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Meeting on Trade Procedures in the Caribbean
Havana, Cuba
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REPORT OF THE MEETING ON TRADE PROCEDURES
IN THE CARIBBEAN



UNITED NATIONS

ECONOMIC COMMISSION FOR LATIN AMERICA Office for the Caribbean



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I. ORGANIZATION OF THE MEETING

A. Attendance

1. The CDCC Technical Expert Meeting on Import and Export Trade Procedures in the Caribbean was held in Havana, Cuba, from 24 to 27 October 1983, fulfilling a mandate of the Programme of Work for CDCC during the 1982-1983 biennium.
2. Participants to this event, who appear listed in the Annex attended in their capacity as experts from the several CDCC countries. Representatives from the Caribbean Community Secretariat (CARICOM) and the United Nations Conference on Trade and Development Special Facilitation Programme (UNCTAD/FALPRO) also attended this meeting. At the closing session the meeting was honoured by the attendance of Mr. Amadeo Blanco, Vice Minister of Foreign Trade from the Republic of Cuba.

B. Election of Officers

3. The officers elected were as follows:

Chairman: Mr. Arnol Rodríguez, Director of Trade Policy with Latin America, Ministry of External Trade, Republic of Cuba.

Vice-Chairman: Mr. Malcolm J. Scholar, Comptroller of Customs and Excise, Saint Lucia.

Rapporteur: Mr. Calvin Vibert Joao, Deputy Comptroller of Customs and Excise, Republic of Guyana.

C. Adoption of the Agenda

4. The agenda for the meeting was adopted as follows:
 1. Opening session
 2. Election of Officers
 3. Approval of the agenda and organization of work
 4. Discussion of the trade procedures
 5. Institutional strengthening

6. Recommendations for future actions
 - (a) Consideration on actions
 - (b) Recommendations for their follow-up.
7. Any other matters
8. Approval of summary of debates and recommendations.

D. Opening session

5. Opening statements were made by Mr. Manuel Estefanía, Deputy Minister of External Trade, on behalf of the host government; and Ricardo Zapata, Economic Affairs Officer, International Trade and Integration, on behalf of the CDCC Secretariat.
6. Also present for the opening session were Mr. José Fernández de Cossío, Vice-President of the State Committee for Economic Collaboration of the Republic of Cuba; Mr. Frederick Lyons, Deputy Resident Representative of the United Nations Development Programme (UNDP) in Cuba; and Mr. Lancelot Busby, Statistician, ECLA/CDCC Secretariat.

II. SUMMARY OF DISCUSSIONS

A. Agenda item 4: Discussion of Trade Procedures

(a) National Trade Procedures Guides

(i) Consideration of drafts prepared by the Secretariat

7. In introducing this sub-item, the Secretariat referred to the 18th draft National Trade Procedures Guides which had been previously submitted to each respective country for analysis.
8. The annex (to the guides) which deals with the CARICOM external trade regime received considerable attention. The representative from the CARICOM Secretariat made detailed comments to be incorporated in the text of the annex in order to reflect more accurately the legal framework and the trade regime of this integration movement.

9. The floor was opened to participants to make comments and recommend amendments and revisions to the drafts of their respective countries. In addition, the meeting examined the annexes to guides dealing with the external trade regime of OECS and the Lomé arrangements, linking the EEC and ACP states. The CDCC Secretariat undertook to forward revised texts of the CECS guide for checking by the OECS Secretariat and the representative of the CARICOM Secretariat undertook to assist in the reformulation of the annex dealing with the Lomé arrangements guide taking account of the discussion of the meeting. The Secretariat took careful note of all these remarks in order to prepare the final guides.

10. In this respect, the Secretariat informed the participants that submissions had already been received from three CDCC countries (Dominica, Grenada and Jamaica) prior to the meeting. At the meeting, submissions were made by the participants from Cuba, Guyana, Haiti, Saint Lucia, Jamaica and the Netherlands Antilles for incorporation in their respective national guides, in accordance with the standardized format adopted.

11. With respect to the format used, the representative from UNCTAD/FALPRO recommended the treatment of foreign exchange regulations under an independent sub-heading, distinct from import licenses and permits; he also suggested that the heading entitled "Fines and Penalties" be modified to reflect more accurately contents in this section which deals with port and warehousing procedures.

(ii) Discussion on publication of the national guides on trade procedures

12. During discussion of this sub-item, participants agreed that the draft guides on trade procedures were valuable for the provision of information which might help CDCC member countries to develop trade. It was also agreed that it was desirable to publish all the national guides in one document, and to achieve this it was suggested that centralized publication of this document was desirable. A desire was expressed for the document to be published as soon as possible in the three official languages of the CDCC.

13. In order to ascertain the possibilities and the feasibility of publishing the guides as a single document, consideration was given to the mechanisms used for the annual publication of the ECLA document "Economic Activity in the Caribbean Countries" as an example of how the trade procedures guides could be published. The question of periodicity was also considered since it would be necessary to update the guides from time to time.

14. It was agreed that all necessary amendments should be made to the draft guides so that they would reflect the actual situation of trade procedures as perceived by the CDCC governments, and the Secretariat was urged to complete as soon as possible the necessary re-drafts in consultation with the respective governments. It was also agreed that the Secretariat should submit these matters to the Eighth Session of the CDCC, including the periodicity for updating the guides, the question of the cost involved in such an exercise and the frequency of amendments to trade procedures in the CDCC member countries. One possibility suggested was that such updating need not take the form of a complete document each year, but rather additional updated pages or replacements to parts of the existing guides, in the event of a loose-leaf document being produced.

15. On considering cost, questions were raised as to the intended users of the guides, the recoverability of the costs involved and the possibility that some organizations might wish to contribute towards the cost of production.

16. It was suggested that the Secretariat should ascertain the number of institutions in the various countries that were interested in obtaining the document.

17. A recommendation was adopted that the Eighth Session of the CDCC should be informed of interest shown by the participants of the meeting in having the guides published.

(b) Simplification of National Trade Procedures

18. The Secretariat after introducing the document CDCC/TPC/83/22, guiding the discussion to part III - Situation of Trade Procedures in the Caribbean gave a short exposition on the evolution of National Trade Procedures.

19. The representative of UNCTAD/FALPRO explained that trade facilitation activities had a threefold objective:

- (i) To simplify formalities, i.e. to reduce the requirements of each party, public or private, involved in international trade operations;
- (ii) To streamline procedures, i.e. the various steps an importer or an exporter had to go through before his goods could be cleared through customs or loaded on board ship; and
- (iii) To harmonize the documents used as tools for the procedures.

20. He said that the costs of complying with formalities and procedures were quite significant and that the bulk of these costs was eventually borne by the final consumers; in the case of developing countries they were also borne by the producers of commodities, since prices were determined by the world markets.

21. For developing countries, cumbersome formalities and procedures were constraints on their ability to enter world markets and served to accentuate already serious economic handicaps.

22. To remedy the situation a trade facilitation programme should be initiated at national level, as well as subregional level.

23. As part of this programme a thorough facilitation study should be undertaken; it should be based on national procedures manuals but it should encompass all the aspects of a transaction - not only the administrative requirements covered by the manuals but also the commercial requirements, transport forwarding, insurance, banking, etc. All procedures should be described in detail, using organization and management techniques of visual presentation, flowcharts, etc.

24. A critical review of those requirements should then be undertaken, to ascertain whether they were well founded or if they could be satisfied in a simpler way, or could simply be discontinued. The procedures should also be scrutinized to identify bottlenecks and duplication of efforts, after which the documents should be redesigned, in order to align them to a common format and to facilitate their preparation and presentation.

25. UNCTAD/FALPRO had concrete experience in more than 90 developing countries, and on this basis it was in a position to provide solutions to most of the problems which would be identified in the course of the facilitation study.

26. Trade Facilitation was not merely a luxury for developed economies, it was a necessity for developing countries. Simple solutions could be developed, which would yield substantial results in terms of savings in time and money at very little cost.

27. In addition the representative of UNCTAD/FALPRO noted that the work on Trade Facilitation in the Caribbean could very well proceed along the lines proposed in document CDCC/TPC/83/22, paragraphs 40 to 54. To attain the objectives, it was essential to associate the efforts of all parties involved in international trade, from the public, para-statal or private sectors.

28. To that effect, trade facilitation committees should be set up in every country, bringing together high level representatives from the Departments of Trade, Economy and Finance, Transport, Customs, Central Bank, importers and exporters associations, forwarding agents and customs brokers associations, chamber of commerce, etc.

29. The first task of such committees would be to carry out the above mentioned detailed facilitation study, to identify problems which could be solved at national level and to work out solutions.

30. At that stage of the work, it would be appropriate to investigate whether existing solutions adopted in other regions of the world could also be implemented in the Caribbean region. The representative of UNCTAD/FALPRO referred to recommendations and standards prepared in the

framework of the United Nations Economic Commission for Europe and adapted by UNCTAD/FALPRO to meet the particular requirements of developing countries.

(c) Rationalization and harmonization of trade procedures

31. The representative of CARICOM in a major intervention expressed regret that so few country experts were present and that no representatives of the private sector were in attendance.
32. He noted that the public and private sectors did not appear fully aware of the importance and relevance of the work being done to achieve simplification and harmonization of trade procedures.
33. He mentioned the example of earlier work done in conformity with the 1965 Facilitation Convention under the auspices of IMO (formerly IMCO) on entry and clearance of ships. Decision taken in this area had been implemented by only two countries.
34. He also expressed his organization's agreement with the suggestions put forward by the representative of UNCTAD/FALPRO on the establishment of national bodies, but expressed reservations insofar as the structuring of a regional body was concerned. He suggested that the CDCC Secretariat might execute facilitation activities at the regional level with close liaison between itself and the CARICOM Secretariat.
35. He suggested that concerted efforts be made at regional, subregional and national levels to create an awareness of what is considered to be necessary, in order to advance the simplification and harmonization of trade procedures by mounting information programmes prior to the implementation of any plan of action.
36. The observer from the CARICOM Secretariat indicated that although CARICOM member states were not party to the Kyoto Convention on Simplification and Harmonization of Customs Procedures, they had through the Customs Committee of the Common Market taken account of the provisions in several annexes of the Convention in the preparation of rules governing Common Market origin and documentation agreed on at regional level. At the most recent meeting

of this committee (held in Saint Lucia on 10-12 October, 1983) the CARICOM Secretariat was requested to hold a regional workshop on the convention and member countries had agreed to study Annex B (i) of the Convention towards accession or compliance.

37. The observer from the CARICOM Secretariat informed the meeting that the CET of the Common Market and the national tariffs of 11 member states were based on the CCCN and that the twelfth had a draft CCCN-based tariff which was still to be introduced. CARICOM member states were studying the harmonized Commodity Description and Coding System (HS) which is to replace the CCCN no sooner than 1 January 1987 towards transposing the CET and national tariffs on the basis of HS at the earliest possible time.

38. The effort at harmonization of customs procedures and documentation within CARICOM had taken the form of a sector by sector approach. It had been a conscious effort to deal step-by-step with areas such as shipping forms, commercial invoices, origin documentation, rather than to promote adoption of a model Customs Act.

39. As part of this item of the agenda, participants from non-CARICOM countries were requested to make presentations with emphasis on the feasibility of rationalizing and harmonizing their procedures with other Caribbean countries.

40. The participant from the Netherlands Antilles indicated that in his country there were no restrictions on exports except for export/import of monetary gold and that the import policy was a liberal and open one with no currency restrictions. The simple and pragmatic trade operations and procedures and the Netherlands Antilles Customs Legislation were all based on the position of this country as a transit port and an international centre of trade and distribution. Trade problems experienced by the Netherlands Antilles were related more closely to the lack of adequate human and material resources (logistical impediments). He supported the idea of establishing a national trade facilitation committee, and indicated that the Netherlands Antilles Government fully supported harmonization of trade procedures at the Caribbean level but wondered whether harmonization was feasible. He therefore urged that a study should be undertaken to determine

its feasibility. He also urged participants to exchange their import and export documents through the CDCC Secretariat and offered to send models of the import and export forms to the Secretariat as soon as possible.

41. The participant from Cuba stated that due to the centrally planned nature of the economy of his country, plans for imports and exports were reviewed annually within the framework of the 5-year medium-term plan. The Ministry of Foreign Trade directed trade policy and controlled its implementation. No exporter to Cuba needed advertisement to sell his products. All that was needed was that the products be offered at competitive prices and conform to the required specifications. The establishment of trade with Cuba was considered a simple matter once the characteristics of its trade structure were known.

42. The participant from Cuba referred to the Constituent Declaration of the CDCC and observed that it provided for co-operation with a view to eliminating barriers, including tariff and customs barriers. He stated that Latin America and the Caribbean, given the geographical proximity and the cultural and historical links, were the natural environment for the economic and commercial activities of Cuba and therefore his country constantly tried to promote trade with countries in the region.

43. In this sense, among other variety of activities in favour of trade, Cuba had conducted market studies but attempts to develop and increase trade with the region had encountered some problems, among them the difficulty of obtaining visas for commercial travel but that those problems should not interfere with the development of trade. The Cuban Government had offered credit lines on certain occasions as a trade promotion mechanism. The participant indicated that closer links had been fostered between trade promoting bodies, such as chambers of commerce, and indicated that his country had supported the setting up of a trade information centre for the Caribbean. The convenience of having a trade statistics annual published by the CDCC Secretariat was suggested. On behalf of the Chamber of Commerce of Cuba he offered the services of an Arbitration Court to deal with possible trade disputes.

44. The participant from Haiti stated that the question of trade formalities did not concern only the Department of Trade in his country and many forms had to be filled. He indicated that with the assistance of UNCTAD/FALPRO problems had been analysed and solutions proposed in the area of rational-

ization. There were some trade practices which had been abolished, for example, the need for license for goods from Eastern European countries. The rationalization of trade procedures also met with internal problems. The number of documents could be reduced if these documents were standardized at the customs level. In addition the number of institutions involved in trade activities resulted in a lack of harmonization among them, since each institution looked at the problem as it related to itself. He supported the establishment of a trade facilitation committee as a means of alleviating some of these problems.

B. Agenda item 5: Institutional strengthening

45. On the question of institutional strengthening the representative of UNCTAD/FALPRO indicated that the structure of the national committees could follow a two-tier arrangement with a steering committee comprising high-level representatives of the institutions and parties involved in international trade, and a number of ad hoc working groups comprised of specialists who would make recommendations to the steering committee. These ad hoc working groups should be flexible in composition and incorporate specialists in the areas of concern at any point in time.

46. In addition a permanent secretariat should be organized, with its size determined by the resources of the various countries involved.

47. In centralized economies, the role of such facilitation bodies was usually performed by a specialized office in the Ministry of Commerce. In some market economies, autonomous services existed, having personnel on secondment from the civil service; in others, the trade facilitation body was a profit-making organization.

48. The participants supported the need for the establishment of such committees and in the case of Cuba, the Foreign Trade Ministry in effect could be seen as performing the functions of such a committee.

49. At the subregional level it was considered that bodies already established such as the CARICOM Customs Committee could provide the initial core group including as desired representatives from such other bodies and agencies as may be considered necessary.

C. Agenda item 6: Recommendations for future
action and follow-up activities

50. The proposals made by the secretariat as well as the tentative work plan included in document CDCC/TPC/83/22 were considered. It was recommended that a facilitation programme, at both national and regional levels should be implemented, in order to achieve the objectives outlined:

- (i) To simplify and streamline national administrative procedures and commercial practices regarding trade and transport in the member countries of CDCC; and
- (ii) To harmonize at the subregional level the documentation and procedure related to international trade and transport within the subregion according to existing relevant international standards and recommendations.

51. It was also recommended that national facilitation committees should be established in each country, with the objective of creating "at the national and subregional levels trade facilitation bodies in charge of the supervision and further implementation of simplification and harmonization measures related to trade procedures and documentation",^{1/} giving due consideration to each country's resources and institutions.

52. It was proposed that a project should be the mechanism for executing the plan of action. The objectives of this project should be sufficiently flexible to allow the project leader to be involved in the final elaboration of the terms of reference and the work programme in conjunction with the CDCC Secretariat and such other bodies as the Secretariat might invite to participate.

53. It was also recommended that a training component should be added to the proposed plan of action, as was recommended by the "Meeting of experts on facilitation problems and the strengthening of transport institutions" which was held by the CDCC in Paramaribo, Suriname, 27-30 October 1981.

^{1/} CDCC/TPC/83/22 para. 41.

54. The participants at the meeting approved a recommendation to be submitted to the Eighth Session of the CDCC proposing a programme of action on facilitation of trade in the Caribbean region. In implementing this plan of action the following considerations should be taken into account:

- (i) The usefulness of establishing and strengthening links among the Chambers of Commerce;
- (ii) The holding of a regional trade fair at regular intervals;
- (iii) The production of a yearbook of trade statistics for the subregion;
- (iv) The strengthening of national export promotion bodies and the forging of closer links among them;
- (v) The convenience of facilitating the travel of persons engaged in trade activities;
- (vi) The promotion of technical co-operation and support for the participation of CDCC countries in the CARICOM trade information system;
- (vii) The usefulness of informing member countries at the Eighth Session of the CDCC, of the present state of work in order to obtain the participation of non-CARICOM countries members of CDCC in the CARICOM trade information system;
- (viii) The convening of meeting of trade promotion experts from CDCC countries in order to foster:
 - (a) Concrete programmes of co-operation aimed at the development of trade;
 - (b) exchange of trade information; and
 - (c) training of personnel involved in these matters.

III. RECOMMENDATIONS TO THE EIGHTH SESSION OF CDCC

A. Approval and publication of the Caribbean
Trade Procedures Guides

The participants of the Meeting on Import and Export Trade Procedures,

Recognizing the value and importance to all CDCC countries of a comprehensive set of documented national trade procedures,

Desirous of utilizing such a document at an early date,

Recognizing also the work of the CDCC Secretariat and the amendments proposed by the countries and participants to the draft national trade procedures guides,

Recommend that the CDCC Secretariat procure Government-approved final versions of the guides,

Recommend that the guides be published in the three official languages of the CDCC at the earliest possible date, and that thought be given to their periodic updating,

And further recommend that the Secretariat study the questions of format and number of potential users of the documents, taking into account the following:

- (i) That the format should allow for the easy deletion of outdated text and insertion of new text.
- (ii) That the cost of production of the guides be estimated and that steps be taken to cover these costs through the sponsorship of interested user institutions.

B. Programme of Action on facilitation of trade in the
Caribbean Region

The participants of the Meeting on Import and Export Trade Procedures:

Convinced that cumbersome formalities, unwieldy procedures and excessive paperwork constitute an obstacle to the development of trade, in particular for developing countries,

Desirous of promoting intraregional trade and removing obstacles to its development,

Aware of the results achieved in other parts of the world through the adoption of trade facilitation standards developed within the United Nations Economic Commission for Europe and promoted through the UNCTAD Special Programme on Trade Facilitation,

Bearing in mind the role that integration organizations such as the CARICOM and the OECS can play in harmonizing trade formalities and procedures in the subregion,

Recommend that a facilitation programme be initiated at national and subregional level to attain the following objectives:

- (i) to simplify and streamline national administrative procedures and commercial practices regarding trade and transport in the countries of the CDCC;
- (ii) to harmonize at the subregional level, the documentation and procedures related to international trade and transport within the subregion, according to existing relevant international standards and recommendations;

To attain these objectives, the participants of the meeting

Recommend also that appropriate arrangements be taken at national level for the coordination of the facilitation work, inter-alia through the setting up of national facilitation bodies,

Further recommend that the Secretariat elaborate a facilitation work plan for the region with participation of appropriate experts in close co-operation with the national facilitation bodies and with UNCTAD/FALPRO,

And further recommend that the Secretariats of CARICOM and OECS be closely associated with the work of subregional harmonization.

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