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ECONOMIC COMMISSION FOR LATIN AMERICA  
Office for the Caribbean

CONSIDERATIONS  
concerning the  
INTRODUCTION OF THE ECCM TARIFF



VOLUME II  
COUNTRY NOTES

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The term ECCM Tariff is used for the full title "Common External Tariff for the East Caribbean Common Market".



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## INTRODUCTORY REMARK AND INDEX

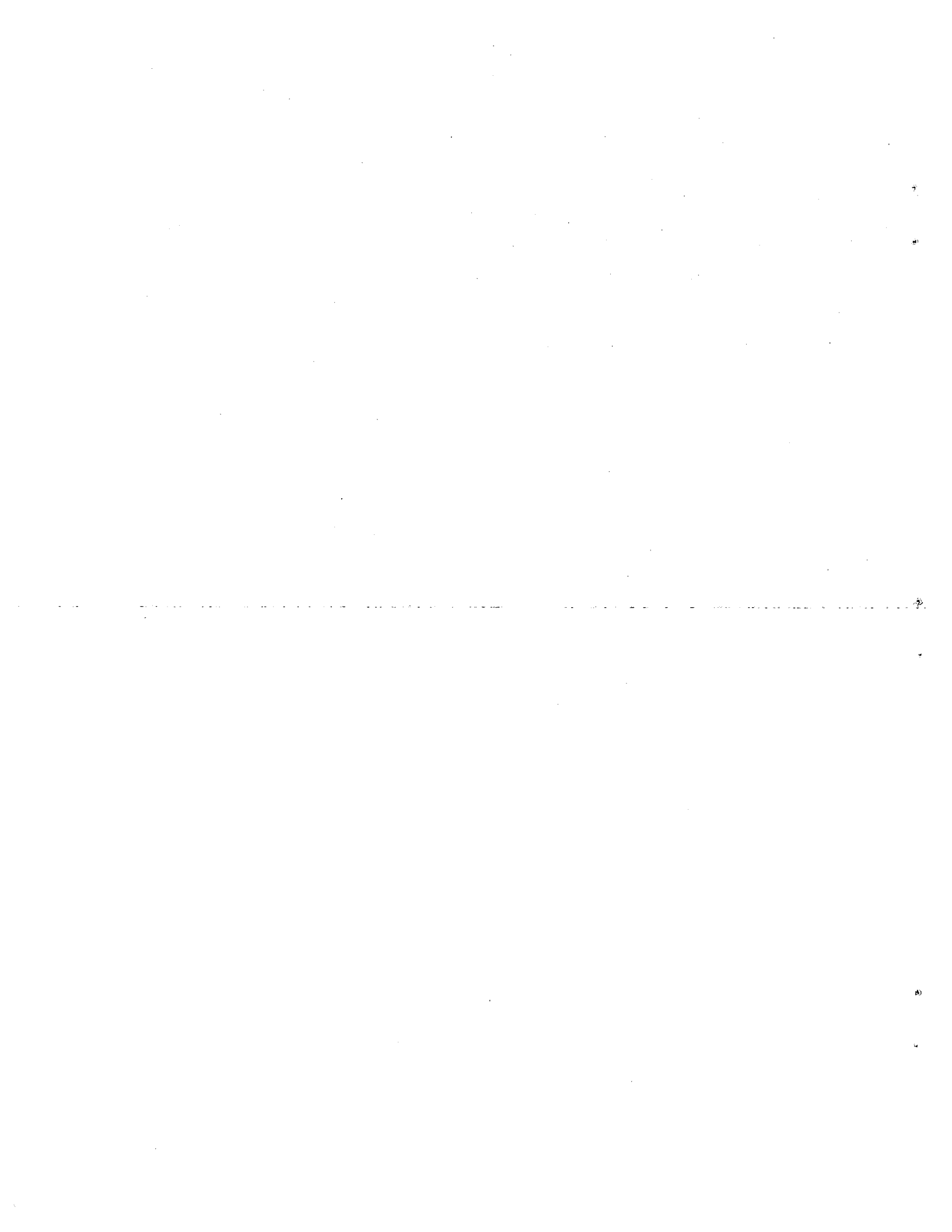
This part of the Report contains the Notes which were prepared in consultation with the ECCM Countries for consideration by the Council, and which form the basis of the General Part of this Report contained in Volume I.

It may be stated, by way of emphasis, that these discussions were carried out in order to evaluate mainly the fiscal and also other important implications resulting from the introduction of the ECCM Tariff. This task was carried out with a view to assist the regional Governments in the preparations necessary for the introduction of the ECCM Tariff. It should be stressed that it was an equally important aim of these discussions to lay the foundation for the multilateral agreement necessary amongst the ECCM Member Countries to enforce a Common External Tariff and thus transform the ECCM into an effective Customs Union.

It may be added that the Country Notes which reflect these aims were constructed in such a way as to identify, in an easily comparable way, the points of common agreement and the areas of action.

The discussions were carried out during the first half of 1970; the relevant Notes are reproduced herewith in the order in which the discussions were conducted:

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ST. LUCIA

General Revenue Considerations

1. A calculation comparing the income from the duties collected in 1967 under the present tariff with those duties which would have been collected if the new ECCM tariff had been in force in that year was made available and is shown in table on page 5. The figures in this table are broken down by SITC sections. They show that the highest gain in revenue which could be expected from the introduction of the ECCM Tariff would be WI\$790,000. It might, however, be greater considering the duty increase of numerous minor luxury items which are statistically not measurable and considering also the expansion of trade stimulated by the new Tariff.
  
2. It is to be noted that this<sup>1/</sup> table does not contain figures for the so-called Protocol Products for the reason that any loss resulting from the introduction of the ECCM Tariff will have in the case of these items to be compensated, if not by duties, by a consumption tax. The products in question are in the case of St.Lucia mainly beverages, tobacco, petroleum and petroleum products.
  
3. Attention was drawn to the fact that St.Lucia levies a surtax on the duty, the returns of which have not been included in the figures in the table on page 2. This surtax yields about WI\$400,000 which will not be collected if St.Lucia removes this surtax in conformity with her ECCM obligations in the process of introducing a uniform ECCM Tariff. The additional customs returns of \$790,000 to be expected from the introduction of the ECCM Tariff would still by far exceed the loss caused by the discontinuation of the surtax.

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<sup>1/</sup> See paragraph 18, page 9.

COMPARISON OF CUSTOMS RETURNS

Under the present and the suggested rates  
(in 1000 W.I. Dollars)

St. Lucia

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Section	Products	Imports 1967	Revenue 1967		Revenue of ECCM Tariff <sup>*/</sup>		Total Revenue	Total Revenue ECCM	Difference (+/-)	
			Gen.	Pref.						
0	Food	7,655	79	340	263	409	419	672	+ 253	
I	Beverages & Tobacco	1,433	301	1,117	36	48	1,418	1,418	- 0	
II	Crude materials	1,155	13	10	13	10	22	23	+ 1	
III	Mineral Fuels	823	11	514	2	4	525	739	+ 214	
IV	Oils & Fats	49	1	5	2	2	6	5	- 1	
V	Chemicals	3,681	59	172	49	151	231	199	- 32	
VI	Manufactured goods	5,999	362	451	408	657	813	1,065	+ 252	
VII	Machinery and Transport Equipment	4,600	195	475	209	526	670	735	+ 65	
VIII	Miscellaneous Manu- factured Articles	4,589	404	449	412	479	853	891	+ 38	
IX	Miscellaneous Trans- actions and Commodities	53	-	-	-	-	-	-	-	
Total		30,037	1,425	3,533	1,394	2,286	4,957	5,747	+ 790	

\*/ These figures were calculated applying the new rates to the imports of 1967.

Consumption Tax

4. It was pointed out that St. Lucia has already a consumption tax which was introduced consequent on her joining the ECCM and CARIFTA market so as to cover the financial loss caused by the removal of duties of about WI\$200,000 on intra-regional trade. This tax is levied on a limited list of local products at the producer level in the case of local production and at importation on all corresponding imported products. The consumption tax is levied at various rates on fiscally interesting items. Originally it was introduced to cover only the revenue loss resulting from the removal of duties on regional products. Since then some minor changes have also been made for purely fiscal purposes.

5. In the interest of maintaining the production incentive automatically included in the ECCM Tariff the ECLA representative suggested that the Government of St. Lucia might consider that all goods which are duty-free in the Tariff or as a result of a special provision (e.g. one included in the Exemption List, see paragraph 10) should be tax free.

6. St. Lucia will have no need to increase the consumption tax rates in order to compensate a loss caused by the introduction of the ECCM Tariff, since there will be no loss as has been shown.

7. Now that the tariff becomes a regional tool excise duties could become disturbing and an incorporation into the consumption tax may be envisaged. It was pointed out that at present an excise duty is levied only on local rum. The import duty on rum is fixed - according to the character of excise duties - so as to compensate for the excise duty paid by the local producer. Now that the tariff becomes a regional tool and a change of duties more difficult this, as in the case of any excise duty, could become disturbing and it was felt that the incorporation of the excise duty on rum into the consumption tax would be advantageous.

Application of the new Tariff

8. It was acknowledged that the new ECCM Tariff as amended in the Grenada meeting and approved by the Council of Ministers at the Fourth Meeting is in conformity with the economic requirements of a developing country to such a degree as this can be possible in a tariff which is to accommodate the varying needs of seven territories. It was recognised that the rates on social items, raw materials and capital goods are nil or negligible and that the increase of the customs revenue the new ECCM Tariff would bring was compensated largely by an increase of duties on not so essential goods.

9. It was felt that no unexpected administrative difficulties should result from the introduction of the ECCM Tariff in particular due to the fact that the key customs officials have already been trained to apply the new Nomenclature.

10. Reference was made to the so-called "Exemption List" which entitles the regional Governments to apply under certain conditions lower rates than provided in the ECCM Tariff and which has already been considered in principle by the Council. It was suggested that the following items should be included in this List for duty-free importation: <sup>1/</sup>

(a) Building material -

imported by industries (including agricultural undertakings as well as hotels and other tourist developments) for the first installation or extension approved by the Governments in conformity with the development incentive legislation in force in that country;

(b) Plant, equipment and appliances -

imported by industries (including agricultural undertakings as well as hotels and other tourist developments) for the first installation or extension

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<sup>1/</sup> For a further suggestion to add an additional item to the Exemption List, see the remark to TN.40.11 (rubber tyres and tubes for agricultural use) page 11.



sion approved by the Governments in conformity with the development incentive legislation in force in that country.

St. Lucia supports the preparation of a revised and more systematic Exemption List.

Considerations concerning Trade Policy

11. It was suggested that the ECCM Council should authorise the ECCM Secretariat to transmit the new tariff immediately after approval by Council to the countries which at present enjoy preferential treatment. Of course, it must be borne in mind that the tariff is not yet in force and must be considered to be a confidential document.

12. The necessity of having a central place which is in a position to speak up for the region in trade policy questions, a function for which the ECCM Secretariat offers itself naturally, was strongly expressed. This body which of course could not take any final decision would nevertheless be of an invaluable help to the Council in preparing trade policy decisions.

13. Referring to the ECLA paper on Trade Policy Questions<sup>1/</sup> it was mentioned that a necessity for the ECCM to become active in the trade policy field will only arise if one of the countries which at present enjoy preferential treatment would approach the area in connection with the introduction of the ECCM Tariff. In this context also the view was expressed that if CARIFTA was to carry out trade policy functions for its member countries (which of course would also require the consent of the ECCM countries) this activity would absorb such an ECCM function.

14. In so far as the relation with GATT is concerned, St. Lucia was in principle in favour of a participation of the ECCM in GATT. Feeling, however, that individual membership of each territory would be too burdensome it was also suggested that the Council

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<sup>1/</sup> See Document ECLA/POS 69/12 of December 1969.

may approve that the ECCM Secretariat contacts GATT with a view to finding out whether it would be prepared to accept the ECCM as a collective member. It would be necessary to transmit in this context the ECCM Agreement and to stress that the ECCM is a free trade area fully in conformity with the provisions of GATT. It ought to be mentioned, however, that the relevant considerations are not yet concluded and that St. Lucia therefore cannot take a final stand on these points yet.

Legal Considerations

15. It was felt that it should be possible to combine the requirements of publishing the ECCM Tariff in each country with the wish to avoid costly reprinting. It should be possible for example to print the Tariff at a central point for the whole region if the format of the printing stock would be such as to fit also the smallest official Gazette.

16. In so far as the time is concerned the feeling was expressed that no difficulty should arise in connection with the legal enforcement of the new Tariff and the related provisions. (e.g. changes of the consumption tax law). In particular there should be enough time to pass the necessary laws so that they could enter into force on 1 January 1971.

17. Being fully aware that the goods not manufactured or sufficiently transformed in the region do not benefit from the possibility of regional free trade, it was nevertheless stressed that the individual countries must in particular be in a position to refuse in any case the regional treatment to goods which benefitted at their importation into another ECCM country from particularly low special rates.

Reserved Items

18. The ECCM countries accepted duty rates applicable to all member countries for most tariff items. On the few items on which no such agreement could be reached some countries maintained their right in Protocols <sup>1/</sup> to continue to apply special rates. St. Lucia agreed that not only for the sake of clarity, but also for the sake of simplification of the legal procedure of enforcing the rates which the individual countries apply, these special local rates should be spelt out in the common ECCM Tariff.

19. St. Lucia referred to the reservation which Montserrat has made concerning the duties for motor cars and motor car spare parts in connection with Montserrat's later accession to the ECCM. This reservation is treated in the following list similar to the items covered by earlier Protocols.

20. For these reserved items, the following rates were suggested by St. Lucia for her imports. <sup>2/</sup>

TN. 02.01  
MEAT - fresh, chilled or frozen  
(Protocol No. 1)

The general ad valorem rates of 5/0 for meat of bovine and of 10/5 of other animals is not acceptable. The rights to import any meat at a duty of 0/0 is maintained.

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<sup>1/</sup> In the following list it is shown in which of the three Protocols the reservation concerning a particular item is included.

<sup>2/</sup> The products affected by Protocols are listed below in the order of complete BTN Headings. The product description, however, is abbreviated.

TN. 02.02  
DEAD Poultry  
(Protocol No. 1)

The general rates of 25/15 for chicken and chicken parts and of 5/0 for necks and backs and wings are acceptable. St. Lucia remarks however, that a general rate of 0/0 for necks, backs and wings would seem preferable.

TN. 22.03 - 22.07  
Alcoholic Beverages (except spirits)  
(Protocol No. 3)

The general rate of 30/20 is acceptable to St. Lucia. St. Lucia notified the intention, however, to have special consumption tax rates for beer, wine, sparkling wine etc.

TN. 22.09  
Spirits  
(Protocol No. 3)

The general rate of 70/60 is acceptable to St. Lucia. It is the intention of St. Lucia to introduce detailed consumption tax rates for the various sub-items falling under this heading.

TN. 24.02  
Tobacco Manufactures  
(Protocol No. 3)

The general specific rate of WI\$9.00/8.00 per pound is acceptable.

TN. 25.23  
Cement  
(Protocol No. 3)

St. Lucia wishes to maintain the present rate of WI\$0.18/0.08 per 100 pound.

TN. 27.09 - 27.10  
Petroleum Products  
(Protocol No. 3)

The general rate of WI\$0.30/0.20 per gallon is acceptable to St. Lucia. It is the intention of St. Lucia to introduce detailed consumption tax rates for the various sub-items falling under this heading.

TN. 27.11  
Bottled gas  
(Protocol No. 3)

The general percentage rates of 25/15 is acceptable to St. Lucia.

Chapter 30  
Pharmaceutical Products  
(Protocol No. 3)

The suggested rates (0/0 or organic therapeutic raw materials and anti-sera and 15/10 for medicaments and other pharmaceutical products) are not acceptable.

St. Lucia maintains the right to apply the (simplified) present percentage rate of 22/15 with the right to suspend this duty fully or partially if necessary.

TN.40.11  
Rubber tyres and tubes  
(Protocol No. 2)

St. Lucia is prepared to accept the general rates suggested for tyres:

- (a) for recapping 0/0
- (b) other tyres 25/15

with the understanding that the tyres used in agriculture (including the Banana Industry) may be imported duty-free under a provision to be inserted in the Exemption List.

St. Lucia

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TN. 44.05

Wood sawn lengthwise, sliced or peeled  
but not further prepared, etc.  
(Protocol No. 3)

The general rate is 10/5. St. Lucia wishes to maintain its  
(simplified) present rates of WI\$4.00/3.00 per 1000 superficial feet.

TN. 73.13

Iron sheets, clad or not  
(Protocol No. 2)

The general rate of 22/15 is acceptable to St. Lucia.

TN. 87.02-05

Motor Cars

and

TN. 87.06

Spare Parts

The respective general rates are 35/15 and 25/15. St. Lucia  
agrees to these rates.

DOMINICA

General Revenue Considerations

1. A calculation comparing the income from duties under the present system (factual returns) with that of the proposed new ECCM Tariff (based on 1967 experience) was made available. (See table on page 14). This calculation revealed a total revenue yield in 1967 as \$2,811,073 and indicating the possibility of the serious loss of \$428,766. (See attached table). To this must be added a total annual loss of some \$500,000 for imports from the ECCM and CARIFTA areas.
2. While the above figure of \$428,766 takes into account various individual charges it does not reflect the further loss of revenue from import license fees which in 1967 amounted to \$125,000<sup>1/</sup>, which, it is assumed, would not be compatible with the Common External Tariff.
3. The total deficit to be covered would consequently amount to about \$1 million. The Government of Dominica considers to replace this loss by a uniform internal tax. It was felt that by such a uniform internal tax all existing customs charges other than import duties should be absorbed i.e. surtaxes and consumption duties. Also the excise duties should be taken into account in fixing this uniform internal tax. This should not be understood to stand in the way of special internal taxes on protocol items, (e.g. on Alcoholic beverages and petroleum products) if necessary,

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<sup>1/</sup> Government estimate.

COMPARISON OF CUSTOMS RETURNS

under the present and the suggested rates

(in 1000 W.I. Dollars)

Section	Products	Imports 1967	Revenue 1967		Revenue of ECCM Tariff <sup>*/</sup>		Total Revenue 1967	Total Revenue ECCM	Difference (+/-)
			Gen.	Pref.	Gen.	Pref.			
0	Food	4,958	61,5	251,0	94,2	290,2	312,6	384,5	+ 72
I	Beverages & Tobacco	717	104,3	520,8	92,1	309,8	625,1	407,8	- 223
II	Crude Materials	611	9,3	4,8	6,7	2,4	14,1	9,1	- 5
III	Mineral fuels	545	6,8	495,1	7,4	495,9	502,0	503,2	+ 1
IV	Oils and fats	45	0,5	1,0	0,9	1,2	1,5	2,1	+ 5
V	Chemicals	2,421	36,3	109,7	39,9	125,8	146,0	165,5	+ 19
VI	Manufactured goods	3,439	236,6	228,1	159,7	172,5	464,8	332,2	- 132
VII	Machinery and Transport Equipment	2,379	87,0	101,2	65,8	133,6	278,1	200,0	- 78
VIII	Miscellaneous Manufactured Articles	2,125	190,8	275,0	151,4	237,6	465,8	389,5	- 76
	TOTAL	17,240	733,9	2077,2	618,2	1669,1	2811,1	2387,3	- 423,8

\*/ These figures were calculated applying the new rates to the imports of 1967.



Consumption Tax

4. The representative of Dominica felt that the most appropriate general internal tax to achieve this aim would be a consumption tax levied at the producer level in the case of local production and at importation on all relevant imported products. It is understood that all ECCM and CARIFTA goods will be taxable "like goods produced locally".

5. Any suggestion concerning the consumption tax rates made in this connection has not only to ensure that the budgetary income does not decline but has also to protect the social interests of the population. For this reason, it was felt, that the rates should be chosen in such a way that on the whole the future financial burden (higher consumer tax rates but lower import duties) should be about the same as under the present system of higher duties. It was also in this social spirit that it was suggested to consider whether it would not be possible to free from the consumption tax basic food, medicines and (in the interest of a local welfare industry) straw manufactures. The rates tentatively suggested and included in the following table (which was drafted, however, without any commitment on the part of the Dominican Government) reflects these considerations.<sup>1/</sup>

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<sup>1/</sup> It was suggested to consider whether it would not be possible to free furthermore all those goods from the consumer tax which can be imported duty-free either for the reason that no duty is provided in the tariff or that they are freed by a special provision (e.g. based on the Exemption List or a tax incentive law).

POSSIBLE CONSUMPTION TAX RATES <sup>1/</sup>

to be levied on dutiable goods (BTN Chapters)

Tax Free	5%	10%	20%	Special rates or special tax 30% and above
1-21, 30, 46	50-57, 59, 68, 71	22, (non-alcoholic beverages) 23, 23-26, 27 (without 27-09-27.11) 28, 29, 31-45, 47-49, 60-63, 64-67, 69, 70, 73-99	71	22 (alcoholic beverages, 24 tobacco 27.09-27.11 (Petroleum Products)

1/ The considerations for obtaining these tentative rates were based on the following calculation (W.I. dollars):

The present Revenue equals 2,936,000 (2,811,000 duty plus 125,000 licence tax) or 17% of the total import value of 17,240,000.

The future Revenue equals 1,762,000 (2,387,000 duty minus 500,000 duty - CARIFTA and ECCM Trade - minus 125,000 licence tax) or 10% of the total import value.

It is the difference of 7% of the overall import value which was levied in the form of import duties (or lately partially in the form of consumption duties) which after the introduction of the ECCM tariff would have to be levied in the form of an internal tax.

The higher rates on certain products compensate for tax free items.

All contributions were based on the proposed ECCM Tariff including accepted changes contained in ECCM document 3-C.

(Statistical figures see table on following page).

Considerations Concerning Economy Policy

6. It was acknowledged that the new ECCM Tariff (as approved by the Ministers at their 4th Council Meeting) is in conformity with the economic requirements of a developing country and the relevant principles laid down by the ECCM Council to such a degree as this can be possible in a tariff which is to accommodate the varying needs of seven territories.

7. It was shown that the new rates on social items were either nil or extremely low. It was explained in this connection that not all food items deserve this social treatment since they include many products which can be produced locally or which are of a luxury nature. This change in approach explains the increased customs returns on food products which can be expected from the new tariff.

8. In the industrial sector the returns to be expected will, however, be lower than the present returns. The reason for this increase is not the freeing of development goods (raw material and machinery) from duties which are widely compensated by increases on goods which can be produced locally, as shown by calculations for other countries. The reason is that Dominica has, on the average, higher rates in this sector than the other ECCM countries. Of course, since Dominica cannot bear this fiscal loss, internal taxation would have to be introduced to compensate for the loss.

9. Reference was made to some points of special interests: poultry (ex. TN.02.02) and wood (TN.44.03-05). For both items it was found that the solution in the ECCM Tariff is, although not ideal, acceptable for Dominica.

10. In connection with wood the wish was expressed to introduce for planed wood (TN.44.13) the higher general rate of 25/20 instead of the suggested rate of 15/10.

Considerations Concerning Trade Policy

11. It was suggested that the ECCM Council should give approval to the ECCM Secretariat for the transmission of the new tariff to the countries which at present enjoy preferential treatment. Of course,

it must be borne in mind that tariff is not yet in force and must be considered a strictly confidential document.

12. It was also felt that the ECCM Secretariat should be responsible for tariff negotiations, should such negotiations become necessary on the request of these countries. It should be mentioned that such negotiations could only be preparatory and that all decisions which would lead to a change of the new tariff would have to be approved by the Council.

13. In so far as the relation with GATT is concerned Dominica is in principle in favour of a participation of the ECCM in GATT. Feeling, however, that an individual membership of each territory would be too burdensome it was also suggested that the Council approves that the ECCM Secretariat contacts GATT with a view of finding out whether it would be prepared to accept the ECCM as a collective member. It would be necessary to transmit in this context the ECCM agreement and to stress that the ECCM is a free trade area fully in conformity with the provisions of GATT. It was stressed in particular that the streamlining of the position of the ECCM countries in their relation with GATT was very desirable to facilitate the status of CARIFTA with GATT. It was also felt that in the relevant discussions it could be mentioned that the ECCM considers (without being obliged under its agreement) to introduce a Common External Tariff without, however, making the draft available at this stage.

#### Legal Considerations

14. Considering the way in which the new tariff should be introduced attention was drawn by the Attorney General to the fact that in Dominica the following two legal possibilities exist:

- (a) The full ECCM Tariff becomes a Dominican Law;
- (b) Dominica passes a law authorising its Government to accept a Common ECCM Tariff.

15. Practically, it was felt, the second solution would be preferable since it makes it unnecessary that each of the territories prints the same tariff. It would also be more flexible in particular if the authority would include the possibility of future changes of rates in conformity with ECCM Council decisions. The second solution.

would in particular have the further advantage to permit the creation of a truly Common ECCM instrument.

16. In so far as the timing was concerned, the Attorney General saw no legal difficulty that such a law could be passed before 1 January 1971. This applies also to the legislation concerning the internal taxes which have to be enforced simultaneously with the new tariff.

Protocol Items

17. The intention of the so-called Protocol Items is to permit countries to have special solutions on items for which no general ECCM rate was accepted.

18. The principle seemed sound that the special rates requested by certain countries should be reproduced in the Common External Tariff (next to the general rates applicable to these countries which made no reservation) so as not only to assure clarity but also that all tariff questions are dealt with the same law. The following rates are suggested for Dominica <sup>1/</sup>:

TN. 02.01  
MEAT - fresh, chilled or frozen  
(Protocol No. 1)

Dominica can accept the duty of 15/10 suggested in 01.01 except for beef (02.01 A) where it will have to apply 0/0. Dominica expressed the hope that this could become the general rate. Also the compromise notes for poultry are acceptable. Meat being in the food sector, Dominica has no intention to introduce an internal tax.

TN.22.03-22.07  
Alcoholic Beverages (excluding spirits)  
(Protocol No. 3)

The suggested general rate of 30/20 is acceptable.

The internal tax will be levied at the general rate.

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<sup>1/</sup> The products affected by Protocols are listed below in the order of complete BTN Headings. The product description, however, is abbreviated.

Dominica

TN. 22.09

Spirits

(Protocol No. 3)

The duty of 70/60 in principle acceptable as general rate except for Rum, for which Dominica will have to apply the duty of \$10.40 and \$7.45. It would be appreciated, however, if this duty for Rum could be accepted as general rate. It may be that a special alcohol tax (or special rate for alcoholic products within the internal tax) will be introduced.

TN. 24.02

Tobacco Manufactures

(Protocol No. 3)

Dominica is prepared to accept the suggested rate of WI\$9.00/8.00 per lb. It may be that a special tobacco tax (or a special rate for tobacco manufactures within the internal tax) will be introduced.

TN. 25.23

Cement

(Protocol No. 3)

The suggested duty of 0/0 for Cement is not acceptable, Dominica will continue to apply duty of WI\$0.25/0.15 per 100 lbs.

Internal tax will be levied at general rate.

TN. 27.09 - 27.10

Petroleum Products

(Protocol No. 3)

The suggested rate of WI\$0.30/0.20 is not acceptable in this form. To be acceptable as a general rate it would have to be broken down so as to permit differential rates in particular the lower rate on diesel oil and kerosene. Dominica will make suggestion to that effect. Internal tax will be levied at the general rate.

TN. 27.11  
Bottled Gas  
(Protocol No. 3)

Suggested duty of 25/15 is acceptable to Dominica.  
Tax at general rate.

Chapter 30  
Pharmaceutical Products  
(Protocol No. 3)

The suggested rates of 0/0 for the Tariff Numbers 30.01/30.02 and of 15/10 for all other items of this Chapter are acceptable. No internal tax will be levied on such products for social reasons.

TN. 40.11  
Rubber Tyres for Tractors, Lorries  
and Trailers  
(Protocol No. 2)

Dominica accepts the general rate which is based on the "Grenada Draft" of the Tariff. This raises, however, the question whether the distinction between tyres for lorries, buses, etc., on one hand and for passenger cars on the other is practically workable. It is suggested therefore to consider the removal of this distinction and to accept a general rate for all tyres (and logically also for all tubes) of:

- (a) For re-capping - 0/0
- (b) Other - 25/15

This rates would be acceptable to Dominica. An internal tax of about 10% will be levied on these as on most other industrial products.

TN.44.05  
Wood sawn lengthwise, sliced or  
peeled, but not further prepared etc.  
(Protocol No. 3)

Suggested rate of 10/5 is acceptable. Also on this item the internal tax at a general rate will be levied.

Attention is drawn to the fact, however, that the duty on 44.13 (planed wood) is too low and an increase of the general rate to 25/15 is suggested.

Dominica

TN. 73.15  
Iron Sheets, clad or not  
(Protocol No. 2)

Dominica is prepared to accept the suggested general rate of 22/15. Also on this item the internal tax will be levied at the general rate.

TN.87.02-05  
Motor Cars

and

TN.87.06  
Spare Parts

Dominica did not make any remark concerning these items.



GRENADA

General Revenue Considerations

1. A calculation (see table on page 24) comparing the income from duties in 1966 under the present tariff <sup>1/</sup> with those duties which would have been collected if the new ECCM tariff would have been in force in that year was made available for each SITC section.
2. This table brings out, that the ECCM Tariff will lead to an increase of the duties collected and the comparison of the actual rates with the rates which would have been collected under the new tariff shows a plus of WI\$159,300.

Consumption Tax

3. Considering the increase of duty returns to be expected, but also that the income from duties will increase due to the expansion of trade, Grenada will not need to increase its consumption tax rates for the reason of the introduction of the ECCM Tariff. Of course, it may be that she will have recourse to such a tax to compensate lower duties fixed for individual items.
4. It was pointed out that Grenada has already introduced a "Consumption Tax" consequent on her joining the ECCM and CARIFTA market to cover the fiscal loss caused by the removal of duties on the inter-regional trade.

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<sup>1/</sup> These figures are the result of the application of the present rates to the relevant imports. They have not been compared with the factual returns which may contain differences due to various reasons e.g. goods returned, overlapping of periods, etc.

COMPARISON OF CUSTOMS RETURNS  
under the present and the suggested rates  
(in 1000 W.I. Dollars)

Section	Products	Imports 1966	Revenue 1966		Revenue of ECCM		Total Revenue 1966	Total Revenue ECCM	Difference (+/-)
			Gen.	Pref.	Tariff Gen.	Pref.			
0	Food	62,733	197.2	178.0	150.8	276.8	275.2	427.6	+ 52.4
I	Beverages & Tobacco	6,746	100.8	1.7	64.6	-	102.5	64.6	- 37.9
II	Crude materials	9,015	6.9	9	7.9	7.2	15.9	15.1	- .8
III	Mineral fuels	8,048	0.1	3.3	.2	4.4	3.4	4.6	+ 1.2
IV	Oils and Fats	1,079	-	0.1	-	.2	.1	.2	+ .1
V	Chemicals	23,663	40.3	77.3	46.8	123.6	117.6	170.4	+ 52.8
VI	Manufactured goods	42,522	296.2	325.3	304.5	361.1	621.5	665.6	+ 44.1
VII	Machinery and Transport Equipment	32,677	89.0	123.7	92.0	24.8	212.7	216.8	+ 4.1
VIII	Miscellaneous Manufactured Articles	30,661	299.8	271.5	281.4	333.2	571.3	614.6	+ 43.3
	Total	217,144	1,030.3	989.9	948.2	1,231.3	2,020.2	2,179.5	+ 159.3

Customs Revenue from CARIFTA sources in 1966 was 944,000.

5. This consumption tax is levied at the producer level in the case of local production and at importation on all relevant imported products. ECCM and CARIFTA goods are taxable "like goods produced locally". This tax is still on an experimental basis. Once the ECCM Tariff with its special needs for compensatory charges has been introduced the situation will be stable.

6. In the interest of maintaining the automatic production incentive included in the ECCM Tariff the ECLA representative suggested that the Government of Grenada might consider that all goods which are duty-free in the Tariff or as a result of a special provision (e.g. imports by government, see paragraph 7) should also be tax free.

7. It was pointed out that at present excise duties are levied on a few imported products. The import duties on such items are fixed so as to compensate for the excise duty paid by the local producer. Now that the tariff becomes a regional tool, excise duties could become disturbing and their incorporation into the consumption tax may be advantageous. This, however, may not always be possible.

#### Rights of the Individual Member Countries

8. It was stated that it is obviously necessary in the process of the creation of a common tariff to allow to the degree necessary the imposition of internal taxes levied on goods not produced locally. In the interest of maintaining the beneficial effects of a common market this possibility should, however, be limited to the utmost. This could be achieved if such taxes - unless notified in connection with the introduction of the ECCM Tariff - could only be introduced with the Councils approval.

9. It was further observed that for some of the so-called Protocol Items <sup>\*</sup> it may become necessary for an individual country to suspend the duty fully or partially. The point was, however, that in the interest of avoiding an erosion of the idea of a common market, this

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<sup>\*</sup> See paragraphs 14 and 15.

Grenada

right (as the right to introduce taxes) should also be limited to cases especially mentioned either in the ECCM Tariff or the Exemption List.

10. It was felt that the severe limitation suggested in paragraphs 5 and 6 is necessary from the point of view of ensuring a truly common ECCM market, and possible due to the fact that the tariff by itself already frees raw materials and capital goods from duties. The slight contribution of industries to the budget of a country by paying the small duties on semi-finished goods is desirable.

11. In this connection it was stressed that the so-called "Exemption List" entitles the individual Governments to take action within their competence. It was felt that this list should be extended by adding the following items for duty-free importation <sup>1/</sup>:

- (a) building materials, under the condition that they are imported by development industries including agricultural undertakings and hotels;
- (b) bonafide first installation of plant and equipment under the condition laid down in (a).

Application of the new tariff

12. It was acknowledged that the new ECCM Tariff as amended in the Grenada meeting and by the Council of Ministers at the 4th Meeting is in conformity with the economic requirements of a developing country and the relevant principles laid down by the ECCM Council, to such a degree as this can be possible in a tariff which is to accommodate the varying needs of seven territories. It was recognised that the rates on social items, raw materials and capital goods are nil or negligible and that the increase of the customs revenue the new ECCM Tariff would bring was caused by increases of duties on not so essential goods.

13. It was felt that no unexpected difficulties should result from the introduction of the ECCM Tariff and in particular that the customs officials would be able to apply the new rules.

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<sup>1/</sup> For a further suggestion to add an additional item to the Exemption List see remark to TN.40.11 (rubber tyres and tubes for agricultural use), page 29.

Protocol Items \*/

14. The intention of the so-called Protocol Items is to permit countries to have special solution on items for which no general ECCM rate was accepted.

15. The principle was accepted that the special rates required by the member Governments of the ECCM should be reproduced in the Customs External Tariff so as to ensure that all tariff questions formed part of a uniform law. The following rates were suggested for Grenada:

TN. 02.01  
MEAT - fresh, chilled or frozen  
(Protocol No. 1)

Grenada wishes to maintain the right to apply its present rates of 28/17%, slightly altered to 28/18%, on all types of meat.

TN.22.03 - 22.07  
Alcoholic Beverages (except spirits)  
(Protocol No. 3)

The suggested duty of 30/20 would be acceptable, except for beer. For beer Grenada would like to maintain the duty of WI\$5.00/4.00. It was stressed, however, that Grenada for the time being intends to continue with the present rate of WI\$3.60/3.25 per gallon.

For all products of this group Grenada reserves the right,

- (a) to reduce or remove the duty whenever necessary; and
- (b) to subject these products to a consumption tax.

TN.22.09  
Spirits  
(Protocol No. 3)

The duty of 70/60 is in principle acceptable for all items of this

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\*/ The products affected by Protocols are listed below in the order of complete BTN Headings. The product description, however, is abbreviated.

Grenada

tariff number except for rum.

For rum the duty of WI\$11.25/10.80 per liquid gallon rum under proof and the duty of WI\$11.25/10.80 per proof gallon for stronger rum shall continue to be applied. The Grenada Government will probably limit itself, to levy the present duty but suggests the right to increase this duty to WI\$25.00/20.00.

For all products of this group the Government of Grenada reserves the right,

- (a) to reduce or remove the duty whenever necessary; and
- (b) to subject these products to a consumption tax.

TN.24.02  
Tobacco Manufactures  
(Protocol No.3)

Grenada is prepared to accept the suggested rate of WI\$8.00/9.00 per pound.

It reserves the right,

- (a) to reduce or remove the duty whenever necessary; and
- (b) to subject these products to consumption tax.

TN.25.23  
Cement  
(Protocol No. 3)

The suggested duty of 0/0 is acceptable to Grenada. Grenada maintains the right to subject cement to a consumption tax.

TN.27.09 - 27.10  
Petroleum products  
(Protocol No. 3)

The suggested rate of WI\$0.30/0.20 per gallon is acceptable under the understanding that petroleum products may be subjected to a consumption tax which will vary for the various products falling under this Tariff number.

Grenada reserves the right to remove or reduce the duty.

TN.27.11  
Bottled Gas  
(Protocol No. 3)

The suggested rate of 25/15 is acceptable.

TN.30.00  
Pharmaceutical Products  
(Protocol No. 3)

The suggested rates (0/0 for organic-therapeutic raw materials and anti-sera, or 15/10 for medicaments and other pharmaceutical products) are acceptable.

Grenada however, reserves the right to suspend the duty on medicaments etc., fully or partially whenever necessary.

TN.40.11  
Rubber tyres  
(Protocol No. 2)

Grenada accepts the rates for,

- (a) recapping 0/0
- (b) other tyres 25/15

If the Council should wish that tyres for agricultural use should pay a special lower rate of duty this would best be achieved if a relevant item would be incorporated into the Exemption List which contains the conditional tariff reductions. That means the application of the lower rate would not depend on the quality of the products but on the use of it.

TN.44.05  
Wood sawn lengthwise, sliced or peeled  
but not further prepared etc. \*/  
(Protocol No. 3)

Grenada wishes to maintain her present rate of WI\$2.40/1.20 per 1000 superficial feet.

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\*/ Attention is drawn to the fact that this item does not include veneer sheets, etc.

TN. 73.13  
Iron sheets, clad or not  
(Protocol No. 2)

Grenada accepts the suggested rate of 22/15.

The right to suspend this rate fully or partially is maintained.

TN.87.02-05  
Motor Cars

and

TN. 87.06  
Spare Parts

Grenada did not make any remark concerning these items.



ST.VINCENT

General Revenue Considerations

1. A calculation comparing the income from the duties collected in 1967 under the present tariff with those duties which would have been collected if the new ECCM tariff had been in force in that year was made available and is shown in table on page 32 broken down by SITC sections. These figures show that even if the economy and with it the importation of goods should not expand the loss in revenue which could be expected from the introduction of the ECCM Tariff could not exceed WI\$18,000. It might, however, be much smaller considering the duty increase of numerous minor luxury items which are statistically not measurable and considering also the expansion of trade stimulated by the new Tariff.
  
2. It is to be noted that this table does not contain figures concerning those products which have a particular fiscal or economic importance and in the case of which any loss resulting from the introduction of the ECCM Tariff will have to be compensated, if not by duties, by a consumption tax. The products in question are: beverages, tobacco, wood shaped or simply worked, petroleum and petroleum products as well as medicinal and pharmaceutical goods.
  
3. Attention was drawn to the fact that St. Vincent levies a surtax on the duty, the returns of which have not been included in the figures in the table on page 32. This surtax yields about WI\$40,000. If St.Vincent should remove this surtax with the introduction of the ECCM Tariff in the process of introducing a uniform ECCM Tariff the total amount to be covered by new incomes will not exceed about WI\$58,000 (\$18,000 duty, see para 1 plus \$40,000 tax).

ECCM COMMON EXTERNAL TARIFF  
INCREASES AND DECREASES ACCORDING TO SECTIONS  
BASED ON 1967 LEVELS OF TRADE

SECTIONS		INCREASES:	DECREASES:	OVERALL:
		\$	\$	\$
0	Food	36,890	33,139	+ 3,751
1	Beverages and Tobacco	--	--	--
2	Crude materials, inedible, except fuels	--	411	411
3	Mineral fuels, lubricants and related materials	--	--	--
4	Animal and Vegetable oils and fats	199	1,182	- 983
5	Chemicals	19,621	9,078	+ 10,543
6	Manufactured goods classified chiefly by material	34,338	30,735	+ 3,603
7	Machinery and Transport Equipment	3,987	115,341	-111,354
8	Miscellaneous manufactured articles	10,067	9,978	+ 89
9	Miscellaneous transactions and commodities n.e.s.	---	--	--
				- 94,762
Decrease in machinery duties not to be taken into account.*				- 76,000
<b>Overall Decrease</b>				<b>- 18,000</b>

\* The increase or decrease to be expected from the ECCM Tariff is calculated as the comparison of the duty collected under the present system and the duty which would have been collected if the new tariff would have been in force in the base years. The decrease calculated for machinery in this way has to be corrected however, for the reason that a considerable part of the machinery imported benefitted from provisions granting tax-free importation to goods for development. The loss to be expected from the new tariff has to be reduced accordingly by WI\$76,000.

Consumption Tax

4. It was pointed out that St. Vincent has already a consumption tax which was introduced consequent on her joining the ECCM and CARIFTA market so as to cover financial loss caused by the removal of duties of about WI\$200,000 on intra-regional trade. This tax is levied on a limited list of local products at the producer level in the case of local production and at importation on all corresponding important products. The common rate is 5%. St. Vincent may have to increase the rate slightly (or add new products to the list of taxable goods) to cover the possible loss of WI\$58,000 (see preceding paragraph).

5. In the interest of maintaining the production incentive automatically included in the ECCM Tariff the ECLA representative suggested that the Government of St. Vincent might consider that all goods which are duty-free in the Tariff and/or as a result of special provisions (such as those included in the Exemption List) should also be tax free.

6. It was pointed out that at present an excise duty is levied on over-proof rum. The import duty on this item is fixed in such a way as to compensate for the excise duty paid by the local producer. Now that the tariff becomes a regional tool such an excise duty could become disturbing and an incorporation into the consumption tax may be envisaged. On the other hand this may not be possible for practical purposes.

Application of the new Tariff

7. It was acknowledged that the new ECCM Tariff as amended in the Grenada meeting and approved by the Council of Ministers at the Fourth Meeting is in conformity with the economic requirements of a developing country and the relevant principles laid down by the ECCM Council to such a degree as this can be possible in a tariff which is to accommodate the varying needs of seven territories. It was recognised that the rates on social items, raw materials and capital goods are nil or negligible and that the increase of the customs revenue the new

ECCM Tariff would bring was caused by increases of duties on not so essential goods.

8. It was felt that no unexpected administrative difficulties should result from the introduction of the ECCM Tariff and in particular that the customs officials would be able to apply the new rules.

9. It was recognised that it is a justifiable wish to freeze the rights of the individual territories to impose taxes which also affect the regional trade but it was also stated, in the view of St. Vincent, such a measure would be premature.

10. Reference was made to the so-called "Exemption List" which already has been considered by the Council. It was suggested that the following items should be included for duty-free importation:<sup>1/</sup>

(a) Building material -

imported by industries (including agricultural undertakings as well as hotels and other tourist developments) for the first installation or extension approved by the Government in question in conformity with its development incentive legislation;

(b) Plant, equipment and appliances -

imported by industries (including agricultural undertakings as well as hotels and other tourist developments) for the first installation or extension approved by the Government in question in conformity with its development incentive legislation.

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<sup>1/</sup> For a further suggestion to add an additional item to the Exemption List, see the remark to TN.40.11 (rubber tyres and tubes for agricultural use) page 39.

Considerations Concerning Trade Policy

11. It was suggested that the ECCM Council should give approval to the ECCM Secretariat for the transmission of the new tariff to the countries which at present enjoy preferential treatment. Of course, it must be borne in mind that tariff is not yet in force and must be considered a strictly confidential document.

12. It was also felt that the ECCM Secretariat should be responsible for tariff negotiations, should such negotiations become necessary on the request of these countries. It should be mentioned that such negotiations could only be preparatory and that all decisions which would lead to a change of the new tariff would have to be approved by the Council.

13. In so far as the relation with GATT is concerned St. Vincent was in principle in favour of a participation of the ECCM in GATT. Feeling however, that an individual membership of each territory would be too burdensome it was also suggested that the Council approved that the ECCM Secretariat contacts GATT with a view of finding out whether it would be prepared to accept the ECCM as a collective member. It would be necessary to transmit in this context the ECCM agreement and to stress that the ECCM is a free trade area fully in conformity with the provisions of GATT. It was mentioned, however, that the relevant considerations are not yet concluded and that St. Vincent therefore cannot take a final stand on these points yet.

Legal Considerations

14. Referring to the question in which way the new tariff should be introduced the Attorney General stressed that two legal possibilities exist,

- (a) the full ECCM Tariff becomes a Vincentian law;
- (b) St. Vincent passes a law authorising its Government to accept a Common ECCM Tariff.

15. The Attorney General pointed out that he sees no way to enforce a law which would refer to a document not publicly available in St. Vincent. He felt that it should be possible, however, to combine this requirement with the wish to spare a special reprint of the ECCM Tariff. A possible solution which would have that effect would be e.g. if the Tariff would be printed for the whole region but in such a way that it can be used for St. Vincent.

16. In so far as the time is concerned the Attorney General saw no difficulty that the new tariff and the relevant provisions (relating merely to the consumption tax) could enter into force before January 1971.

Protocol Items <sup>\*/</sup>

17. The intention of the so-called Protocol Items is to permit countries to have individual special rates on items for which no general ECCM rate was accepted.

18. The principle was accepted that the special rates provided for certain countries should be reproduced in the Common External Tariff (next to the general rates applicable to the countries which made no reservations) so as to ensure that all tariff questions are part of a uniform law. The following rates were suggested for St. Vincent:

TN. 02.01  
MEAT - fresh, chilled or frozen  
(Protocol No. 1)

St. Vincent is prepared to accept the general duties suggested of 5/0 for bovine and 10/5 for other meat.

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<sup>\*/</sup> The products affected by Protocols are listed below in the order of complete BTN Headings. The product description, however, is abbreviated.

TN.22.03 - 22.07  
Alcoholic Beverages (except spirits)  
(Protocol No. 3)

The suggested duty of 30/20 is acceptable.

Of course St. Vincent maintains the right to apply a consumption tax of a specific basis differentiation by the type of product as well as the right to reduce the duty.

TN. 22.09  
Spirits  
(Protocol No. 3)

The duty of 70/60 is acceptable to all items of this tariff number except for rum.

In the case of rum the Government of St. Vincent wishes to continue the present duty of WI\$10.20/9.00 per liquid gallon of not over-proof rum and/or WI\$10.20/9.24 per proof gallon on any other type of rum.

Attention is drawn to the fact that these are the present rates which have to be maintained for the reason that they are the starting point of the gradual removing of the duties levied on rum produced in the region, provided for in the CARIFTA Agreement.

TN. 24.02  
Tobacco Manufactures  
(Protocol No. 3)

The suggested general rate of WI\$9.00/8.00 per pound is acceptable.

Of course St. Vincent maintains the right to apply a consumption tax of a specific basis differentiation by the type of product as well as the right to reduce the duty.

TN. 25.23  
Cement  
(Protocol No. 3)

St. Vincent wishes to maintain its present rate of WI\$0.18/0.12 per 100 pounds.

It maintains the right to suspend or reduce its duty.

TN. 27.09 - 27.10  
Petroleum Products  
(Protocol No. 3)

St. Vincent wishes to maintain the present rates which are,

	<u>Gen. Pref.</u>
1. Motor Spirit (Gasolene and other Light Oils for similar uses)	.44¢/.28¢
2. Lamp Oil and White Spirit (Kerosene, Illuminating Oil)	.06¢/.06¢
3. Gas Oil, Diesel Oil and other Fuel Oils	.17¢/.06¢
4. Lubricating Oils and Greases, including mixtures with animal and vegetable lubricants.	.35¢/.24¢

TN. 27.11  
Bottled gas  
(Protocol No. 3)

The suggested rate of 25/15 is acceptable.

Chapter 30  
Pharmaceutical Products  
(Protocol No. 3)

The suggested rates (0/0 for organic-therapeutic raw materials and anti-sera, and 15/10 for medicaments and other pharmaceutical products) are acceptable.

St. Vincent however, reserves the right to suspend the duty on medicaments, etc. fully or partially whenever necessary.



TN. 40.11  
Rubber tyres and tubes  
(Protocol No.2)

St. Vincent is prepared to accept the general rates suggested for tyres:

- (a) for recapping            0/0
- (b) other tyres                25/15

If the Council should wish that tyres for agricultural use should pay a special lower rate of duty this would best be achieved if a relevant item would be incorporated into the "Exemption List" which contains the conditional tariff reductions. That means the application of the lower rate would not depend on the quality of the products but on the use of it.

TN. 44.05  
Wood sawn lengthwise, sliced or \*/  
peeled, but not further prepared, etc.  
(Protocol No.3)

St. Vincent wishes to maintain the present rate of WI\$3.00/2.00 per 1000 superficial feet.

TN. 73.13  
Iron Sheets, clad or not  
(Protocol No.2)

St. Vincent is prepared to accept the suggested rate of 22/15. The right to reduce this rate fully or partially is maintained.

Special reservations

19. Although no reservation was made in the form of a protocol, St. Vincent asked for the right to apply individual rates for,

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\*/ Attention is drawn to the fact that this item does not include veneer sheets, etc.

TN. 87.02-05  
Motor Cars

and

TN. 87.06  
Spare Parts

The rates for motor cars (except agricultural tractors which are duty-free) have been fixed in the Common External Tariff, at the rates 35/15 and for motor car spare parts of 25/15. It was explained that St. Vincent after re-consideration had come to the conclusion that the general rate of 15% would be too low and would disturb the traditional pattern of trade. It was also not expected that the procedure of establishing preferential margins (which provided that these margins should be as close as possible to the average of the margins in force in the individual tariffs) would result in a preferential margin for motor cars of 20% in the ECCM tariff. To overcome this difficulty St. Vincent suggested that the corresponding items and sub-items in the ECCM tariff should be treated like a protocol item and that,

St. Vincent should be allowed to continue after the introduction of the ECCM tariff to apply for the motor cars in question and motor car spare parts a duty of 35/25 percent.

ST. KITTS-NEVIS-ANGUILLA

General Revenue Considerations

1. A comparison of the duties collected in 1967<sup>1/</sup> and the duties which would have been collected during the same period if the new ECCM Tariff had been in force shows an increase of the ECCM returns over the present returns of about WI\$276,000. (See table on page 42).

2. In this table, the necessary corrections have been made to take into account the fact that certain duty increases in the field of food products will not take place as well as the fact that the fiscal returns will not change in the case of those items for which the right to maintain the present duty rates has been reserved. (For details see footnote 2 to table on page 42). The figures on the other hand do not take into account the fact that the duty on sugar- and other machinery was reduced under special provisions from 10% to 5%, a fact which would further increase the calculated increase of the ECCM Tariff by about WI\$14,000.

3. These duty increases, however, will not become fully effective as the surtax levied at present on all ad valorem duties will have to be discontinued once the new regional tariff is put into effect. It is not possible to calculate the exact amount of income from the surtax which is levied at 12.5% on practically ad valorem rates but it is fair to estimate that this tax brought in 1967 about WI\$150,000,<sup>2/</sup> an amount which is amply covered by the increased returns the ECCM Tariff will bring.

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<sup>1/</sup> These figures are the result of the application of the present rates to the relevant imports. They have not been compared with the factual returns which may contain differences due to various reasons e.g. goods returned, overlapping of periods, etc.

<sup>2/</sup> It is known that the ad valorem rates are about 75% of all rates (all rates as shown in the table on page 42 i.e. 1,600,000, 75% of it 1,200,000); 12.5% of this figure results in about WI\$150,000.

**ECCM COMMON EXTERNAL TARIFF**  
**INCREASES AND DECREASES ACCORDING TO SECTIONS**  
**BASED ON 1967 LEVELS OF TRADE**  
**(WOUNDED UP TO 1000 WIDOLLARS)**

SITC Section	Products	Import Value 1967	Duty Yield 1967		Yield from ECCM Tariff		Total Revenue		Difference (+/-)
			Gen.	Pref.	Gen.	Pref.	1967	ECCM	
0	Food	5,189	102	262	144*	308*	365	452	+ 87
1	Beverages & Tobacco	704	79**	1,205	-	-	-	-	-
2	Crude Materials	399	3	3	19	12	5	32	+ 27
3	Mineral Fuels	546	8***	276***	-	-	-	-	-
4	Oils and Fats	184	25	2	49	2	27	52	+ 25
5	Chemicals	1,450	47	102	43	153	149	196	+ 47
6	Manufactured goods	2,905	143	186	178	254	329	433	+ 104
7	Machinery & Transport Equipment	3,100	161	331	142	273	492	416	- 76
8	Miscellaneous Manufactured Articles	1,707	147	156	165	184	297	359	+ 62
	<b>Total</b>	<b>16,180</b>	<b>623</b>	<b>1,042</b>	<b>750</b>	<b>1,186</b>	<b>1,664</b>	<b>1,940</b>	<b>+ 276</b>

Total increase (ECCM - over present duty returns):      WI\$276,000

\*/ The duty returns (294,000 general and 312,000 preferential) have been reduced to the figures given in this column due to the fact that St.Kitts will not levy duty on meat under the reservation in Protocol No.1.

\*\*/ Not included in the comparative calculation since Beverages and Tobacco contained in Protocol No.3 to ensure the same returns to St.Kitts also after the introduction of the ECCM Tariff.

\*\*\*/ Not included in the comparative calculation since Petroleum Products (of which this section mainly consists) are contained in Protocol No.3 to ensure the same returns to St.Kitts also after the introduction of the ECCM Tariff.

4. It may be appropriate to stress in this connection that the increase in returns will come purely from the introduction of higher rates on luxury goods and goods which are meant to enjoy protection and not on goods with social importance. In particular, attention is drawn in this connection to the fact that for special reasons St.Kitts maintained the right to continue the duty-free importation of the basic meat products. (See below: Section Protocol items).

Consumption Tax

5. Although St.Kitts will have no need to increase the consumption rates in order to compensate the loss caused by the introduction of the ECCM Tariff, since there will be no loss as has been shown, the introduction of the new tariff may nevertheless necessitate a change of individual tax rates.

6. The consumption tax in force in St.Kitts is levied on all local and imported products including area products and is mainly meant to cover the revenue loss caused by the fact that regional imports are free from import duties. It is levied on most goods at the rate of  $2\frac{1}{2}\%$  and only for spirits, cigarettes, petroleum products, motor cars of all types and matches higher rates are levied. Considering that the value of the imports in 1967 amounted to WI\$1,664,000, and that the consumption tax will bring more than  $2\frac{1}{2}\%$ , the total returns from this tax can be estimated to be at least WI\$40,000.

7. The collection of this tax has caused so far certain difficulties as it was levied on all products some of which should obviously not be subjected to any taxation measures, such as newspapers, imported personal effects, etc. A revision of the tax law to correct this situation is underway. In this connection the ECLA representative suggested that the Government of St.Kitts should consider to free simultaneously with

St. Kitts

the introduction of the ECCM Tariff all goods from the consumption tax which are duty-free. It was stressed that such a measure, which is essential in the interest of maintaining the development incentive built-in into the ECCM Tariff should be possible without causing financial difficulties due to the fact that the ECCM Tariff will lead to a higher customs income.

8. The question was discussed whether it would be possible to remove also the tax on goods imported from the ECCM or CARIFTA regions which are not produced locally. It was acknowledged that such a solution would be very advantageous for the formation of the common market but it was also felt that its introduction might be premature.

9. It is interesting to note in this connection the relation of the total trade to the regional trade as well as the increasing importance of the regional trade and an attempt to show this relation is made in the following table which gives the estimated percentage of the regional trade in the total trade.

	<u>1967</u>	<u>1970</u>
ECCM Imports	less than 1%	1% or slightly more
CARIFTA Imports	15%	20%

10. Eventually reference was made in connection with the discussion of the consumption tax that excise duties are levied on beer and sugar. St. Kitts, without committing herself firmly to such a change, agreed that a transformation of the excise duties to special rates of the consumption tax would have the advantage of separating the protective part of the duty from the fiscal part of it, a solution which would give more freedom for fiscal action.

Application of the New Tariff

11. It was acknowledged that the new ECCM Tariff as amended in the Grenada meeting and approved by the Council of Ministers at the Fourth Meeting is in conformity with the economic requirements of a developing country and the relevant principles laid down by the ECCM Council to such a degree as this can be possible in a tariff which is to accommodate the varying needs of seven territories. It was recognised that the rates on social items, raw materials and capital goods are nil or negligible and that the increase of the customs revenue the new ECCM Tariff would bring was caused by increase of duties on not so essential goods.

12. St. Kitts stressed that it can agree with all duties as suggested in the ECCM Tariff on the understanding that the special import rates suggested by her for the Protocol items are accepted. It was added, however, that the duty of 30/20 on Edible Oils can only be accepted as long as St. Kitts does not join the Oils and Fats Agreement.

13. It was felt that no unexpected administrative difficulties should result from the introduction of the ECCM Tariff and in particular that the customs officials would be able to apply the new rules.

14. It was suggested that the following items should be included in the "Exemption List" to ensure their duty-free importation;

(a) Building material -

imported by industries (including agricultural undertakings as well as hotels and other tourist developments) for the first installation or extension approved by the Government in question in conformity with its development incentive legislation;

(b.) Plant, equipment and appliances -

imported by industries (including agricultural undertakings as well as hotels and other tourist developments) for the first installation or extension approved by the Government in question in conformity with its development incentive legislation.

Considerations concerning Trade Policy

15. It was suggested that the ECCM Council should give approval to the ECCM Secretariat for the transmission of the new tariff to the countries which at present enjoy preferential treatment. Of course, it must be borne in mind that tariff is not yet in force and must be considered a strictly confidential document.

16. In so far as the relation with GATT is concerned, St. Kitts was in principle in favour of a participation of the ECCM in GATT. Feeling however, that as individual membership of each territory would be too burdensome it was also suggested that the Council approve that the ECCM Secretariat contact GATT with a view of finding out whether it would be prepared to accept the ECCM as a collective member. It would be necessary to transmit in this context the ECCM Agreement and to stress that the ECCM is a free trade area fully in conformity with the provisions of GATT. It ought to be mentioned, however, that the relevant considerations are not yet concluded and that St. Kitts therefore cannot take a final stand on these points yet.

Legal Considerations

17. The Attorney General felt that it should be possible to combine the wish to publish the ECCM Tariff in St. Kitts with the wish to avoid that each of the ECCM members has to provide a special print. It should be possible for example to print the Tariff at a central point for the whole region if the format



of the printing stock is such as to fit also the smallest official Gazette and if enough advance copies are made available to incorporate it into this Gazette.

18. In so far as the time is concerned the Attorney General saw no difficulty that the new tariff and the relevant provisions relating merely to the consumption tax could enter into force before January 1971.

Reserved Items

19. The ECCM countries accepted for most tariff items duty rates applicable to all member countries. On the few items (about 12) on which no such agreement could be reached some countries maintained in Protocols <sup>1/</sup> their right to continue to apply special rates. St. Kitts agreed that for the sake of clarity, and also for the sake of simplification of the legal procedure of enforcing the rates which the individual countries apply, these special local rates should be spelt out in the common ECCM Tariff.

20. It was also accepted to treat the motor cars and motor car spare parts similar to the other Protocol items although the reservation of Montserrat could, due to her later accession to the ECCM, not be included in any of the Protocols.

21. For these reserved items, the following rates were suggested by St. Kitts for her imports. <sup>2/</sup>

TN.02.01  
MEAT - fresh, chilled or frozen  
(Protocol No. 1)

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<sup>1/</sup> In the following list it is shown in which of the three Protocols the reservation concerning a particular item is included.

<sup>2/</sup> The products affected by Protocols are listed below in the order of complete BTN Headings. The product description, however, is abbreviated.

St. Kitts

St. Kitts reserves the right that all items of this tariff number can be imported duty-free.

TN.22.03-22.07  
Alcoholic Beverages (except spirits)  
(Protocol No. 3)

The suggested general duty of 30/20 is acceptable.

Mainly in the case of beer (TN.22.03) the changed fiscal effect caused by this new rate will be corrected by the adaptation of the consumption tax rate.

TN.22.09  
Spirits  
(Protocol No. 3)

The general rate of 70/60 is acceptable to St. Kitts only on the non-specified spirits of sub-tariff No. 90. For all other spirits St. Kitts wishes to maintain its present rates as shown in the following sub-items: <sup>1/</sup>

11	Rum underproof	WI\$9.00/7.50	per (liquid) gallon
12	" overproof	\$9.00/7.50	per proof gallon
21	Brandy underproof	\$18.25/17.00	per (liquid) gallon
22	" overproof	\$18.25/17.00	per proof gallon
31	Whisky underproof	\$18.25/17.00	per (liquid) gallon
32	" overproof	\$18.25/17.00	per proof gallon
41	Gin underproof	\$18.25/17.00	per (liquid) gallon
42	" overproof	\$18.25/17.00	per proof gallon
51	Vodka underproof	\$5.80/4.35	per (liquid) gallon
52	" overproof	\$5.80/4.35	per proof gallon
60	Bitters	\$1.90/1.15	per (liquid) gallon
90	Other Spirits	70/60%	

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<sup>1/</sup>These sub-items are grouped in such a way as to single out rum, the rates of which have to be phased out under the CARIFTA Agreement. The same applies to whisky, gin and Vodka for which, however, a different phasing plan is provided.

St. Kitts

TN.24.02  
Tobacco Manufactures  
(Protocol No. 3)

The suggested general rate of WI\$9.00/8.00 per pound is acceptable.

The difference in customs returns as compared with the present rate will be corrected by a change of the consumption tax rate.

TN.25.23  
Cement  
(Protocol No. 3)

St. Kitts wishes to maintain its present duty of WI\$0.35/0.20 per 100 lbs.

TN.27.09 - 27.10  
Petroleum Products  
(Protocol No. 3)

St. Kitts is prepared to accept the general rate of WI\$0.50/0.20 per gallon.

The differentiation in returns will be achieved by the introduction of different consumption tax rates.

TN.27.11  
Bottled Gas  
(Protocol No. 3)

The general percentage rate of 25/15 is acceptable to St. Kitts; a change in the consumption tax rates may, however, become necessary.

Chapter 30  
Pharmaceutical Products  
(Protocol No. 3)

The suggested general rates of 0/0 for pharmaceutical raw materials and 15/10 for other pharmaceutical products is acceptable to St. Kitts.

Probably no consumption tax will be levied on these products.

St. Kitts

TN.40.11  
Rubber tyres and tubes  
(Protocol No. 2)

St. Kitts is prepared to accept the suggested general rate of 25/15.

It is also prepared to accept the rate of 0/0 for tyres imported for the recapping industry although there is no such industry in St. Kitts. It is also found generally that such an encouragement of importation of used tyres (which are practically valueless and furthermore should be available in sufficient quantity on the local market) should not be encouraged.

St. Kitts, however, is not prepared to grant duty-free importation for tyres to be used in agriculture.

TN.44.05  
Wood sawn lengthwise, sliced or  
peeled but not further prepared, etc.  
(Protocol No. 3)

The suggested general rate of 10/5 is acceptable.

TN. 73.13  
Iron sheets clad or not  
(Protocol No. 2)

The suggested general rate of 22/15 is acceptable.

TN.87.02 - 05  
Various Motor Cars  
and  
TN. 87.06  
Spare Parts

St. Kitts stressed that the general rates of 35/15 fixed in the Common External Tariff for motor cars (except agricultural tractors which are duty-free) and of 25/15 for motor car spare parts are acceptable.

MONTSERRAT

General Revenue Considerations

1. Montserrat compared the duty rates of the present tariff with the duty rates of the ECCM and came to the conclusion that the new tariff will bring considerably higher returns. In order to support this conclusion a calculation was made available (see table on page 52) which shows that the gains are estimated to exceed slightly (by WI\$5,000) the losses.
2. It can be expected, however, that the duty returns will increase more if it is taken into account that a considerable increase of trade is expected as a result of the increasing housing and hotel developments. It may be appropriate to stress in this connection, however, that generally the increase in returns to be expected from the ECCM Tariff will come purely from the introduction of higher rates on luxury goods and goods which are meant to enjoy protection and not from goods with social importance.
3. It is to be noted that Montserrat does not levy surtax or any other import charge which would have to be removed with the introduction of the ECCM Tariff and the removal of which would reduce the effect of any duty increase.
4. Taking these facts into account it is obvious that Montserrat will have no need to increase the consumption tax rates in connection with the induction of the ECCM Tariff. Special reference is to be made to this tax, however, since it may nevertheless be affected by the introduction of the new tariff insofar as individual rates are concerned.

COMPARISON OF CUSTOMS RETURNS

under the present and the suggested rates

Significant Gains

(exceeding 1,000 dollars)

012-01.1, 012-01.2	Bacon and Ham	WI\$1,016
013-02.9	Meat and meat preparations in time	3,040
062-01	Sugar confectionery	1,100
099-09.19	Other food preparations	3,850
551-02	Synthetic perfumes and flavourings	1,100
552-01.3	Other perfumes	1,490
732-06.2	Bodies, chassis and frames	6,640
642-09.9	Other articles of pulp of paper	<u>1,425</u>
		WI\$19,661

Significant Losses

(exceeding 1,000 dollars)

242-09.1, 242-09.2	Poles and other wood in the round	WI\$2,890
631-02	Plywood	1,725
665	Glass containers	1,080
699-12.2	Hand tools	4,009
716-03	Conveying and fishing machinery	3,930
721-01	Electric generators and alternators	0*
721-02	Electric batteries	2,120
732-01	Motor cars	0**
081-03	Animal feeds	<u>1,160</u>
		WI\$16,024

Montserrat estimated the increase of the ECCM rates over duties collected to be on the whole about WI\$5,000.

\*/ The calculated loss on these items of WI\$11,940 is not taken into consideration, due to the fact that at present no duty is collected on these items for the reason that they are either Government imports or imports which enjoyed from benefits provided for developing countries.

\*\*/ The calculated loss on Motor Cars would be WI\$12,500. This loss will not occur due to the fact that Montserrat maintains the present duty under a Reservation.

Consumption Tax

5. Montserrat levies a consumption tax on the import of selected items including imports from ECCM and CARIFTA areas. The rates are specific or ad valorem depending on the type of the duty rate. The aim of this consumption tax is to make up the loss which the removal of the duties on regional trade causes.

6. In the interest of maintaining the automatic production incentive contained in the ECCM Tariff the ECLA representative suggested that the Government of Montserrat might consider that all goods which are duty-free in the Tariff or as a result of a special provision (e.g. goods included in the Exemption List) (see paragraph 11) should also be tax free.

7. Only on rum an excise duty is levied. In view of the advantage of separating the protective effect of the duty included in the regional tariff from the fiscal effect which could be included in a local law, Montserrat has already decided that the excise duty on rum should be transformed into a consumption tax rate.

Application of the new tariff

8. It was acknowledged that the new ECCM Tariff as amended in the Montserrat meeting and approved by the Council of Ministers at the Fourth Meeting is in conformity with the economic requirements of a developing country and the relevant principles laid down by the ECCM Council to such a degree as this can be possible in a tariff which is to accommodate the varying needs of seven territories. It was recognised that the rates on social items, raw materials and capital goods are nil or negligible and that the increase of the customs revenue the new ECCM Tariff would bring was caused by increases of duties on not so essential goods.

9. It was felt that no unexpected difficulties should result from the introduction of the ECCM Tariff and in particular that the customs officials would be able to apply the new rules.

10. It was recognised that it is a justifiable wish to freeze the rights of the individual territories to impose taxes which also affect the regional trade but in Montserrat's view, such a measure would be premature.

11. Reference was made to the so-called "Exemption List" which already has been considered by the Council. It was suggested that the following items should be included in this List for duty-free importation<sup>1/</sup>:

(a) Building material -

imported by industries (including agricultural undertakings as well as hotels and other tourist developments) for the first installation or extension approved by the Government in question in conformity with the development incentive legislation in force in that country;

(b) Plant, equipment and appliances -

imported by industries (including agricultural undertakings as well as hotels and other tourist developments) for the first installation or extension approved by the Government in question in conformity with the development incentive legislation in force in that country.

Considerations concerning Trade Policy

12. It was suggested that the ECCM Council should give approval to the ECCM Secretariat for the transmission of the new tariff to the countries which at present enjoy preferential treatment. Of course, it must be borne in mind that the tariff is not yet in force and must be considered to be a strictly confidential document.

13. In so far as the relation with GATT is concerned, Montserrat was in principle in favour of a participation of the ECCM in GATT. Feeling, however, that individual membership of each territory would be too burdensome it was also suggested that the Council approves that the ECCM Secretariat contacts GATT with a view to

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<sup>1/</sup> For a further suggestion to add an additional item to the Exemption List, see the remark to TN.40.11 (concerning rubber tyres and tubes for agricultural use) page 59



finding out whether it would be prepared to accept the ECCM as a collective member. It would be necessary to transmit in this context the ECCM Agreement and to stress that the ECCM is a free trade area fully in conformity with the provisions of GATT. It ought to be mentioned, however, that the relevant considerations are not yet concluded and that Montserrat therefore cannot take a final stand on these points yet.

Legal Considerations

14. It was felt that it should be possible to combine the requirements of publishing the ECCM Tariff in each territory with the wish to avoid costly reprinting. It should be possible for example to print the Tariff at a central point for the whole region if the format of the printing stock is such as to fit also the smallest official Gazette and if enough advance copies are made available to incorporate it into this Gazette,

15. In so far as the time is concerned the Attorney General saw no difficulty that the new Tariff and related provisions (e.g. relating to the consumption tax) could enter into force in time to become effective on January 1971.

Reserved Items

16. The ECCM countries accepted duty rates applicable to all member countries for most tariff items. On the few items on which no such agreement could be reached some countries maintained their right in Protocols<sup>1/</sup> to continue to apply special rates. Montserrat agreed that not only for the sake of clarity, but also for the sake of simplification of the legal procedure of enforcing the rates which the individual countries apply, these special local rates should be spelt out in the common ECCM Tariff.

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<sup>1/</sup> In the following list it is shown in which of the three Protocols the reservation concerning a particular item is included.

17. Montserrat referred to her reservation concerning the duties for the motor cars and motor car spare parts which was made in connection with her later accession to the ECCM. This reservation is treated in the following list similar to the items covered by earlier Protocols.

18. For these reserved items, the following rates were suggested by Montserrat for her imports.<sup>1/</sup>

TN.02.01  
MEAT - fresh, chilled or frozen  
(Protocol No. 1)

The general rates of 5/0 for meat of bovine and of 10/5 of other animals is acceptable.

TN.02.02  
DEAD Poultry  
(Protocol No. 1)

The general rates of 25/15 is acceptable, except for necks, backs and wings for which a general rate of 5/0 is suggested.

Montserrat maintains the right, however, to apply the rate of 0/0 on necks, backs and wings instead of the general rate of 5/0.

TN.22.03 - 22.07  
Alcoholic Beverages (except spirits)  
(Protocol No. 3)

Montserrat accepts the general rate of 30/20 except for beer and wine.

On these Montserrat wishes to maintain the rate of:

TN.22.03 beer WI\$0.45/0.20 per gallon

TN.22.05 wine

10 - still wine WI\$1.50/0.50 per gallon

20-- sparkling wine WI\$5.00/3.50 per gallon

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<sup>1/</sup> The products affected by Protocols are listed below in the order of complete BTN Headings. The product description, however, is abbreviated.

TN.22.09  
Spirits  
(Protocol No. 3)

Montserrat is not in a position to accept the general rate of 70/60 but wishes to maintain its present rates as follows:

10	-	rum	WI\$8.00/5.00	per gallon
20	-	brandy	WI\$8.00/6.00	" "
30	-	whisky	WI\$4.00/2.00	" "
40	-	gin	WI\$4.00/2.00	" "
50	-	vodka	WI\$4.00/2.00	" "
60	-	bitters	WI\$1.50/1.00	" "
90	-	other spirits	WI\$2.00/1.00	" "

TN.24.02  
Tobacco Manufactures  
(Protocol No. 3)

The suggested general rate of WI\$9.00/8.00 per pound is not acceptable. Montserrat wishes to maintain the present rate of WI\$4.50/3.25 per pound.

TN.25.23  
Cement  
(Protocol No. 3)

Montserrat wishes to maintain the present percentage rate of 8/3.

TN.27.09 - 27.10  
Petroleum products  
(Protocol No. 3)

Montserrat is prepared to accept the general rate of WI\$0.30/0.20 per gallon except for kerosene, but wishes to maintain the present rate of WI\$0.12/0.06 per gallon.

TN.27.11  
Bottled gas  
(Protocol No. 3)

The general percentage rates of 25/15 is acceptable to Montserrat.

Chapter 30  
Pharmaceutical products  
(Protocol No. 3)

The suggested rates (0/0 or organic therapeutic raw materials and anti-sera and 15/10 for medicaments and other pharmaceutical products) are acceptable.

TN.40.11  
Rubber tyres and tubes  
(Protocol No. 2)

Montserrat is prepared to accept the general rates suggested for tyres:

- (a) for recapping 0/0
- (b) other tyres 25/15

Montserrat agrees that the advantage provided for tyres to be used in agriculture should be granted by an appropriate insertion in the Exemption List.

TN.44.05  
Wood sawn lengthwise, sliced or peeled  
but not further prepared, etc.  
(Protocol No. 3)

Montserrat wishes to maintain the present rate of WI\$3.75/2.50 per 1,000 superficial feet.

TN.73.13  
Iron sheets, clad or not  
(Protocol No. 2)

Montserrat is prepared to accept the suggested percentage rate of 25/15.

TN.87.02-05  
Motor Cars

and

TN.87.06  
Spare Parts

Montserrat maintains the right to continue with the present rates of 47/4%.

ANTIGUA

1. The Regional Adviser on Trade Policy and Integration in the ECLA Office visited Antigua on 8 May 1970 to study in conformity with the wish expressed by the ECCM Council the fiscal effect which the introduction of the ECCM Tariff would have on Antigua.
2. The representative of Antigua said that he had not yet been able to carry out the detailed calculations he had promised to make. He stated, however, that the calculation based on the first draft of the ECCM Tariff did show that the new ECCM Tariff would bring considerably higher returns. The ECLA representative concluded that consequently it is quite safe to assume that also a calculation based on the final ECCM Tariff will give the same picture due to the fact that on the whole the level of rates has been maintained. This applies in particular to the preferential rates, the only rates which were already fixed in the first draft of the Common External Tariff.
3. The representative of Antigua stressed that it is not the intention of Antigua to delay the introduction of the ECCM Tariff and that Antigua will cooperate fully in the attempt to achieve its final approval. He stated in this connection in particular that the position of Antigua is rather well known and that it should be possible to incorporate most of her wishes into the ECLA Report in preparation. Antigua will cooperate in that any missing information will be made available during the discussions of the ECCM Council.
4. These statements permit a finalisation of the Report the aim of which in any case is only to isolate the open questions and to present them to the Council for decision. A special position holds the list of the reserved Protocol Items. This list interprets the wishes of the countries in such a way as to relate them clearly to concentrate tariff numbers and to spell them out properly. It is obvious that under the special situation information concerning Antigua (see Appendix 2) requires

the approval of Antigua. Of course, since this list will have to be approved by the Council, Antigua will have full opportunity to make known its final wishes.

5. Insofar as the consumption tax is concerned the representative of Antigua stated that Antigua has recourse to a consumption tax. This tax was introduced independent from the introduction of the free movement of regional goods. The previous general consumption tax rate of 5% has, however, been increased to 6% in that context. It is not expected, he added, that the introduction of the ECCM Tariff will necessitate a change in the consumption tax rates.

6. Insofar as the Protocol (and other reserved) items are concerned it is attempted in the following List<sup>1/</sup> to establish (with all necessary reservation) the Antigua situation:<sup>2/</sup>

TN.02.01

MEAT - fresh, chilled or frozen  
(Protocol No.1)

The general ad valorem rates of 5/0 for meat of bovine and of 10/5 for other animals may not be acceptable. The right to import meat duty-free may be maintained.

TN.02.02

DEAD Poultry  
(Protocol No.1)

The general rates of 25/15 for chicken and chicken parts, and of 5/0 for necks and backs and wings may be acceptable.

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1/ The List includes the same items as in the case of other countries plus sugar (TN. 17.01B) the items on which Antigua made a special reservation.

2/ Where it is known that Antigua wishes to maintain her present rates, these rates are taken from the Customs Duties Ordinance (Amendment) Act 1968.

TN.17.01B  
Sugar refined

Antigua made a special reservation with a view to reserve the right to apply on refined sugar (including sugar called "Plantation White") the rate of WI\$2.80/0.67 per 100 lbs.

TN.22.03 - 22.07  
Alcoholic Beverages (except spirits)  
(Protocol No.3)

The general rate of 30/20 may be acceptable except for beer and wine for which the right to apply the present rates may be ascertained:

- For beer (TN.22.03) WI\$2.00/1.80 per gallon;
- For wine (TN.22.05) (a) sparkling WI\$6.05/4.95 per gallon;
- (b) other wine WI\$4.40/3.85 per gallon.

TN.22.09  
Spirits  
(Protocol No.3)

Antigua may wish to maintain its present rates:

	per liquid gallon if under-proof, and per proof gallon if stronger.
10 - rum	WI\$4.35/3.30
20 - brandy	\$5.50/4.68
30 - whisky	\$5.83/0.57
40 - gin	\$4.40/2.50
50 - vodka	\$4.40/2.50
60 - bitters	\$7.98/7.32 per liq. gallon
90 - other spirits	\$11.55/10.56

Furthermore Antigua may wish to reserve the right to import medicinal spirits, methylated spirits, perfumed spirits at rates of WI\$2.30/1.58 per liquid gallon or lower.

TN.24.02  
Tobacco Manufactures  
(Protocol No. 3)

Antigua may wish to maintain its present (simplified) rates:

- |  |                       |
|--|-----------------------|
| (a) Cigars (if over the value of \$1.44 per 100)         | WI\$4.20/3.36 per lb. |
| (b) Cigars (if under and of the value of \$1.44 per 100) | 3.36/2.10             |
| (c) Cigarettes   | 4.20/2.80             |
| (d) Snuff  | 4.20/2.80             |
| (e) Other manufactured tobacco                           | 3.36/2.24             |

TN.25.23  
Cement  
(Protocol No. 3)

Antigua may wish to maintain the present rate of WI\$1.34/0.67¢ per 400 lbs.

TN.27.09-10  
Petroleum products  
(Protocol No. 3)

Antigua may wish to maintain the present rates:

- |                   |                          |
|-------------------|--------------------------|
| (a) Motor spirits | WI\$0.29/0.22 per gallon |
| (b) Diesel Oils   | 0.05/0.02 " "            |
| (c) Kerosene      | 0.07/0.04 " "            |
| (d) Heating Oils  | 11/6 percentage rate     |
| (e) Lubricants    | 0.13/0.09 per gallon     |
| (f) Other         | 0.20/0.13 " "            |

TN.27.11  
Bottled gas  
(Protocol No. 3)

The general percentage rate of 25/15 may be acceptable to Antigua.