification for Lead-acid Batteries of the Automobile Type
JS 296: 2015	Standard Specification for Hot-dip Zinc and Hot-dip Aluminium/Zinc Profile Steel Sheets for Roofing (Revised)
JS 1 Part 27: 2015	Standard Specification for Labelling of Retail Packages of Pesticide (Revised)
JS 133: 2015	Standard Specification for Ready Mixed Concrete (Revised)
JS 276: 2015	Standard Specification for Canned Ackee in Brine (Revised)
JS 61: 2016	Standard Specification for Coffee (Revised)
JS 96: 2016	Standard Specification for Cocoa Powders and Dry Cocoa-sugar Mixtures for Direct Consumption
JS CODEX STAN 2014	Standard Specification for Food Additives
JS 332: 2015	Standard Specification for Water Storage Tanks
JS 331: 2017	Standard Specification for Tobacco Products
JS 326: 2015	Standard Specification for Bag Drink
JS 286: 2016	Standard Specification for Aggregates for Bituminous Mixtures
JS 112-1: 2016	Standard Specification for Mineral Aggregates, Sands and Fillers
JS 112-2: 2016	Standard Specification for Mineral Aggregates, Sands and Fillers
JS 112-4: 2016	Standard Specification for Mineral Aggregates, Sands and Fillers
JS 112-3: 2017	Standard Specification for Mineral Aggregates, Sands and Fillers
JS 308: 2017	Standard Specification for Property Maintenance/Construction
JS 1 Part 29: 2016	Standard Specification for Labelling; Products and Equipment containing Ozone-depleting Substances and/or their Substitutes

Source: Information provided by the BSJ.

3.71. The Jamaica National Agency for Accreditation (JANAAC), a wholly-owned government company under MICAFA, is the national accreditation body. Its main objective is to facilitate trade between Jamaica and its trading partners by enabling Jamaica's conformity assessment systems to meet international standards and the requirements of the TBT Agreement. JANAAC offers accreditation services to public and private-sector laboratories, and accreditation services to conformity assessment, inspection bodies and certification bodies. JANAAC also provides training and technical information as appropriate.

3.72. The National Certification Body of Jamaica (NCBJ) is a unit of the BSJ with a mandate to offer management systems certification services to ISO 50001. The NCBJ aims to become the pioneer accredited certification body in the Caribbean to offer certification to ISO 50001 Energy Management Systems, and seeks to guide organizations on how to establish systems and processes to improve their energy performance, inclusive of efficiency and consumption.

3.73. Jamaica has not signed any bilateral agreements on the recognition of conformity certificates.

3.74. On 4 January 2016, the BSJ commenced the transitioning of its role as regulator for locally manufactured and imported commodities, for which there are compulsory standards, as well as legal metrology activities to the National Compliance and Regulatory Authority (NCRA). The NCRA was established in July 2015 and operates independently from the BSJ in the execution of its technical activities, which include registering processed food establishments, inspecting goods at the ports of entry and in the domestic market for compliance, and legal metrology activities. The BSJ provides the NCRA with corporate services such as human resource management and development, facilities management, financial management and IT support.

3.75. Jamaica is member of: the ISO, the International Organization of Legal Metrology (OIML), the International Electro-technical Commission (IEC), the Pan American Standards Commission (COPANT), the CARICOM Regional Organisation for Standards and Quality (CROSQ), the International Bureau of Weights and Measures (BIPM), ASTM International, the International Laboratory Accreditation Council (ILAC), and the Inter American Accreditation Cooperation (IAAC).

3.3.3 Sanitary and phytosanitary requirements

3.76. No major changes have been made to the SPS legislative and institutional framework since Jamaica's last TPR. The Jamaican SPS regime is regulated by (as amended): the Agricultural Products Act, 1926; the Plants Quarantine Act, 1993; the Processed Food Act, 1959; the Animal Diseases (Importation) Act, 1943; the Aquaculture Inland Marine and By-Products Act, 1999³²; the Public Health Act, 1985; the Public Health (Meat Inspection) Regulation, 1995; the Public Health (Butchers) Regulations, 1989; the Public Health (Nuisance) Regulation, 1995; the Public Health (Food Handling) Regulations, 1998; the Food and Drugs Act, 1975; the Meat, Meat Products and Meat By-products (Inspection and Export) Act, 1998; the Food Storage and Prevention of Infestation Act, 1953; the Food Storage and Prevention of Infestation Regulations, 1973; the Citrus Plant (Certification) (Amendment) Regulations, 2012; the Plants (Importation) Control Regulations, 1997; and the Plants (Quarantine) (Wood Packaging in International Trade) Regulations, 2012.³³

3.77. The Plant Quarantine Branch of MICAFA is the WTO/SPS enquiry point.³⁴ It issues pre-entry import permits for all fresh fruit and vegetables, plants, and plant parts. The products under the import permit must be accompanied by certificates stating their phytosanitary condition. Imports of live animals and all animal products require an import permit from the Veterinary Services Division of MICAFA. Imported animals are held in quarantine at the Government Quarantine Station. Pharmaceuticals and nutraceuticals for both human and animal consumption require an import permit from the MoH. All food intended for human consumption is subject to random public health inspection upon arrival. Jamaica's pest-risk analysis unit is responsible for preparing import risk assessments, identifying the quarantine risks associated with requests to import plant or plant products, and recommending quarantine measures to manage these risks.

3.78. The National Agricultural Health and Food Safety Coordinating Committee (NAHFSCC) comprises senior technical officers from various government entities, academia, and the private sector. The objective of the NAFHSCC is said to establish and maintain a rational, integrated farm-to-table agricultural health and food safety system in Jamaica that harmonizes inter-agency conflict and overlaps and ensures the protection of public health. The food safety policy provides the foundation for Jamaica's food safety programme and the institutional arrangements.

3.79. The MoH is responsible for formulating policy on human health, including matters of food safety and hygiene as they relate to: the inspection and regulation of local and imported food; management of the registration and regulation of pharmaceutical products; and food additives, cosmetics, certain chemicals and devices, and pesticides. The Ministry cooperates with the BSJ in the regulation of food items. Fresh produce exports are tested for pesticide residue prior to shipment to determine whether they meet the standards of the importing country. The testing is

³² The Aquaculture, Inland Marine and By-Products (inspection, licensing and export) Act, 1999, regulates the production, processing, storage, and transportation of fisheries products, and sets requirements for their inspection and testing.

³³ The Citrus Plant Protection Regulation is administered by the Jamaica Citrus Protection Agency (JCPA) to prevent infection of crops with the *Citrus Tristeza* virus. The regulation requires registration and certification of all nurseries that produce or sell citrus plants; and certification of all citrus trees produced and sold.

³⁴ WTO document G/SPS/ENQ/26, 11 March 2011.

done on a voluntary basis by the exporter without the involvement of the regulatory agencies. However, limited random testing of fresh produce imports for pesticide residue is done by the Pesticides Control Authority. Legislation on pesticide maximum residue limits (MRLs) for Jamaica is currently being drafted and Jamaica intends to adopt the International Codex MRL standards.

3.80. MICAFA is responsible for the surveillance and control of plant and animal pests and diseases, as well as the regulation of meat and meat by-products, aquaculture, and marine products and by-products. It is the contact point for the World Organization for Animal Health (OIE) and for the International Plant Protection Convention (IPPC). Jamaica is also member of the Codex Alimentarius Commission, and the Codex contact is located at the BSJ.³⁵

3.81. All the processes involved in exporting fresh produce (such as produce inspection, customs inspection and documentation, and airline cargo handling services) occur at one location. Air shipments are inspected at the export complexes located at the two international airports, although this is not mandatory. In addition to the requirements specified in regulations, Jamaican industry has adopted the Hazard Analysis and Critical Control Programme (HACCP), a food safety management system, which provides a means of creating an effective hazard control programme. It is recommended by the regulatory agencies in Jamaica as an effective tool for food safety.

3.82. The Import/Export Inspection Centre, established in 2009, provides a central location to coordinate the inspection of traded goods, achieve quicker inspection processing time, and keep pace with global trends in trade facilitation to boost trade competitiveness and attract investment. It houses under one roof the regulatory agencies responsible for human health and safety, animal health and plant health, covering the operations of MICAFA and the MoH; Customs has no control over the Inspection Centre. In addition to custom documentation, import permits, licences, sanitary and phytosanitary documents may be necessary (Table 3.11). The time taken for the processing of documents and cargo at the Inspection Centre is, on average, six hours or less.

Table 3.11 Import/Export Inspection Centre, 2017

Ministry	Regulatory agencies	Items inspected
Industry, Commerce, Agriculture and Fisheries	Plant Quarantine/Produce Inspection Unit	Fresh fruits, vegetables, plants and flowers
	Veterinary Services Division	Meat and meat products, poultry, fish and fish products, and crustaceans Animal health
	Bureau of Standards	Goods and services
	Food Storage and Prevention of Infestation Division	Food and feed
Health	Pesticides Control Pharmaceuticals Public Health	Pesticides Pharmaceuticals and nutraceuticals All food for human consumption
Finance and the Public Service	Jamaica Customs Agency	All imports

Source: Information provided by the Jamaican authorities.

3.83. Some of Jamaica's RTAs contain provisions on sanitary and phytosanitary measures, for example the CARICOM-Costa Rica FTA and the CARICOM-Dominican Republic FTA. Instructions for the drafting of a Biosafety Bill are pending the approval of Cabinet; the Bill will enable implementation of the Convention's Biosafety Protocol regarding genetically modified organisms. The main SPS provisions in the CARIFORUM-EU EPA include: the designation of competent authorities on SPS measures by both parties, and a commitment from the CARIFORUM side to establish a regional body representing the CARIFORUM competent authorities to enhance regional integration; and transparency provisions, with the EU committing to cooperate with the region to enhance relevant information exchange.

³⁵ WTO document G/SPS/GEN/49/Rev. 12, 20 January 2015.

3.3.4 Competition policy and price controls

3.84. No major changes have been made to Jamaica's competition policy regime since its last TPR. Competition policy is still governed by Jamaica's Fair Competition Act (FCA), 1993, as amended in 2001, and the Fair Competition (Notices and Procedures) Regulations, 2000. 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 consumers with adequate and relevant information. The FCA outlaws, in principle, business practices that restrict or impede competition, such as price-fixing, collusion, and misleading advertising. The FCA does not contain any specific provision against monopolies, but the conduct of an individual entity is reviewable under abuse of dominant position. Further, the FCA does not contain any specific provision for reviewing mergers, but the competition authority has challenged mergers under the sections of the FCA which prohibit agreements that lead to a substantial lessening of competition.

3.85. The Fair Trading Commission (FTC), under MICA, is in charge of monitoring and enforcing the provisions of the FCA. Under the FCA, all businesses, regardless of size, fall under the jurisdiction of the FTC. On occasions, the FTC encounters challenges in defining relevant markets because of availability of data from market players. Moreover, according to the FTC, some 41% of Jamaica's GDP is generated by the informal sector.

3.86. Table 3.12 indicates the number of competition cases received, investigated (including those brought forward from the previous year), and closed by the FTC during the period 2011-16. Recently, the major cases focused on the conduct of the two largest providers of telecommunication services, as well as a proposed merger between two large media-houses.

Table 3.12 Competition cases, 2011-16

	2011	2012	2013	2014	2015	2016
Received	12	9	15	10	8	7
Investigated	39	39	40	40	39	39
Closed	9	14	9	9	6	7

Source: Information provided by the FTC.

3.87. The CARICOM Competition Commission interfaces with all competition agencies of the CARICOM region primarily through the CARICOM competition network. Cross-border competition issues likely to affect member states' markets are discussed. Sharing of information and methodologies for undertaking investigations and market studies are among the objectives of the network. Recent discussions have focused on construction, telecoms, banking services and refreshments markets.

3.88. The FTC recently concluded work on the consumer protection framework for the Organization of Eastern Caribbean States (OECS). Specifically, the FTC recommended a structure for consumer protection, institutional arrangements and operational mechanisms, as well as a work plan for the implementation of all aspects of creating a regime for OECS member states. Recommendations concluded that there should be a single enforcement regulator for the region, with satellite offices in each member state; and the regulator should have responsibility for prosecution, while a tribunal should adjudicate on consumer protection matters.

3.89. Jamaica eliminated most price controls and food subsidies in 1991. However, certain products and services (e.g. water, electricity, coffee, telecommunications, and transport services) are subject to administered prices, i.e. prices that are determined or approved by a public authority by reference to established legal or policy criteria (Table 3.13). The mechanism generally adopted for price controls on services is the "price cap" methodology, which allows service providers to adjust annual prices in line with inflation, less a productivity factor.

Table 3.13 Price control-related legislation

Name of legislation	Relevant sections	Internet address
Airports (Economic Regulations) Act	7, 8	http://moj.gov.jm/sites/default/files/laws/Airports%20%28Economic%20Regulation%29%20Act.pdf
The Public Passenger Transport (Kingston Metropolitan Transport Region) Act	9	http://moj.gov.jm/sites/default/files/laws/Airports%20%28Economic%20Regulation%29%20Act.pdf
The Public Passenger Transport (Rural Area) Act	8	http://moj.gov.jm/sites/default/files/laws/Public%20Passenger%20Transport%20(Rural%20Area)%20Act.pdf
The Toll Road Act	23	http://moj.gov.jm/sites/default/files/laws/Toll%20Roads%20Act.pdf
The Telecommunications Act	33, 46	http://moj.gov.jm/sites/default/files/laws/The%20Telecommunications%20Act.pdf
The Telecommunications (Amendment) Act, 2012	17	http://www.japarlament.gov.jm/attachments/341_The%20Telecommunications%20(Amendment)%20Act,%202012.pdf
The Office of Utilities Regulation Act	11, 13	http://www.our.org.jm/ourweb/sites/default/files/attachments/page/the_our_act_of_1995_as_amended_in_2000.pdf
The Office of Utilities Regulation (Amendment of First Schedule to the Act) Order, 2014	-	http://www.our.org.jm/ourweb/sites/default/files/attachments/page/our_act_amendment_ja_gazette-june_13_2014.pdf
The Office of Utilities Regulation (Amendment) Act, 2015	-	http://www.our.org.jm/ourweb/sites/default/files/attachments/page/office_of_utilities_regulation_amendment_act_2015_no._27.pdf
The Rent Restriction Act	19, 20	http://moj.gov.jm/sites/default/files/laws/Rent%20Restriction%20Act.pdf
The Coffee Industry Regulation Act	7(1)(n)	http://moj.gov.jm/sites/default/files/laws/The%20Coffee%20Industry%20Regulation%20Act.pdf
The Coffee Industry Regulations	-	http://moj.gov.jm/sites/default/files/laws/Coffee%20Industry%20Regulation%20Act.pdf

Source: Information provided by the Jamaican authorities.

3.3.5 State trading, state-owned enterprises, and privatization

3.90. Jamaica has notified to the WTO that the Jamaica Commodity Trading Company (JCTC) remains the only state-trading enterprise as defined in GATT Article XVII and the Understanding on the Interpretation of Article XVII.³⁶

3.91. Since 2008, the JCTC has been inactive and has not been engaged in any form of trading activity.³⁷ It was established to act on behalf of the Government as a commercial importer and/or exporter of sensitive commodities where there are exceptional circumstances which require direct government intervention. The company has no physical establishment or dedicated staff, but in the past was resourced on an ad hoc basis. The JCTC is a wholly-owned government company.

3.92. The Government remains involved in trading activities through a number of commodities boards and the Petroleum Corporation of Jamaica (PCJ). Commodities boards were established to monitor the quality of agricultural exports, including bananas, cocoa, coffee, and sugar (Section 4.1.2). Although their roles have been reduced over time, they still have regulatory powers and have become more involved in providing services. The PCJ was established in 1979 with the purpose of searching for oil and gas, and to be the lowest-cost provider of these products. Its current activities are mainly the purchase of petroleum, property management, and the search for alternative sources of energy.

3.93. The Government also remains involved in commercial activities in mining, utilities, banking, and transport, through a number of commercial publicly owned companies. The Government has been taking steps to restructure some of these firms, including the liquidation of redundant ones. Eliminating the deficit of public entities is a key part of the authorities' fiscal reform strategy and a central part of the overall fiscal consolidation effort.

3.94. Through its privatization policy, the Government aims to reduce or divest its role in commercial activities that could be provided by the private sector, and to focus on activities that

³⁶ WTO documents G/STR/N/13/JAM, G/STR/N/14/JAM, G/STR/N/15/JAM, G/STR/N/16/JAM, 17 August 2016.

³⁷ In 2008, the JCTC imported fertilizers to alleviate the difficulties faced by Jamaican farmers in obtaining adequate supplies of the commodity at affordable rates.

bring greater efficiency to the economy. The Development Bank of Jamaica, under the Ministry of Economic Growth and Job Creation, is the main implementing agency of the privatization programme. Methods used by the Government to transfer the ownership or management to the private sector include: sales, leases, management contracts, concessions, public share offers, employee stock ownership, public auctions, public-private partnerships (PPPs), and joint-ventures.

3.95. Jamaica re-privatized the government-owned assets of the sugar cane industry between 2009 and 2010.³⁸ It also divested other government assets including the sale of the Jamaica Pegasus Hotel in 2010 and of the Mavis Bank Coffee Factory in 2011.

3.96. In September 2012, a new Privatization and PPP Policy was approved. The programme is a key element of the Government's medium-term economic growth strategy, and its primary objective is to enable private sector-led economic growth through the ownership, expansion or operation of state-owned assets/enterprises and the provision of public infrastructure and services. In June 2016, the Kingston Container Terminal PPP transaction was concluded, as well as the privatization of the Petroleum Company of Jamaica (Petcom), a subsidiary of the state-owned PCJ. In March 2017, Caymanas Track Limited was privatized.

3.3.6 Government procurement

3.97. According to the authorities, the total value of procurement contracts reached J\$96.2 billion in 2015/16, up from J\$48.9 billion in 2010/11.³⁹

3.98. In December 2015, Jamaica's first stand-alone Public Procurement Act (PPA) was signed but has not yet been made operational by the Ministry of Finance and the Public Service (MFPS). The PPA was borne out of the absence of a comprehensive law covering major best practice procurement principles and binding public entities to specific standards of procurement practice. The PPA will therefore establish specific procurement institutional arrangements and management capacity, procurement operations and market practices. The MFPS is currently preparing implementing regulations, which were expected to be completed by 31 March 2017 to make the PPA effective.

3.99. Until the PPA comes into force, government procurement will continue to be regulated by the 1959 Financial Administration and Audit Act (FAA Act) and the 1983 Contractor General Act, as amended and further developed in other acts and regulations. The FAA Act establishes guidelines for government spending, accounting, and accountability for expenditure. The Contractor General Act defines the role and responsibility of the Contractor General and his Office. The 1999 amendment to the Act created the National Contracts Commission (NCC), replacing the Government Contracts Committee.

3.100. The MFPS has overall responsibility for public sector procurement, in accordance with the FAA Act, and thus sets policy, develops procedures, and promulgates all provisions in relation to government procurement. In accordance with the Contractor General Act, the Contractor General monitors and may investigate the award and implementation of any government contract in order to ensure that it is awarded impartially and on the basis of merit. The primary objectives of the NCC are the promotion of efficiency in the award and implementation of government contracts, and ensuring transparency and equity in the award of these contracts. The NCC is responsible for maintaining the Register of Approved Contractors. Except for procurements of a sensitive nature (e.g. weaponry), all procurements above J\$10 million must be referred to the NCC for review and endorsement.

3.101. The methods used for tendering are: open tendering (open to all local and foreign suppliers); selective tendering (open to registered and qualified contractors, including foreign

³⁸ In July 2009, three of the six sugar estates of the state-owned Sugar Company of Jamaica (SCJ) were divested for an aggregate sale price (for the factories) of US\$2 million. The associated sugar cane lands were divested through 50-year leases. In July 2010, the Government signed an agreement with Complant International Sugar Industry, a Chinese firm, for the sale of the remaining sugar factories and associated farmlands of the SCJ for US\$9 million. Under the agreement, the Chinese firm committed to invest some US\$127 million during 2011-13 on modernizing the factories.

³⁹ Procuring entities are broadly defined and comprise any ministry, department, local government authority, statutory body, executive agency, and public company.

contractors); and limited tendering (only some approved contractors are invited to tender), which may include requests for quotation, and single-source or direct contracting procedures. The latter requires justification based on the nature of the procurement, its urgency or the specialized nature of the good, work or service. The authorities indicate that, over the review period, all available methods of procurement as expressed in government procurement procedures were used.

3.102. Procuring entities are encouraged to set aside 15% of their total annual procurement for SMEs. In addition, a domestic preference of up to 10% is permitted. Procuring entities require approval to enter into a contract. The thresholds for approval are: below \$J10 million (the head of the procuring entity can approve); between \$J10 million and \$J30 million (NCC endorsement is also required); above \$J30 million (Cabinet approval is also required).

3.103. The Procurement Appeals Board (PAB), a three-person tribunal, provides an independent final tier in the administrative dispute resolution mechanism. It hears complaints of aggrieved contractors if the complaint is not resolved at the two lower levels, that is, by the procuring entity or the NCC.

3.104. Under the CARIFORUM-EU EPA, the government procurement chapter sets out some basic principles and minimum transparency rules that procuring entities should respect when tendering. However, these apply only to the relatively few large contracts (in excess of US\$200,000) tendered by the central authorities, meaning that most public expenditure by CARIFORUM countries is not affected by these provisions. The procurement chapter seeks to support the gradual creation of a regional procurement framework in the Caribbean region, which is already underway. However, the EPA does not grant a right of access to public tenders; thus, when an authority in a CARIFORUM country tenders a public contract, suppliers established in the EU or in another CARIFORUM country cannot claim a right to participate. It remains for the parties to decide which suppliers are eligible to tender.

3.105. Jamaica is not party to the WTO Plurilateral Agreement on Government Procurement.

3.3.7 Intellectual property rights

3.106. Since its last TPR in 2011, three main changes were made to Jamaica's intellectual property rights (IPRs) legislation: (i) the Trade Marks (Amendment) Rules 2011 amended the Trade Marks Rules 2001 to increase the applicable trade mark fees⁴⁰; (ii) the Trade Marks (Amendment) Act, 2013, amended the Trade Marks Act, 1999, and the Trade Marks Rules, 2001, to: establish a cooling-off period in opposition proceedings; increase the period of non-use for which a party can apply to revoke a registration, from three years to five years; preserve the rights of an earlier trade mark user; and allow requests for extension of time in more circumstances⁴¹; and (iii) the Copyright (Amendment) Act, 2015, amended the Copyright Act, 1993, to, *inter alia*, extend the term of copyright protection from 50 to 95 years for original literary, dramatic, musical and artistic works, and to fulfill Jamaica's obligations under the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty.⁴² These two treaties, known as the Internet Treaties, set down international norms aimed at preventing unauthorized access to, and use of, creative works on the Internet or other digital networks. Jamaica is yet to accept the Protocol Amending the TRIPS Agreement.

3.107. The Jamaica Intellectual Property Office (JIPO) continues to administer intellectual property (IP) systems in Jamaica, in the areas of trademarks, industrial designs, geographical indications, copyright and related rights, patents, and layout-designs (Table 3.14).

⁴⁰ The Jamaica Intellectual Property Office online information. Viewed at: [https://www.jipo.gov.jm/sites/default/files/PDF_Files/Trade_Marks_\(Amendment\)_Act_2013.pdf](https://www.jipo.gov.jm/sites/default/files/PDF_Files/Trade_Marks_(Amendment)_Act_2013.pdf)

⁴¹ Ibid.

⁴² The Jamaica Intellectual Property Office online information. Viewed at: https://www.jipo.gov.jm/sites/default/files/PDF_Files/Copyright_Amendment_Act_2015.pdf

Table 3.14 Overview of IPR protection, 2017

Coverage	Duration	Selected exclusions and limitations	Main legal sources
Copyright Literary, dramatic, musical and artistic works, films, sound recordings, broadcasts and cable programmes, typographical arrangements, compilations of data and original database	Life of the author plus 95 years for literary, dramatic musical and artistic works; 95 years from creation or first publication for films, sound recordings, broadcasts and cable programmes; 50 years for typographical arrangements	The Act provides for reciprocity of national treatment for foreigners who are citizens of countries listed in the schedule of "specified countries" (e.g. members of Bern and Rome conventions, or countries that give adequate protection to Jamaican copyright owners)	Copyright (Amendment) Act 2015 Copyright Act 1993 Copyright (Amendment) Act 1999 Copyright (Specified Countries) Order 1994
Industrial designs Designs	15 years from the date of registration	No protection is provided for designs that are "scandalous" or contrary to law or morality	Designs Act 1937, as amended in 1975 Designs Rules of 1937 Designs (Amendment) Rules 1983
Trademarks Trade marks (including the shapes of goods and their packaging, graphic representations depicted by their colour, or a certain combination of colours and shapes); Service marks, collective marks and certification marks	10 years, renewable indefinitely, for successive 10-year terms	Elements such as sound, perfumes, and containers, are not provided for; signs that are contrary to public policy or morality are not protected	Trade Marks (Amendment) Act, 2013 Trade Marks (Amendment) Rules, 2011 Trade Marks Act, 1999 (in force since September 2001) Trade Marks Rules, 2001
Patents Invention, discovery or improvement (e.g. any manner of new manufacture or new mode of manufacture)	14 years, extendable for 7 years	No protection if it would be contrary to the law	Patent Act 1857, as amended in 1974 and 1975
Geographical indications Products originating in the territory of a country, region or given locality, where a particular quality or reputation is essentially attributable to its geographical origin. The concurrent use of homonymous geographical indications to be registered is allowed, provided that a suitable differentiation is made between the products	Indefinite	No protection for indications likely to mislead the public; contrary to public order or public morality; not or no longer protected or that have fallen into disuse in their country of origin	Protection of Geographical Indications Act 2004 Protection of Geographical Indications Regulations 2009
Layout-designs (topographies) of integrated circuits			
Layout-designs that were first commercially exploited after the entry into force of the Act	10 years from the date on which the design was first commercially exploited (not renewable)	No protection for ideas, concepts, processes, principles, systems, procedures, or discoveries	Layout-Designs (Topographies) Act 1999

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

3.108. Jamaica is a member of the following international IPR-related Treaties and Conventions: the WIPO Convention, since 1978; the Paris Convention (Industrial Property), December 1999; the Berne Convention (Literary and Artistic Works), January 1994; the Nice Agreement (International Classification of Goods and Services), February 2006; the Rome Convention (Performers, Producers of Phonograms and Broadcasting Organisations), January 1994; the Geneva Convention

(Unauthorised Duplication of Phonograms), 1994; the Vienna Agreement (International Classification of the Figurative Elements of Marks), February 2006; the Brussels Convention (Distribution of Programme Carrying Signals Transmitted by Satellite), January 2000; the Nairobi Treaty (Olympic Symbol), March 1984; the WCT (WIPO Copyright Treaty), June 2002; the WPPT (WIPO Performances and Phonograms Treaty), January 2002; and the Beijing Treaty on Audiovisual Performances, June 2012. Jamaica has a bilateral IPR agreement with the United States.⁴³ The Jamaican IPR legislation was reviewed by the WTO TRIPS Council in June 2001.⁴⁴

3.109. Since 2009, the JIPO began an in-depth review of the Patent Act with the aim of adopting a new Patent and Designs Act. The new Act has been drafted and is expected to be adopted by the end of 2017. According to the authorities, it will be fully compliant with the Patent Corporation Treaty and the Locarno Agreement establishing an International Classification for Industrial Designs.

3.110. The Protection of the Rights of Breeders of New Varieties of Plants Bill is currently being drafted by the Office of the Chief Parliamentary Counsel. Drafting is expected to be completed during 2017.

3.111. The Protection of Geographical Indications Act 2004 and the Protection of Geographical Indications Regulations 2009 protect products that originate from localities where a particular quality or reputation is attributable to its geographical origin. Jamaica is seeking TRIPS-plus provisions as regards the protection of geographical indications, the aim being to grant to other products the same level of protection presently granted to wines and spirits. The CARIFORUM states are currently working to establish a system of protection for geographical indications.⁴⁵

3.112. Parallel imports are not allowed under the Copyright Act or the Layout-Designs (Topographies) Act; they are forbidden under the Trade Marks Act only upon written request to the Commissioner of Customs from the proprietor of a registered trademark or a licensee. The Patent Act and the Designs Act do not prohibit parallel imports. The legislation does not provide for compulsory licensing of patents but this is covered in the draft of the future Patents and Designs Act.

3.113. IPR legislation is enforced mainly by the Jamaica Constabulary Force (JCF) (the police), through its IP Unit in the dedicated Counter-terrorism and Organized Crime (C-TOC) Investigation Division. The JCF may initiate criminal proceedings on the basis of a complaint or on its own initiative. The Jamaica Customs is in charge of action against counterfeit activities at the border and works in conjunction with the Revenue Protection Division of the MFPS. Suspension of imports by Customs is covered only in the Copyright Act and the Trade Marks Act, and is subject to application by the rights owner to the Customs Department; neither the Copyright Act nor the Customs Act empower customs authorities to act ex officio in any instance.

3.114. In 2016, 209 cases were prosecuted regarding unlawful use of trademarks and breach of copyright, with 104 convictions (Table 3.15).

Table 3.15 IPR crimes, 2016

	Number of cases prosecuted	Number of convictions
Unlawful use of trademarks	94	37
Breach of Copyright Act	115	67
Total	209	104

Source: Information provided by the Jamaican authorities.

3.115. Civil IPR matters are dealt with by Parish Courts (for damages claims not exceeding J\$250,000), and the Supreme Court (for larger sums and injunctive relief). Criminal acts of infringement of IPRs may also be dealt with by the Supreme Court. A decision that is

⁴³ The Agreement Concerning the Protection and Enforcement of Intellectual Property Rights, 1994.

⁴⁴ WTO document IP/Q-Q4/JAM/1, 12 December 2001, contains the introductory statement made by Jamaica, as well as the questions posed and answers given during the Review.

⁴⁵ Agreeing a reciprocal approach for recognition and protection of geographical indications under the CARIFORUM-EC EPA.

unsatisfactory to either party may be taken to the Court of Appeal. According to the authorities, the IPRs most often subject to court action are copyright and trademarks.

3.116. Courts have the power to take provisional measures, such as interlocutory injunctions in the case of trade marks, copyright and related rights. In the case of trademarks and designs, measures include: an order for detention, preservation, or inspection of the property; an order for sale for perishable articles; and an injunction against continuance or repetition of wrongdoing.

3.117. The penalties for copyright and related rights and trademarks infringement vary according to the nature of the infringement. The legislation provides for fines ranging from JMD\$100,000 per offence, to JMD\$1 million, with the possibility of imprisonment; or imprisonment only, with a sentence from six months to a maximum of five years. The Patent Act provides for both criminal and civil penalties. The fine is "a sum equal to three times the actual damage sustained" by the patent owner as a result of the offence. The courts also have the power to revoke a patent. Under the Designs Act, the fine for unlawful use of a registered design is J\$100 for each offence. Under both the Patent Act and the Designs Act, civil proceedings may also be brought, and remedies include an injunction.

3.118. A major focus for the JIPO has been public sensitization, from the educational institutions to the general public. It provides guidance on matters relating to IPRs to members of the Jamaican Bar Association and the Attorney General's Chambers, when requested. Specialized training courses on IP enforcement are provided annually to members of the Organized Crime Investigation Division, the Office of the Director of Public Prosecutions, and Jamaica Customs Agency, under the auspices of the World Intellectual Property Organization (WIPO), the U.S. Department of State and/or the U.S. Patent and Trade Marks Office.

4 TRADE POLICIES BY SECTOR

4.1 Agriculture

4.1.1 Overview

4.1. During the review period, agriculture's contribution to GDP varied between 6.6% and 7.3% (Table 4.1). The sector is the largest employer in the country, accounting for 17.5% of the total workforce. Agriculture is characterized by small land holdings: 75% of holdings are less than one hectare. This sector also offers growth potential through linkages to manufacturing and tourism. For example, manufacturing depends on inputs from farms, since agro-processing constitutes the main manufacturing activity.

Table 4.1 Agriculture sector indicators, 2011-16

(Per cent)

	2011	2012	2013	2014	2015	2016
Share of GDP	6.6	6.8	6.7	6.6	6.6	7.3
Growth rate	10.3	2.3	-0.7	-0.5	-0.1	13.5
Export values (US\$ million) ^a	346.3	546.1	401.7	251.6	230.9	229.0
Share of total merchandise exports	21.3	31.9	25.6	17.3	18.4	19.2
Import values (US\$ million) ^a	1,321.7	1,375.4	1,219.8	955.8	843.6	840.9
Share of total merchandise imports	20.5	20.9	19.6	16.4	16.4	17.7
Trade balance (US\$ million)	-975.4	-829.3	-818.1	-704.2	-612.7	-611.9
Share of employed labour force	17.8	18.1	18.3	18.4	17.5	..

.. Not available.

a WTO definition.

Source: Share of GDP data came from the Planning Institute of Jamaica. Viewed at: http://www.pioj.gov.jm/Portals/0/Economic_Sector/Selected%20Indicators%202016.pdf [28 June 2017]; growth rate, and trade data from the Statistical Institute of Jamaica; employment data from the MICAFA.

4.2. The development of the agriculture sector has been constrained by inadequate infrastructure investment and natural disasters. Drought, as well as the lingering effects of hurricane Sandy in 2012, led to reductions in the sector's production and export earnings. Due to more favourable weather conditions, the sector experienced strong growth in 2016, when it expanded by 13.5% after declining in the 2013-15 period. In 2016, total production of domestic food crops (except cereals) increased significantly compared to previous years (Table 4.2).

Table 4.2 Production and export value, 2011-16

(Tonnes)

	2011	2012	2013	2014	2015	2016
Production of domestic food crops						
Legumes	5,091	5,261	5,501	4,911	4,708	5,550
Vegetables	223,545	224,131	233,226	206,097	201,866	243,487
Condiments	44,712	46,854	52,295	45,392	42,781	52,254
Fruits	38,742	45,023	46,325	44,446	43,467	54,254
Cereals	2,968	3,121	2,497	2,512	2,365	2,354
Plantain	35,335	36,203	30,937	39,348	38,421	43,437
Yams	134,620	145,059	138,834	135,303	136,732	156,103
Other tubers	48,459	45,713	41,670	40,882	41,166	44,893
Potatoes	57,424	57,561	61,645	58,988	58,749	65,013
Sorrel	1,212	1,212	1,483	1,214	1,187	1,408
Production of selected traditional export crops						
Sugar cane derivatives						
Cane milled	1,518	1,475	1,403	1,779	1,572	1,162
Sugar production (commercial)	138	131	120	143	129	86
Molasses	59,951	57,166	57,878	71,746	68,124	..
Bananas	46,660	47,473	37,211	51,581	54,810	58,702
Citrus	106,922	97,072	83,758	71,194	74,336	..
Coffee (cherry)	8,099	6,687	6,984	5,298	5,847	7,533
Cocoa (deliveries to processing plants)	499	1,393	997	1,154	637	672
Coconut (million)	96	96	97	99	81	99

	2011	2012	2013	2014	2015	2016
Export value (US\$,000)						
Bananas	63	121	62	179	259	358
Citrus (fresh fruit)	2,180	1,882	3,322	1,732	1,386	1,806
Coffee	18,326	13,779	16,327	13,479	23,025	27,584
Cocoa	1,108	1,936	504	1,028	544	895
Pimento	1,835	2,303	1,912	2,329	2,369	2,508

.. Not available.

Source: Economic and Social Survey, and Statistical Institute of Jamaica.

4.3. Agricultural products remain important contributors to export earnings, accounting for about 20% of total merchandise exports in 2016 (Table 4.1). The main traditional export crops comprise sugar cane, bananas, citrus, coffee, cocoa, and pimento (Table 4.2). In 2016, their export value increased significantly, reflecting improved earnings from cocoa (up by 65% from 2015), bananas (up by 38%), citrus (30%), coffee (20%), and pimento (6%) (Table 4.2).

4.4. Jamaica has continued to be a net importer of agricultural products (Table 4.1). In 2016, the main agricultural and food products imported included food preparations, maize, oil cakes, undenatured ethyl alcohol, and rice. Agricultural imports represented on average about 19% of total merchandise imports during the review period.

4.1.2 Policy and institutional framework

4.5. The newly configured Ministry of Industry, Commerce, Agriculture and Fisheries (MICAF), which replaced the MOAF (Ministry of Agriculture and Fisheries) in February 2016, is responsible for creating an enabling environment to develop industries, advance standards, ensure food security and safety, protect consumers, and foster social and inclusive economic development, through sustainable management of resources in commerce, industry, agriculture and fisheries.¹ MICAF is responsible for integrating primary agricultural production into all stages of the value chain, to facilitate full commercialization of outputs of the agricultural, manufacturing, industrial, creative and other services sectors. Priority areas identified by MICAF include:

- a. Policy and legislation development;
- b. Economic zone programmes including the expansion of agro-parks, and the setting up of SEZs (Section 3.2.4) (Jamaica has nine agro-parks; infrastructure in these parks, such as road and irrigation infrastructure, packaging facilities, extension services, and research and development is provided by the Government and leased to investors and farmers);
- c. National quality infrastructure and systems programme, including food safety infrastructure and systems;
- d. Research, development and innovation programmes;
- e. Fisheries development;
- f. Encouraging the production of certain crops (including onions and Irish potatoes) for food security purposes;²
- g. Other programmes include those on production and productivity; global logistic hubs; MSMEs; marketing and trade facilitation; and institutional strengthening programmes.

4.6. According to the Planning Institute of Jamaica, the impact of the nine agro-parks became more pronounced in 2015 and 2016 due to the usage of irrigation facilities and an increased level of operations. According to MICAF information, production from agro-parks increased from 1.14 million kilograms in 2014 to 2.13 million kilograms in 2015 and 2.79 million kilograms in 2016.

¹ MFPC, 2016-2017 Jamaica Budget. Viewed at: http://www.mof.gov.jm/downloads/budgets/eoe/Estimates_of_Expenditure_2016-2017.pdf [27 January 2017].

² Incentives include technical advice and the provision of inputs (the authorities indicated that the cost of these incentives falls within Jamaica's *de minimis* provision).

4.7. To guide the development of the agriculture sector, MICAFA drafted a number of policies, including the Medium-Term Policy Framework for the Cattle Sector, the National Fisheries and Aquaculture Policy, the Animal Health and Welfare Policy, the Banana Policy, the National Organic Policy, the Agricultural Land Utilization Policy, and the National Seed Plan. The National Food Safety Policy, the National Plant Health Policy, and the National Food and Nutrition Security Policy were approved by Parliament.³

4.8. The Rural Agricultural Development Authority (RADA), under MICAFA, provides extension services to the agricultural sector, and promotes and supports agricultural production in rural communities. The Agro-Investment Corporation (Agro-Invest), a department within the Ministry of Economic Growth and Job Creation, is an agricultural investment facilitation, advisory and management company. It was set up after the closure of the Agricultural Support Services Productive Projects (ASSP), and because of the need for the revitalization of the Agricultural Development Corporation (ADC). The ADC Act was replaced by the Agro-Investment Corporation Act on 1 June 2009, which gave birth to Agro-Invest.⁴

4.9. MICAFA is responsible for a number of statutory boards: the Banana Board, the Cocoa Industry Board, the Coconut Industry Board, the Coffee Industry Board, the Dairy Development Board, the Sugar Industry Authority, and the Citrus Growers' Association. There are also a number of limited liability companies: National Rums of Jamaica, and the Sugar Company of Jamaica. The Wallenford Coffee Company began operating as a fully private company in September 2013.

4.10. The authorities indicated that the Government is in the process of amending or repealing acts related to: coconut, cocoa, coffee and the spice industry (particularly pimento, ginger, turmeric and nutmeg). The proposed legislation aims to establish a body – the Jamaica Agricultural Commodities Regulatory Authority (JACRA) – to assume consolidated regulatory responsibility for these industries. The authorities indicated that the Bill to give legal effect to JACRA's establishment was approved by both Houses of Parliament, has received assent of the Governor General, and is to come into effect on an appointed day. The Office of the Parliamentary Counsel is finalizing regulations to implement this Act. All related organizational activities were approved by the Ministry of Finance and the Public Service. The authorities expect the JACRA to be established in 2017.

4.1.3 Trade policy

4.1.3.1 Border protection

4.11. Tariff protection for agricultural products remains substantially higher than for non-agricultural products. Tariff rates range from 0% to 100% for agricultural products (WTO definition), and from 0% to 50% for non-agricultural products. The simple average tariff rates for agricultural and non-agricultural products were 20.8% and 7.9%, respectively, in 2017 (Table 3.4). Product groups with relatively high tariffs include animal and animal products, dairy products, fruits, vegetables and plants, sugar and confectionery, and beverages, spirits and tobacco.

4.12. All imports entering Jamaica are subject to a basic stamp duty, and an additional stamp duty is applied to certain products, most of which are agricultural products (Section 3.1.4). The highest stamp duties are:

- a. 90% for certain vegetables and oil seeds;
- b. 86% for edible vegetables and certain roots and tubers;
- c. 80% for certain vegetables and poultry (whole birds and certain cuts);
- d. 77.1% for meat; and
- e. 70% for cereals, products of the milling industry, grains and residues, and waste from the food industry.

³ Ministry of Agriculture and Fisheries online information. Viewed at: <http://www.moa.gov.jm/AboutUs/departments/policies.php> [25 January 2017].

⁴ Agro-Invest online information. Viewed at: http://www.agroinvest.gov.jm/About_Us/history.html [25 January 2017].

4.13. Import licensing is required for the importation of concentrated milk and cream; other plant parts for perfume and pharmaceutical purposes; cannabis resin; vegetables, saps and extracts; and refined sugar (Table 3.7). Export licences are required for the export of eggs, sugar, green coffee beans, processed food, animal or plant products, and coconut (Table 3.9). Conch is subject to an export levy (Section 3.2).

4.14. The Government is involved in trading across the border through a number of commodity boards which were set up to monitor the quality of agricultural exports, including bananas, cocoa, coffee, and sugar. The Banana Board has the authority to export bananas and to grant permits to agencies/persons to export bananas. The Cocoa Industry Board is responsible for the marketing of Jamaica's cocoa internationally. The Coffee Industry Board (CIB) has become the main exporter of commercial quantities of Jamaican coffee, including the Blue Mountain coffee grown at altitudes of between 1,500 and 4,000 feet. The CIB exports coffee on behalf of private entities; all coffees being exported must be handed over to the CIB for the necessary testing. The Jamaica Cane Product Sales (JCPS) is the only entity allowed to import raw sugar. The Sugar Industry Authority (SIA) exports raw sugar, and the Pan Caribbean and Golden Grove companies may export raw sugar after obtaining a "no objection" letter from the SIA, allowing them to obtain a licence from the Trade Board.

4.1.3.2 Export and domestic support

4.15. Jamaica notified the WTO that it provided no export subsidies in the agricultural sector for the years from 1999 to 2016.⁵

4.16. According to Jamaica's notifications to the WTO, its domestic support measures are all exempted from reduction commitments under the Agreement on Agriculture (Green Box measures). General services support was provided to develop the agricultural sector and enhance its competitiveness, including research and development, extension and advisory services, plant quarantine, and veterinary services. About half of the support was used for research and development (Table 4.3). The total value of the support fell from US\$33 million in 2011/12, to US\$24 million in 2014/15, before rising again to US\$30.5 million in 2015/16.

Table 4.3 Domestic support: measures exempt from the "Green Box" reduction commitment, 2011-16

(Fiscal year)

Name and description of measure	Value during the reporting period (US\$ million) ^b				
	2011/12	2012/13	2013/14	2014/15	2015/16
Government Services Programme: - General services					
Research and development: - phytosanitary research, as outlined in the Quarantine Act, involving the certification of plant material free of disease, exotic pests and pathogens; - continued genetic improvement in cattle, pigs and goats as well as the development of feeding systems, and the general improvement of livestock production; - research into domestic food crops and traditional export crops to identify efficient systems for production and introduce adaptable and acceptable crop varieties	17.5	18.2	17.7	10.7	15.4
Extension and advisory services: delivered primarily to rural farmers through RADA ^a	11.1	10.7	9.1	9.0	10.4

⁵ WTO documents G/AG/N/JAM/8 (23 February 2012), G/AG/N/JAM/12 (16 June 2014), and G/AG/N/JAM/14 (7 April 2016).

Name and description of measure	Value during the reporting period (US\$ million) ^b				
	2011/12	2012/13	2013/14	2014/15	2015/16
Plant quarantine: The Plant Quarantine Division issues import and export permits and conducts inspection of plants and agricultural produce to ensure that only the highest quality produce is imported into and exported from Jamaica, and to ensure that no harmful exotic plant pests are introduced and become established on the island	1.9	1.8	2.7	1.9	2.1
Veterinary services: The Veterinary Services Division oversees animal health, status, and welfare. It operates a diagnostic laboratory service for the protection of the livestock industry; certifies the health of animals; is involved in the import/export inspection of live animals, meats and meat products; and offers artificial insemination services for cattle, pigs, and goats	2.6	2.5	2.45	2.5	2.6
Total	33.1	33.2	32.0	24.1	30.5

a RADA provides technical, marketing, financial and infrastructural facilities and assists with the development of the social services required for improvements of the quality of life for farm families. It also: conducts extensive farmer training programmes; assists small farmers in organizing marketing ventures; disseminates information on plants, crops and animal husbandry; provides agricultural service centres at strategic locations; and provides irrigation facilities to farmers.

b Exchange rate:
2011/12: J\$86.08 = US\$1.00.
2012/13: J\$88.99 = US\$1.00.
2013/14: J\$100.77 = US\$1.00.
2014/15: J\$111.22 = US\$1.00.
2015/16: J\$117.26 = US\$1.00.

Source: WTO documents G/AG/N/JAM/10/Rev.1 (28 October 2013), G/AG/N/JAM/11 (9 May 2014), and G/AG/N/JAM/13 (8 April 2016).

4.17. The Government intends to transform and modernize the agriculture sector. The Medium-Term Socio-economic Policy Framework (MTF) 2015-2018 aims to strengthen agricultural research institutions and programmes, improve the competitiveness of a diversified range of agricultural products, and provide adequate water supply, irrigation and drainage to boost production and improve quality of life in rural areas.⁶ The Government has increased its budgetary transfers to agricultural producers many times during the review period: total funding for MICAF reached J\$5.39 billion (recurrent expenditure) and J\$3.59 billion (capital expenditure) for fiscal year 2016/17 (Table 4.4). In FY2016/17, the biggest programme among those included in the recurrent budget is for agricultural extension services, including those for rural development and for crop/livestock production. The largest Capital A project is the sugar industry transformation programme, while the largest capital B projects (those funded by donors) are the Agricultural Competitiveness Programme funded by the Inter-American Development Bank and the Jamaica Banana Accompanying Programme funded by the European Union (Table 4.4).

Table 4.4 Agriculture and fisheries expenditure for fiscal years 2015/16 and 2016/17

(J\$'000)

	2015/16 revised estimates	2016/17 estimates
Estimates of expenditure (net of appropriations-in-aid) for MICAF		
of which		
Recurrent expenditure	320,168	5,391,195
Capital A ^a	529,191	2,827,269
Capital B ^b	56,927	767,519

⁶ IDB (2016), *IDBG Country Strategy with Jamaica 2016-2021*, draft. Viewed at: <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=40713849> [8 November 2016].

	2015/16 revised estimates	2016/17 estimates
Programmes:		
Recurrent:		
Agriculture, forestry and fishing	234,910	3,869,144
Executive direction and administration	90,408	654,574
General administration	13,327	206,169
Policy coordination and administration	77,081	448,405
Agriculture research and development	12,149	394,664
Agricultural extension services	10,935	1,568,379
Crop/livestock production	5,723	262,727
Rural development	5,212	1,305,652
Agricultural planning and policy	21,056	394,891
Prevention of agricultural theft (Praedial Larceny Prevention)	2,381	11,887
Plant quarantine and food safety	39,666	249,071
Zoos and gardens	3,906	73,540
Fisheries	14,442	198,092
Veterinary services	39,967	324,046
Agriculture research and development	12,149	394,664
General administration	3,305	117,395
Livestock research and improvement (animal breeding and husbandry)	2,105	85,545
Crop research and development	6,670	132,203
Agricultural and horticultural services	..	35,188
Banana breeding	6,670	87,015
Protection of Jamaica's plant genetic resources for food and nutrition security	..	10,000
Plant protection and apiculture (epidemiology and surveillance)	69	45,354
Post-entry plant quarantine	..	14,167
Capital A		
Agriculture, forestry and fishing	529,191	2,827,269
Agricultural extension services (crop/livestock production)	424,747	439,000
Farm roads project	217,734	250,000
Production incentive programme	207,013	189,000
Agro industries (sugar industry transformation)	104,444	2,388,269
Capital B	56,927	767,519
Agriculture, forestry and fishing	34,882	657,092
Agricultural extension services (crop/livestock production)	33,782	644,153
Agricultural Competitiveness Programme	30,000	465,789
Diversification of the Caribbean Livestock Sector through the Production of Small Ruminants	3,050	34,769
Jamaica Banana Accompanying Measures (JBAMS)	732	143,595
Fisheries	1,100	12,939
Protection of biodiversity and landscape	22,045	110,427
Capital B projects and funding agencies 2016/17		
Project		Agency
Agricultural Competitiveness Programme	465,789	Inter-American Development Bank
Diversification of the Caribbean Livestock Sector through the Production of Small Ruminants	34,769	Caribbean Development Bank (CDB), Commonwealth Fund for Technical Co-operation (CFTC)

	2015/16 revised estimates	2016/17 estimates
Enhancing the Resilience of the Agricultural Sector and Coastal Areas	110,427	Adaptation Fund (AF), Government of Jamaica
Jamaica Banana Accompanying Measures (JBAMS)	143,595	EU
Promotion of Community-Based Climate Resilience in the Fisheries Sector	12,939	International Bank for Reconstruction and Development
Total	767,519	

.. Not available.

a Capital A refers to domestically financed capital expenditure.

b Capital B refers to multilateral/bilateral projects.

Source: Ministry of Finance and the Public Service, *2016-2017 Jamaica Budget, Estimates of Expenditure (net of appropriations-in-aid)*. Viewed at: http://www.mof.gov.jm/downloads/budgets/eoe/Estimates_of_Expenditure_2016-2017.pdf [27 January 2017].

4.18. Jamaica also grants other incentives to encourage agricultural production, including a 20% duty concession on imports of certain categories of vehicles for farmers, and for companies involved in hatching eggs and fish farming.⁷ The tax relief for agro-industrial products and exemptions (from income tax and duties for 5 to 10 years on a renewable basis) was ceased.

4.1.4 Key subsectors

4.19. Sugar cane is the largest and most important crop in Jamaica. Jamaica, and other African, Caribbean and Pacific (ACP) countries, used to export sugar to Europe at a set price under the Lomé/Cotonou Sugar Protocol until 2009. After that date, under the EPA regime, guaranteed prices for sugar exports to the EU market were reduced but maintained until September 2012, and limits on imports by the EU were applied until 1 October 2015. On that date, the Sugar Protocol was replaced by a non-reciprocal duty-free and quota-free preferential trading system. Since then, Jamaica exports sugar to the EU market duty free and quota free.

4.20. The SIA may determine import quantities for marketing agents as and when the necessity arises. It is involved in the arbitration of all disputes regarding formulae for producer pricing, cane quality, and meeting quotas set up by importing partners (there is no longer a quota to the EU, and the quota to the United States is 11,500 tonnes annually). The SIA is also responsible for: the registration and licensing of cane growers; the gathering, collating, analysing, and disseminating of industry and world sugar data; and the sale of Jamaican raw sugar and molasses through its agents, Jamaica Cane Products Sales Ltd., Golden Grove and Pan Caribbean.⁸

4.21. The decline in banana production in 2013 was due to the lagged effect of hurricane Sandy (October 2012). The hurricane destroyed approximately 66% of the banana crops, which require a gestation period of 9-12 months. Banana production went up in 2015; the authorities indicated that the increase was attributed to the Jamaica Banana Accompanying Measures (JBAMS) programme⁹, which provides farmers with: training and technology transfer in various aspects of production and post-harvest management; extension support; and support to attain GLOBALGAP certification.

4.22. Both production and exports of coffee fell in 2012-13, reflecting: continued low demand associated with unstable market conditions, late payment by marketing companies, as well as the effects of the Coffee Leaf Rust Disease which reduced yields of bearing trees. Mainly due to this disease, in 2014, coffee output sank to its lowest level since 1988 (5,298 tonnes).

⁷ UNCTAD (2015), *Trade Policy Framework: Jamaica*. Viewed at: http://unctad.org/en/PublicationsLibrary/ditctncd2013d9_en.pdf [11 January 2017].

⁸ TPR of Jamaica 2011.

⁹ The Banana Accompanying Measures (BAM) are a support package provided by the EU for 10 banana-exporting countries from the ACP group, for them to adapt to the liberalization of the EU banana regime. Viewed online at: https://ec.europa.eu/europeaid/sectors/food-and-agriculture/sustainable-agriculture-and-rural-development/bam_en [27 January 2017].

4.23. The output level of cocoa, citrus, and coconut varied significantly during the review period, affected mainly by weather conditions (hurricane, drought) and diseases (Citrus Greening Disease, and Lethal Yellowing Disease of coconuts).

4.24. Regarding livestock production, there was an increase in beef and veal production during the review period, which may be attributed to renewed efforts by producers, while poultry production grew as a result of increased demand from consumers. Production of inland fish increased by 43% in 2016, pork by 39.8%, and goats' meat by 20%. On the other hand, production of mutton declined by 33% (Table 4.5).

Table 4.5 Livestock production, 2011-16

	2011	2012	2013	2014	2015	2016
Livestock slaughter (heads)						
Cattle	21,218	21,495	20,790	22,455	27,724	27,563
Hogs	108,961	142,716	108,936	111,792	101,834	129,559
Goats	56,498	54,694	52,682	55,201	56,728	60,074
Sheep	852	1,296	1,144	890	712	602
Meat, fish and dairy						
Beef and veal (000 kg)	5,621	5,800	6,221	6,196	7,523	7,712
Pork (000 kg)	7,110	9,490	8,998	8,185	7,049	9,857
Goats' meat (000 kg)	1,316	1,094	929	902	888	1,069
Mutton (000 kg)	23	32	24	22	18	12
Poultry (000 kg)	101,526	102,167	101,933	110,502	112,855	125,992
Fish (inland) and shrimp (tonnes)	1,150	644	836	698	646	927
Fish (marine) (tonnes)	14,208	10,494	14,263	11,256	12,961	..
Eggs (million)	137.5	170.2	125.0	121.9	150.0	174.3
Milk (million litres)	12.4	12.9	12.3	11.9	11.9	12.1

.. Not available.

Source: Information provided by the authorities.

4.2 Mining and Energy

4.2.1 Mining and quarrying

4.2.1.1 Overview

4.25. Jamaica's merchandise exports are dominated by mining and quarrying products, and alumina: in 2016, they accounted for 47% of total merchandise exports. The mineral industry, essentially consisting of bauxite mining and refining of bauxite into alumina, has been moving up the value chain as the share of bauxite processed into alumina has been increasing (Table 4.6). Total earnings from alumina exports represented 80% of the earnings from the bauxite/alumina industry. In 2016, its main export markets were: Canada, the Netherlands, the Russian Federation, the United States, and Iceland.

4.26. In the 2013-16 period, alumina production remained relatively stable, reaching 1.86 million tonnes in 2016 (Table 4.6). The output of crude bauxite declined by 25% between 2015 and 2016, and the shipment of crude bauxite decreased by 24%. Both declines were a direct result of the curtailment of alumina production at the Sherwin refinery in the United States after it filed for bankruptcy in 2016.

Table 4.6 Production and export of bauxite and alumina (MT), 2011-16

	2011	2012	2013	2014	2015	2016
Production						
Alumina	1,959,928	1,720,453	1,854,910	1,850,960	1,864,643	1,865,278
Total bauxite	10,188,913	9,289,040	9,435,214	9,676,697	9,628,818	8,540,131
Bauxite equivalent of alumina	5,076,885	4,529,393	4,746,886	4,858,633	4,812,198	4,943,216
Crude bauxite	5,112,028	4,759,647	4,688,328	4,818,064	4,816,620	3,596,915
Export						
Alumina	1,959,238	1,753,505	1,901,753	1,823,485	1,936,228	1,833,890
Total bauxite disposed	10,217,867	9,372,801	9,573,399	9,597,408	9,555,060	8,315,813
Bauxite equivalent of alumina	5,074,404	4,613,154	4,866,024	4,784,867	4,997,012	4,860,411
Crude bauxite	5,143,463	4,759,647	4,707,375	4,812,541	4,558,048	3,455,402

Source: Jamaica Bauxite Institute.

4.27. Around 40% of the bauxite mined in Jamaica is shipped to the United States for processing. The rest is processed locally in two alumina refineries: Windalco and Jamalco (Table 4.7). Bauxite mining and refining is a capital-intensive industry.¹⁰

Table 4.7 Bauxite and alumina industry structure, 2016

Company	Operations	Ownership	Capacity	Situation in mid-2016
Alumina Partners of Jamaica (Alpart)	Mining operations in Manchester and St. Elizabeth; and shipping alumina from Port Kaiser	JISCo: 100%	1.7 million tonnes ^a	UC Rusal sold its 100% stake to JISCo; rehabilitation ongoing for reopening in mid-2017
Jamalco	Mining bauxite in Manchester and Clarendon; refining alumina at Halse Hall (Clarendon); and shipping alumina at Rocky Point Port (Clarendon)	Nobel Group: 55%; Government of Jamaica: 45% ^b	1.4 million tonnes ^b	GOJ seeking to divest shares
Noranda Bauxite Ltd. ^c	The only company in Jamaica that exports raw bauxite ore, primarily to the Gramercy refinery in Louisiana. The company discontinued shipment to Sherwin Alumina in Texas, after the refinery filed for bankruptcy. It ships bauxite from Port Rhoades in Discovery Bay	New Day (Jamaica) Ltd.: 49%; Government of Jamaica: 51%	5.5 million tonnes	Noranda sold its 49% stake to DaDa Holding
West Indies Alumina Company (WINDALCO)	Mining and refinery operations in Manchester, and St. Catherine	UC Rusal: 100%	0.7 million tonnes ^d	Kirkvine plant remains closed

a Can be expanded to 2 million tonnes per year.

b Clarendon Alumina Production (CAP) manages the Government's 45% interest in Jamalco.

c Formerly St. Ann Jamaica Bauxite Partners (SAJBP).

d Reflects only the capacity of Ewarton Works.

Source: Jamaica Bauxite Institute; and WTO Secretariat.

4.28. The Government is involved in commercial mining activities through two publicly owned companies that operate on a commercial basis:

- The Jamaica Bauxite Mining Company (JBM), which was set up to hold the assets acquired from partnerships or joint ventures¹¹; and
- CAP Limited, which was set up to hold and manage the Government's 50% share of the Jamalco operation with Alcoa. CAP's share of the joint venture was 45% in 2016.

4.29. The Government has committed to divesting itself of its interest in the sector. In 2014, the Government diversified its 7% stakes in Ewarton Works and Kirkvine refinery to UC Rusal.

4.30. Products extracted in the mining sector in Jamaica include metallic minerals (such as bauxite and gold), non-metallic minerals (clay, dolomite, gypsum, limestone, marble, sand and gravel, silica sand, volcanic rocks and shale), and semi-precious minerals. The Government is also seeking to take greater advantage of other mineral resources, particularly those based on limestone, through the development of value added mineral-based manufacturing and services

¹⁰ Jamaica Bauxite Institute online information. Viewed at: <http://www.jbi.org.jm/statistics> [31 January 2017].

¹¹ The Bauxite and Alumina Trading Company, which used to trade on behalf of the JBM, ceased operations in 2010.

associated with the extraction and trading of minerals (e.g. professional and maintenance services).

4.2.1.2 Policy and institutional framework

4.31. Since the previous Review, there have been no major changes to the legislation regulating the mining sector. The main laws governing the mining industry are: the Mining Act, the Quarries Control Act and related regulations, and the Minerals (Vesting) Act.

4.32. The Government prepared a Mining and Quarrying Sector Plan in 2009.¹² The Plan articulated steps towards developing Jamaica's mineral sector into a world-class sector to increase the value of the nation's mineral resources through responsible environmental stewardship.

4.33. In 2014, steps were taken to draft a National Mineral Policy for Jamaica. The Ministry of Transportation and Mining is in the process of reviewing the document with expected submission to Cabinet in 2017. The Policy is said to establish the framework for sustainability within the mining sector, and creates the doorway for establishing an efficiently regulated sector that is able to contribute more significantly to national development with increased competitiveness in the global market. Among the primary objectives of the Policy are: a modernized mineral sector; increased efficiency; a stronger legislative and regulatory framework; and increased investment.

4.34. Under the Ministry of Transport and Mining, the Mines and Geology Division (MGD) has the statutory responsibility to exercise general supervision over all prospecting, mining and quarrying operations throughout Jamaica. In addition, the Jamaica Bauxite Institute advises the Government on all aspects of the bauxite industry, and monitors the implementation of industry-related policies. It also conducts technical and economic research.

4.35. Jamaica's applied tariff rate for bauxite (HS 251110, HS 251120) is 0%, while that for alumina (HS 281820) is 15%. This positive tariff escalation reflects the intention to encourage local processing. Exports of ores, minerals and metal (including bauxite, alumina and gypsum) are subject to licensing requirements (Table 3.9).

4.36. The mining sector is subject to a quarry tax, royalties, and a bauxite levy. Incentives for the mining sector are based on the Bauxite and Alumina Industries Encouragement Act, and the Petroleum Refinery Encouragement Act; they include:

- a. import duty concessions and tax exemptions for any business engaged in mining activities on capital equipment, lubricating oils, greases, blasting materials and chemicals and other materials (except petrol) necessary for the treating and transportation of bauxite; and
- b. tax exemptions (relief from customs duties and general consumption tax) for oil refineries on imported articles used in the construction, manufacturing and operation of refineries.

4.37. Despite all the government support, the mining and quarry sector has been affected by: a lack of necessary infrastructure (particularly the high cost of energy); a lack of access to credit; and limited backward or forward integration with the rest of the economy. The Government is encouraging the reduction of energy costs, and the refinement of more minerals locally, through: cost-efficient energy solutions, encouraging investment in capacity expansion and reconfiguring technical capabilities.

4.2.2 Energy – electricity

4.2.2.1 Regulatory framework

4.38. In 2015, the Electricity Act was promulgated; it replaced the 125-year-old Electric Lighting Act 1890, the Electricity (Frequency Conversion) Act, and the Electricity Development Act. According to Vision 2030, the new Act consolidated and modernized the laws relating to the

¹² Mining and Quarrying Sector Plan 2009-2013 (2009).

generation, transmission, distribution, supply, dispatch, and use of electricity.¹³ The Medium-Term Socio-economic Policy Framework (MTF) 2015-2018 focuses on strengthening the institutional, legal and policy framework for energy production and diversification of energy resources, as well as the promotion of renewable energy and energy efficiency and conservation efforts.

4.39. The Ministry of Science, Energy and Technology (MSET) is responsible for, *inter alia*: encouraging private sector innovation in the energy sector; leading legal and regulatory reform; improving national energy efficiency and conservation; increasing the percentage of electricity generated from renewable sources, thus reducing dependence on imported fuels and increasing Jamaica's energy security; and issuing licences for various activities. The MSET issued a National Energy Policy 2009-2030, which identified priority areas such as improving energy supply security; modernizing the energy infrastructure; developing renewable energy; and promoting eco-efficiency in industries.¹⁴ The MSET is preparing an Integrated Resource Plan, based on which a Generation Procurement Entity will procure additional generation capacity for the grid.

4.40. Under the Electricity Act 2015 and the Office of Utilities Regulation Act, the Office of Utilities Regulation (OUR) is in charge of regulating the electricity sector generally, including setting rates and ensuring acceptable service quality in relation to regulated utility services.

4.41. The Jamaica Public Service Company (JPS), a private company, remains a vertically integrated monopoly governed by the 2016 JPS Electricity Licence, and has the exclusive right to transmit, distribute, and supply electricity throughout Jamaica until 2027.¹⁵ OUR indicates that the Electricity Act 2015 implicitly suggested the unbundling of the electricity sector, through the issuance of separate licences for the different segments (generation, transmission, distribution, dispatch, and supply). The Electricity Act currently designates JPS as the single buyer and system operator. JPS's audited financial statement indicates that the company is making profits.

4.2.2.2 Main developments

4.42. Jamaica has made significant progress in the past decade in increasing access to electricity, which now reaches 92% of the population.¹⁶ Progress has also been made to reduce energy prices – particularly electricity prices – to lower the burden for business development in Jamaica. Jamaica's average electricity tariff was lowered from US\$0.39 per kWh in 2012 to US\$0.22 per kWh in 2016, which falls in the middle of the regional range: Barbados's US\$0.20 per kWh, St Lucia's US\$0.28 per kWh, and Grenada's US\$0.28 per kWh.

4.43. The Government has been making efforts to lower generation costs, which still depend on old, inefficient oil-fired generating plants, as well as to reduce the elevated levels of energy losses including from theft. Jamaica is contemplating a fuel diversification strategy which includes the replacement of aged and inefficient oil-fired baseload steam generating units with more modern and efficient generation facilities that would operate on natural gas. As part of the strategy, in 2015, Jamaica made provisions for the reconfiguration of the JPS Bogue Combined-Cycle Gas Turbine (CCGT) Unit (114 MW) to enable it to operate on natural gas. This project was completed in December 2016. The Old Harbour Plant, which is petroleum based, generates up to 213.5 MW of electricity for the national grid. This more-than-40-year-old plant is being replaced with a new LNG-fired plant, which will generate up to 192.3 MW of electricity.

4.44. JPS has access to approximately 940 MW of functional generation capacity, of which 571 MW is generated by itself, and 368 MW by independent power producer (IPPs) (Table 4.8). JPS generates electricity using: steam (oil-fired), simple-cycle gas (combustion) turbines, CCGT, slow speed diesel (SSD), hydropower,¹⁷ and wind. The IPPs that sell electricity to JPS include: Jamaica Energy Partners (JEP), Jamaica Private Power Company (JPPC), Jamalco, West Kingston Power

¹³ Vision 2030 Progress Report. Viewed at: http://www.vision2030.gov.jm/Portals/0/Progress_Reports/Update%20on%20Vision%202030%20Jamaica%20-%20September%2025,%202016.pdf [10 November 2016].

¹⁴ MSET online information. Viewed at: <http://mset.gov.jm/energy-policies-glance> [1 February 2017].

¹⁵ IMF, *Working Paper WP/16/53 (2016), Caribbean Energy: macro-related challenges*. Viewed at: <http://www.imf.org/external/pubs/cat/longres.aspx?sk=43776.0> [16 January 2017].

¹⁶ IMF, *Working Paper WP/16/53 (2016), Caribbean Energy: macro-related challenges*. Viewed at: <http://www.imf.org/external/pubs/cat/longres.aspx?sk=43776.0> [16 January 2017].

¹⁷ JPS has five functional hydropower plants, with a generation capacity of 22 MW.

Partners (WKPP), Wigton Windfarm Limited (WWFL), BMR Jamaica Wind (BMRJW), and Content Solar Limited (CSL).

Table 4.8 Functional generation capacity of the electricity system

Owner/Operator	Type	Installed capacity (functional) (MW)
Total		938.73
JPS		570.57
IPPs		368.16
IPPs (firm capacity)		249.86
JEP	Medium speed diesel (MSD)	124.36
JPPC	SSD	60.00
WKPP ^a	MSD	65.50
JAMALCO ^b	Steam	00.00
IPPs (as-available energy)		118.30
WWFL ^c	Wind power	62.70
BMR ^d	Wind power	36.30
Content Solar ^e	Solar PV	20.00

a In 2012, the WKPP generation plant, based on MSD engine technology and operating on heavy fuel oil (HFO), was commissioned, which added 65.5 MW of firm capacity to the grid. WKPP has a 20-year power purchase agreement with JPS.

b Contracted for 11 MW. Capacity constraints due to altered configuration.

c WWFL currently owns and operates three wind generation facilities supplying a total of 62.7 MW of contracted capacity to JPS' system, subject to a 20-year power purchasing agreement (PPA). The most recent facility was commissioned in 2016.

d The 36.3 MW wind generation facility, owned and operated by BMRJW, was commissioned in 2016 to supply energy to the system under a 20-year PPA.

e The 20 MW solar PV facility, owned and operated by CSL, was commissioned in 2016 to supply energy to the system under a 20-year PPA.

Source: Information provided by OUR.

4.45. The renewable energy contribution to the total energy supply mix has increased in the last decade: from 5% in 2007 to 7.84% in 2016,¹⁸ due to the addition of a number of renewable energy generation facilities to the system, namely: Wigton II (18 MW – wind) in 2010, JPS Constant Spring Hydro (0.8 MW – hydro) in 2009 (recommissioning), JPS Munro Wind Farm (3 MW – wind) in 2010, JPS Maggotty Hydro (6.37 MW – hydro) in 2014, Wigton III (24 MW – wind) in 2016, BMR (36 MW – wind) in 2016, and Cotent Village (20 MW – solar) in 2016. The Government introduced other initiatives to increase the share of renewable energy in the energy mix, such as the full roll-out of ethanol blended with gasoline in 2009. Jamaica has approximately 151.1 MW of renewable energy capacity from hydro, solar and wind power plants. In addition, a licence was given to Eight Rivers Energy Company in 2016 to supply up to 37 MW of electricity from a solar photovoltaic plant; it is planned to be commissioned in December 2018.

4.2.2.3 Electricity tariffs

4.46. Electricity tariffs are determined by, *inter alia*, the JPS energy rate, and the "Fuel & IPP" charge. The energy (or non-fuel) rate is fixed by OUR at Rate Reviews held every five years. Rates are adjusted annually in accordance with the annual Performance-Based Rate Making (PBRM) mechanism stipulated by the JPS licence to capture the effects of inflation and measure JPS's performance against pre-determined efficiency targets.

4.47. The "Fuel & IPP" charge is a monthly charge expressed in US cents per kWh or the equivalent Jamaican dollars per kWh, reflecting an aggregation of total fuel costs and an IPP surcharge. Fuel costs are by far the greatest component of the "Fuel & IPP" charge, representing the total cost of fuel for producing and delivering each kWh of electricity in a given month. They include: the cost of fuel consumed in JPS's generating units for the production of electricity; and the cost of fuel in JPS's purchased energy from IPPs. The IPP charge is a surcharge payable by the JPS.

¹⁸ The MSET stated that recently energy generated from renewable sources reached 10.5% of net electricity generation.

4.3 Manufacturing

4.48. The manufacturing sector's contribution to GDP remained at around 8.5% during the review period (Table 4.9). In 2016, the sector generated employment for 6.6% of the total labour force, down slightly from 7% in 2012.

4.49. The manufacturing sector is divided into two main categories: traditional and non-traditional. According to the authorities' definition, traditional manufactured goods include sugar, rum, citrus, coffee and cocoa products. Non-traditional goods include food, beverages and tobacco (excluding rum), crude materials (inedible) and other materials (mineral fuels, and animal and vegetable oils and fats), chemicals (including ethanol), manufactured goods, machinery and transport equipment, wearing apparel, furniture and other domestic exports. The authorities stated that, as Jamaica is located at the hub of air and sea routes in the Northern Caribbean, the country is ideally placed for export-oriented manufacturing and assembly operations.

4.50. Studies indicate that the development of the manufacturing sector in Jamaica was negatively affected by: weak external and internal demand; low labour productivity; high costs of energy, capital, and transport; burdensome import and export procedures; and the high cost of compliance with product and process standards.¹⁹ Under the framework of Vision 2030 and the MTF 2015-18, MICAF implements policies and programmes for the manufacturing industry, aimed at improving the business environment, providing institutional support and capacity building, and increasing competitiveness to facilitate higher production and exports. After a number of years of contraction, value added of the manufacturing sector grew by 3.6% in 2015 and 0.2% in 2016, facilitated by reduced electricity costs as well as lower crude oil prices on the international market.

Table 4.9 Manufacturing sector indicators, 2011-16

	2011	2012	2013	2014	2015	2016
Share of GDP (%)	8.5	8.6	8.5	8.4	8.6	8.5
Growth rate (%)	1.8	-0.3	-0.5	-0.8	3.6	0.2
Export values (US\$ million)	1,267.3	1,155.5	1,155.1	1,130.0	978.3	879.6
Share of total merchandise exports (%)	78.1	67.5	73.6	77.8	77.5	73.2
Import values (US\$ million)	5,015.1	5,100.8	4,894.6	4,713.3	3,962.2	3,782.1
Share of total merchandise imports (%)	77.9	77.5	78.7	80.8	79.4	79.3
Trade balance (US\$ million)	-3,747.8	-3,945.3	-3,739.5	-3,583.3	-2,983.8	-2,902.5
Employment	74,767	76,950	71,875	72,900	72,975	78,567
Share of employed labour force (%)	6.9	7.0	6.5	6.5	6.4	6.6

Source: UN COMTRADE; Jamaica Manufacturers' Association Limited, *AGM Economic Review 2014*. Viewed at: http://jma.com.jm/jma/_home_.php?id=38&headingID=28&headingMain=24&pop=1'&link= [1 February 2017]; Planning Institute of Jamaica, *Selected Indicators 2012-2016*. Viewed at: http://www.pioj.gov.jm/Portals/0/Economic_Sector/Selected%20Indicators%202016.pdf [28 June 2017]; and information provided by the Statistical Institute of Jamaica and other authorities.

4.51. MICAF has responsibility for guiding the development of the manufacturing sector. Other relevant agencies include: the Bureau of Standards, the Companies Office of Jamaica, the Jamaica Customs Agency, the Fair Trading Commission, the Anti-Dumping and Subsidies Commission, JAMPRO, the Trade Board, the JIPO, and the Cannabis Licensing Authority (for medical marijuana and hemp). The Jamaica Manufacturers' Association is the main industrial association.

4.52. A number of incentives had been granted to the manufacturing sector in the form of income tax and import tariff exemptions or reductions.²⁰ The authorities stated that the effects of these incentive schemes, "with the exception of the export free zones", were questionable. Pursuant to the WTO Decision taken in 2007, the export contingent requirements of four of the incentive programmes were required to be phased out by 31 December 2015. The promulgation of the 2014 Omnibus Incentives legislation, which provides for non-sectoral fiscal incentives aimed at increasing business competitiveness, repealed the long-standing incentives and removed discretionary waivers. It increased transparency in the process of granting incentives. The incentives granted to the manufacturing sector under this new scheme include GCT deferrals and import tariff exemptions (Section 2.4.2).

¹⁹ UNCTAD (2015), *Trade Policy Framework: Jamaica*. Viewed at: http://unctad.org/en/PublicationsLibrary/ditctncd2013d9_en.pdf [11 January 2017].

²⁰ TPR of Jamaica (2011), p. 70.

4.4 Services

4.53. Services are the main contributor to the economy, accounting for over 70% of GDP.²¹ The main subsectors in terms of their contribution to GDP were: wholesale and retail trade; government services; real estate, renting and business activities; transport, storage and communications; other services; finance and insurance; and hotels and restaurants.

4.54. Based on data provided by the Statistical Institute of Jamaica, the services sector grew at an annual average rate of 5.8% between 2011 and 2016, with hotels and restaurants registering the highest averaging growth rates (7.5%). Around 67% of the workforce was employed in the tertiary sector. Jamaica's trade in services balance was positive throughout the review period (Table 1.2).

4.55. Since 2011, apart from one notification on contact enquiry points (S/ENQ/78/Rev.14, 25 October 2013), Jamaica has not made any notifications to the WTO regarding the GATS, nor has it made any conditional offers. Jamaica participated in the extended negotiations on basic telecommunications and financial services, and presented offers in both negotiations. Jamaica deposited its instrument of acceptance of the Fifth Protocol to the GATS in 2012.²²

4.56. Under GATS, Jamaica scheduled horizontal commitments on commercial presence and the presence of natural persons for all sectors included in its Schedule.²³ In its Schedule of Specific Commitments, Jamaica maintains no market access restrictions with respect to commercial presence, as total foreign ownership is allowed in all sectors with the exception of the preference for joint ventureships in certain professional services.²⁴ Its list of Article II (MFN) exemptions are:

- a. For all sectors, a work permit requirement waiver for citizens of CARICOM countries; and
- b. For maritime transport, cargo reservation under the UN Convention on a Code of Conduct on Liner Conferences.²⁵

4.4.1 Financial services

4.4.1.1 Institutional framework

4.57. The BOJ is responsible for promoting and maintaining financial system stability.²⁶ It supervises deposit-taking institutions (DTIs) under the Bank of Jamaica Act as well as entities operating under the Banking Services Act (2014). These include:

- a. DTIs: commercial banks, merchant banks, and building societies;
- b. Money services businesses: *cambios*, bureaux de change, remittance companies;
- c. Credit bureaus; and
- d. Financial holding companies (FHCs) under which entities including DTIs are held.

4.58. Credit unions have been designated by the Minister of Finance as "specified financial institutions", as a preliminary step towards placing these institutions under the supervisory oversight of the BOJ.

4.59. Non-deposit-taking financial institutions supervised by the Financial Services Commission (FSC) are: insurance companies; insurance intermediaries; securities firms/dealers; and administrators and investment managers of pension plans. The FSC also regulates and supervises pension plans and collective investment schemes (unit trusts and mutual funds). The Financial Regulatory Council is responsible for facilitating information sharing among the BOJ, the FSC, the

²¹ Planning Institute of Jamaica, *Selected Indicators 2012-2016*. Viewed at: http://www.pioj.gov.jm/Portals/0/Economic_Sector/Overview%202016.pdf [28 June 2017].

²² WTO online information. Viewed at: https://www.wto.org/english/res_e/booksp_e/wto_status_legal_inst15_e.pdf [13 June 2017].

²³ WTO document GATS/SC/45, 15 April 1994.

²⁴ WTO document GATS/SC/45, 15 April 1994.

²⁵ WTO document GATS/EL/45, 15 April 1994.

²⁶ BOJ online information. Viewed at: http://www.boj.org.jm/financial_sys/index.php [6 February 2017].

Jamaica Deposit Insurance Corporation (JDIC), and other relevant institutions. The JDIC carries out a deposit insurance scheme to protect depositors from loss up to a specified limit (J\$ 600,000 per depositor, per insured institution).

4.60. In the securities market, the Jamaica Stock Exchange, which allows for the trading of ordinary shares, preference shares and corporate bonds, regulates the listing on its exchange and has rules on how to list a company. The Jamaica Stock Exchange has an electronic trading platform with modern clearance arrangements through the Jamaica Central Securities Depository.

4.4.1.2 Legislative framework

4.61. A number of laws were promulgated, amended, or revised during the review period, notably the Banking Services Act (BSA) and the Bank of Jamaica Act.

4.4.1.2.1 Banking Services Act

4.62. The BSA (2014), which became effective on 30 September 2015, consolidated three deposit-taking statutes: the Banking Act, the Financial Institutions Act, and the Bank of Jamaica (Building Societies) Regulations, into one law. It serves to further strengthen oversight of the deposit-taking financial sector and achieve greater conformity with the Basel Core Principles (BCP). Major enhancements include:

- a. Supervisory autonomy: consistent with the IMF and BCP recommendations on supervisory independence, the BSA transferred certain supervisory power from the Minister of Finance to the "Supervisor" and the "Supervisory Committee (SC)". It contains provisions which: strengthen the governance and accountability structure of the Supervisory Authority; prescribe the establishment of an independent Supervisory Appeals Board (SAB); and codify timelines for supervisory determinations in relation to new businesses or products, new delivery channels for existing businesses or products, strategic alliances, joint ventures and co-branding initiatives.
- b. Consolidated supervision framework: under this framework each financial group to which a deposit-taking institution (DTI) belongs is required to structure itself to facilitate effective consolidated supervision and establish a financial holding company (FHC) which is to be licensed by the BOJ. Each FHC has the responsibility to ensure that the financial group is adequately capitalized on a consolidated basis, and is subject to effective group-wide governance and risk management.
- c. Agent banking framework: a framework for DTIs to extend certain banking services to their customers through agents authorized by the Supervisory Authority.
- d. Enforceable Code of Conduct: a code of conduct for DTIs, outlining their responsibilities for customers (e.g. disclosure of relevant information regarding product and service offerings; fees and charges; and resolution of customer complaints).

4.63. The BOJ administers the Banking Services Act (BSA) through its Supervisory Committee (SC) and undertakes its expanded role of supervisory and financial system stability oversight, in collaboration with the Financial Services Commission (FSC) and the Jamaica Deposit Insurance Corporation (JDIC), in the statutory committees (the Financial System Stability Committee (FSSC), and the Financial Regulatory Committee (FRC)).

- a. The Supervisory Committee (SC) is responsible for the administration of the BSA which includes determining the granting, refusal and revocation of licences, among other matters.
- b. The FSSC is tasked with providing oversight to the BOJ's risk assessment, coordinating required policy measures, and communicating with the public to safeguard the stability of the financial system.
- c. The FRC was established to facilitate information sharing, coordination and cooperation among regulatory authorities to strengthen the financial system. The FRC replaced the Financial Regulatory Council, which was established in 2000.

4.4.1.2.2 Bank of Jamaica Act

4.64. The Bank of Jamaica Act was amended in October 2015. Main amendments include:

- a. The Supervisor assumes temporary management of a DTI if the BOJ believes that such a DTI is/appears unlikely to meet its obligations;
- b. The BOJ may assess fines for specific offences under the Banking Services Act and the Financial Institutions Act;
- c. The BOJ may require a DTI to legally separate its banking operations from its securities-trading activities and investment activities undertaken on behalf of its clients;
- d. The BOJ may carry out consolidated supervision of banks and other companies if they are all members of a group; and
- e. The BOJ may require a bank to broaden information disclosure regarding the types of cases concerning specific customer accounts.

4.65. The Act also mandated the establishment of a Financial System Stability Committee (FSSC).

4.4.1.2.3 Other legislation

4.66. The proposed BOJ (Credit Unions) Regulations, which, as at June 2017, were still being reviewed, are expected to result in the BOJ proceeding with the licencing of credit unions. Important features include prescribed criteria covering capital adequacy, liquid assets, credit limits, non-accrual and provisioning requirements, submission of financial statements and minimum solvency standards. In addition, all volunteers, managers and key employees are to be assessed as "fit and proper" persons for credit unions, while provisions will be in place for the supervisor to address cases of unsafe and unsound practices or insolvency. Savings in credit unions are to be covered by the Jamaica Deposit Insurance Corporation (JDIC) up to the prescribed limit.

4.67. The Government is proposing the enhancement of microcredit legislation for private money lending institutions, with the intention of improving transparency, consumer protection and reducing the risk of this industry being used as a vehicle for money laundering. The BOJ is undertaking a comprehensive re-drafting of regulations to provide specific legal guidelines for loan accounting, credit classification, and provisioning requirements for bad and doubtful debts. It has been preparing regulations on the qualifications of auditors, and on the supervisory regime of credit unions.

4.68. Jamaica is participating in regional consultations aimed at finalizing the draft CARICOM Financial Services Agreement (CFSA). The CFSA is expected to play a critical role in the CSME (CARICOM Single Market and Economy) by facilitating the formation of a harmonized financial services market in the community.

4.4.1.3 Overview

4.69. According to data provided by the Statistical Institute of Jamaica, financial services contributed 8.6% of GDP (market price) in 2016, down from 8.9% in 2011. This sector provided employment for about 24,000 people (about 2% of the total employed labour force).²⁷ Total assets accounted for 169% of GDP in 2015 (Table 4.10). Jamaica was ranked 16th in the World Bank's Doing Business Report for ease of getting credit, among 190 countries.²⁸

²⁷ Statistical Institute of Jamaica online information. Viewed at: <http://statinja.gov.jm/LabourForce/NewLFS.aspx> [7 March 2017].

²⁸ World Bank (2017), *Doing Business 2017 – Jamaica*. Viewed at: <http://www.doingbusiness.org/~media/wbg/doingbusiness/documents/profiles/country/jam.pdf> [3 February 2017].

Table 4.10 Financial system structure, 2009, 2015, and 2016 (as at end-year)

(J\$ billion)

	2009	2015	2016
Commercial banks			
Number of institutions	7	6	6
Total assets	583.1	896.9	1,038.8
Percent share of total financial sector assets	32.9	35.2	36.8
Merchant banks			
Number of institutions	2	1	1
Total assets	31.9	35.4	35.8
Percent share of total financial sector assets	1.8	1.4	1.3
Building societies			
Number of institutions	4	3	3
Total assets	159.4	246.7	278.7
Percent share of total financial sector assets	9.0	9.7	9.9
Credit unions			
Number of institutions	47	34	34
Total assets	56.5	89.0	95.6
Percent share of total financial sector assets	3.2	3.5	3.4
Financial houses and trust companies			
Number of institutions	1	1	1
Total assets	1.5	1.6	1.8
Percent share of total financial sector assets	0.1	0.1	0.1
Life insurance companies			
Number of institutions	5	7	6
Total assets	153.9	281.7	297.1
Percent share of total financial sector assets	8.7	11.04	10.5
Non-life insurance companies			
Number of institutions	12	10	11
Total assets	44.7	64.9	70.7
Percent share of total financial sector assets	2.5	2.5	2.5
Unit trust funds			
Number of institutions	4	3	3
Total assets	0.7	1.2	2.1
Percent share of total financial sector assets	0.0	0.0	0.1
Securities firms			
Number of institutions	29	29	29
Total assets	512.5	530.2	550.8
Percent share of total financial sector assets	28.9	20.8	19.5
Pension funds			
Number of pension plans	787	801	802
Number of institutions (investment managers)	28	26	26
Total assets	228.6	396.9	453.1
Percent share of total financial sector assets	12.9	15.6	16.0
Total assets	1,772.9	2,550.5	2,824.5
Percent of GDP	166.4	169.4	..

.. Not available.

Source: Information provided by the authorities; BOJ (2016), *Annual Report 2015*. Viewed at: http://boj.org.jm/uploads/pdf/boj_annual/boj_annual_2015.pdf [6 February 2017].

4.70. The financial sector has remained relatively stable during the review period. Although capital adequacy ratios (CARs) remained relatively flat, falling slightly from 15% in 2011 to 14.1% in 2016, non-performing loan ratio (NPLs over total loans) for commercial banks declined from 8.7% in 2011 to 2.7% in 2016, resulting in improved asset quality (Table 4.11). Both the pre-tax profit margin and the return on average assets improved in 2016, but were below the 2011 levels. On the other hand, despite improvements in financial intermediation, the interest-rate spread remains rather high. This, and in particular the high average weighted loan rate, may partly explain why private sector credit as a share of GDP was lower in Jamaica than in comparable countries in the region.²⁹

²⁹ IDB (2016), *IDBG Country Strategy with Jamaica 2016-2021*, draft. Viewed at: <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=40713849> [8 November 2016]. Private sector credit as a share of GDP in 2015 was 30.4% in Jamaica, lower than in comparable countries such as the Bahamas (72.1%), LAC countries (55.2%), middle income countries (101.7%), or Caribbean small states (41%).

Table 4.11 Financial sector indicators (for commercial banks, merchant banks and building societies), 2011–16

(Per cent)

	2011	2012	2013	2014	2015	2016
Balance sheet growth (year on year)						
Capital base	5.3	2.1	21.2	7.1	11	16.4
NPL	72.7	-9.9	-11	3.4	-12.8	-19.8
Liquidity						
Loans/deposits	68.6%	70.0%	72.9%	72.1%	70.5%	73.3%
Asset quality						
Provision for loan losses/NPLs	78.6	99.7	105	107.3	113.2	126.1
NPLs to total loans	8.7	6.8	5.2	5.1	4.1	2.7
Capital adequacy						
Capital base/total assets	10.4	9.9	10.7	10.2	10.2	10.3
CAR	15	12.9	14	14.3	13.5	14.1
Profitability^a						
Pre-tax profit margin	32.6	21.6	17.3	17.9	20.6	29
Return on average assets	4.5	2.6	2	2.1	2.2	3.4
Interest rate spread^b						
Average weighted loan rate	19.41897	18.44231	17.49227	17.18428	16.92459	16.19642
Average weighted deposit rate	2.443566	2.100299	2.040565	2.6396	1.62349	1.341571
Overall spread	16.9754	16.34202	15.4517	14.54468	15.3011	14.85485

a Figures are for the calendar quarters.

b Commercial bank interest rate spread, December.

Source: Bank of Jamaica.

4.71. At the time of the previous TPR, Ponzi schemes were a threat to the integrity of financial markets in Jamaica.³⁰ As a response to this threat, the Securities Act was amended in 2013 to include provisions that:

- Prohibit schemes commonly known as "Ponzi" and "pyramid";
- Enhance the enforcement and investigation capabilities of the FSC in relation to breaches of the Act or regulations under the Act; and
- Introduce additional remedial measures, such as restraint and production orders, that can be used by the FSC for the benefit of investors.

4.72. In the context of the current review, the authorities stated that they did not consider Ponzi games to be a major threat to the financial markets in Jamaica.

4.4.1.3.1 Banking

4.73. During the review period, one of the main challenges facing Jamaica's banking services was the de-risking by overseas correspondent banks. De-risking refers to the practice of ending banking relationships with clients or closing accounts deemed high risk, including when the earnings from such relationships are considered small in relation to the risk. As a result of de-risking, several DTIs in Jamaica lost correspondent banking relationships; had restrictions imposed by their international correspondent bank on the types of customers and the types of products allowed; or have encountered enhanced due diligence requirements. According to the authorities, these banks, however, were able to identify replacement correspondent banking relationships or have been using the banking relationships of other local banks. In this context, the BOJ has enhanced reporting standards of local banks to facilitate ongoing assessments of their adherence to the due diligence requirements for cash transactions. Jamaica, alongside its CARICOM partners, has sought to highlight the impact of de-risking and to identify the best means of addressing and mitigating its effects.

³⁰ WTO (2011), *TPR of Jamaica 2011*.

4.4.1.3.1.1 Deposit-taking institutions (DTIs)

4.74. In 2016, there were 11 licensed DTIs operating in Jamaica: 6 commercial banks, 2 merchant banks, and 3 building societies. The combined assets of the DTIs recorded a significant growth of 15.1% in 2016, much higher than the 9% growth in 2015 (Table 4.12). According to the BOJ Annual Report, the expansion primarily reflected increased loans (18.3% increase), investment securities (14.2%), and cash and bank balances (16.4%). The major source of financing for the increase in assets were deposits (increased by 13.8%), followed by borrowings (32.8%) and shareholders' equity (11.6%).

Table 4.12 Number and market share (assets) of licensed DTIs and of credit unions, 2013-16

	2013		2014		2015		2016	
DTIs	J\$ billion	%	J\$ billion	%	J\$ billion	%	J\$ billion	%
Commercial banks	741	76	829	76	917	77	1059	77
Merchant banks	25	23	31	3	30	2	38	3
Building societies	212	21	230	21	247	21	279	20
Total	978	100	1,090.9	100	1,194	100	1,375.9	100
DTIs including credit unions								
Credit unions	77	7.3	82	7	89	6.9	95.6	6.5
Combined total of DTIs	1,054	100	1,173	100	1,283	100	1,471.5	100

Source: Bank of Jamaica (2017), *Annual Report 2016*. Viewed at: http://www.boj.org.jm/uploads/pdf/boj_annual/boj_annual_2016.pdf [29 May 2017].

4.75. The six commercial banks are: Bank of Nova Scotia Jamaica Limited (BNSJ), Citibank N.A., First Caribbean International Bank (Jamaica) Limited, First Global Bank Limited, National Commercial Bank Jamaica Limited (NCBJ), and Sagicor Bank (Jamaica) Limited. Assets of the commercial banking subsector grew by 15.5% in 2016, and the market share of this sector increased from 76% in 2014, to 77% in 2015 and 2016. Two of the six commercial banks accounted for over 70% of the market (NCBJ and BNSJ).

4.76. Among the six commercial banks, five have foreign parents. Foreign and domestic banks are subject to the same licensing requirements, as well as the same capital-fixed-asset and credit-limit exposures. No distinction is made between foreign and domestic banks regarding the services they can provide. Foreign banks may establish branches or subsidiaries in Jamaica. Foreign banks establishing branches must satisfy a global minimum capital requirement in accordance with the BOJ Act, and the requirement is the same for foreign and domestic bank branches.

4.77. Merchant banks' assets increased by 26% in 2016, in contrast to a reduction of 2% in 2015. The market share of the two merchant banks, JMMB Merchant Bank Limited, and MF&G Trust and Finance Limited, increased from 2.5% in 2015 to 2.8% in 2016.

4.78. The three building societies are: Jamaica National Building Society (JNBS), Scotia Jamaica Building Society, and Victoria Mutual Building Society. Notably, in September 2016, JMMB Merchant Bank Limited (JMMBMB) received supervisory approval from the BOJ to upgrade its existing licence to a commercial banking licence. The merchant bank joined the JNBS in this transition, as the JNBS obtained Ministerial approval in September 2015 for its conversion into a commercial bank and the re-organization of the group. JNBS was upgraded to a commercial bank in February 2017 – Jamaica National Bank.

4.79. In 2016, credit unions accounted for 6.5% of the assets held by the combined DTIs (including credit unions). The number of credit unions fell from 34 in 2015 to 32 in 2016, resulting from continued merger activities. Total assets increased by 7.4% to J\$95.6 billion, with asset expansion largely funded by the growth in the savings fund.

4.4.1.3.1.2 Non-DTI financial institutions supervised by the BOJ

4.80. In addition to DTIs, the BOJ also supervises money services businesses such as *cambios* (foreign exchange traders) and remittance services providers (RSPs). The focus is on ensuring the effectiveness of licensees' AML/CFT (anti-money laundering and combating the financing of terrorism) compliance programmes.

4.81. In 2016, one new *cambio* licence was issued while seven were voluntarily surrendered. This resulted in a decline in the total number of *cambio* outlets from 150 at end-December 2015 to 144 at end-December 2016. Four companies ceased offering *cambio* services, resulting in a reduction in the number of *cambio* entities from 61 in 2015 to 57 in 2016 (Table 4.13). The number of RSPs (Primary Agents) increased from eight to nine during the same period. The number of licensed outlets increased to 422 at end-2016 compared to 402 at end-2015.

Table 4.13 Status of *cambios* and RSPs, as at 31 December 2016

	2014	2015	2016
Cambios			
New locations licensed	5	3	1
Locations closed	14	12	7
Number of locations	159	150	144
Number of companies	66	61	57
Remittance services providers (RSPs)			
New locations licensed	39	28	41
Locations closed	82	27	21
Number of locations	401	402	422
New licences issued	69	131	82
Licences relinquished/revoked	95	46	61
Number of licences	573	658	679
Number of primary agents	8	8	9

Source: BOJ (2017), *Annual Report 2016*. Viewed at: http://www.boj.org.jm/uploads/pdf/boj_annual/boj_annual_2016.pdf [29 May 2017].

4.82. RSPs continued to offer inbound, outbound, and intra-island services. Inbound remittances continued to flow mainly from: the United States, the United Kingdom, Canada, and the Cayman Islands.

4.4.1.3.1.3 International financial services

4.83. The Jamaica International Financial Services Authority (JIFSA) Act was promulgated in May 2011,³¹ with the aim of establishing an authority to market Jamaica as a centre for international financial and business services. The functions of JIFSA include: promoting the adoption and maintenance of international standards of competence; promoting compliance with supervisory and regulatory standards for the conduct of international financial services; and making recommendations for legislative changes where necessary.

4.84. JIFSA has been instrumental in laying the groundwork for the legislative and regulatory framework to support Jamaica in becoming a well-regulated and transparent international financial jurisdiction. It has spearheaded the development of seven international financial services bills, three of which were passed by Parliament in January 2017: the Partnership (General) Act, the Partnership (Limited) Act, and the International Corporate and Trust Services Providers Act (ICTSP Act). The authorities stated that the International Business Companies Bill is to be passed by Lower House of Parliament (House of Representatives) in 2017.

4.85. The authorities consider that these legislative enactments will form the core of Jamaica's international financial services regime. Both the Partnership (General) Act and the Partnership (Limited) Act contain provisions that had not previously existed in Jamaica, and provide for the creation of business entities and investment vehicles to suit a wider variety of financial transactions. The ICTSP Act, which regulates international corporate and trust service providers, is a central component of the international financial services regime.

4.4.1.3.2 Insurance

4.86. The FSC supervises insurance companies and various types of insurance intermediaries including the six life insurance companies and the 11 general insurance companies (one in run-off mode) (Table 4.14). Gross premiums of both life and non-life insurance sectors grew by 4% in 2016 from the year before. The life and non-life sectors are concentrated; the three largest

³¹ Jamaica International Financial Services Authority Act. Viewed at: <http://moj.gov.jm/laws/jamaica-international-financial-services-authority-act> [10 February 2017].

companies in each sector accounted for about 84.8% in 2016 (82% in 2009 and 84% in 2015) and 49.9% in 2016 (48% in 2009 and 51% in 2015) of their respective sector's assets, and final control of the life insurance business rests mainly abroad.

Table 4.14 Insurance indicators

	Registered at 31 March 2014	Registered at 31 March 2015	Registered at 31 March 2016	Registered at 31 March 2017
Life insurance companies	6	7	7	6
General insurance companies	10	10	11	11
Association of underwriters	1	1	1	1
Insurance brokers	25	26	27	27
Facultative placement brokers	18	18	18	19
Overseas reinsurance brokers	1	1	1	1
Local reinsurance brokers	2	2	2	2
Insurance agents	14	22	28	32
Insurance sales representatives	2,917	3,095	3,220	3,301
Loss adjusters	34	36	35	36
Loss adjusters – employed practitioners	5	7	7	7
Investigators	13	14	16	20
Claim negotiators	6	7	7	7
Insurance consultants	3	3	3	3
Total	3,055	3,249	3,383	3,473
	2015		2016	
Insurance indicators	Life insurance			
Gross premiums written (J\$ M)	46,757.7		48,804.3	
Insurance penetration (%)	3.0		2.9	
Insurance density (J\$)	17,134.3		17,884.2	
	Non-life insurance			
Gross premiums written (J\$ M)	38,720.6		40,426.2	
Insurance penetration (%)	2.5		2.4	
Insurance density (J\$)	14,189.1		14,814.1	

Source: FSC (2016), *Annual Report 2015-2016*. Viewed at: <http://www.fscjamaica.org/about-the-fsc/content-1285.html> [9 February 2017]; and information provided by the authorities.

4.87. The insurance industry is regulated by the:

- Insurance Act 2001, amended in 2016;
- Insurance Regulations 2001, amended in 2004;
- Insurance (Actuaries) (Life Insurance Companies) Regulations 2001;
- Insurance (Actuaries) (General Insurance Companies) Regulations 2002, amended in 2011; and
- Insurance (Prescribed Sum) Regulation 2004.

4.88. The Insurance Act 2001 was amended in 2016 to keep pace with developments in the local and international insurance sectors, and to align with international standards. Main amendments include:

- enhanced disclosure requirements;
- clarified treatment of unclaimed benefits;
- exemption of certain persons from the regulatory requirements under the Act;
- requirement for insurance companies to introduce and implement comprehensive risk management programmes including stress testing and asset liability management; and
- clarified priority for claims by policy holders in the event of the winding-up of an insurance company.

4.89. Jamaica is a member of the International Association of Insurance Supervisors (IAIS) and the Caribbean Association of Insurance Regulators, which set guidelines for best practices in the insurance industry. The Caribbean Association of Insurance Regulators has annual conferences and

training workshops. The FSC issued a bulletin on group insurance, and continues to develop a suitable regulatory framework for micro insurance. The FSC indicated that the requirements for registering an insurance company are the same for both local and foreign companies. In Jamaica, four general insurers and five life insurers have foreign parents.

4.4.1.3.3 Securities

4.90. The securities industry is governed by the:

- a. Securities Act, enacted in 1993 and last amended in 2014; and
- b. relevant regulations including the Securities (Licensing and Registration) Regulations, the Securities (Conduct of Business) Regulations, the Securities (Disclosure of Interest) Regulations, the Securities (Takeovers and Mergers) Regulations, the Securities (Retail Repurchase) Regulations, the Securities (Prudential) Regulations, the Securities (Collective Investment Schemes) Regulations, and the Securities (Central Securities Depository) Regulations.

4.91. The Securities (Licensing and Registration) Regulations were amended in 2014, while both the Securities (Retail Repurchase Agreement) Regulations and the Securities (Collective Investment Schemes) Regulations were amended in 2015. In July 2015, an advisory on the New Retail Repurchase Agreement Regulatory and Operational Framework was issued, to provide further guidance on the application of several provisions outlined in the Securities (Retail Repurchase Agreement) Regulations 2015. In addition, Guidelines for Jamaica Depository Receipts, issued in April 2015, allow for the issuance of depository receipts both across the Jamaica stock exchange and to selected investors through an exempt distribution format.

4.92. In January 2016, the FSC notified the securities industry of its intention to amend the Securities (Takeovers and Mergers) Regulations 1999 and the Securities (Disclosure of Interest) Regulations 1999 in preparation for an up-coming IMF and World Bank Financial Sector Assessment Programme (FSAP). Based on the feedback received from consultations, the FSC is examining the proposed amendment to the regulations.

4.93. On 31 March 2016, the FSC implemented a Strategy for Prudential Tightening to tighten the prudential standards for the securities sector. As part of the Strategy, the FSC, on 30 June 2016, issued Part I of the Guidelines to the Securities (Prudential) Regulations 2014. These Guidelines seek to provide more clarity with respect to the method of computation for regulatory metrics and the corresponding benchmarks specified in the regulations, as well as how other areas of the regulations are to be implemented.

4.94. As at March 2017, there were 43 companies licensed as securities dealers in Jamaica (Table 4.15). They are grouped into core securities dealers, i.e. those engaged in securities dealing as their principal activity, such as unit trust fund management companies; and non-core securities dealers, such as building societies, insurance companies and others. These companies do not deal in securities as a principal activity; instead, they are required to obtain a securities dealer's licence to conduct some aspects of their business, for example, pension fund management.

Table 4.15 Licensees and registrants by category, 2015-17

	Registered at 31 March 2015	Registered at 31 March 2016	Registered at 31 March 2017
Securities dealers – companies	46	44	43
Securities dealers – individuals	3	3	3
Securities dealers' representatives	792	862	927
Investment advisors – companies	2	3	3
Investment advisors – individuals	2	2	2
Investment advisors – representatives	0	2	2
Mutual funds	10	11	11
Unit trust schemes	12	14	15
Total	867	941	1,006

Source: FSC (2016), *Annual Report 2015-2016*. Viewed at: <http://www.fscjamaica.org/about-the-fsc/content-1285.html> [9 February 2017]; and information provided by the authorities.

4.95. The FSC stated that the requirements for registering a securities dealer are the same for local and foreign companies. About one quarter of the core securities dealers have foreign parents.

4.4.2 Telecommunications services

4.96. The telecommunications sector had significant increases in penetration for mobile phone and Internet services during the review period. Landline penetration ceased declining in 2016, and increased to 11.4% (Table 4.16).³² The combined contribution of transport, storage and communications accounted for 8.4% of GDP (market price) in 2016 (Chart 1.1), up from 7% in 2015. Value added in the transport, storage and communications sector registered a growth rate of 0.5% in 2016, compared with -0.1% in 2012, due mainly to the buoyance in the telecommunication subsector. Progress was made in expanding the broadband network across the island, via the deployment of Community Access Points (CAPs) within publicly accessible spaces. As at June 2017, a programme to provide free Internet access in public spaces such as parks and town centres was being rolled out. Reflecting the ongoing investment in and integration of ICT, Jamaica improved its ranking on the Networked Readiness Index (NRI) from 85th (out of 144 economies) in 2013 to 83rd (out of 139 economies) in 2016.³³ Its rank on the ICT Development Index (IDI) improved in 2016 as well, from 101st in 2015 to 99th in 2016 (out of 175 economies).³⁴

4.97. Since the previous Review in 2011, Internet has become the primary means of communication, and competition has been strengthened with number portability, which was implemented in June 2015. OUR decided to undertake another assessment of competition in the sector, scheduled for completion in early 2018. The objective of the project is to define and review all markets (retail and wholesale) for fixed, mobile, and data services over which OUR has regulatory oversight, and to determine where regulatory intervention is warranted.

4.98. In July 2013, OUR reduced the mobile termination rate from JS\$9 to JS\$1.10. After this, Jamaica's mobile termination rate became the lowest in CARICOM. Its retail call rates were reduced as well. The rates for some call categories were decreased by more than 60% during the review period.

4.99. In 2011, Jamaica had three main mobile providers: Cable and Wireless Jamaica Limited (trading as LIME), Digicel Jamaica Limited (trading as Digicel), and Oceanic Digital Jamaica Limited (trading as Claro). There were also three fixed-line networks operated by LIME, Digicel, and Columbus Communications (trading as FLOW). Since 2011, there have been a number of mergers and acquisitions in the sector. In addition, a new licence was granted in 2016 to Symbiote Investment Limited (Symbiote). Thus in 2017, there were three mobile network operators (Digicel, LIME, and Symbiote) and three fixed network operators (Digicel, LIME, and FLOW). In the Internet segment, there are three major providers and a few small providers. Although they are still operating under separate licences, Cable and Wireless and Columbus Communications have been operating under the single brand "FLOW" since August 2015.

4.100. The number of fixed-line subscribers increased by 15.9% from 2011 to 2016, with its penetration rate increasing from 9.9% to 11.4% (Table 4.16). During the same period, mobile service subscriptions totalled 3.2 million as at December 2016, up by 10.9% from its 2011 level, with the penetration rate increasing from 108.6% to 120%. Prepaid subscribers continued to account for the majority of this market (94% of mobile subscribers). Reflecting the rapid increase in mobile broadband subscribers, the overall Internet penetration rate went up from 4.4% in 2011 to 65% in 2016.

Table 4.16 Telephone subscribers by category, 2011-16

('000)

	2011	2012	2013	2014	2015	2016
Fixed lines	267.6	253.1	250.3	253.5	252.8	310.1
Residential	189.1	175.9	174.9	180.1	181.0	234.9

³² OUR (2016), *Annual Report 2015/16*. Viewed at: <http://www.our.org.jm/ourweb/sites/default/files/images/content/OUR%20201516/O.U.R.%20ANNUAL%20REPORT%202015-2016.pdf> [28 February 2017].

³³ WEF online information. Viewed at: http://www3.weforum.org/docs/GITR2016/WEF_GITR_Jamaica_2016.pdf [1 March 2017].

³⁴ ITU online information. Viewed at: <http://www.itu.int/net4/ITU-D/idi/2016/#idi2016countrycard-tab&JAM> [1 March 2017].

	2011	2012	2013	2014	2015	2016
Business	78.5	77.2	75.5	73.4	71.8	75.2
Penetration (%)	9.9	9.5	9.2	9.3	9.3	11.4
Mobile lines	2,945.4	2,714.9	2,846.2	3,005.5	3,137.2	3,267.3
Pre-paid	2,825.7	2,563.6	2,696.4	2,851.1	2,970.8	3,085.0
Post-paid	119.7	151.3	149.8	154.4	166.4	182.3
Penetration (%)	108.6	100.1	104.9	110.4	115.2	120
Internet	118.3	124.2	998.1	1,384.6	1,670.3	1,781.3
Fixed narrowband (dial up and below 256 kbps)	0	1.12	0.98	0.97	0.96	..
Fixed broadband	118.3	123.1	140.8	156.4	164.0	192.0
Mobile broadband	856.3	1,227.6	1,505.4	1,589.3
Penetration (%)	4.4	4.6	36.8	50.8	61.3	65

.. Not available.

Source: OUR (2016), *Annual Report 2015/16*. Viewed at: <http://www.our.org.jm/ourweb/sites/default/files/images/content/OUR%20201516/O.U.R.%20ANNUAL%20REPORT%202015-2016.pdf> [28 February 2017]; and information provided by the authorities.

4.101. Compared with the previous review period, the number of telecom licences continued to grow but at a much slower pace (Table 4.17). In 2014, the first local Internet Exchange Point (IXP) was installed by OUR. Through the IXP, Internet service providers (ISPs) and content providers are able to connect their networks to facilitate the exchange of local Internet traffic within Jamaica. As at the end of March 2016, all major ISPs and one content provider were connected to the facility. Some participants began peering (interconnection of their networks over the IXP fabric to exchange Internet traffic) or are making arrangements to peer.

Table 4.17 Number of telecom licences granted, 2011-16

	Total at 2011	2012	2013	2014	2015 ^a	2016 ^b
ISP	89	1	5	1	1	2
ISP for subscriber television operators (STVO)	7	0	0	0	0	0
International voice service provider (IVSP)	54	0	0	1	0	1
Domestic carrier (DC)	44	0	6	2	4	1
Domestic voice service provider (DVSP)	54	1	2	1	4	1
Data service provider (DSP)	34	0	2	0	0	0
Free-trade zone carrier (FTZC)	11	0	0	0	0	0
Free-trade zone service provider (FTZSP)	8	0	0	0	0	0
International (voice/data) transit (IC)	85	1	6	2	4	1
International (voice/data) service provider (INTL.SP)	76	0	0	0	1	1
Total	462	3	21	7	14	7

a Revised.

b Preliminary.

Note: Figures for 2012–2016 are new licences granted. Carrier licences issued after 2013 do not differentiate between domestic and international carriers, therefore the same number was used for both categories.

Source: Information provided by the authorities.

4.102. The MSET is responsible for providing the overall policy framework to guide the development of the telecommunications sector. The ICT Policy was promulgated in 2011. It outlines the legal, regulatory, institutional and administrative environment for the ICT sector and places emphasis on those areas considered critical to ensuring investment in the sector. OUR, *inter alia*, receives and processes applications for licences to provide telecommunications services. The Fair Trading Commission (FTC) monitors and regulates competition matters in conjunction with OUR, and the Consumer Affairs Commission protects the rights of consumers in conjunction with OUR. Other relevant agencies include the SMA and the Broadcasting Commission.

4.103. The authorities stated that, given the impact of convergence and the ubiquitous nature of the Internet, the Government developed a National Cyber Security Strategy and began working

with various stakeholders to implement it. In support of the Strategy, steps were taken to harden the Government's ICT assets against cyber threats with the establishment of a Cyber Incident Response Team (CIRT) in 2016. In 2016, work started on the drafting of an ICT Act, which will repeal the Telecommunications Act and the Data Protection Act.

4.104. The main pieces of legislation governing the telecommunications sector remain: the Telecommunications Act (2000); the Post Office Act (1941); the Radio and Telegraph Control Act (1973); the Broadcasting and Radio Re-Diffusion Act (1944); the Electronic Transactions Act (2006); the Fair Competition Act (1993); the Consumer Protection Act (2005); the Cybercrimes Act (2015); and the Office of Utilities Regulations Act (1995).

4.105. In 2012, the Telecommunications Act was amended. The amendments gave OUR the authority, *inter alia*, to: utilize the pure LRIC (long run incremental cost) methodology when setting termination rates; impose infrastructure sharing obligations; examine customer contracts and direct the modification of any term which appears to OUR to be unreasonable and unfair; and implement a pecuniary penalty regime for licensees who commit an offence against the Telecommunications Act or regulations made thereunder.

4.106. The Act also expanded the powers of the Spectrum Management Authority (SMA) to enable the prescription of a procedure to be adopted by the Minister and the SMA in the event that a spectrum licensee contravenes any term or condition of its spectrum licence or fails to pay licence fees or regulatory fees. It also empowers the Minister to suspend or revoke a spectrum licence on the recommendation of the SMA. The Act prescribes the procedure which the SMA must adopt prior to making a recommendation to the Minister for revocation or suspension. Additionally, the SMA was granted greater enforcement powers (similar to OUR).

4.107. Other amendments include specifying the circumstances under which the Minister may issue a spectrum licence, such as:

- a. On condition that the spectrum issued is to be used and operated in an efficient manner and in accordance with international best practices; and
- b. Ensure compliance by spectrum licensees with any obligation regarding the use and operation of the spectrum as either imposed by or under a spectrum licence, a provision of the Act, or regulations made thereunder.

4.108. The Cybercrimes Act 2010 was replaced by the Cybercrimes Act 2015. The 2015 Act provides criminal sanctions for computer-specific offences such as unauthorized interception, unauthorized modification of computer programs and unauthorized access to any program or data held in a computer. The new Act introduced new offences regarding fraud, forgery, malicious communication, actions prejudicing investigations and forfeiture of computer material which is the subject matter of an offence. Penalties under the Act were significantly increased reflecting the seriousness with which cybercrimes are being treated.

4.109. The Office of Utilities Regulation (OUR) Act was amended in 2015 to, *inter alia*, increase the number of Office members as well as to diversify its composition. Under the Telecommunications Act, OUR is responsible for ensuring that the price levied for interconnection by dominant carriers is cost effective, and that the price for wholesale interconnection services is determined in a manner that only takes account of avoidable costs. To this end, in 2013 OUR developed a Bottom-Up LRIC model for the determination of mobile termination rates. OUR is in the process of finalizing a Bottom-Up LRIC Model for the determination of fixed termination rates.

4.110. According to the Telecommunications Act, OUR may modify terms in contracts that are deemed to be unfair. OUR is currently developing guidelines, taking into account local and international laws and best practices, as to what are to be considered unreasonable and unfair contract terms with respect to customer contracts for telecommunications services and facilities. Licensees will be required to use these Guidelines when drafting their customer contracts. As part of the exercise, all existing customer contracts will be reviewed to determine where modifications may be required to eliminate unreasonable or unfair terms.

4.111. Section 44 of the Telecommunications Act gives OUR the power to make rules prescribing quality of service standards for the provision of telecommunications facilities and services. During

the review period, OUR submitted Instructions to the Chief Parliamentary Counsel, through the MSET, for the drafting of quality of service standards. Once promulgated, a service quality monitoring regime will be established, under which licensees will be required to measure and report on the stated parameters on a quarterly basis. The rules will also set minimum targets for each parameter.

4.112. OUR is also taking steps to implement the pecuniary penalty regime for licensees who wish to discharge their liability for conviction by making a payment to OUR. Work has started on the development of infrastructure sharing rules. The sharing of infrastructure will facilitate the optimum utilization of resources which can reduce the investment cost as well as afford new entrants the opportunity to accelerate service expansion.

4.4.3 Transport services

4.113. The Ministry of Transport and Mining is the main government entity responsible for policy formulation and implementation in the sector. Since 2011, there have been some major achievements in the transport sector, such as the privatization of the Kingston Container Terminal, the designation of Ian Fleming Airport as an international airport, the establishment of the Falmouth Cruise Ship Terminal, and the completion of the North-South segment of the tolled highway (Highway 2000). These are accompanied by legislative developments including the issuance of the Civil Aviation Regulations (2012), the Shipping Fees (Amendment) Regulations (2014), and the Shipping (Medical Examination) (Amendment) Regulations 2015.

4.114. Other initiatives of the Government include the pursuit of, *inter alia*: the privatization of the railway service; the privatization of the Norman Manley International Airport (NMIA); the Vernamfield Development Project; and the establishment of the Land Transport Authority.

4.4.3.1 Air transport

4.115. According to Vision 2030, the air transport system in Jamaica comprises three main entities: aviation service providers such as airports, air traffic services, aircraft maintenance organizations, airlines and AEROTEL; aviation service users such as passengers and shippers; and the regulator – the Jamaica Civil Aviation Authority (JCAA).³⁵

4.116. The air transport sector is primarily regulated by the Civil Aviation Act (most recently amended in 2015) and Regulations. The Civil Aviation Regulations were strengthened in 2012 to ensure Jamaica's continued compliance with the Convention on International Civil Aviation (Chicago Convention 1944) and its Annexes. In 2015, amendments were made to the Civil Aviation Act to increase the number of members of the JCAA. In 2016, the Cabinet approved a comprehensive revision of the Civil Aviation Act and Regulations, to strengthen its provisions in keeping with the changes in the aviation sector, and to meet International Civil Aviation Organization (ICAO) standards.

4.117. Jamaica has two main international airports with the equipment required to accommodate large jet aircrafts: Norman Manley International Airport (NMIA) in Kingston, and Sangster International Airport (SIA) in Montego Bay. The Ian Fleming International Airport (IFIA), formally the Boscobel Aerodrome (St. Mary), was upgraded in February 2011 to provide services to both domestic and international flights (for small aircrafts). There are local prescribed aerodromes at Tinson Pen (Kingston), Ken Jones (Portland), and Negril (Hanover) which cater to domestic flights only. The domestic aerodromes and the IFIA are located in proximity to major resort towns across the island, thereby facilitating the easy movement of tourists, leisure and business passengers, as well as light cargo. There are also some small, privately-owned aerodromes at locations near sugar estates or bauxite mines.

4.118. The Airports Authority of Jamaica (AAJ), established in 1974 under the Airports Authority Act, used to own and manage the two international airports (NMIA and SIA), and was later assigned responsibility in 1990 for the prescribed domestic aerodromes.

³⁵ Vision 2030 Jamaica – Transport Sector Plan 2009-2030. Viewed at: <http://www.mtw.gov.jm/images/Bulletins/v2030transport.pdf> [22 February 2017].

4.119. The SIA was privatized in 2003, and is now operated by a private consortium – MBJ Airports Limited (using a PPP model) – under a 30-year concession agreement with the AAJ. The SIA is the largest international airport in Jamaica in terms of the number of passengers: among all visitors to Jamaica, approximately 71% use the SIA as their primary airport (Table 4.18).³⁶ About 95% of total passengers at the SIA are those travelling internationally. Leading partners of MBJ Airports Limited are: Desarrollo de Concesiones Aeroportuarias, a holding company fully owned and controlled by Grupo Aeroportuario Del Pacifico; and Vantage Airport Group.

4.120. The NMIA remains fully owned by the Government. It has been managed since 2003 by NMIA Airports Limited, which is a wholly owned subsidiary of AAJ, under a 30-year concession agreement. It caters to approximately 1.6 million passengers, and handles about 70% of the island's airfreight.³⁷ According to the authorities, divestment process is under way.

Table 4.18 Airport performance, 2011-16

	2011-12	2012-13	2013-14	2014-15	2015-16
Passenger traffic					
NMIA	1,457,840	1,462,072	1,370,601	1,467,993	1,553,928
SIA	3,338,827	3,351,751	3,526,733	3,731,028	3,867,968
Total	4,796,667	4,813,823	4,897,334	5,199,021	5,421,896
Freight (kg)					
NMIA	12,336,776	11,991,323	12,041,376	12,277,715	12,631,448
SIA	5,078,916	5,151,382	5,747,736	6,215,724	6,291,549
Total	17,415,692	17,142,705	17,789,112	18,493,439	18,922,997

Source: AAJ (2014), *Annual Report 2013-2014*. Viewed at: <http://www.airportsauthorityjamaica.aero/pdf/NORMAN%20MANLEY%20INTL%20AIRPORT%20ANNUAL%20REPORT%202013-2014.pdf> [22 February 2017]; and information provided by the authorities.

4.121. The JCAA, established in 1996, is a member of the International Civil Aviation Organization (ICAO). It is responsible for the development of air transport services in Jamaica with a focus on strengthening safety measures. The JCAA regulates all air navigation activities and matters relating to safety and security in civil aviation. Its main functions are:

- Flight safety: including licensing of industry personnel and continued safety and security oversight of all aviation service providers;
- Economic regulation: relating to the regulation of airport services and charges, permits for charter flights, and air transport licences to aircraft operators; and
- Air navigation services: including air traffic management, air traffic control training and aeronautical information services, as well as aeronautical communication services through its subsidiary AEROTEL.

4.122. AEROTEL was established in 1978 to provide engineering and telecommunication services to the aviation sector. Its functions include designing, installing, maintaining, and operating aeronautical telecommunication facilities and systems for various entities such as the JCAA, the Meteorological Office, the AAJ, airlines and users of Jamaica's airspace, and the Kingston Flight Information Region.

4.123. There are 38 international carriers providing direct flights connecting Jamaica to other parts of the world. Jamaica has seven domestic airlines. Air Jamaica, once the national airline of Jamaica, was sold by the Government to Caribbean Airlines in May 2011. The Government of Jamaica retained a 16% share in Caribbean Airlines.

4.124. According to information provided by the JCAA, the Provisional Collection of Tax (GCT) (Removal of Exemption) (Miscellaneous Provision) Order, 2015, removed the JCAA's exemption from the GCT as part of the Government's efforts to broaden its tax base. Other taxes and charges collected at airports are:

- Departure tax – US\$35 per passenger;

³⁶ MBJ online information. Viewed at: <http://www.mbjairport.com/history-facts> [21 February 2017].

³⁷ NMIA online information. Viewed at: <http://www.nmia.aero/profile> [21 February 2017].

- b. Airport Improvement Fund (AIF) – US\$10 at the NMIA, and US\$5 at the SIA;
- c. Passenger Aviation Service Charge (PASC) – US\$4 each way, or US\$8 for a round trip;
- d. Passenger Facility Charge – US\$5.

4.125. In addition, the Tourism Enhancement Fund is funded through a fee of US\$20 charged to incoming airline passengers (Section 4.4.4).

4.126. Airlines seeking a Jamaican Air Operator Certificate must be substantially owned and controlled by Jamaicans. Foreign investment of up to 33% equity shares is allowed. Cabotage by foreign operators is allowed if there is an un-met need. One foreign operator, InterCaribbean Airways, was approved on 16 April 2014 to operate domestically between the NMIA and the SIA.

4.127. Jamaica is a signatory to the Air Transport Agreement (ATA) among the member States and associate members of the Association of Caribbean States (ACS)³⁸; it entered into force in 2008.³⁹ Jamaica has bilateral air service agreements (ASAs) with 35 countries, including 11 open-skies agreements. Among the 35 ASAs, 5 are substantially completed and initialled, and can be administratively/provisionally applied until the constitutional arrangements are completed and the official signing takes place. These are with China, Ghana, Kuwait, Paraguay, and Switzerland.

4.4.3.2 Maritime transport

4.128. Reflecting its location (in the Caribbean Sea, on the shipping lane to the Panama Canal) and relative proximity to large markets in North America and emerging markets in Latin America, Jamaica receives high container traffic. In addition to the Kingston harbour, which is the 7th largest natural harbour in the world, there are several ports around the island including the alumina ports, sugar ports, ports for agricultural products, as well as cruise ship piers. Some ports are privately operated (sufferance wharves) and a few are public wharves such as the Port of Montego Bay. The port of Kingston consists of two public cargo terminals:

- a. KWL – mixed use and privately owned and operated; and
- b. the container terminal – Kingston Container Terminal (KCT), publicly owned but now privately operated under a 30-year concession agreement.

4.129. The Port Authority of Jamaica (PAJ), a statutory corporation established under the Port Authority Act of 1972, falls within the Ministry of Transport and Mining. The PAJ is the principal maritime agency responsible for the regulation and development of seaports in Jamaica. It is responsible for ensuring that security systems, standards and procedures at seaports comply with the International Maritime Organization/International Ship and Port Facility Security (IMO/ISPS) Code.

4.130. PAJ's operation is mainly driven by two segments: containerized cargo, and cruise shipping.⁴⁰ Containerized cargo activities are undertaken at the KCT and the Port of Montego Bay. Cruise shipping activities are undertaken at four ports: the port of Montego Bay, Historic Falmouth port, the port of Ocho Rios, and Ken Wright pier. The number of container moves at the KCT contracted in 2015 and 2016 from 2014, caused by the decline in transshipment moves (Table 4.19). Container throughput has been declining, from 1.8 million TEUs in 2012 to 1.6 million in 2014.⁴¹ It then increased to 1.65 million in 2015 and declined to 1.57 million in 2016.

4.131. The KCT has a rated capacity of 2.8 million TEUs.⁴² In 2016, it accounted for about 90% of vessel calls and 60% of tonnage handled. In April 2015, a 30-year concession agreement was signed between the PAJ and the Kingston Freeport Terminal Limited (KFTL) to develop, market,

³⁸ The ACS is a union of nations centred in the Caribbean Basin, with 25 member States and 7 associate members.

³⁹ The text of the ATA can be found at: http://www.acs-aec.org/sites/default/files/Final_ATA_En.pdf

⁴⁰ PAJ (2016), *Annual Report 2015-2016*. Viewed at: <http://www.portjam.com/nmCMS.php?p=reports> [24 February 2017].

⁴¹ UNCTAD (2015), *Review of Maritime Transport 2015*. Viewed at: http://unctad.org/en/PublicationsLibrary/rmt2015_en.pdf [3 March 2017].

⁴² PAJ online information. Viewed at: <http://www.portjam.com/nmCMS.php?p=ports> [23 February 2017].

operate, and transfer the assets of the KCT. This was a step towards the privatization of the KCT, which was privatized in 2016. KFTL is a company which is 60% owned by CMA CGM, and 40% by Terminal Link. According to the concession agreement, the PAJ will retain responsibility for maintenance dredging, provision of ancillary services, and enacting regulations and policies. KFTL has the right to finance, expand, operate, maintain and transfer the KCT at the end of the concession period.

Table 4.19 Container moves at the KTC, and cruise passenger arrivals, 2013/14 – 2016/17

	2013/14	2014/15	2015/16	2016/17 ^a
Container moves at the KTC	833,309	883,781	877,802	646,444
Transshipment moves	720,147	782,203	772,655	552,695
Domestic moves	113,162	101,578	105,147	93,749
Cruise passenger arrivals	1,240,391	1,490,532	1,661,390	1,040,493
Ocho Rios	615,857	775,102	760,816	279,134
Montego Bay and Port Antonio	223,855	261,968	442,256	285,400
Falmouth	400,680	453,462	458,318	475,959
Vessel calls by business segment	3,444	3,533	3,680	2,720
Cruise	363	433	495	304
Cargo	2,833	2,866	2,941	2,282
Other	248	234	244	134

a Data for 2016/17 are up to December 2016.

Source: PAJ (2016), *Annual Report 2015-2016*.

4.132. The primary mandate of the Maritime Authority of Jamaica, established under the Shipping Act 1988, is to regulate and develop shipping in Jamaica. Its functions include the registration of ships, regulating safety and security of shipping, preventing ship-source pollution, and training and certification of seafarers. In 2016, 17 commercial vessels were registered, up from 8 in 2011.

4.133. Since the previous Review in 2011, a number of regulations and orders have been amended or adopted, including:

- a. The Shipping (Load Lines) Regulations 2011, to incorporate the International Convention on Load Lines, 1966;
- b. The Pilotage (Amendment) Regulations, 2013, to facilitate an increase in the fees payable to pilots;
- c. The Shipping (Declaration of Port of Registry) Order, 2014, to declare Montego Bay as a port of registry for ships involved in foreign trade, and to declare ports as ports of registry for the registration of ships not involved in foreign trade to facilitate access to local trade;
- d. The Shipping (Fees) (Amendment) Regulations, 2014, to amend the fee structure for the registration service and related services;
- e. The Shipping (Registration of Ships) (Amendment) Regulations, 2015, to introduce a regulation regime for yachts and personal water craft (jet skis) and to promote cruising around Jamaica by visiting yachts;
- f. The Shipping (Medical Examination) (Amendment) Regulation, 2015, to incorporate the 2012 amendments to the International Convention on the Standards of Training, Certification and Watchkeeping for Seafarers Convention (STCW Convention), also known as the Manila Amendments; and
- g. The Caribbean Maritime University Act, 2017, aimed at strengthening the statutory power of institutions such as universities to confer degrees/awards/certificates/diplomas, etc.

4.134. Other legislation being adopted or amended includes:

- a. The Ballast Water Management Convention Bill, 2017, to implement the requirements of the Ballast Water Management Convention adopted by the IMO in 2004, and to provide a

legal framework for the regulation and management of ships' ballast water and the sediments which remained in the tanks of vessels after the ballast water had been discharged; and

- b. The Shipping (Amendment) Bill, 2016, including the Shipping (Welfare of Seafarers and Maritime Labour Compliance) Regulations, 2016, the Shipping (Pollution Prevention, Response, Liability and Compensation) Bill, the Shipping (Prevention of Pollution of the Sea) Act, 2012, and the Shipping (Training, Certification, Safe Manning, Hours of Work and Watchkeeping) (Amendment) Regulations, 2016.

4.135. Jamaica is a party to the UN Convention on a Code of Conduct for Liner Conferences, and has ratified a number of IMO conventions as well as the United Nations Convention on the Law of the Sea. Jamaica has two bilateral maritime transportation agreements: with Cuba (signed in 1999), and with the Russian Federation (signed in 1978). Both agreements accorded reciprocal national treatment to the vessels of each party.

4.136. Foreign-owned ships, if they meet the conditions set out in the Shipping (Local Trade) Regulations 2003, may participate in local trade. To be recognized as Jamaican, a ship must be registered or licensed in Jamaica. Jamaica nationals and businesses, and persons deemed to belong to Jamaica pursuant to the Immigration Restriction (Commonwealth Citizens) Act, are qualified to own a Jamaican ship.

4.137. Under Section 101C of the Shipping Act, Jamaican ships engaging in foreign trade may be declared "exempted ships"; entities that own or operate an "exempted ship" may be exempted from income tax in respect of gains derived from ownership or operation of the ship for 10 years, renewable. These entities are also exempt from transfer tax, stamp duties, and customs duties and GCT on imports to be used for the operation of an exempted ship and on articles imported for the construction, repair, etc. of a ship.

4.138. Port fees for public wharves are generally gazetted and updated via a Wharfage Rate Hearing, in accordance with the Wharfage Act.

4.4.4 Tourism

4.4.4.1 Overview

4.139. The tourism sector is the mainstay of the Jamaican economy. According to the World Travel and Tourism Council, the travel and tourism industry directly contributed 9.3% to GDP in 2016, while its total contribution to the economy was 30.3%. Moreover, the industry is a major foreign exchange earner, capturing a significant share of capital investment and accounting for over half of total exports (Table 4.20).

Table 4.20 Jamaica: Absolute and relative contribution of the tourism sector, 2016

	Absolute contribution	Relative contribution (% of total)
Direct contribution to GDP (J\$ billion)	162.6	9.3
Total contribution to GDP (J\$ billion)	529.2	30.3
Direct contribution to employment ('000 jobs)	97	8.4
Total contribution to employment ('000 jobs)	318.5	27.5
Capital investment (J\$ billion)	43.2	12.1
Visitor exports (J\$ billion)	303	58.2

Source: World Travel and Tourism Council, *Travel & Tourism. Economic Impact 2017. Jamaica*. Viewed at: <https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2017/jamaica2017.pdf> [2 June 2017].

4.140. The number of stopovers (visitors staying at least 24 hours in the country) has grown steadily since 2011, reaching about 2.2 million in 2016 (Table 4.21). The United States continues to be the largest inbound market, accounting for 64% of all overnight tourist arrivals in 2016, followed by Canada (17%), Europe (14%), the Caribbean (3%), Latin America (1.2%), and Asia and Pacific (0.3%). In the same year, 93% of visitors came from other countries, and the rest

were Jamaicans living abroad.⁴³ Among all the overnight visitors, 75.6% were visiting for the purpose of leisure, recreation and holidays, 13.8% for visiting friends and relatives, 4.7% were on business, and the remaining 5.9% were on other or unstated purposes.

4.141. In 2015, both the number of hotel rooms and the average hotel room occupancy rate went up, reaching 69% (Table 4.21). The average length of stay for foreign nationals was 8.8 nights, and 16.4 nights for non-resident Jamaicans.

Table 4.21 Key tourism indicators, 2011-16

	2011	2012	2013	2014	2015	2016
Total stopovers	1,951,752	1,986,085	2,008,409	2,080,181	2,123,042	2,181,684
United States	1,225,565	1,257,669	1,271,262	1,296,457	1,344,149	1,406,058
Canada	378,938	403,200	399,331	419,898	391,409	372,137
Europe	253,049	222,428	235,811	261,081	279,332	294,709
Caribbean	66,216	64,984	58,249	59,057	62,612	65,592
Latin America	16,589	25,037	30,538	29,263	29,387	27,726
Asia and Pacific	6,522	7,020	7,505	8,194	9,238	8,949
Other	4,873	5,747	5,713	6,231	6,915	6,513
Stopover arrivals by purpose of visit						
Leisure, recreation and holiday	1,519,363	1,573,853	1,608,751	1,668,217	1,604,302	..
Visiting friends and relatives	183,501	185,646	173,908	182,879	293,693	..
Business	105,839	100,360	96,443	96,776	100,839	..
Other/not stated	143,049	126,226	129,307	132,309	124,208	..
Cruise ship passengers^a	1,125,481	1,320,083	1,265,268	1,423,797	1,568,702	1,655,565
Tourist accommodation	28,304	28,536	26,839	26,888	28,408	..
Hotel rooms	20,665	20,974	20,359	20,310	21,454	..
Other rooms	7,639	7,562	6,480	6,578	6,954	..
Average hotel room occupancy (%)	60.5	62.3	67.9	68.0	69.0	..
Average length of stay (nights)						
Foreign nationals	8.9	8.8	8.7	8.7	8.8	..
Non-resident Jamaicans	16.4	17.6	16.8	16.5	16.4	..
Visitor expenditures (US\$ million)	2,008	2,070	2,113	2,244	2,402	..
Stopovers	1,928	1,968	2,011	2,126	2,265	..
Cruise passengers	80	102	102	118	137	..
Employment in accommodation sector	34,921	35,197	35,197	35,166	39,255	..

.. Not available.

a Includes armed forces on naval vessels.

Source: Jamaica Tourist Board, *Annual Travel Statistics various issues (2012-15)*. Viewed at: <http://www.jtbonline.org/report-and-statistics/> [20 February 2017].

4.142. Gross visitor expenditure in 2015 was estimated at approximately US\$2.4 billion, an increase of 7% from the estimated figure in 2014. The majority of the expenditure was from stopover tourists (94.3%), while cruise passengers accounted for 5.7%. The number of cruise ship passengers grew for most of the years during the review period, and it increased by more than

⁴³ Jamaica Tourist Board (2016), *Annual Travel Statistics 2015*. Viewed at: <http://www.jtbonline.org/report-and-statistics/> [20 February 2017].

10% in 2015. It is estimated that in 2015 cruise tourists spent about US\$87 per person per night, while foreign nationals spent on average US\$126 per person per night.⁴⁴

4.4.4.2 Legislative and institutional framework

4.143. In September 2011, the Travel Agencies Regulation Act (No. 18 of 2011) was amended to increase penalties (both monetary and imprisonment) for breaches. Other main legislation includes: the Tourist Board Act, the Hotel Keepers Liability Act, the Tourism Enhancement Fund Act, the River Rafting Authority Act, the Bath of St. Thomas the Apostle Act, the Milk River Bath Act, the Resort Cottages (Incentives) Act, the Motion Picture Industry (Encouragement) Act, and the Noise Abatement Act.⁴⁵

4.144. The institutional framework has remained the same since the previous Review in 2011. The Ministry of Tourism is responsible for tourism development, with subordinate agencies such as:

- a. The Jamaica Tourist Board, which markets and promotes Jamaican tourism;
- b. The Tourism Product Development Company, which is responsible for the development and quality of the tourism product;
- c. Jamaica Vacations, which manages airlift capacity; and
- d. The Tourism Enhancement Fund, which provides funding for development projects in the tourism sector.

4.145. In particular, the Tourism Enhancement Fund, established in 2005, aims to provide financing for the development of tourist attractions. It is funded through a fee of US\$20 charged to incoming airline passengers, and US\$7 to cruise passengers.

4.146. These agencies also work closely with other organizations such as the Jamaica Hotel and Tourist Association (JHTA) and Jamaica Trade and Investment (JTI) in the marketing of Jamaica as a tourist destination.

4.147. The Ministry of Tourism is working to develop a Community Tourism Policy (CTP) which will include local communities throughout the island.⁴⁶ The CTP was tabled in April 2015 as a white paper.

4.148. Tax incentive schemes for the tourism sector were replaced by the Omnibus Incentive schemes, which mainly include reduced customs duty, additional stamp duty rates, and corporate income tax rates. The authorities consider that, under the Omnibus Incentive schemes, more persons will benefit, more subsectors will be covered (attractions and transportation rather than accommodation alone), and incentives will be available in perpetuity (compared to the 10 or 15 years previously).

⁴⁴ Jamaica Tourist Board (2016), Annual Travel Statistics 2015. Viewed at: <http://www.jtbonline.org/report-and-statistics/> [20 February 2017].

⁴⁵ Ministry of Tourism online information. Viewed at: <http://www.mot.gov.jm/page/core-legislation> [21 February 2017].

⁴⁶ Ministry of Tourism online information. Viewed at: <http://www.mot.gov.jm/page/community-tourism-policy-and-strategy-white-paper> [21 February 2017].

5 APPENDIX TABLES

Table A1.1 Merchandise exports by HS sections and main chapters, 2011–16

(US\$ million and %)

Description	2011	2012	2013	2014	2015	2016
Total exports	1,623	1,712	1,569	1,452	1,263	1,202
Domestic exports	1,536	1,644	1,488	1,388	1,212	1,097
Re-exports	87	68	81	64	50	105
	(% of total exports)					
1 - Live animals; animal products	1.1	1.1	1.3	1.5	1.6	2.0
03. Fish and crustaceans	0.6	0.6	0.8	0.9	0.9	1.1
04. Dairy produce; birds' eggs; natural honey	0.5	0.4	0.4	0.5	0.5	0.6
02. Meat and edible meat offal	0.0	0.0	0.1	0.1	0.2	0.2
2 - Vegetable products	4.3	4.0	4.9	4.7	5.6	7.4
09. Coffee, tea, maté and spices	1.6	1.4	1.6	1.5	2.5	3.2
07. Edible vegetables and certain roots and tubers	1.6	1.5	1.9	2.0	2.0	2.7
08. Edible fruit and nuts; peel of citrus fruit or melons	0.6	0.6	0.8	0.7	0.7	1.0
3 - Animal or vegetable fats and oils; prepared edible fats	0.1	0.1	0.1	0.1	0.0	0.0
4 - Prepared foodstuffs; beverages, spirits and vinegar; tobacco	16.4	27.4	20.2	11.9	11.4	17.4
22. Beverages, spirits and vinegar	7.5	16.5	10.8	5.5	4.8	7.5
20. Preparations of vegetables, fruit, nuts or other parts of plants	1.4	1.6	1.7	1.6	1.8	2.9
21. Miscellaneous edible preparations	1.4	1.4	1.7	1.9	1.8	2.4
19. Preparations of cereals, flour, starch or milk	1.2	1.2	1.3	1.5	1.1	1.7
17. Sugars and sugar confectionery	4.0	5.5	3.5	0.2	0.5	1.4
23. Residues and waste from the food industries	0.5	0.6	0.8	0.8	0.9	0.9
16. Preparations of meat, of fish or of crustaceans	0.2	0.2	0.3	0.3	0.4	0.5
5 - Mineral products	31.9	30.4	31.1	32.7	27.6	23.5
27. Mineral fuels, mineral oils and products thereof	22.9	22.7	22.6	21.2	15.4	14.5
26. Ores, slag and ash.	8.8	7.6	8.2	9.0	10.3	7.7
25. Salt; sulphur; earths and stone; lime and cement	0.2	0.2	0.2	2.5	2.0	1.3
6 - Products of the chemical or allied industries	38.1	31.6	35.3	38.3	44.9	39.3
28. Inorganic chemicals	36.4	30.3	34.2	37.1	44.0	38.1
7 - Plastics and articles thereof; rubber and articles thereof	0.3	0.8	0.7	1.0	0.8	1.0
40. Rubber and articles thereof	0.1	0.5	0.3	0.8	0.6	0.5
39. Plastics and articles thereof	0.3	0.3	0.4	0.3	0.2	0.5
8 - Raw hides and skins, leather, furskins and articles thereof	0.0	0.0	0.0	0.0	0.0	0.0
9 - Wood and articles of wood; cork and articles of cork	0.1	0.1	0.1	0.1	0.1	0.2
10 - Pulp of wood; paper and paperboard and articles thereof	0.2	0.2	0.3	0.3	0.1	0.6
11 - Textiles and textile articles	0.1	0.1	0.1	0.1	0.1	0.2
12 - Footwear, headgear, umbrellas; prepared feathers	0.0	0.0	0.0	0.0	0.0	0.0
13 - Articles of stone, cement, etc.; ceramic products; glassware	0.1	0.1	0.0	0.1	0.1	0.1
14 - Pearls, precious or semi-precious stones and precious metals	1.7	1.8	1.3	0.9	0.5	1.0
15 - Base metals and articles of base metal	1.7	0.4	1.2	1.9	1.0	2.2
73. Articles of iron or steel	0.2	0.1	0.1	0.1	0.3	1.2
72. Iron and steel	1.3	0.1	0.9	1.5	0.6	0.6
16 - Machinery and mechanical appliances; electrical equipment	1.6	0.8	1.6	0.8	0.9	2.4
84. Machinery and mechanical appliances	0.7	0.5	1.1	0.5	0.6	1.6
85. Electrical machinery and equipment	0.9	0.4	0.5	0.4	0.4	0.8
17 - Vehicles, aircraft, vessels and associated transport equipment	1.5	0.5	1.0	0.6	0.7	1.1
89. Ships, boats and floating structures	0.0	0.0	0.0	0.0	0.0	0.6
18 - Optical, photographic, medical instruments; watches; musical instruments	0.3	0.2	0.5	0.3	0.3	0.8
90. Optical, photographic, medical or other precision instruments	0.1	0.1	0.4	0.2	0.2	0.6
19 - Arms and ammunition	0.0	0.0	0.0	0.0	0.0	0.0
20 - Miscellaneous manufactured articles	0.2	0.1	0.1	0.1	0.1	0.2
21 - Works of art, collectors' pieces and antiques	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.4	0.3	0.4	4.4	4.2	0.6

Source: UNSD, Comtrade database.

Table A1.2 Merchandise imports by HS sections and main HS chapters, 2011–16

(US\$ million and %)

Description	2011	2012	2013	2014	2015	2016
Total	6,437	6,580	6,216	5,836	4,993	4,767
	(% of total imports)					
1 - Live animals; animal products	3.3	3.2	3.2	3.5	4.0	3.4
03. Fish and crustaceans	1.0	1.0	1.0	1.1	1.2	1.2
02. Meat and edible meat offal	1.2	1.2	1.1	1.3	1.4	1.2
04. Dairy produce; birds' eggs; natural honey	1.1	1.0	1.1	1.1	1.3	0.9
2 - Vegetable products	4.4	4.2	4.6	3.5	3.4	4.2
10. Cereals	3.3	3.1	3.4	2.2	2.0	2.9
11. Products of the milling industry	0.4	0.4	0.4	0.4	0.5	0.5
3 - Animal or vegetable fats and oils; prepared edible fats	1.1	0.9	0.9	0.9	0.9	0.5
4 - Prepared foodstuffs; beverages, spirits and vinegar; tobacco	13.3	14.1	12.5	10.4	11.4	12.5
21. Miscellaneous edible preparations	1.3	1.5	1.7	1.7	2.0	2.5
22. Beverages, spirits and vinegar	6.4	6.9	4.9	2.5	2.8	2.3
20. Preparations of vegetables, fruit, nuts or other parts of plants	1.0	1.0	1.2	1.1	1.5	1.7
19. Preparations of cereals, flour, starch or milk	1.1	1.1	1.2	1.2	1.5	1.6
23. Residues and waste from the food industries	0.9	0.9	1.1	1.4	1.0	1.5
16. Preparations of meat, of fish or of crustacean	1.0	1.0	1.0	1.1	1.2	1.3
17. Sugars and sugar confectionery	1.4	1.4	1.2	0.9	1.0	1.1
5 - Mineral products	36.4	36.6	36.6	33.5	23.4	20.0
27. Mineral fuels, mineral oils and products thereof	35.9	36.3	36.3	33.2	23.0	19.8
6 - Products of the chemical or allied industries	7.1	7.0	7.2	7.7	8.3	9.0
30. Pharmaceutical products	2.2	2.1	2.1	2.5	3.1	3.1
28. Inorganic chemicals	1.6	1.6	1.6	1.4	1.3	1.9
38. Miscellaneous chemical products	0.7	0.8	0.8	0.9	1.0	1.1
34. Soap, organic surface-active agents, washing preparations	0.7	0.7	0.7	0.8	0.9	0.8
33. Essential oils and resinoids; cosmetic or toilet preparations	0.6	0.6	0.6	0.7	0.8	0.8
29. Organic chemicals	0.5	0.5	0.5	0.6	0.5	0.5
32. Tanning or dyeing extracts and their derivatives	0.3	0.3	0.4	0.4	0.5	0.5
7 - Plastics and articles thereof; rubber and articles thereof	3.6	3.7	3.9	4.3	5.1	5.1
39. Plastics and articles thereof	2.6	2.7	2.9	3.2	3.8	3.8
40. Rubber and articles thereof	1.0	1.0	1.0	1.1	1.3	1.4
8 - Raw hides and skins, leather, furskins and articles thereof	0.1	0.1	0.1	0.1	0.2	0.2
9 - Wood and articles of wood; cork and articles of cork	1.1	0.9	1.2	1.3	1.6	1.5
44. Wood and articles of wood; wood charcoal	1.1	0.9	1.2	1.3	1.6	1.5
10 - Pulp of wood; paper and paperboard and articles thereof	2.8	2.6	2.5	3.1	3.4	2.8
48. Paper and paperboard, articles thereof	1.9	1.9	1.9	2.1	2.5	2.1
49. Printed books, newspapers, other products of the printing industry	0.9	0.7	0.6	0.9	1.0	0.7
11 - Textiles and textile articles	1.8	1.6	1.5	1.8	2.0	2.2
62. Articles of apparel and clothing accessories, not knitted or crocheted	0.6	0.5	0.5	0.5	0.6	0.8
63. Other made up textile articles	0.4	0.4	0.3	0.5	0.5	0.6
12 - Footwear, headgear, umbrellas; prepared feathers	0.6	0.6	0.6	0.7	0.6	0.6
13 - Articles of stone, cement, etc.; ceramic products; glassware	1.5	1.4	1.5	1.7	2.2	2.1
70. Glass and glassware	0.8	0.6	0.7	0.7	1.0	0.9
69. Ceramic products	0.5	0.5	0.6	0.6	0.8	0.8
14 - Pearls, precious or semi-precious stones and precious metals	0.6	0.7	0.6	0.7	0.7	0.3
15 - Base metals and articles of base metal	4.2	3.8	4.0	4.1	5.2	4.8
73. Articles of iron or steel	1.6	1.4	1.5	1.5	1.8	2.2
72. Iron and steel	1.4	1.3	1.4	1.4	1.8	1.0
76. Aluminium and articles thereof	0.4	0.3	0.4	0.4	0.6	0.6
83. Miscellaneous articles of base metal.	0.4	0.4	0.4	0.4	0.6	0.5
16 - Machinery and mechanical appliances; electrical equipment	10.1	8.5	9.3	11.4	14.3	14.7
84. Machinery and mechanical appliances	5.9	5.1	5.6	6.3	7.9	8.4
85. Electrical machinery and equipment	4.2	3.4	3.7	5.1	6.4	6.4

Description	2011	2012	2013	2014	2015	2016
17 - Vehicles, aircraft, vessels and associated transport equipment	4.5	5.4	5.2	5.2	6.6	11.6
87. Vehicles other than railway /tramway, parts and accessories	4.3	5.3	5.1	5.1	6.3	11.4
18 - Optical, photographic, medical instruments; watches; musical instruments	1.3	1.3	1.2	1.3	1.5	1.7
90. Optical, photographic, medical or other precision instruments	0.9	0.8	0.8	0.9	1.0	1.4
19 - Arms and ammunition	0.0	0.1	0.1	0.1	0.1	0.0
20 - Miscellaneous manufactured articles	1.1	1.4	1.4	1.8	2.1	2.4
94. Furniture; bedding, mattresses, cushions, etc.	0.8	1.0	1.1	1.4	1.8	1.7
96. Miscellaneous manufactured articles	0.1	0.1	0.1	0.1	0.2	0.5
21 - Works of art, collectors' pieces and antiques	0.0	0.0	0.0	0.0	0.0	0.0
Others	1.0	1.8	1.8	2.9	3.1	0.4

Source: UNSD, Comtrade database.

Table A1.3 Merchandise exports and by trading partner, 2011–16

(US\$ million and %)

Description	2011	2012	2013	2014	2015	2016
Total exports	1,623	1,712	1,569	1,452	1,263	1,202
	(% of total exports)					
Americas	75.1	64.2	70.5	65.1	59.5	65.1
United States	51.7	48.1	49.1	39.5	37.0	41.5
Other America	23.4	16.1	21.4	25.6	22.5	23.6
Canada	16.2	7.1	14.3	15.3	14.5	12.1
Trinidad and Tobago	1.3	1.1	1.0	1.2	1.0	1.9
Barbados	0.6	1.4	0.6	0.6	0.6	1.1
Guyana	0.4	0.6	0.5	0.8	0.6	1.0
Cayman Islands	0.5	0.5	0.6	0.6	0.7	1.0
Saint Lucia	0.4	0.4	0.5	0.5	0.4	0.9
Dominica	0.2	0.2	0.2	0.3	0.1	0.6
Antigua and Barbuda	0.4	0.3	0.4	0.4	0.3	0.5
Belize	0.2	0.2	0.2	0.5	0.2	0.5
Suriname	0.3	0.3	0.5	1.0	0.8	0.4
Haiti	0.2	0.1	0.1	0.1	0.1	0.4
Costa Rica	0.1	0.0	0.0	0.1	0.2	0.3
Mexico	0.3	0.2	0.2	0.0	0.2	0.3
Saint Vincent and the Grenadines	0.1	0.1	0.1	0.2	0.1	0.3
Bahamas	0.1	1.3	0.2	0.2	0.1	0.2
Bermuda	0.1	0.1	0.1	0.2	0.2	0.2
Grenada	0.1	0.1	0.2	0.2	0.1	0.2
Curacao	0.3	0.3	0.3	0.3	0.2	0.2
Europe	19.9	22.4	21.5	24.0	24.9	20.0
EU-28	16.8	20.6	19.1	19.5	17.0	17.8
Netherlands	5.6	4.1	6.9	5.7	8.7	10.4
United Kingdom	6.9	2.6	5.2	5.2	6.1	4.1
France	0.4	1.0	1.0	3.1	0.6	0.9
Sweden	0.0	0.0	0.0	0.0	0.0	0.7
Latvia	0.0	3.5	0.0	0.0	0.0	0.7
Germany	0.3	0.7	0.4	0.4	0.3	0.5
Belgium	0.1	0.1	0.1	0.1	0.1	0.2
EFTA	3.1	1.7	2.4	4.5	7.9	2.0
Iceland	0.5	1.6	2.4	4.4	7.8	2.0
Other Europe	0.0	0.1	0.0	0.0	0.0	0.1
Commonwealth of Independent States	1.2	5.6	4.3	5.9	9.1	7.9
Russian Federation	0.7	3.5	1.6	5.1	7.0	5.9
Georgia	0.6	2.1	2.6	0.8	2.0	2.0
Africa	0.0	0.7	0.2	0.0	0.0	1.9
Cameroon	0.0	0.0	0.0	0.0	0.0	1.9
Middle East	0.1	4.1	0.7	0.4	1.9	0.0
Asia	3.6	1.9	2.8	4.6	4.6	5.0
China	1.3	0.7	1.0	2.6	2.3	2.4
Japan	0.8	0.6	0.8	0.6	1.4	1.6
Other Asia	1.4	0.6	1.1	1.3	0.9	0.9
New Zealand	0.2	0.2	0.1	0.3	0.2	0.3
Other	0.0	1.1	0.1	0.1	0.0	0.2

a Commonwealth of Independent States (CIS) includes Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

Source: UNSD, Comtrade database.

Table A1. 4 Merchandise imports by trading partner, 2011–16

(US\$ million and %)

Description	2011	2012	2013	2014	2015	2016
Total imports	6,437	6,580	6,216	5,836	4,993	4,767
	(% of total imports)					
Americas	80.3	78.8	78.2	75.3	70.5	69.0
United States	33.6	35.7	34.1	39.2	37.5	39.5
Other America	46.7	43.1	44.0	36.1	33.0	29.6
Trinidad and Tobago	12.9	10.6	12.3	10.2	9.5	7.3
Mexico	3.8	4.0	4.4	3.3	2.6	4.1
Colombia	1.1	0.8	0.8	0.8	2.1	3.8
Canada	1.8	1.5	1.6	1.8	1.9	1.8
Dominican Republic	1.0	0.7	0.8	0.8	1.2	1.6
Brazil	5.0	3.7	2.7	1.0	1.5	1.3
Panama	0.6	0.6	0.6	0.6	0.9	1.3
Venezuela, Bolivarian Republic of	14.9	15.4	14.9	11.5	7.1	1.3
Costa Rica	0.8	0.9	0.9	0.9	1.0	1.1
Guyana	0.8	0.6	0.8	0.8	0.9	0.8
Suriname	0.5	0.7	0.7	0.7	0.8	0.8
Guatemala	0.4	0.5	0.4	0.4	0.6	0.8
Bahamas	0.9	0.7	0.4	0.3	0.6	0.6
Barbados	0.6	0.4	1.0	0.4	0.3	0.6
Ecuador	0.0	0.0	0.0	0.0	0.0	0.5
El Salvador	0.3	0.3	0.3	0.3	0.4	0.4
Europe	7.9	7.6	7.4	9.0	10.0	10.9
EU(28)	6.6	5.8	5.9	7.3	8.6	9.8
Germany	1.0	1.1	1.2	1.3	1.7	2.4
Spain	0.3	0.4	0.5	0.8	1.6	1.8
United Kingdom	1.3	1.3	1.1	1.0	1.3	1.5
France	0.5	0.6	0.7	0.6	0.6	0.9
Belgium	1.0	0.8	0.8	1.3	1.0	0.7
Netherlands	0.3	0.3	0.5	0.6	0.7	0.7
Italy	0.3	0.4	0.3	0.4	0.6	0.5
Sweden	0.3	0.1	0.2	0.5	0.3	0.4
EFTA	1.0	1.1	0.8	0.8	0.9	0.8
Switzerland	0.6	0.8	0.5	0.5	0.5	0.4
Other Europe	0.4	0.7	0.7	0.8	0.5	0.4
Commonwealth of Independent States	0.0	0.0	0.0	0.0	0.0	0.0
Africa	0.1	0.1	0.1	0.1	0.1	0.1
Middle East	0.2	0.1	0.1	0.2	0.2	0.2
Asia	10.3	11.7	12.3	13.6	17.3	19.4
China	4.4	4.7	5.4	6.8	8.2	6.5
Japan	2.3	3.2	2.9	2.7	3.6	6.3
Other Asia	3.6	3.8	4.1	4.2	5.6	6.6
Thailand	0.6	0.7	0.7	0.8	1.0	2.1
India	0.4	0.5	0.6	0.7	0.9	1.0
Korea, Republic of	0.4	0.5	0.4	0.3	0.4	0.6
Hong Kong, China	0.4	0.4	0.4	0.4	0.5	0.6
New Zealand	0.6	0.4	0.5	0.5	0.6	0.5
Other	1.1	1.8	1.8	1.9	1.9	0.3

Source: UNSD, Comtrade database.