



TRADE POLICY REVIEW

REPORT BY

JAMAICA

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Jamaica is attached.

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1 INTRODUCTION

1.1. The 2017-22 review period was marked by immense global challenges unlike anything the world has seen before. As a small, open, developing and relatively undiversified economy, Jamaica remains particularly vulnerable to various economic shocks. The economic impact of the COVID-19 pandemic in 2020 led to an economic decline that was unparalleled in Jamaica's history. The implementation of measures globally and locally to respond to the Pandemic had an adverse impact on all industries, particularly tourism and entertainment, as well as transportation. For example, the economic decline in FY 2020/2021 was driven by a massive 70% contraction in the tourist industry. In addition, adverse weather conditions, including prolonged drought, had a negative impact on the agricultural sector, resulting in the further decline of the economy.

1.2. The Government's experience with the COVID-19 pandemic underscored the need for further prioritization and preservation of macro-economic stability, particularly through the modernization of critical institutions and strengthening of Jamaica's institutional framework. In this regard, Jamaica advanced its economic, social, environmental, and trade objectives to foster growth, enhance trade performance, and ensure sustainable development amidst global economic fluctuations, thereby continuing its transformative journey, which is underpinned by Vision 2030 Jamaica—the National Development Plan to achieve developed country status by 2030.

1.3. During the review period, several policies were implemented to among other things – assist Jamaica in (i) recovering from the effects of the COVID-19 pandemic, (ii) adapting and meeting its fiscal and economic targets, including managing the country's debt-to-GDP ratio; (iii) modernizing the public sector; (iv) maintaining a stable business environment; (v) improving the country's physical infrastructure; and (vi) increasing the social safety net and promote human development.

1.4. The Government of Jamaica also made progress in numerous initiatives involving digital transformation, climate resilience, agriculture, trade facilitation focusing on exports, and enhancing the overall business landscape, which has yielded promising results. These initiatives demonstrate Jamaica's commitment to embracing innovation, boosting competitiveness, and leveraging our global brand to break into new markets and integrate further into global value chains.

1.5. Jamaica's active engagement in the multilateral trading system and adherence to our trade agreement obligations underscore our dedication to playing a significant role in global trade. The Government continues to pursue deeper regional economic integration, primarily through the CARICOM Single Market and Economy, as well as other bilateral and regional trade agreements.

1.6. Looking ahead, Jamaica is poised to continue progressing toward the goals of Vision 2030 Jamaica, guided by the principles of sustainable development and international cooperation. The Government is confident that the policies and initiatives outlined in this review provide a robust foundation for driving our nation's economic growth and prosperity in the years to come.

2 VISION 2030 JAMAICA – NATIONAL DEVELOPMENT PLAN (VISION 2030 JAMAICA)

2.1. Vision 2030 Jamaica is a national development blueprint spanning 2009 to 2030, which charts a strategic course for the country to achieve, by 2030, an ideal level of development for Jamaica. Guided by a results-based management approach, the plan delineates four overarching goals, fifteen (15) national objectives, and a strategic and operational framework to realize these goals and outcomes. Central to Vision 2030, Jamaica aspires for the country to become "the place of choice to live, work, raise families, and do business". The initiative is currently in its fifteenth year of execution, driven by three-year incremental Medium-Term Socio-Economic Policy Frameworks (MTFs).

2.2. Five (5) MTFs have been pursued since 2009; one implementation cycle was completed during the review period 2018-21, and another began in 2022. Of the 2021 targets for the National Outcome Indicators, 18.92% were "Fully Achieved or Exceeded Target", 1.35% were "Mostly Achieved Target", 21.62% were "Somewhat Achieved Target" and 22.97% were "Little Achieved Target".¹ The main areas of progress include:

¹ The target for 2021 is being utilized, as the next medium-term target is 2024.

- Maintaining policy-driven macro-economic stability and achieving increasing fiscal space for development investment;
- Engaging resources, policy, and partnership to advance climate resilience and environmental sustainability;
- Downward trend for severe crimes with the 2018 and 2021 targets;
- Downward trend for poverty and evidence of increasing systemic and structural resilience to poverty; and
- Strengthening Government effectiveness and justice service delivery.

The progress of Vision 2030 Jamaica is guided by the objectives outlined below.

2.3. Economic Growth and Job Creation: One of the core objectives of Vision 2030 Jamaica is to catalyze sustained economic expansion and employment opportunities. While gross domestic product (GDP) growth has been modest, averaging 0.9% annually between 2009 and 2019, it represents an improvement over the previous decade. The unemployment rate, which had fallen between 2017 and 2019, increased during the pandemic to 10.7% in FY 2020/2021 before steadily declining to 8.5% in FY 2021/2022 and reached the lowest unemployment rate in Jamaica's history at 6.6% in FY 2022/2023. This trend signals significant progress in job creation. Since 2021, economic recovery and sustainability have been prioritized through technical assistance focused on small and medium-sized enterprises, providing grants, business development services, and market access to drive employment and economic diversification. Concurrently, the agricultural sector has garnered attention to bolster productivity, climate resilience, market access, food security, and rural development. These multifaceted efforts underscore Jamaica's commitment to achieving Vision 2030's sustained economic growth and job creation goals through a comprehensive, technology-driven, and sustainable approach.

2.4. Poverty Reduction and Social Protection: Reducing poverty and improving social protection are essential to achieving Vision 2030. The Jamaica Survey of Living Conditions (JSLC) reported that the prevalence of poverty declined from 24.6% in 2009 to 12.6% in 2022. However, progress has been slower in rural areas, where poverty rates remain higher than in urban areas. The Government has implemented various social protection programmes, such as the Programme of Advancement Through Health and Education (PATH), which provides conditional cash transfers to over 290,000 beneficiaries as of 2022.

2.5. Education and Human Capital Development: Investing in education and human capital development is a crucial priority under Vision 2030. According to the UNESCO Institute for Statistics, Jamaica's net enrolment rate in primary education has remained high, at around 95% between 2009 and 2019. However, secondary and tertiary enrolment rates have lagged, with the net secondary enrolment rate at 79.7% and the gross tertiary enrolment rate at 29.5% in 2019, indicating the need for further improvement. The Government has continued to support the Career Advancement Programme (CAP) and the Human Employment and Resource Training/National Service and Training Agency (H.E.A.R.T./NSTA Trust), which were created to enhance workforce development. Jamaica has benefitted from initiatives to reform education and vocational training systems to address the skills gap and improve workforce competitiveness. Technical assistance has supported curriculum development, teacher training, and the establishment of centres of excellence in critical sectors such as the Global Services Sector (GSS) (which includes business process outsourcing, knowledge process outsourcing and information technology outsourcing). These efforts are designed to align education and training programmes with the needs of the modern labour market, particularly in areas such as tourism, information technology, and renewable energy.

2.6. Environmental Sustainability and Climate Change: Jamaica has made progress in promoting environmental sustainability and addressing climate change, as outlined in Vision 2030. The country has protected, under law, more than 25% of its landmass and 15% of its Exclusive Economic Zone.² Additionally, the Government aims to achieve 50% renewable energy for electricity generation

² "15 Ecologically Sensitive Areas Identified for Protection" viewed on 1 April 2024, at: <https://jis.gov.jm/15-ecologically-sensitive-areas-identified-for-protection/#:~:text=Mr.,five%20years%20early%2C%20in%202025.>

by 2030. In June 2022, the *Net Billing Regulations* were approved, which provides opportunities for fuel diversification, development, and deployment of renewable energy sources. The aim is to have a modern, efficient, and environmentally sustainable energy sector that is affordable and accessible.³

2.7. With a focus on climate resilience, the Government launched the Gender and Climate Change Strategy and Action Plan (GCCSAP) in July 2022. Motivated by the Government's commitment to ensuring gender inclusivity in climate-related initiatives, the GCCSAP is an integral component of the project "Build Institutional Capacity for Mainstreaming Gender in Climate Finance Programming". Other climate and environmental awareness initiatives include the completion of the "3 Million Trees in 3 Years" project, which was initiated in 2019. This project underscores the country's commitment to reforestation and ecosystem restoration, making tangible strides in combatting deforestation and in enhancing carbon sequestration efforts. Jamaica also launched a Jamaican Path from Hills to Ocean Programme in 2022, designed to increase the country's resilience to the impact of climate change and reduce poverty by protecting livelihoods using integrated sustainable landscape management.

2.8. *Governance and Institutional Reform*: Strengthening governance and institutional frameworks is a critical component of Vision 2030. Jamaica has made efforts to improve transparency and accountability, with the Access to Information Act coming into effect in 2004 and the Integrity Commission being established in 2017 and operationalized in 2018. Recognizing the pivotal role of digital technology in enhancing efficiency and transparency in government administration, Jamaica has been utilizing the support it has received from its development partners to accelerate digital transformation, improving digital infrastructure, literacy, and e-government services. This digital drive aims to boost public service efficiency, foster innovation, and ensure equitable access to digital opportunities. One such initiative that cuts across the entire public sector is the Public Sector Modernization Programme (PSMP) II, which involves digital transformation to enable more streamlined processes and procedures.

2.9. *Health and Well-being*: Vision 2030 aims to improve the overall health and well-being of Jamaicans. The country has made progress in reducing infant mortality, declining from 11.11 per 1,000 live births in 2021 to 10.89 in 2022.⁴ However, non-communicable diseases, such as diabetes and cardiovascular diseases, remain a significant public health challenge, accounting for a large portion of premature deaths. The COVID-19 pandemic underscored the importance of resilient health systems. During the reporting period, Jamaica emphasized health infrastructure support, medical supplies procurement, and capacity-building for health workers. Efforts have also been made to strengthen the public health response during the onset of COVID-19, including vaccination campaigns, public health surveillance, and community engagement initiatives.

2.10. *Infrastructure Development*: Developing modern and efficient infrastructure is crucial for Jamaica's economic growth and competitiveness. The country has made significant investments in road infrastructure, with the completion of the Edward Seaga Highway in 2016 and the expansion of Parts A (May Pen to Williamsfield) and B-ii (Harbour View to Yallahs) of the Southern Coastal Highway Improvement Project (SCHIP). However, challenges persist in areas such as affordable housing and water and sanitation infrastructure to allow access by every citizen across the island.

2.11. While Jamaica has made notable progress in some areas of its Vision 2030 plan, challenges remain in others. Economic growth has been modest, with an average annual real GDP growth rate of 0.9% between 2009 and 2019. Poverty reduction efforts need to be accelerated, particularly in rural areas, where the poverty rate remains higher than in urban areas. Jamaica is mindful that to ensure sustainable development in the long run, it's crucial to invest in education and human capital development. Additionally, addressing environmental sustainability, governance, and infrastructure deficits will be essential to achieving the goals outlined in Vision 2030.

3 MACRO-ECONOMIC ENVIRONMENT

3.1. Fiscal policy in Jamaica is designed to maintain a primary surplus of 7% of GDP for the FY 2017/2018 – 2019/2020 period and achieve a medium-term fiscal rule target of a debt/GDP at

³ Viewed on 18 April 2024, at: <https://jis.gov.jm/house-approves-electricity-net-billing-regulations/>.

⁴ Viewed on 1 April 2024, at: <https://www.macrotrends.net/global-metrics/countries/JAM/jamaica/infant-mortality-rate#:~:text=The%20infant%20mortality%20rate%20for%20Jamaica%20in%202022%20was%2010.890,a%201.96%25%20decline%20from%202020>.

or below 60% by the end of 2027/2028 (set initially at FY 2025/2026), as established in the Fiscal Responsibility Framework (FRF).⁵ For FY 2019/2020, the IMF reduced the primary surplus target to 6½% of GDP "as the GOJ debt reduction targets were ahead of budget".⁶ This target was exceeded for FY 2019/2020 as the primary surplus was 7.1% of GDP. Like other countries in the region, Jamaica's economy suffered from the recession effects of the COVID-19 pandemic in FY 2020/2021. To address the impact of the ongoing pandemic, in FY 2020/2021, adjustments were made to the target primary surplus, which resulted in a reduction to 3.0% of GDP from 5.4%.⁷ The country did not achieve its target, reporting a primary surplus of 2.8% of GDP or JMD 68.5 million for FY 2020/2021. For FY 2021/2022 and FY 2022/2023, the overall balance improved due to increased revenue and decreased expenditure, as the effect of the COVID-19 response programmes was declining. Accordingly, the primary surplus reached 6.8% of GDP in FY 2021/2022 or JMD 158.3 million, and 5.8% of GDP in FY 2022/2023 or JMD 158.1 million.

3.2. In FY 2020/2021, Jamaica's public debt increased to 109.7% of GDP as compared to 94.8% in FY 2019/2020 due to higher spending associated with the COVID-19 pandemic and lower revenues due to economic challenges. However, public debt resumed its contractionary path in FY 2021/2022 (94.2%), and by FY 2022/2023, the public debt to GDP ratio stood at 77.1%. According to an assessment by the IMF, the increase in spending did not detract from the Government's mid-term policy, which focused on reducing public debt and maintaining macroeconomic stability.

3.3. In 2021, an Independent Fiscal Commission (IFC) was established to ensure fiscal discipline by providing independent fiscal review and analysis similar to that which is currently provided by the IMF, along with domestic monitoring, ownership and reporting. In keeping with international best practices, "the Independent Fiscal Commission's mandate will be to provide the public with an informed and independent opinion on the soundness and sustainability of Jamaica's fiscal policies and positions, in keeping with the country's Fiscal Responsibility Framework".⁸ To support the Government and the Parliament in operationalizing the IFC, a Fiscal Commissioner was appointed in 2023, serving as the "guardian and interpreter of Jamaica's fiscal rules and is required to monitor adherence to these rules and provide an independent assessment of budgetary outcomes in addition to independent analysis".⁹

3.4. The current account balance for FY 2022/2023 recorded a surplus of USD 334.2 million, reflecting an improvement of USD 435 million compared to the deficit of USD 100.8 million in FY 2021/22. The current account surplus is equivalent to 1.9% of GDP. A positive outlook for 2023/2024 is expected, driven primarily by strong travel inflows.

3.5. The *Bank of Jamaica (Amendment) Act 2020* stipulates that the primary objective of monetary policy is to ensure price stability through the adoption of inflation targeting. As of FY 2017/18, the Bank of Jamaica's aim has been to manage inflation so that it remains in the range of 5.0% ±1.0 percentage points (i.e. a target of 4% – 6%). The policy rate stayed at 0.5% during the Pandemic and was only raised in 2021, up to 2.5%, when monetary policy tightened to counter rising inflation.

3.6. After low inflation in FY 2017/2018 and 2019/2020 (4.8%), consumer prices were impacted by the global economic downturn caused by the COVID-19 pandemic in 2020. During this period, Jamaica, like other developing countries, experienced higher commodity prices and supply shortages due to supply chain issues. On average, consumer prices rose by 5.2% in FY 2020/2021. Jamaica experienced a significant increase in inflation in 2021/2022 to 11.9%. The movement in fuel and food prices and higher freight costs exerted inflationary pressures on domestic prices, particularly for electricity, petroleum products, and construction materials. There was a noted deceleration in

⁵ "Jamaica: Staff Report for the 2014 Article IV Consultation and Fourth Review under the Extended Arrangement under the Extended Fund Facility and Request for Modification of Performance Criteria" viewed on 30 March 2024, at: <https://www.imf.org>.

⁶ Viewed on 16 April 2024 at: https://epocjamaica.com/wp-content/uploads/2019/04/Communique-24_Observer.pdf.

⁷ Viewed on 16 April 2024 at: <https://repositorio.cepal.org/server/api/core/bitstreams/fb5e3b10-ae6b-4dbd-b3f1-f14bf080371f/content>.

⁸ <https://www.mof.gov.jm/building-institutions-for-the-future-part-ii-an-independent-fiscal-commission/>.

⁹ "Courtney Williams Appointed Jamaica's First Fiscal Commissioner" viewed on 18 March 2024, at: <https://www.jamaicaobserver.com/2023/03/09/courtney-williams-appointed-jamaicas-first-fiscal-commissioner/>.

FY 2022/2023 to 6.2%. Despite the Bank of Jamaica's inflation-targeting policy to reduce inflation, high commodity prices and increasing transportation costs remain challenging. To manage this increase and bring inflation within the target (4.0% to 6.0%), the economic policy was further tightened by increasing the policy interest to 7.0% in FY 2022/2023.

3.7. The Government has remained resolute in its effort to maintain fiscal prudence and achieve continued success under its economic reform programme. At the end of 2016, a new three-year Precautionary Stand-By Arrangement was initiated with the International Monetary Fund (IMF). This arrangement has been maintained, and Jamaica has satisfied all the requirements for the reporting period. However, the COVID-19 pandemic created exceptional circumstances, which resulted in the Government reaching a staff-level agreement with the IMF on the request for a Precautionary and Liquidity Line (PLL), which provides potential access to special funds in the event of balance of payment shocks. Most notably, access to the PLL is limited to countries that have "sound economic fundamentals" that are "...implementing and have a track record of implementing sound policies and (countries that) remain committed to maintaining sound policies in the future". Jamaica's access to this facility is indicative of its exemplary macroeconomic standing. During this period, Jamaica also obtained access to a Resilience and Sustainability Facility (RSF), which supports Jamaica's resilience to climate-related shocks. The RSF offers favourable financing terms and assists the Government in managing Jamaica's exposure to external refinancing risk while improving portfolio costs. To date, Jamaica has satisfied all the reform measures (RMs) and met all the structural benchmarks under the programme.

3.8. The positive outcomes from the reforms that were made to the tax regime in 2014 are still being experienced, as tax revenues accounted for 26.4% of GDP in FY 2018/2019 and up to 27.4% of GDP in FY 2022/2023, with a nominal decrease noted in FY 2020/2021 (25.9% of GDP) due to the economic downturn caused by the COVID-19 pandemic. Based on the economic challenges experienced in 2020, there was a reduction in tax revenues and increased expenditure due to the Government's additional spending on public health facilities and initiatives such as the COVID-19 Allocation of Resources for Employees (CARE) Programme to support the economy and employment. The overall expenditure in FY 2020/2021 represented 32.6% of GDP, up from 29.7% in FY 2019/2020. Slight decreases in spending were noted in FY 2021/2022, which reflected 30.1% of GDP, and in FY 2022/2023, which reported 29.8% of GDP. Most notably, tax measures that could have impacted expected revenues include an amendment to the *Income Tax Act, 1955* in FY 2020/2021, which allowed tax-compliant micro, small and medium-sized enterprises (MSMEs) to receive a special income tax credit for assistance and stimulus while encouraging formalization.¹⁰ The passing of the *Income Tax (Amendment) Act 2020* was timely for MSMEs, given the economic challenges brought about by the COVID-19 pandemic; in actuality, however, this amendment had been one of a range of revenue measures which was in train prior to the outbreak of the Pandemic.

3.9. The impact of the COVID-19 pandemic was felt throughout Jamaica's economy, leading to an 11% contraction in real GDP in FY 2020/2021. The Jamaican economy rebounded in FY 2021/2022 as real GDP expanded to 8.2% but declined to 4.7% in FY 2022/2023, which indicated a slowing of the pace of economic expansion due to full recovery from the shock caused by the COVID-19 pandemic. Reflecting the economic realities, the nominal GDP in FY 2022/2023 was JMD 2,751.9 billion, which exceeded the pre-Pandemic level observed in FY 2019/2020 (JMD 2,121.2 billion). Growth during the period was driven by tourism and related services and increased production and distribution activity, reflecting recovery from the Pandemic.

3.10. Based on the recovery efforts for the economy, the IMF estimates a 2% growth for FY 2023/2024 and 1.8% growth in GDP for Jamaica for FY 2024/2025¹¹, with slightly weaker growth in the following years. Similarly, the Planning Institute of Jamaica (PIOJ) has projected that the economy will grow by 1.7% in FY 2023/24. This positive outlook is based on, among other things, expansion in the goods-producing and services industries, the expectation of increased external and domestic demand, and high employment. The forecast anticipates expansions in mining & quarrying and hotels & restaurants.

¹⁰ <https://jis.gov.jm/senate-passes-bill-to-facilitate-375000-income-tax-credit-for-msmes/>.

¹¹ "IMF (2024), *Jamaica and the IMF*". Viewed on 23 March 2024 at: <https://www.imf.org/en/Countries/JAM>.

3.1 The economic reform programme

3.11. Jamaica's Economic Reform Programme began in 2012 and has seen marked success over the period, as fiscal targets as required under the programme have been satisfied and, in some cases, exceeded. Importantly, Jamaica is well on its way to achieving the debt target of 60% of GDP by March 2028, with current projections pointing to a debt ratio below 57% of GDP by March 2028. The next phase of the Government's economic programme will continue to anchor the macroeconomic gains by remaining steadfast in its commitment to the principles that have underpinned the progress, such as maintaining fiscal discipline, but at the same time buttressing the country's economic resilience through climate change risk mitigation. The economic programme will also continue to prioritize social protection and growth-enhancing capital expenditure, which is supportive of economic growth and development.

4 TRADE AND SECTORAL PERFORMANCE

4.1 Trade performance

4.1. Exports and imports of goods and services accounted for 83.52% of GDP in FY 2017/2018 and increased to 89.98% of GDP in FY 2018/2019. In FY 2020/2021, Jamaica's trade flows declined due to global challenges presented by the COVID-19 pandemic, and exports and imports accounted for 65.86% of GDP. However, there were signs of recovery in FY 2021/2022, with exports and imports accounting for 73.35% of GDP; this was largely attributed to growth in services. By 2022/2023, exports and imports of goods and services accounted for 95.0% of GDP.

4.2. In FY 2022/2023, Jamaica's trade deficit amounted to USD 5.83 billion, which is higher than the USD 4.5 billion deficit recorded in FY 2021/2022. The negative shift in the trade deficit in FY 2022/2023 was driven by Jamaica expending USD 7.7 billion on imports, the highest amount since 2008 (Global Recession). This represents an increase of approximately 30% in imports compared to FY 2021/2022, primarily due to a rise in the cost of raw materials/intermediate goods and fuels and lubricants.

4.3. In the calendar year 2022, Jamaica also saw a 28% increase in exports, with earnings of USD 1,901 million compared to USD 1,480 million in 2021. These were the highest export earnings since 2018. The increased value of exports recorded in 2022 was mainly due to an increase in the export of mineral fuels.

4.4. Jamaica's main trading partners have remained generally unchanged since 2017. In this regard, the main destinations for Jamaica's exports in 2021 were the United States of America (USA), the Netherlands, Canada, the United Kingdom (UK), and the Russian Federation. Exports to these countries were valued at USD 1,042.5 million, accounting for 72.4% of total exports. In the corresponding period, the importation of goods was valued at USD 3,785.5 million, originating mainly from the United States of America (USA), Brazil, China, Japan, and Türkiye. This expenditure accounted for 63.3% of total imports for that calendar year. In 2022, there was a slight variation in the major import partners, with Trinidad and Tobago replacing Türkiye in the top five and all others remaining unchanged. Imports for 2022 were valued at USD 4,974.7 million. Jamaica's top five export partners for 2022 reflected a similar trend as the previous year, with the only exception being that the Netherlands was replaced by Puerto Rico. Total exports from these countries were valued at USD 1,408.0 million.

4.5. Over the years, Jamaica has managed to maintain a substantial trade surplus in services, except for the year 2020. The country relies heavily on tourism, as travel and transportation receipts contribute significantly to the trade surplus. Most notably, the surplus peaked at USD 1.754 billion in 2019 before declining to USD 285 million in 2020 and a USD 223 million deficit in 2021 as a result of the challenges experienced due to the COVID-19 pandemic. The services balance improved substantially in 2022, when the surplus reached USD 1.305 billion, based on a significant increase in tourism.

4.6. Between 2021 and 2023, approximately 49% of the employed labour force was estimated to have been involved in occupations directly or indirectly linked to trade. This speaks to the size of this segment of the economy, with services exports accounting for approximately 26.5% of GDP in FY 2022/2023. The ratio of trade in services as a percentage of GDP was 39.9% in FY 2018/2019,

and an increase in FY 2019/2020 to 44.53% was observed, but a significant decrease to 27.05% in 2020 was observed in keeping with the global economic reality at that time. As of FY 2022/2023, the trade ratio in services as a percentage of GDP was approximately 45.49%, or roughly equivalent to that of the post-COVID-19 period.

4.2 Sectoral performance

4.7. Over the reporting period, the services sector consistently made a significant contribution to GDP, being 78.4% in 2018 and a high of 78.7% in 2022. Tourism was the key driver, as Jamaica closed the 2017 calendar year with 4.3 million visitors, an increase of 500,000 over the previous year. In 2020, Jamaica welcomed a total of 1,329,675 visitors, marking a 68.6% decrease from the 4,234,150 arrivals (or 2,903,595 fewer visitors) recorded in 2019, attributed primarily to the COVID-19 pandemic. The tourism sector saw significant growth coming out of the COVID-19 pandemic, with Jamaica's 2022 arrivals increasing by 69.2% over 2021 to 2.2 million visitors. Over the years, this sector has been bolstered by targeted initiatives such as the Sustainable Tourism Master Plan, which prioritized, among other objectives, strengthening linkages, investment promotion, public-private partnerships, and human capital development. Additionally, there have been efforts to increase local participation in tourism under the Community Tourism Policy and Linkages Network. To strengthen this critical sector, the Government initiated the development of a sustainable framework and strategy for the tourism sector in 2022, which aims to enhance the industry's resilience and increase its sustainability during times of crisis.

4.8. Mining and quarrying have historically had a significant socioeconomic impact, as many communities depend on these activities. The Government also sees them as essential to realizing the projected economic growth in the medium to long term, as they are anticipated to be one of the critical economic drivers to expand the economy.¹² Additionally, the Government anticipates that mining of limestone will begin to see significant increases as several initiatives come to fruition. This improved performance is still somewhat aspirational, however, as the sector contributed only 1% to GDP in 2022, a decline from 2018, which reported 2.7% to GDP.

4.9. The National Export Strategy was concluded in December 2019 and highlighted several key recommendations, including the need for sector-specific strategies. Accordingly, the Government has developed national strategies for Global Digital Services (GDS, also known as the GSS) and the manufacturing and agribusiness sectors. The Five-Year Manufacturing Growth Strategy was approved in 2020 to improve the business environment, grow and expand Jamaica's manufacturing sector, and contribute to economic development. Manufacturing has been recording steady growth since 2018, when the industry contributed 8.6% to GDP, and in 2022, it contributed 9% to GDP. Leading sub-sectors were food, chemicals and non-metallic minerals. Significant challenges to the sector's growth include the decrease in efficiency and competitiveness against a backdrop of rising operational costs due to, among other things, cost competitiveness, market access, and rapid innovations within the global market.

4.10. To tackle the issue of market access, the Government has been implementing the Enterprise Development for Export Growth – Export Max Programme through a collaboration between the public sector and the Jamaica Manufacturers' and Exporters' Association. The programme has seen significant success, with the most recent cohort (2019–2022) comprising 50 companies recording overall export sales of JMD 1.71 billion. Through this programme, these companies have entered regional and international markets such as Brazil, Grenada, Martinique, Cayman Islands, China, Dominican Republic, Sweden, and Zimbabwe.

4.11. Taking into account the impact of manufacturing on the environment and to safeguard the country's natural and built environments, the Government implemented the *Plastic Packaging Materials Prohibition Order* (2018) and the *Natural Resources Conservation Authority (Plastic Packaging Materials Prohibition) Order* (2018) to ban the importation, distribution, manufacture and commercial use of certain types of single-use plastics and expanded polystyrene foam products used in the food and beverage industry. The Government also approved the National Policy for Environmentally Sound Management of Hazardous Waste, 2018, to strengthen the governance framework for environment management and sustainable consumption and production.

¹² Viewed on 19 April at: <https://jis.gov.jm/govt-commits-to-identifying-new-markets-for-mining-exports/>.

4.12. From an investment standpoint, the Government has highlighted its commitment to sustainable development and approved a Green Economy Investment Strategy (GEIS) in 2023. This will be implemented over the next seven years. The GEIS is designed to build economic and environmental resilience, promote inclusive economic growth, transform the energy sector to utilize indigenous renewable resources more intensively, overcome the fiscal limits arising from high levels of indebtedness and the current programme of adjustment and further progress toward sustainable development.¹³

4.13. The Government is committed to exploring initiatives to reduce energy costs for manufacturers and society. Accordingly, the Cabinet approved the re-establishment of the Jamaica Energy Council (JEC) in March 2022. The JEC, which includes vital energy sector stakeholders, is mandated to facilitate broad-based consultations related to aspects of Jamaica's National Energy Policy (2009–2030). The JEC's focus areas include considering fuel choices for fuel source diversification, energy security, renewable and indigenous energy sources, energy efficiency and conservation, and opportunities to achieve and sustain energy price competitiveness.

4.14. Agribusiness is another critical priority for the Government, and a sector strategy was developed in 2021. The contribution of the agriculture, forestry and fishing sectors to GDP has been growing year on year over the reporting period and in 2022, it accounted for 8.3% of GDP. In 2022, this sector contributed approximately 14.7% to the labour force. Despite its best efforts, Jamaica is still a net importer of agricultural products. Considering the importance of the sector, the Government has identified priority areas, including agro-parks, large-scale climate-smart agriculture, land access improvement, the use of technology in agriculture, and the development of marketing strategies for specific products.

4.15. Agriculture is a critical segment of the Jamaican economy, and several legislative changes have supported its continued growth. These include the promulgation of the *Jamaica Agricultural Commodities Regulatory Authority (JACRA) Act, 2017*, JACRA Regulations 2018, and JACRA (Cess) Regulations 2018; related amendments of the *Agricultural Produce Act* and *Coconut Industry Control Act*; and the repeal of the *Cocoa Industry Board Act*, *Cocoa Industry Aid Act*, and *Coffee Industry Regulatory Act*.

4.16. In 2019, Jamaica enacted a new *Fisheries Act 2018* that replaced the *Fishing Industry Act of 1975*. This Act aims to ensure the effective management and sustainable development of fisheries, aquaculture, and other related activities by embracing the ecosystem approach and internationally-recognized norms, standards, and best practices. To further support the sector, in 2020, the Fisheries Sector Production Improvement Programme was initiated, which facilitates grants and vouchers and provides safety gear for fisherfolk.

4.17. With the help of development partners, Jamaica has also been implementing several initiatives to bolster the agricultural sector and strengthen climate resilience for MSMEs. One such programme is a project funded by the United Nations Development Programme (UNDP) for Enhancing Climate Resilience in the Agricultural Sector, which is focused on supporting MSME agricultural enterprises to adopt climate-resilient farming practices, aiming to secure food production and rural livelihoods against climate impacts.

4.3 Transformation of Public Bodies

4.18. In FY 2020/2021, there were approximately one hundred and fifty (150) active public bodies, with about 46 engaging in commercial activities (referred to as state-owned enterprises "SOEs"). SOEs mainly operate in the energy, real estate, and services sectors. Most notably, these enterprises have positively impacted the economy. In 2018, SOEs contributed JMD 398.48 million to the GDP, which increased to JMD 470.78 million in 2022. As of 2022, these organizations collectively employed approximately seven thousand eight hundred (7,800) employees.

4.19. Jamaica has progressed in its implementation of the Public Sector Rationalisation Plan, which aims to improve the management and governance of public bodies. Public bodies are crucial to the public sector's transformation programme. Under this pillar, four significant strategies are being pursued, including integrating public bodies into parent ministries, mergers, closures, and

¹³ Viewed on 15 March 2024, at: <https://dobusinessjamaica.com/wp-content/uploads/2022/12/National-Investment-Nov.2022.pdf>.

divestment (including PPP arrangements or privatization). Accordingly, forty-one (41) public bodies have been rationalized over the review period, yielding over JMD 2 billion in savings.

4.20. Another critical component of the rationalization programme that has been advanced is the implementation of the Regulations for the *Public Bodies Management and Accountability Act*, which concerns the nomination, selection and appointment of Boards of Public Bodies. Two sets of Regulations have been approved and are being implemented. The *Public Bodies (Amendment) Regulations, 2017*, a revision of the *Public Bodies Regulations, 2015*, took effect in 2017. The *Public Bodies Management and Accountability (Nomination, Selection and Appointment to Boards) Regulations, 2021*, began partial implementation with the establishment of a Public Body Board Secretariat, as well as a Database of Prospective Directors, which facilitates the seamless selection of Boards for public bodies.

4.4 Impact of global economic development on Jamaica's trade performance

4.4.1 Global recovery in a post-pandemic era

4.21. Following the recessionary effect of the COVID-19 pandemic in 2020 and the war in Ukraine in 2022, the outlook for the global economy has not been positive despite noted rebounds. In this regard, the WTO has indicated that risks to the forecast are tilted to the downside, including geopolitical tensions, food insecurity, potential financial instability stemming from monetary policy tightening, and increasing debt levels.¹⁴

4.22. Based on various reports, global trade in goods and services amounted to USD 31.0 trillion in 2022, a 13% rise year-on-year. However, it was noted that the value of merchandise trade expanded faster than volume across the globe in 2022 due to high global commodity prices. Accordingly, UNCTAD indicates that the outlook for 2024 remains "highly uncertain and generally pessimistic" in the light of ongoing geopolitical tensions, escalating debt, and widespread economic fragility. Other elements impacting trade include lower demand in developed countries, less trade in East Asia, an uptick in trade-restrictive measures, commodity price volatility and lengthening supply chains, particularly between China and the United States.¹⁵

4.23. As a Net Food Importing Developing Country (NFIDC) and a Small Island Developing State (SIDS) with a negative trade balance, volatility in the global commodity market and pessimistic outlook for the worldwide economy significantly impact Jamaica's growth potential, its overall economic stability and its ability to attract investment for critical sectors. The inflows of foreign direct investment (FDI) have been on a declining path since 2017, which saw inflows of USD 888.8 million, and as of 2022, this was reduced to USD 318.7 million. Despite these challenges, Jamaica continues to promote its investment channels, which is encouraged by its positive economic forecasts.

4.4.2 Lack of progress in the Doha Round Agenda

4.24. Progress on the Doha Round agenda items has continued at a slow pace. However, the economic fallout from the COVID-19 pandemic and several related shocks has resulted in a shift in the focus of countries, placing some Doha Round Agenda issues at the forefront. In this regard, at the 12th Ministerial Conference in June 2022 (MC12), WTO members adopted a ministerial declaration on COVID-19, including recalling the Doha Declaration on the TRIPS Agreement and Public Health of 2001. This Ministerial Conference also resulted in declarations in the emergency response to food insecurity and a ministerial decision exempting World Food Programme food purchase from export prohibitions or restrictions.

4.25. In light of the outcomes from MC12, WTO members reaffirmed their commitment to continue the agriculture negotiations, noting the urgent need to address persisting divergences of views and make tangible progress. This is encouraging; however, more timely progress is needed for the other agenda items as Jamaica notes new and ongoing threats to developing countries and the global environment. Most notably, the WTO Press Release #909 of 5 October 2022 outlines, "Several related shocks, including the war in Ukraine, high energy prices, inflation, and monetary tightening,

¹⁴ Viewed on 15 March 2024, at: https://www.wto.org/english/res_e/booksp_e/trade_outlook23_e.pdf.

¹⁵ Viewed on 18 March 2024 at: <https://unctad.org/news/global-trade-expected-shrink-nearly-5-2023-amid-geopolitical-strains-and-shifting-trade>.

will weigh down trade and output". Jamaica is hopeful that these sobering realities will bolster efforts to achieve balanced trade outcomes that consider the unique needs of developing countries.

4.4.3 De-risking and the loss of Correspondent Banking relationships

4.26. Since 2021, Jamaica, like many other countries in the Caribbean, has faced challenges related to de-risking and the loss of correspondent banking relationships. This is problematic for countries like Jamaica, which rely on these relationships for international financial transactions, which are essential for trade, remittances, and more.

4.27. It is recognized that the main justification for de-risking is based on a heightened focus on mitigating money laundering and combating the financing of terrorism (AML/CFT). Global banks, under immense pressure to avoid hefty fines, have intensified scrutiny of their relationships with smaller institutions in regions perceived (sometimes arbitrarily or unfairly) as being of higher risk. Like many Caribbean nations, Jamaica faces the unfortunate reality of being labelled in this manner.

4.28. Jamaica has encountered tremendous roadblocks in strengthening the Correspondent Banking Relationships (CBRs) arising from the range of measures, actions and rules euphemistically termed "blacklisting" and "de-risking", which have negatively affected its financial sector. Unfortunately, the issue of de-risking has a far-reaching impact on legitimate financial networks, banking relationships, and trade as a result of the increased compliance costs and relatively low transaction volumes in the Jamaican market, which is unattractive for international banks. It is critical that the rules and measures that prevent goods and payments from moving between Jamaica and its trading partners be addressed in order to create an economic reality that supports development. While the country has made advances in addressing the issue, a collaborative effort involving developed countries with sophisticated international banking networks is essential to find sustainable solutions that can reconcile the need for security in the global financial system with the economic realities of smaller nations. In an attempt to mitigate the impacts of de-risking, Jamaican authorities and financial institutions have been taking several measures, including:

- i. **Enhancing Compliance:** The Government has been working diligently to improve regulatory frameworks and bring them in line with international standards, notably those set by the Financial Action Task Force (FATF). Also, banks in Jamaica have been working to strengthen their compliance frameworks to meet international standards, hoping to alleviate concerns of correspondent banks;
- ii. **Diplomatic Engagement:** The Government has been engaging in diplomatic efforts with significant economies to highlight the adverse effects of de-risking and seek cooperation in finding solutions;
- iii. **Regional Solutions:** There has been a push towards regional banking solutions and exploring alternative payment and banking platforms to reduce dependency on traditional CBRs;
- iv. **International Advocacy:** Jamaica has been active in international forums, advocating for a balanced approach to financial regulation that recognizes the need for risk management without disproportionately affecting small economies.

4.29. Over the period, the Government has been pursuing a new regulatory regime for the financial system (i.e. the "twin peaks" regulatory regime) to strengthen the regulatory environment. Under this regime, all deposit-taking institutions (DTIs), inclusive of commercial banks, merchant banks, and credit unions, along with non-bank financial institutions (insurance companies, securities dealers, pension funds), are consolidated into one institution, the Bank of Jamaica (BOJ). A separate regulator, the Financial Services Commission (FSC), will oversee market conduct and consumer protection for all financial service providers.¹⁶

4.5 Economic growth-inducing Policies and Strategies to Promote Competitiveness

4.30. Incentives continue to be provided to support business growth and exports. In this regard, Jamaica promotes the Omnibus Incentive Regime and the Special Economic Zone regime). The Omnibus Incentive Regime provides tax concessions. Jamaica's Special Economic Zones (SEZ) regime also remains in place.

¹⁶ Viewed on 27 March 2024, at: jis.gov.jm/govt-pursuing-twin-peaks-regulatory-model-for-financial-sector/.

4.31. To encourage investment and trade over the period, amendments have been made to several pieces of legislation providing special incentives to particular sectors and business areas. These include the *Urban Renewal (Tax Relief) Act, 1995*, which was amended in 2021 to promote investment in the development, rehabilitation or refurbishing of land or buildings in areas declared as special development areas (SDAs) by providing, among other things, an investment tax credit. Additionally, the *Bauxite and Alumina Industries (Encouragement) Act, 1950* was amended in 2019 to encourage companies in the mining of bauxite and production of alumina, which provides duty-free imports of capital goods, lubricating oils, grease, and other chemicals. Also, in 2019, the *Petroleum Act* was amended to facilitate, among other things, duty-free imports of goods used to build and operate refineries and manufacture petroleum products.

4.5.1 Special economic zone regime

4.32. The *Special Economic Zones Act, 2015* (SEZ Act) was enacted in 2016 and supported by the *Special Economic Zones Regulations, 2017*. Accordingly, export-related incentives were repealed in line with Jamaica's WTO obligations. However, a four-year transition period was legally implemented for Free Zone companies (entities), ending in December 2020. This allowed companies to continue receiving benefits until they transitioned under the SEZ regime. At the end of the transition period, 106 free zone entities satisfied the requirements to be designated SEZs.

4.33. Currently, the Minister with responsibility for Industry, Investment, and Commerce (MIIC) is responsible for designating SEZs. The Jamaica Special Economic Zone Authority (JSEZA) is mandated to provide regulatory oversight and guidance for developing SEZs in Jamaica.

4.34. The *SEZ Act* has been subject to several amendments over the reporting period. In 2017, an amendment was approved to change the definition of the Minister with responsibility for SEZs, and then in 2020, to clarify the appointment of *ex officio* board members. Another amendment was introduced in 2022, which, among other things:

- i. Expanded the list of eligibility criteria which must be applied to include economic substance requirements;
- ii. Added 'Intellectual property activities' to the list of excluded activities in SEZs; and
- iii. Provided a transition period (up to 31 March 2023), which has been extended, for SEZ-established entities to comply with the economic substance requirement and prohibition of intellectual property activities.

4.35. Based on the amendments in 2022, SEZ entities are now required to undertake substantial income-generating activity within the Zone itself. This is in addition to the requirements for capital investments and job generation, which are proportionate to the income being generated within the Zone.

4.36. To complement the modifications to the *Special Economic Zones (Amendment) Act, 2022*, and ensure conformity with international tax transparency standards, amendments were also made to the *Income Tax Act* in 2022. The modifications support the substance requirements for enjoying SEZ benefits, impose restrictions on intellectual property activities with SEZs, and widen the scope of the employment tax credit to include businesses in the SEZ.

4.37. The timely completion of numerous modifications to the *SEZ Act* reflects the Government's commitment to ensure alignment with its international obligations while also ensuring the success of the SEZ regime, which is grounded in facilitating exports. Currently, the JSEZA, led by the MIIC and the Ministry of Foreign Affairs and Foreign Trade, is exploring the possibility of further amendments to the *SEZ Act*, which will address the matter of an explicit clause or rule that permits manufacturers to take advantage of rules of origin for goods produced within an SEZ, particularly for trade within the Caribbean Community (CARICOM).

4.38. Reports from the JSEZA indicate that exports were valued at JMD 367,715,509.02 in 2021 and JMD 22,644,344,054.99 in 2022. The income tax obtained from the SEZ regime for the same period was JMD 1,327,655,276.11 in 2021 and JMD 1,404,854,202.77 in 2022. However, value-added taxes foregone in 2021 amounted to JMD 18,870,520,015.92 and JMD 1,650,805,659.28 in 2022. As of 2022, there were one hundred and twenty-eight (128) companies (including free zone companies that have transitioned to the SEZ regime) mainly engaged

in logistics, information technology services, and global digital services (business process outsourcing).

4.39. The information communications technology and business process outsourcing (ICT/BPO) subsectors of the GSS have played a significant role in the development of the Jamaican economy, even more so over the reporting period. The number of persons employed in the sector moved from 17,000 in 2016 to more than 46,000 in 2021.¹⁷ Over 90 businesses are in the sector (some of which are designated SEZs), and 10 are US "Fortune 500" companies.

4.40. To ensure the sector's continued growth, the Government and its development partner, the Inter-American Development Bank (IDB), are focused on capacity development and investment attraction for the GSS under the GSS Skills Development Programme. This programme, which began in 2019, aims to promote the growth of the GSS in Jamaica, particularly in higher-value-added segments. The project's main objectives are improving the skills development system to provide the GSS with better-skilled workers, particularly in higher-value-added jobs, and strengthening Jamaica's capacity to attract investment and increase exports.

4.41. Under the Programme, there is the direct involvement of the private sector through the Global Services Skills Council (led by the private sector), which is mandated to identify and articulate the sector's skills needs, engage employers in skills development and influence skills policy. Additionally, through this Programme, the Government has developed the National Strategy to Develop Jamaica's Global Digital Services Sector: 2021-2025. This strategic document aims to meet the national social and economic objectives by, among other things, re-positioning Jamaica as a higher-value destination whilst building on its existing strength as a credible near-shore customer service destination, thus driving both foreign and domestic investment growth into the sector and encourage domestic entrepreneurship, especially within digital services space. Based on the success of this programme, with the support of the IDB, a similar initiative is being developed for the manufacturing, logistics and construction industry.

4.42. The National Competitiveness Council (NCC), established in 2010, has been highly influential in monitoring the implementation of the Business Environment Reform Agenda (BERA). The NCC, the Technical Secretariat, coordinates with various Government agencies to identify, monitor, and implement reforms to enhance Jamaica's competitiveness. These reforms are implemented across over 17 Government entities. The matrix of reforms identified includes the BERA, market penetration, and investment facilitation as core focus areas that support economic growth. Over the reporting period, achievements which can be attributed to the oversight of the NCC include the following:

- Minimum Business Tax (Repeal) Act;
- Drafting of amendments to numerous Acts, including the Transfer Tax (Amendment) Act, Food Storage and Prevention of Infestation (Amendment) Act, Registration of Titles (Amendment) Act, Shipping (Amendment) Act, Special Economic Zones (Amendment) Act;
- Launch of the Jamaica Trade Information Portal (JTIP) in 2019. JTIP is a one-stop point that includes all the regulatory requirements that importers (exporters) need to fulfil in order to trade. It provides information regarding 34 regulatory agencies. Since its establishment, the portal has seen a total of 57,081 visitors;
- Improved coordination of inspection between border agencies;
- Drafting and submission of the Customs Bill 2020;
- Enforcing contracts was made more accessible by introducing a judicial performance measurement mechanism that provides publicly available information on time to disposition and clearance rate;

¹⁷ Viewed on 18 April 2023 at: <https://jis.gov.jm/massive-increase-in-employment-in-global-services-sector/>.

- Establishment of a Government Efficiency Index.

4.43. Jamaica has advanced in its implementation of the Business Environment Reform Agenda under the National Competitiveness Council, with the following examples as noted areas of success:

- Amendments to the Companies Act, 2004;
- Promulgation of the National Investment Policy (which provides the framework for the development of the Jamaica Business Gateway);
- Amendment to Stock Exchange Rules;
- Development of building codes;
- Promulgation of Development Orders;
- Development of the Jamaica Business Gateway, formerly the National Business Portal;
- Expansion of the Jamaica Single Window for Trade to include other processes for applications for licences, permits, certificates and other documents (LPCOs) across numerous BRAs;
- Expansion of the Port Community System, including the onboarding of additional airlines.

4.44. More than four thousand (4,000) MSMEs are currently operating in Jamaica, and MSME sales account for 13.4% of Government revenue or JMD 220 billion in taxes. MSME actors account for 15% of Jamaica's total population and 34% of Jamaica's labour force.¹⁸

4.45. Supporting the development and expansion of MSMEs has continued to be a priority for the Government. Numerous initiatives have been geared towards supporting MSMEs, particularly the MSME & Entrepreneurship Policy, which was updated in 2018. It is a comprehensive, coherent and coordinated framework for addressing MSMEs policy issues and providing an outline for targeted support to the industry to expand its contribution to socioeconomic development. The policy was implemented in July 2023, and activities are currently being undertaken to prepare a new MSME and Entrepreneurship Policy and Implementation Plan for the next five (5) years. This new policy will outline the strategic priorities, programmes, strategies, and critical activities, as well as a strategy paper containing short- and medium-term priority actions to grow and develop the MSME sector.

4.46. To support Jamaica's compliance with the Financial Action Task Force (FATF) and Caribbean Financial Action Task Force requirements, the *Micro Credit Act* came into effect in July 2021. The Act facilitates the licensing and regulation of microcredit institutions that provide financing to individuals and MSMEs. Most notably, the Act seeks to, among other things: "provide measures for the protection of consumers, assist the country with the ease of doing business, protect the industry against the risk of money laundering, and assist the industry in mobilizing resources for micro and small enterprises".¹⁹

4.47. With enterprise and innovation as a driver for economic growth, Jamaica demonstrates its dedication to enabling business through private investments with a clear, transparent, and predictable framework. To this end, Jamaica adopted its first National Investment Policy (NIP) in 2022 to contribute to economic growth and job creation by promoting investment (both local and foreign) and investment practices based on environmental, social, and governance (ESG) principles, including gender equality. The NIP aims to position Jamaica as a significant player in the global investment community by streamlining the processes of attraction and facilitation. Under the NIP, measures have been implemented to facilitate investment and create a more secure environment. These include launching a one-stop-shop portal (the Jamaica Business Gateway) to assist investors,

¹⁸ "MSMEs to benefit from Business Roadshow" viewed on 27 March 2024, at: <https://jis.gov.jm/msmes-to-benefit-from-business-roadshow/#:~:text=there%20are%20currently%20more%20than,cent%20of%20jamaica's%20labour%20force.>

¹⁹ Viewed on 27 March 2024 at: <https://boj.org.jm/wp-content/uploads/2022/10/220223-Understanding-the-Microcredit-Act.pdf>.

as well as Jamaica's implementation of the Madrid Protocol. Additionally, the NIP provides that all public Jamaican entities (located in Jamaica or abroad) involved in investment promotion, industry regulation, and business facilitation will do so in keeping with the spirit and principles of the Policy. It emphasizes that Jamaica makes no distinction between local and foreign investors, giving equal treatment to both investors in keeping with the country's laws and without bias to either group of investors. This is in keeping with the trade and investment principles which require Jamaica to follow the national treatment standard.

4.48. Jamaica has continued to pursue activities that will ensure compliance with international standards for transparency in investment and tax matters. Accordingly, three (3) bilateral Tax Information Exchange Agreements (TIEAs) have been concluded since 2017; in addition to the *Income Tax (Amendment) Act, 2022*, which complements the *Special Economic Zones (Amendment) Act, 2022*, Jamaica has completed consultations on ratifying the OECD Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (Multilateral Instrument or MLI).

5 TRADE POLICY AND INSTITUTIONAL FRAMEWORK

5.1 Elements of Jamaica's foreign trade policy

5.1. Jamaica's main trade policy objective is to continue expanding exports of goods and services "while managing the flow of imports so that the economy benefits in a sustained manner".²⁰ Jamaica seeks to enhance its competitiveness and further deepen its integration into global value chains whilst promoting the participation of MSMEs in trade. To this end, it promotes national and foreign investment by providing incentives under several regimes, including the Omnibus and the SEZ regimes.

5.2. In furtherance of its trade policy objectives, in 2017, Jamaica's Foreign Trade Policy (FTP) was revised and renamed the National Foreign Trade Policy (NFTP), which consolidates Jamaica's trade-related provisions previously contained in several plans, including Vision 2030 Jamaica (the long-term national development plan, adopted in 2009), the National Export Strategy (NES, adopted in 2009), and the National Growth Agenda (adopted in 2016). An Action Plan was developed to execute the NFTP. Over the review period, Jamaica implemented the NFTP 2017–2022.

5.2 Institutional framework for Jamaica's foreign trade policy regime

5.3. The Ministry of Foreign Affairs and Foreign Trade (MFAFT/the Ministry) is responsible for formulating Jamaica's foreign trade policy, coordinating its implementation, and leading trade negotiations. In this regard, the MFAFT coordinates trade matters across ministries responsible for cross-cutting and sectoral trade-related issues, namely, the Ministries responsible for Agriculture, Fisheries and Mining; Culture, Gender, Entertainment and Sports; Economic Growth and Job Creation; Finance and the Public Service; Health and Wellness; Industry, Investment and Commerce; Justice; Labour and Social Security; Science, Energy, Telecommunication and Transport; and Tourism; with legal advice from the Attorney-General's Chambers.

5.4. National consultations on the implementation of Jamaica's foreign trade policies and on positions to be taken in external trade negotiations are undertaken by the Jamaica Trade Policy Advisory Group (JAMTRADE), which is the new designation for the Jamaica Trade and Adjustment Team (JTAT) as of 2019. JAMTRADE is a consultative mechanism comprising representatives of trade-related ministries, departments and agencies, and representatives of the private sector and civil society. The MFAFT reports on trade policy developments and implementation to the National Foreign Trade Council (NFTC), which is chaired by the Minister of Foreign Affairs and Foreign Trade, the International Relations and Trade Committee (IRTC) of the Cabinet and the Internal and External Affairs Committee of the Houses of Parliament.

5.5. The Government is mindful of the importance of the private sector in developing and implementing trade policy. It continues to find opportunities to engage with these stakeholders through business organizations such as the Private Sector Organisation of Jamaica (PSOJ), the

²⁰ Viewed on 20 March 2024, at: https://mfaft.gov.jm/wp-content/uploads/2019/03/National-Foreign-Trade-Policy_2017-APPROVED-webversion_14Jan20193333.pdf.

Jamaica Manufacturers' and Exporters' Association (JMEA), the Jamaica Chamber of Commerce (JCC), the MSME Alliance and the Small Businesses Association of Jamaica. Consultations and engagements also include civil society, trade unions, trade and development-related associations, and academia.

5.3 Regional integration – the CARICOM Single Market and economy (CSME)

5.6. As a member of CARICOM and of the CARICOM Single Market and Economy (CSME), which was established in 2006, Jamaica continues to actively participate in the work of the Council for Trade and Economic Development (COTED) and other trade-related bodies established by CARICOM. The establishment of the CSME is ongoing as more work is undertaken amongst Member States towards greater integration.

5.7. There has been a noticeable increase in imports and exports between Jamaica and the CARICOM region. In this regard, imports from the CARICOM region increased to USD 609.4 million in 2022 as compared to USD 287.2 million in 2021 and USD 252.9 million in 2020. This was mainly attributed to higher imports of mineral fuels, food, beverages and tobacco. Total exports to the CARICOM region were valued at USD 151.6 million in 2022, up from USD 106.7 million in 2021 and USD 82.2 million in 2020. This was driven by the end products of mineral fuels, such as lubricants.

6 BILATERAL/HEMISPHERIC AND PREFERENTIAL TRADE ARRANGEMENTS

6.1 CARICOM bilateral (third party) agreements

6.1. CARICOM currently has trade agreements with Colombia, Costa Rica, Cuba, the Dominican Republic and Bolivarian Republic of Venezuela. During the period under review, the Second (2nd) Additional Protocol of the Trade and Economic Cooperation Agreement between the Caribbean Community (CARICOM) and the Government of the Republic of Cuba was signed in November 2017.

6.2. Initiatives to streamline trade relations across individual CARICOM countries have been encouraged, which has resulted in a Memorandum of Understanding between Jamaica and Trinidad and Tobago on the Establishment of Trade Complaints. The MOU is aimed at providing predictable and transparent procedures and channels of communication for resolving complaints, which facilitates a fixed point of contact for exporter complaints and resolutions.

6.2 CARIFORUM-UK economic partnership agreement

6.3. Since 2021, Jamaica has provisionally applied the Economic Partnership Agreement with the United Kingdom (CARIFORUM-UK EPA), which was signed in 2019. The CARIFORUM-UK EPA provides similar market access and other trade arrangements to those contained in the CARIFORUM-EU EPA²¹, which is discussed in the following section. Accordingly, Jamaica will facilitate gradual tariff reductions over 25 years (ending in 2033), with the exclusion of 12% of Jamaica's tariff lines. Significantly, some provisions of the UK EPA were modified (updated) slightly from the EU EPA; i.e. tariff-rate quotas (TRQs) were re-sized, and rules of origin were adjusted. Most notably, the value of exports from Jamaica to the UK was USD 77.95 million in 2022, up from USD 63.69 million in 2021 and USD 56.9 million in 2020.

6.3 CARIFORUM-EU economic partnership agreement

6.4. Jamaica, like other CARIFORUM parties, experienced challenges in increasing its trade volumes, including during the COVID-19 pandemic and post "BREXIT".²² Therefore, Jamaica's exports to the European Union (EU) fluctuated over the period. In 2022, total exports to the EU were valued at USD 99.4 million, a fall of 45.4% compared to the USD 181.8 million earned in 2021. This was attributable to a decline in the export of crude materials (excluding fuels), which fell from USD 96.8 million to USD 45.1 million. Meanwhile, the exports in 2021 exceeded the USD 122.0 million reported for 2020. The increase reflected between 2021 and 2020 resulted from

²¹ WTO document [WT/REG255/1](#), 31 May 2018.

²² "Brexit" is the term used to describe the U.K.'s withdrawal from membership of the [European Union](#) (EU) on 31 January 2020.

higher alumina exports, valued at USD 140.3 million in 2021, up from USD 91.5 million in 2020. Thus, during the review period, aside from the performance of alumina, Jamaica, like other CARIFORUM countries, was unable to capitalize on market access opportunities provided by the Agreement.

6.4 CARIBCAN

6.5. Jamaica's participation in the Caribbean/Canada Trade Agreement (CARIBCAN) continues to provide duty-free access to the Canadian market for various goods. Preferential exports with Canada fluctuated over the reporting period. Exports to Canada have been steadily declining over the period, with exports from Jamaica being USD 76 million in 2022 as compared to USD 98.38 million in 2021 and USD 118.8 million in 2020.

6.5 CARIBBEAN basin initiative (CBI)

6.6. Jamaica continues to benefit from duty-free, quota-free treatment under the *US Caribbean Basin Economic Recovery Act* (CBERA) as amended by the *Caribbean Basin Trade Partnership Act* (CBTPA). The CBTPA was extended to September 2030. The success of this Act is reflected in the United States of America (USA) being one of Jamaica's most significant export partners. Most notably, exports to the US have been consistent and increasing. In this regard, in 2022, exports to the USA amounted to USD 910.8 million, up from USD 689.3 million in 2021 and USD 569.79 million in 2020. This is being driven by higher exports of mineral fuels.

6.6 Generalized system of preferences (GSP)

6.7. Jamaica was granted GSP preferences by Armenia, Australia, Belarus, Japan, Kazakhstan, the Kyrgyz Republic, New Zealand, Norway, the Russian Federation and Switzerland. This has resulted in customs duty preferences or concessions for specific goods exported from Jamaica to these countries.

7 MULTILATERAL FRAMEWORK – THE WORLD TRADE ORGANIZATION (WTO)

7.1. As a member of the WTO, Jamaica has maintained its presence in all aspects of the WTO's work programme. In this regard, Jamaica served as a Facilitator for the WTO's Twelfth Ministerial Conference (MC12) on Reforms and was the lead Coordinator for the Organisation of African, Caribbean and Pacific Group of States (OACPS). Through its involvement, Jamaica demonstrates its commitment to ensuring positive outcomes from deliberations and fulfilling the WTO's mandate. To this end, Jamaica supports initiatives that will address the challenges faced by the WTO, including the necessary reforms to make the Organization more 'fit for purpose' and responsive to the needs of developing countries.

7.2. Based on its national priorities, in 2017, Jamaica called for "more focused" dialogue on trade and environment, stressing that it had lost an average of 2%-3% of GDP over the last 20 years due to climate-related events.²³ Additionally, at MC12, Jamaica maintained its keen interest in securing a meaningful outcome for agriculture, as this sector is critical to achieving its development goals, such as poverty eradication, rural development, and employment creation. A significant consideration for the WTO is balanced trade rules, particularly in areas/sectors where small states actively seek growth and, therefore, are most vulnerable. This position extends to fisheries as Jamaica advocates for sufficient policy space for small-scale and artisanal fisherfolk and provides adequate special and differential treatment provisions – including *de minimis* considerations – which balance trade rules from a subsidies and fisheries management perspective.

7.3. Within the Organization, Jamaica has also continuously emphasized the significant contribution of MSMEs as economic actors and their pivotal role in sustainable development. Additionally, through the successes noted in its business environment, Jamaica believes in the importance of services to the global economy and has stressed the need to facilitate the increased participation of developing Members in international services trade. Jamaica further supported the continued moratorium on e-commerce as a significant aspect of economic activities for developing countries such as Jamaica.

²³ WTO document [WT/MIN\(17\)/ST/17](#), 13 December 2017.

In addition, the Government continued to advocate for formalizing the negotiating processes to achieve an independent, impartial, efficient, and transparent dispute settlement mechanism.

7.4. During the period under review, Jamaica did not participate as a complainant, defendant or third party in any dispute settlement case. Jamaica continues to make notifications under the WTO Agreements as required, including technical barriers to trade, sanitary and phytosanitary measures, import licensing, agriculture, subsidies and countervailing measures, anti-dumping measures, and state trading enterprises.

7.1 Implementation of the Uruguay round agreements

7.5. In 2021, the Jamaican Government recognized the twenty-one years of service provided by the Anti-dumping and Subsidies Commission (ADSC/the Commission) as it continues to administer the trade remedy regime for Jamaica. Plans have been progressing to repeal and replace the existing *Customs Duties (Dumping and Subsidies) Act, 1999*, which will improve the usability and clarity of the regime for manufacturers and their advisers. During the reporting period, Jamaica has not initiated any anti-dumping, countervailing investigations, or safeguard investigations.

7.6. The Commission has maintained a strong training initiative to support MSMEs in better understanding the benefits of trade remedies. In this regard, Pre-Filing Consultations, Industry Training, and Public Education activities have been conducted to build capacity in industries and their advisers. Additionally, the Commission has sought to identify funding for implementing a Help Desk Initiative to assist industries by providing advice, drafting applications, and representing industries in trade remedies investigations.

7.7. The ADSC's team has utilized the WTO Rules Division's i-trADe learning platform to support further internal capacity development. Representatives of the Commission also attended the Advanced Trade Policy Course at the WTO in 2018, the WTO Trade Remedies Workshop for Selected Latin America and Caribbean (LAC) Investigation Authorities in Lima, Peru and the WTO Advanced Thematic Course on WTO Dispute Settlement in 2019. Additionally, in 2019, the Commission hosted a Technical Mission from the WTO's Rules Division to deliver rigorous training to the Staff and Commissioners of the ADSC, Jamaica Customs Agency (JCA) and other Government officials from select CARICOM countries.

7.8. At the institutional level, the ADSC strengthened its quality management system and obtained its primary services ISO Certification 9001:2015 in 2022. This highlighted enhancements to its service delivery and improved focus on customer satisfaction.

7.9. The Executive Director of the Commission has continued to provide direct support to dispute settlement matters brought to the WTO. In this regard, in 2019, the Executive Director served as Chairman for a WTO Dispute Settlement, this being the second such appointment. The work of the Executive Director and Commission is a testament to Jamaica's strong resolve to provide support on trade remedy matters to others in the region.

7.10. As Jamaica strives towards a digital and knowledge-based economy, the National Science, Technology, and Innovation Policy (ST&I Policy) 2019–29 was launched. This Policy provides a framework for action to enable greater invention, distribution, and exploitation of knowledge, technology, and innovation. The Policy also seeks to promote a culture of entrepreneurship and innovation in society and the economy.

7.11. As innovation is a central focus for Jamaica, the implementation of the *Patents and Design Act, 2020* (PDA) is a significant part of the thrust towards encouraging research and inventions. The PDA, which entered into force in 2022, repealed the *Patents Act, 1857* and the *Designs Act, 1937* and has ensured full compliance with the WTO Intellectual Property Rights (TRIPS) Agreement. The Act has introduced a new protection regime for patents and allowed inventions to be protected as utility models. It also stipulates that compulsory licences are non-exclusive if granted to third parties of a WTO Member. No compulsory (non-voluntary) licences were requested or given by the Supreme Court during the review period. The *Patents and Design Act 2020* also incorporates exclusions; for instance, inventions related to plants and seeds or computer programmes cannot be patented. Also, in 2021, Jamaica submitted its instrument of accession to the *Patent Cooperation Treaty*, which entered into force in February 2022. These significant legal changes at the national level highlight

Jamaica's commitment to fostering a business environment that values innovation and to comply with multilateral trade agreements.

7.12. To ensure a holistic approach to intellectual property (IP), during the period, Jamaica also completed amendments to other key pieces of legislation and updated existing policies, as follows:

- i. The *Trade Marks Act 2021* and *Trade Marks Rules 2022* have enhanced Jamaica's competitiveness in regional and international trade by allowing for greater efficiency in registering trademarks in multiple jurisdictions. The amendment to the *Trade Marks Act* has allowed for the local administration of the international registration of a trademark, setting out the criteria for the international registration of a trademark, the application procedure for international registration of trademarks, making provision for the opposition procedure for the international registration of a trademark, and administration of fees in respect of the international registration of trademarks. The new legislation extended the protection to new categories of non-traditional trademarks, including visible and non-visible signs. Additional formal requirements were also established to register 3D and colour marks. The *Trade Marks Act* came into force in 2023. The changes in Jamaica's legal IP framework also allowed Jamaica to access the *Madrid Protocol* (trademarks).
- ii. The *Copyright Act, 1993* was further amended in 2023 to enable greater access to books and other copyright works by blind, visually impaired or otherwise, print disabled or hearing-disabled persons. Most notably, these amendments also ensured that the provisions of the *Copyright Act* were more consistent with the Marrakesh Treaty, although Jamaica was not a party.
- iii. Since 2018, Jamaica has extended the enhanced level of geographical indication (GI) protection granted to wines and spirits to all products. As such, it is prohibited to use terms such as "kind", "type", "style", "imitation", "comparable to", or similar along with all registered GIs in Jamaica. Currently, Jamaica has three GIs: Blue Mountain Coffee, Jamaican Jerk, and Jamaican Rum.

7.13. Jamaica has advanced the drafting of legislation on genetic resources, traditional knowledge, and traditional cultural expression frameworks to implement the securitization of assets using IP. A significant step which was completed involved a pilot project for the securitization of assets by using intellectual property as collateral. Updates from the pilot are to be submitted, which will assist with completing a framework to determine bank requirements for using IP as collateral to secure a loan.

7.14. The Counter Terrorism and Organized Crime (C-TOC) Unit of the Jamaica Constabulary Force (JCF) continues to enforce IP legislation in Jamaica. The C-TOC Unit undertakes arrests and criminal prosecutions for breaches of the country's IP laws. Jamaica's criminal and civil courts continue to hear and determine cases of IP infringements and assist national and international rights holders in enforcing their IP rights in Jamaica.

7.15. Compulsory Standards in Jamaica are primarily promulgated by the Bureau of Standards of Jamaica (BSJ), which was established in 1969 as a statutory body pursuant to the *Standards Act, 1969*. In 2022, a Technical Regulations Unit was established within the BSJ to facilitate the transition to "the WTO Technical Barriers to Trade (TBT)-compliant system". The BSJ is responsible for WTO TBT notifications and is Jamaica's TBT national enquiry point.

7.16. The primary role of the BSJ involves promoting and encouraging the maintenance of standardization about commodities, processes and practices. Over time, its role expanded to include providing services in relation to conformity assessment (certification, inspection, testing, and calibration) and metrology. Since the last report, the review process for BSJ's existing legal framework is still ongoing to create an environment conducive to the implementation of the National Quality Policy in furtherance of shortening the process for the export of processed food and to enable a more trade-friendly regime that brings Jamaica in line with international best practice.

7.17. The MIIC is responsible for the National Quality Policy (NQP) and the National Quality Infrastructure (NQI). Accordingly, the MIIC established a Quality Systems Division in 2017 to manage the implementation of ISO 9001 Management Standards across the public sector. MIIC has appointed an ISO 9001 Ambassador to champion standards implementation across the public and private sectors and position standards as a critical driver for development. As of 2023, thirty-seven (37) Ministries, Departments and Agencies had attained ISO 9001:2015 QMS Certification status

from the National Certification Body of Jamaica (NCBJ), and five (5) other entities are pursuing the certification.

7.18. The NQP was subject to a revision in 2019 based on:

- i. Jamaica's growth agenda and the need to recognize the role of quality in global competitiveness.
- ii. Changes in the global trading system, including an increased focus on the World Trade Organization's Technical Barriers to Trade (WTO TBT) and Sanitary and Phytosanitary (SPS) Agreements with their attendant verification requirements and the new demands of the Trade Facilitation Agreement.
- iii. Global advances in standards, technical regulations and conformity assessment practices over the last 16 years.
- iv. Best practices have been developed in modern quality policies from other jurisdictions.
- v. Increased awareness and demand for quality goods and services by global regulatory authorities, producers, purchasers and consumers.

7.19. In 2018, the Cabinet approved the separation of the regulatory functions of the BSJ and those duties to be undertaken by the National Compliance and Regulatory Authority (NCRA). This was to ensure compliance with the WTO-TBT Agreement. The NCRA is an agency under MIIC responsible for inspecting and monitoring food-processing establishments, inspecting commodities at the ports of entry and in the domestic market, and ensuring that the scales and measuring devices used in trade are accurate. In 2023, through the *National Compliance and Regulatory Authority Act 2023* (NCRA Act), the NCRA was established as a statutory body to regulate and enforce the processes and practices connected with the manufacture, production and treatment of commodities for which compulsory standards, specifications or technical regulation has been declared. It is intended for products for export, domestic market sale, and purposes incidental to or connected with the preceding purposes.

7.20. The *NCRA Act 2023* amends Section 7 of the *Standards Act, 1969*, to introduce the term "technical regulation" with the view to transitioning from "voluntary and compulsory standards" to a quality system that uses technical regulations and standards as used in the WTO. In the interim, the BSJ continues to apply the "compulsory standard" to facilitate the transition. Jamaica has made institutional and administrative changes, including creating the procedure to develop technical regulations. Jamaica's WTO TBT notifications, "compulsory standards", mainly refer to human health or safety, quality requirements, and consumer information (labelling). Over 2017–23, Jamaica submitted 66 regular TBT notifications to the WTO, including four urgent technical regulations: processed ackee, Portland cement, toilet paper, and hand sanitizers. In 2019, a trade concern was brought to the attention of the WTO Committee on Technical Barriers to Trade about Jamaica's ban on single-use plastic products; this was the first-ever TBT trade concern raised regarding a measure imposed by Jamaica.

7.21. Jamaica National Agency for Accreditation (JANAAC) is Jamaica's national accreditation body, which is a signatory to the Mutual Recognition Arrangement (MRA) under the International Laboratory Accreditation Cooperation (ILAC). It recognizes the tests or certificates issued by any foreign conformity assessment bodies accredited by MRA ILAC signatories. In 2022, Jamaica had thirty-six (36) accredited laboratories (testing, calibrating, and medical), including the BSJ; one (1) accredited certification body; and two (2) accredited inspection bodies.

7.22. The Ministry of Agriculture, Fisheries, and Mining (MAFM) is the central institution responsible for animal health and plant protection. Three divisions within the Ministry are in charge of these matters: the Veterinary Services Division, the Plant Quarantine/Production Inspection (PQPI) Division, and the Research and Development Division. The MAFM is Jamaica's WTO SPS enquiry point. In addition, the Pesticides Control Authority (PCA), under the Ministry of Health and Wellness (MOHW), is also involved in securing plant health by regulating the manufacture, trade, and use of pesticides. Importantly, climate change adversely impacts plant health and exacerbates pest control issues.

7.23. The PQPI is responsible for undertaking plant risk analyses (PRAs). Since 2017, one hundred and ten (110) PRAs have been carried out, of which sixty-three (63) resulted in the imposition of phytosanitary measures to mitigate the associated risks.

7.24. A process to update and rationalize the legislation on food, animal and plant health was initiated during the review period. As a result, the *Pesticide (Maximum Residue Limits in Crops, Food, and Animal Feed) Regulations, 2017* came into force. At the regional level, Jamaica is a party to the *Protocol Governing CARICOM Control Analysis and Approval Procedures for Trade in Animal and Animal Products*. In 2021, CARICOM approved model bills related to animal health and plant protection, which may be used by CARICOM members as models to draft or revise their national legislation.

7.25. In 2017, Jamaica submitted one SPS notification to the WTO related to the *Pesticide (Maximum Residue Limits in Crops, Food, and Animal Feed) Regulations, 2017*.²⁴ Jamaica's SPS measures have never raised any trade concerns at the WTO. In 2021, Jamaica updated its list of regulated plant pests containing one hundred thirty-one (131) globally recognized pests (both quarantine and regulated non-quarantine pests).

7.26. Since the previous report, the National Agricultural Health and Food Safety Coordinating Committee now sits under the MAFM. In the light of its mandate to develop a rational, integrated farm-to-table agricultural health and food safety system in Jamaica and to ensure the protection of public health in a manner consistent with WTO and international standards, over the years, the Committee has overseen the development and implementation of numerous policies to support food safety.

7.27. Regarding animals and animal products, Jamaica hopes to repeal and replace the *National Animal Disease Importation Act, 1948*, and the *Meat and Meat By-Products (Inspection and Export) Act, 1999*, with legislation more in keeping with modern standards.

7.28. To support regional efforts to manage the export of animal and animal by-products, Jamaica implemented CARICOM's Trade Policy on Animal and Animal Products (TPAAP) in 2021. This is a regional policy designed to facilitate and create an effectively regulated environment for trade in animals and animal products, thereby guaranteeing the supply of high-quality products and enhancing food safety throughout the Region.²⁵ The TRAAP also ensures CARICOM's compliance with international trade in animal procedures, including those provided by the World Organization for Animal Health and WTO requirements. Additionally, in 2022, CARICOM Member States approved the Regional Agricultural Health and Food Safety Policy and Action Plan, which highlights the critical systemic challenges to national and regional human, plant, animal, veterinary, public and environmental health, as well as appropriate mechanisms and technically valid measures to address these challenges.²⁶

7.29. Regarding policies and regulations around food safety, Jamaica continues to promote safe practices, including implementing surveillance and control systems. The National Agricultural Health and Food Safety Coordinating Committee (NAHFSCC) is a multi-agency committee coordinating national food safety issues. To effectively manage food safety risks, Jamaica uses the Hazard Analysis Critical Control Point (HACCP) management system; food processing establishments using HACCP-based systems are certified by the National Certification Body of Jamaica (NCBJ).

7.30. In line with the Cartagena Protocol, Jamaica adopted the national Biosafety Policy in 2019, which was revised in 2020. This Policy aims to reduce the potential risks associated with handling, transporting, trading, and using living-modified organisms (LMOs). The MAFM and the MOHW regulate the use of LMOs in the health and agriculture sectors.

7.31. To enable greater food security, Jamaica has launched a *National Seed Policy and Action Plan (2018)* aimed at establishing a sustainable seed system, which will ensure a consistent and reliable supply of clean, affordable and accessible seed in support of improved agricultural production, yields and health of crops and biodiversity. The Policy, which is being implemented from 2018 to 2028, addresses areas of research, plant breeding, varietal evaluation, seed multiplication, processing, storage, quality control, marketing, promotion, and protection of plant genetic resources for food and agriculture.

²⁴ WTO document [G/SPS/N/JAM/15](#), 26 March 2018.

²⁵ Viewed on 21 March 2024, at: <https://cahfsa.org/wp-content/uploads/2022/10/Regional-AHFS-Policy-and-Action-Plan.pdf>.

²⁶ Ibid, 25.

7.32. The Fair Trading Commission²⁷ (FTC) was established in 1993 as the agency responsible for administering the *Fair Competition Act, 2003* (FCA). To implement specific provisions of the Act, generic guidelines were issued in 2017 to assess anti-competitive practices and in 2022 to evaluate mergers, acquisitions, and joint ventures. The *Fair Competition (Amendment) Bill* is being developed to review and assess mergers, including pre-merger notifications.

7.33. The primary function of the FTC is to investigate commercial activities to determine whether business enterprises are engaging in anti-competitive practices. During the reporting period, the FTC initiated twenty-three (23) investigations to evaluate alleged breaches to the competition regime, committed under the rule of reasons, in 13 (13) relevant markets. Since 2017, the Commission has reviewed the concentration ratio in several services markets – auditing, finance, telecommunication, nursing care, and port services – and formulated recommendations to enhance competition.

7.34. Customs valuation procedures are administered by the JCA as stipulated in the *Customs Act, 1941*, Section 19 and Paragraph 3 of the Schedule, and are based on the WTO Valuation Agreement. Once enacted, the *Customs Bill 2020* will repeal and replace the 1941 legislation and improve Customs practices and procedures to facilitate trade effectively and efficiently and provide a modern framework that further enhances the ease of doing business. The *Customs Bill 2020* was tabled in Parliament and is awaiting enactment as the accompanying regulations are still being drafted. The intent is to enact the new Customs Act and the regulations simultaneously.

7.35. Since 2020, the JCA has implemented and operated the Jamaica Single Window for Trade (JSWIFT) in collaboration with other cross-border regulatory agencies. This electronic platform uses the Automated System for Customs Data (ASYCUDA) World technology. ASYCUDA World is a web-based system that accelerates customs clearance and simplifies procedures through computerization. The implementation of ASYCUDA World is among the measures introduced by the Government to facilitate trade, achieve greater efficiency, manage the risk criteria for customs and the BRAs and improve the domestic business environment. The SWIFT system allows importers (exporters) and their approved customs brokers to register and access online services related to imports, exports, and transit. Applications for licences, permits, certificates, and seventy-one (71) import and export LPCO services are available for submission to 10 (10) border regulatory agencies through the JSWIFT. The border regulatory agencies that JSWIFT facilitates include the Trade Board Limited (TBL), the Jamaica Customs Agency, the Plant Quarantine Produce Inspection Branch, the Jamaica Agricultural Commodities Regulatory Authority, the PCA, the Firearm Licensing Authority, the Jamaica Dairy Development Board, the Sugar Industry Authority, the Veterinary Services Division, and the Hazardous Substances Regulatory Authority.

7.2 Implementation of the WTO agreement on trade facilitation

7.36. In 2019, Jamaica shifted some commitments from Category B to C under the WTO Agreement on Trade Facilitation (TFA), given that some provisions required developing new processes and procedures and external support to build the requisite capacity. Included in the areas for technical assistance and capacity-building (TACB) support is the JCA's building out its AEO Programme to negotiate and implement MRAs with relevant partners. As of December 2023, Jamaica has implemented 95.8% of all its commitments (14.7% in Category A, 28.2% in Category B and 52.9% in Category C).

7.37. Following the implementation of the Trade Facilitation Task Force in 2015, a Programme Management Office (PMO) was established in April 2022 within the Ministry of Industry, Investment & Commerce. The Trade Facilitation Reform Programme (TFRP) has proceeded in collaboration with the border regulatory agencies (BRAs) and the JCA. It is supported by the World Bank/IFC Trade Facilitation Support Programme (TFSP). Reform activities over the period include:

- i. Preliminary activities to implement WTO TFA Art. 6.1 began in May 2022. The primary outputs include a Fees and Charges Policy and a Fees and Charges Methodology, which will provide a guide for calculating fees for import and export services and transparency on all the various processes. Implementation is anticipated to be completed in FY 2026/2027.
- ii. Activities to fully implement WTO TFA Art. 5.3, which seeks to improve test procedures in laboratories to ensure animal, food, and human safety, have begun. In 2023, a laboratory

²⁷ Viewed at: <https://www.miic.gov.jm/content/fair-trading-commission>.

framework was being developed to support laboratory operations; full implementation will occur in FY 2026/2027.

- iii. Noting the importance of aligning with Section 2 of the WTO TFA Art. 10.9, the country has already implemented provisions to support the temporary admission of goods. However, several important considerations have impacted progress in this area, such as assessing the tax implications and coordinating consultations across various Government organizations.
- iv. Initiation of legislative reform activities to support cross-border trade; however, funding constraints have negatively impacted progress on this initiative.

7.38. On a regional scale, Jamaica has maintained its participation in the CARICOM Regional Committee on Trade Facilitation (RCTF), which facilitates regional coordination and implementation of the TFA within CARICOM and promotes consistency between national and regional trade facilitation priorities.

7.3 Aid for trade

7.39. The 8th Aid-for-Trade Global Review focused on COVID-19 recovery, particularly global value chains, the importance of MSMEs, trade facilitation, supporting women's economic empowerment, export diversification, digital transformation and environmentally sustainable development. The Review noted that the Pandemic has heightened many trade and development challenges faced by developing countries and LDCs.

7.40. Importantly, over the reporting period, some of Jamaica's key development partners (including the EU, IDB, World Bank, United Nations, USA, and UK) have supported the areas emphasized at the 8th Aid-for-Trade Global Review and have also implemented projects targeted towards enabling, among other things:

- i. Crime management;
- ii. Strengthening the business environment for private-sector investment;
- iii. Climate Change Adaptation;
- iv. Strengthening of health systems.

7.41. Whilst the contributions of international partners are appreciated and necessary, there is strong concern that these contributions are often in the form of loans, which, in turn, impact the country's debt-to-GDP ratio. Jamaica is already one of the most highly indebted countries in the world. Therefore, the Government has had to adopt a tight fiscal policy to manage the existing debt burden and slow economic growth. This, in turn, has constrained the Government's ability to undertake more robust measures to boost trade and trade capacity. Other significant economic development challenges faced by Jamaica include:

- i. Productivity—As World Bank data indicates, Jamaica's productivity levels have been underperforming compared to other countries over the last 40 years.
- ii. Lack of economic complexity – Jamaica's limited productivity and export base results in the country being more vulnerable to external shocks.
- iii. Climate change risks—Experts project Jamaica will likely experience an increased frequency of more intense weather-related shocks. Regarding climate resilience, Jamaica's vulnerability means that this will be an ongoing concern that will require continuous and direct funding support, considering the broad and far-reaching impact of climate change.

Considering these challenges and the ongoing shifts in the global environment, Jamaica is to review its Aid-for-Trade Strategy 2011.

7.4 Technical assistance and capacity building

7.42. Since 2017, Jamaica has benefitted from the various technical assistance and capacity-building (TACB) courses and programmes offered by the WTO online, at the national and regional levels and on-site in Geneva. In this regard, between 2017 and 2022, Jamaica participated in approximately 355 courses and workshops, which included topics focused on, among other things, trade and public health, sanitary and phytosanitary measures, fisheries subsidiaries and trade-related intellectual property rights. These initiatives are invaluable to expanding official's skills and knowledge base, supporting the implementation of WTO Agreements and enabling greater involvement in WTO's work programmes and the advancement of international trade.

7.43. With a keen awareness of the impact of TACB courses and the ongoing challenges for developing countries in the global environment, Jamaica will continue to require TACB support from the WTO, particularly in the areas of information and communication technology (ICT) infrastructure, regulation frameworks to support e-commerce and digitization as well as greening trade for development. At the 8th Global Aid-for-Trade Review session "*Greening of Aid for Trade as an opportunity for competitiveness*" it was noted that the transition towards greening trade, if not managed appropriately, risks creating new challenges for developing countries' prospects to use trade as an engine for job creation and sustainable development.²⁸ Jamaica is mindful of this and its other challenges as a small developing country. Accordingly, the country seeks support to build its capacity to integrate green principles into its trade activities and economy, support MSMEs, and increase value-added goods and services for export.

8 CONCLUSION

8.1. Jamaica remains committed to supporting global trade and fulfilling its obligations under the associated WTO agreements. While challenges persist, the foundations laid in recent years offer promising prospects for Jamaica's sustainable development. As a heavily indebted country susceptible to economic and environmental shocks, it is essential to obtain technical support and facilitate dialogue that will advance our efforts to strengthen resilience, enable increased exports, boost innovation and realize the country's vision. Considering the global shifts noted over the reporting period, Jamaica is even more aware of its vulnerability and will continue to closely assess developments in the international arena and advocate for more support and balanced outcomes for developing countries.

²⁸ Viewed on 27 March 2024 at:
https://www.wto.org/english/tratop_e/devel_e/a4t_e/gr22_e/gr22ext_session_e.htm?session=032.