
SUMMARY

1. Jamaica, as a small, open economy considers trade and the multilateral rules-based system as essential to promoting its socioeconomic development and enhancing resilience of its economy, which remains vulnerable to domestic and external shocks. In this context, after a decline in real GDP growth of 9.9% in 2020 due to the severe effects of the pandemic, the increase in commodity prices, and several natural disasters, Jamaica is on track to recover as GDP grew at 5.2% in 2022 (latest figure available). This results from previously adopted policies to maintain macroeconomic stability and the implementation of its pandemic-response measures under the Social and Economic Recovery and Vaccine (SERVE) Jamaica Programme. It is also driven by a sustained rebound in tourism and related services, owing to the lifting of restrictions related to the pandemic. Growth was also supported by remittances, which accounted for some 22% of GDP in 2022, and the bauxite/alumina industry. However, Jamaica's future economic and social development continues to be constrained by a narrow economic base, which increases vulnerabilities.

2. Jamaica's main trade policy objectives remain focused on increasing and diversifying exports of goods and services by taking advantage of market access opportunities and participating in regional and global value chains. However, Jamaica's merchandise exports remain highly concentrated in a small number of products, mainly chemicals, mineral products, and prepared foodstuff, beverages, and tobacco, which together accounted for 88.6% of Jamaica's total merchandise trade in 2022. Mineral products became Jamaica's main export product in 2021, while exports of chemicals, which had been predominant until then, have dropped. The shift in Jamaica's trade structure resulted from the completion of its first LNG terminal and the closure of some alumina plants. Over the review period, exports remained also concentrated in a few trading partners; the United States captured 60.7% of Jamaica's total merchandise trade in 2022, up from 39.3% in 2017. Jamaica remains a net importer of merchandise trade. By contrast, it runs a significant surplus in trade in services, mainly led by tourism receipts.

3. To take advantage of market access opportunities and participate in global value chains, Jamaica continues to grant fiscal incentives through the Omnibus Incentives Regime, the Special Economic Zone (SEZ), and sector-specific schemes. It also offers export credit and insurance facilities through the National Export-Import Bank of Jamaica (EXIM Bank), with a specific focus on SMEs involved in non-traditional exports. Jamaica also intends to provide a more favourable climate to facilitate investment and encourage business. As such, it maintains an open investment regime as private participation is allowed in all sectors, foreign investors are granted national treatment, FDI is not generally capped, and registration of FDI is not required. The greater participation of women in trade is also a key element of the Jamaican export-led strategy, as is the creation of an enabling environment for digital trade. In this context, Jamaica's two state-owned development banks provide financing and/or guarantees; most products are targeted at assisting MSMEs led by women and increasing their digitalization. Jamaica continues to face challenges, such as those related to infrastructure, that constrain the competitiveness of its exports. Efficiencies could therefore be gained from digitalization and better use of technology. The reduction of the informal economy and improvements in financial inclusion could also enhance productivity. Climate change also challenges Jamaica's capacity to export and the resilience of the economy.

4. At the WTO, Jamaica stands for more flexible disciplines with regards to agriculture, is engaged in the negotiations on fisheries subsidies and the Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade, supports discussions on e-commerce, and is keen to participate in other negotiations and initiatives, but currently cannot do so due to resource constraints. Jamaica also supports efforts to reform the WTO. During the review period, it continued to implement its commitments under the Trade Facilitation Agreement; its rate of implementation stood at 97.5% in March 2024. Since its last Review in 2017, Jamaica has not taken part in any dispute settlement cases. During the period under review, Jamaican trade officials participated in numerous WTO-related capacity-building activities.

5. To complement its efforts at the multilateral level, Jamaica is also a party to a few regional trade agreements, CARICOM being the most important. Over the review period, Jamaica remained involved in the work towards the establishment of the CARICOM Single Market and Economy (CSME). Since 2021, Jamaica has provisionally applied the CARIFORUM-UK Economic Partnership Agreement. Jamaica is also granted unilateral trade preferences by major trading partners such as the United States and Canada.

6. Since the last Review, Jamaica's trade policy regime has remained largely unchanged regarding tariffs and other charges; import/export licensing, prohibitions, and restrictions; trade remedies; and incentives. By contrast, Jamaica has made substantial revisions in areas such as government procurement and intellectual property rights.

7. Since 2020, Jamaica has used the Jamaica Single Window for Trade (JSWIFT). JSWIFT allows importers (exporters) and their customs brokers to register and access online services related to imports, exports, and transit. Applications for licences, permits, certificates, and other documents may be submitted through JSWIFT, as well as the electronic payment of custom services. For transparency purposes, JSWIFT allows traders to track and trace shipments and customs declarations throughout the entire clearance process. Customs valuation procedures do not appear to have changed since the previous Review in 2017.

8. As a member of CARICOM, Jamaica applies the CARICOM common external tariff (CET) with some exceptions; all tariff rates are *ad valorem*. The simple average applied MFN was 10.4% in 2023, unchanged from the average in 2016. Average tariff protection for agricultural products (WTO definition) remains substantially higher at 20.8% than average protection for non-agricultural products, which was 8.1% in 2023 (7.9% in 2016). Jamaica applies an Additional Stamp Duty (ASD), levied mainly on agricultural products and some aluminium products. If the ASD is taken into account, the overall average tariff protection increases from 10.4% to 12.2%. The average protection for non-agricultural products remained unchanged in 2023, at 8.1%, while it increased from 20.8% to 30.6% for agricultural products (WTO definition).

9. Jamaica continues to apply the General Consumption Tax (GCT) and the Special Consumption Tax (SCT) on imports and domestic sales with some exceptions. The Environmental Protection Levy (EPL), which as in 2017 remains at a rate of 0.5% of the c.i.f. value of imports, also applies to the sale of all manufactured goods that are locally produced. The GCT rate for exports of goods and services is zero and exports are exempt from SCT. The export levy on conch (HS 0508.00) remains in place. Payments for customs services, which may be based on an "approximate" cost of the services rendered (e.g. the Customs Administrative Fee (CAF)), are still in place.

10. Prohibitions, restrictions, or licences may be imposed to safeguard the health and safety of humans and animals, the environment, and national security, or to comply with international conventions. However, absolute import (export) prohibitions or import (export) restrictions may be imposed for a specific period from (to) a particular origin (destination). Jamaica's import (export) licensing regime does not seem to have been modified; however, Jamaica periodically reviews the list of items requiring import (export) licences/permits, to remove items. Jamaica maintains an export quota for conch (HS 0508.00), which is managed through an export licence. Jamaica does not seem to maintain any other quotas or quantitative restrictions.

11. There were no major changes regarding the legislative and institutional framework related to contingency trade measures during the period under review. During 2017-23 (June), Jamaica did not initiate any anti-dumping, countervailing, or safeguard investigations.

12. In 2019, Jamaica reviewed its National Quality Policy (NQP) (adopted in 2001). The revision concluded that the lack of an effective and efficient quality system restrained Jamaica's participation in world trade. As a result, Jamaica is committed to, *inter alia*, transforming the existing system of voluntary and compulsory standards into a WTO TBT-compliant system of technical regulations and standards. At the time of writing, Jamaica continues to apply "compulsory standards" and has not started to develop technical regulations, as the relevant amendment to the Standards Act has not yet been approved.

13. No substantial changes were introduced to the SPS regime over the review period. The national legislation remains extensive and largely outdated, although Jamaica is in the process of updating the legislation on food and on animal and plant health. There also remains some overlap in the regulatory functions that ministries have, e.g. in the case of food safety. Since its last Review, Jamaica has submitted only one SPS notification to the WTO. SPS measures are published online.

14. The legal and institutional framework of Jamaica's competition regime has not been substantially modified since the last Review. In 2022, Jamaica issued generic guidelines to assess mergers, acquisitions, and joint ventures. There remain several state-owned enterprises (SOEs) in

operation, some of which are exclusive market players. The rationalization of SOEs, including privatization, continued over the review period. Prices and tariffs are largely market-based, except for electricity tariffs and some wholesale telecom tariffs that remain regulated.

15. During the review period, Jamaica substantially modified its procurement regime, as the Public Procurement Act, 2015, which was amended in 2018, came into force in 2019. As a result, the procurement thresholds for services were harmonized, and new modalities for the selection of bidders were introduced. Procurement may be conducted through a digital platform. Margins of preference continue to be granted to local suppliers. The Public Procurement Act, 2015 also provides for reservations for MSMEs and local industries, although these have not been applied.

16. In the area of IPRs, business activities linked to the cultural and creative industries remain important in Jamaica. Over the review period, Jamaica launched the National Science, Technology and Innovation Policy (National ST&I Policy); adopted the Patents and Design Act, 2020, which came into force in 2022; and amended the legislation on trademarks, geographical indications, and copyright and related rights. These reforms are aimed at promoting innovation and enhancing protection by allowing for the implementation of the Hague Agreement, the Madrid Protocol, and the Patent Cooperation Treaty. Counterfeiting and piracy remain a concern, and Jamaica considers that consumer education is vital to raise further awareness about these issues.

17. Most of Jamaica's rural population depends on agriculture, hence the sector's importance in generating income and enhancing food security. The sector's (including agriculture, forestry, and fisheries) contribution to GDP increased, from 6.6% in 2017 to 9.0% in 2023, even though growth was erratic during the review period due to the pandemic and adverse weather events. Growth resumed in 2021 and 2022, driven partly by the implementation of several programmes to support farmers. Nevertheless, challenges remain. Jamaica is a net importer of agricultural products. The agricultural trade balance deteriorated during the review period. As noted above, in 2023, average tariff protection on agricultural products (WTO definition) remained above the simple average (10.4%) at 20.8%, with tariff rates of 75% and 100% applying to dairy and meat products and some fresh vegetables. In addition, the production, distribution, domestic sales, and trade of agricultural goods continue to be highly regulated. Licences are required to participate in each stage of the production chain, including transportation, distribution, and trade.

18. Mining continues to be a central pillar of the Jamaican economy. The contribution of the sector to the economy declined, due mainly to a drop in the extraction of bauxite and the production of alumina and the resulting decline in exports of both. Nevertheless, exports of mineral products accounted for some 59% of total exports of goods in 2022. Mining and quarrying have a significant socio-economic impact, as many communities depend on these activities, and they also affect the environment. In addition, processing is an energy-intensive activity, and Jamaica's energy mix comprises mainly non-renewable sources, which are imported. Jamaica aims to refurbish the mining industry and green its energy mix. In addition, Jamaica intends to continue diversifying its economy towards lighter, cleaner industries and further leverage the synergies created by, *inter alia*, the tourism sector.

19. During the period under review, Jamaica promulgated, amended, and revised several laws related to financial services aiming to clarify the main objectives of the Bank of Jamaica (BoJ), strengthen the overall corporate governance framework, and provide for licensing and regulating of microcredit institutions (MCIs). The BoJ has also taken several initiatives to ensure the stability of the financial system. Jamaica has started to implement the Basel III Capital Adequacy Framework. Nevertheless, as at the time of the last Review, Jamaican banks continue to encounter restrictions imposed by correspondent banking relationships (CBRs), namely with respect to handling cash and clearing checks, which is a major constraint to the provision of services. The loss of CBRs has implications for the economy as a whole, as it is highly dependent on tourism (which requires access to cash and the use of credit cards), and on remittances and the ability to facilitate payment for imports.

20. Jamaica's infrastructure network remained broadly unchanged over the period under review. In the telecom sector, efforts focused on bridging the digital divide and accelerating Jamaica's digital transformation. Jamaica's air transport policy is aimed at increasing connectivity to support tourism development and attract investment. Transshipment remains the main port operation due to Jamaica's proximity to the Panama Canal. Bunkering has also become an important port activity, as

a new LNG station was completed in 2021. Rail freight is operated by private operators to export bauxite and alumina.

21. The contribution of tourism to Jamaica's GDP, employment, and tax revenue remains important. It is also Jamaica's biggest export service and largest source of foreign exchange, and one of the main FDI recipients. The sector continues to benefit from specific incentive schemes and credit facilities. Moreover, tourism-related support was provided to mitigate the impact of the pandemic. Over the review period, diversification efforts intensified with the view to promoting greater synergies within the domestic market and, in the aftermath of the pandemic, creating a more resilient sector. For example, Jamaica aims to develop new products in areas such as gastronomy, health and wellness, sport and entertainment, knowledge (education and learning), and shopping.