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TRADE POLICY IN CARICOM: OVERVIEW OF THE MAIN TRADE POLICY MEASURES

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Executive Summary

This paper reviews trade policy regimes in CARICOM countries during the 1980s and 1990s. CARICOM trade policy regimes have undergone substantial changes in the 1990s reflecting the desire of the group's member countries to move away from inward-looking to more outward-oriented growth and development. The growing recognition of the importance of export promotion policies led to the adoption of a programme for the Harmonization of Fiscal Incentives to Industry in 1993. All the CARICOM countries have introduced a series of export promotion measures, including fiscal incentive regimes and export financing schemes.

Despite the policy of trade liberalization adopted by many countries and which, in general, has resulted in the reduction of tariffs, many CARICOM countries continue to apply additional trade charges, such as customs surcharges, stamp duty and discriminatory rates of consumption taxes. These taxes affect imports of non-CARICOM and CARICOM countries.

Non-tariff barriers are also widely used in CARICOM countries. While some countries, notably Trinidad and Tobago and Jamaica, have removed non-tariff barriers on imports from CARICOM countries, others, such as Barbados and the OECS countries, still maintain an array of such measures.

The number of policy measures of a restrictive nature still in operation in CARICOM point to the need for further trade liberalization. Indeed, it is argued that international and regional negotiations particularly those for the establishment of the FTAA, present a golden opportunity for the Caribbean countries to further liberalize their trade.

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1. INTRODUCTION

Prior to trade policy reforms in the 1980s and 1990s, trade regimes in the Caribbean were comparable to those of many developing countries. They were characterized by high and widely dispersed tariffs and considerable use of non-tariff barriers (NTBs), including quantitative restrictions such as discretionary licensing requirements. For manufactured goods the effective levels of protection were higher than nominal levels[1]. Various systems of exemptions were used as part of regional and sectoral promotional schemes. High duties against goods originating from within the region were commonly used, thereby undermining the growth of intraregional trade, which was the primary objective of the economic integration scheme. In addition, high tariffs imposed on manufactured imports hindered the development of a competitive manufacturing sector in the Caribbean Community (CARICOM) region. Exchange rate policy provided for fixed nominal exchange rates, which led to real exchange rate misalignments, including overvaluation, which in turn accentuated the bias against the tradable sector. Exchange and capital controls were used in virtually all the CARICOM countries.

Economic and export performance in the CARICOM countries was not impressive when compared with other countries, which have embraced export-led growth. Output growth through the 1980s fell consistently below the average for the developing countries.[2] Disappointment with the performance of the import substitution strategy in many developing countries and the superior economic performance of the South East Asian countries, which had embraced outward-oriented policies at an early stage, generated interest in many developing countries, including the Caribbean, and encouraged the latter to embrace more open policies for trade and development.

It is in that context that many countries in the Caribbean embarked upon major programmes of economic reform, including trade liberalization, with the aim of inducing significant structural changes in domestic production and external trade by altering and improving incentives and, thereby, enhancing the competitiveness of the tradable sector. Many of the structural adjustment and stabilization programmes implemented by several CARICOM countries in the mid-1980s and early-1990s were not implemented unilaterally, but rather in compliance with the conditionalities attached to World Bank and International Monetary Fund (IMF) lending.

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[1] ECLAC LC/G./Rev. 1-P " Latin America and The Caribbean: Policies to Improve Linkages with the Global Economy.

[2] See World Bank Report- " The Caribbean Common Market: Trade Policies and Regional Integration in the 1990s", 25 December 1990.

Apart from the implementation of the structural adjustment and stabilization programmes in individual Caribbean countries, the progressively open trade policies were complemented by both the acceleration of economic integration in CARICOM and the initiation of other trade agreements with countries from Latin America and the Caribbean.

In recent years CARICOM has prepared a number of protocols to amend the Treaty of Chaguaramas. One such is Protocol II, which makes provision for the nationals of CARICOM countries to establish business enterprises, provide services and move capital without restrictions within the subregion. This Protocol should lead to greater integration of factor markets in the subregion. Other protocols are Protocol III on industrial policy, Protocol V on agricultural policy, Protocol IV on trade policy, Protocol VIII on dispute settlement and Protocol IX on competition policy. Despite the delays experienced, all the protocols with the exception of Protocols VIII and IX were signed by all the member countries. All these protocols, when implemented, will increase the openness of the region to trade and investment.

Taking cognizance of the need to widen integration to other areas, CARICOM has signed agreements with other countries in the Americas. Such agreements have been signed with Colombia and Venezuela and, more recently, with the Dominican Republic. All these agreements seek to promote further trade and investment linkages.

Another salient feature of Caribbean policies in the decade was the preparation for and the beginning of the negotiations together with other African, Caribbean and Pacific (ACP) countries of a successor agreement to LOME IV. The negotiating position so far seems to be leaning towards seeking the continuation of preferences beyond 2005.

Since 1994, the Caribbean countries together with other countries in the Western Hemisphere, have been actively participating in negotiations for the establishment of the Free Trade Area of the Americas (FTAA). The specific commitments the countries are expected to make in terms of the lowering of tariff and non-tariff barriers will undoubtedly lead to further liberalization of trade regimes in the Caribbean.

The objective of this paper is to review trade policy regimes in the CARICOM countries and, where possible, compare them with trade regimes in other developing countries, particularly those of Latin America. The structure of the paper is as follows: Section One is an introduction. Section Two looks at the external trade policies of CARICOM, such as the Common External Tariff (CET), additional trade charges, and non-tariff barriers, including quantitative restrictions. Section Three examines the internal policies of CARICOM, that is, policies governing intraregional trade (including both tariff and non-tariff barriers). Section Four discusses, briefly, the special regime for the Less Developed Countries (LDCs) of CARICOM. Section Five examines the export promotion policies of individual countries and, finally, Section Six presents the main conclusions.

2. EXTERNAL TRADE POLICIES OF CARICOM

In general, trade policy or commercial policy refers to the set of policies taken by a government to influence the composition and direction of the country's international trade. In influencing the country's pattern of trade, the government chooses among a number of measures, such as tariffs and non-tariff measures. In the case of CARICOM, the set of trade policies agreed to at the subregional level, together with policies set by individual governments at national level, by and large determines the overall trade policy regime within CARICOM itself and between CARICOM and third countries.

The Section that follows discusses the following elements of CARICOM external policy: CET, additional trade charges and non-tariff barriers, including quantitative restrictions.

(a) Common External Tariff (CET)

In 1991, CARICOM members agreed to a harmonized CET for imports from outside the Common Market, but many countries did not implement it. The changes taking place globally, particularly the shift towards liberalization and more openness, led countries to rethink the structure of the CET. A decision was taken to implement a revised CET regime with effect from January 1993, with an initial tariff range of 0-45 per cent. The CET was designed to undergo a four-phase reduction to be completed over five years, at the end of which the tariff ceiling would be lowered to 20 per cent (see table 2). This new CET regime is currently in its final stage of implementation. Belize was granted a two-year grace period to implement each of the phases of the CET, with the last phase to be completed by 2000. Despite delays in the implementation of the CET, most of the countries have completed Phase IV of the Common External Tariff. This indicates an important policy shift away from inward looking industrialization to more outward orientation.

The structure of the CET differed between competing and non-competing imports, as well as between inputs, intermediate and final goods, forming a hierarchy in which non-competing inputs bear the lowest tariffs, while competing final goods bear the highest tariffs. Agriculture was accorded separate treatment in the form of higher protection, in view of its importance to employment creation, rural development and foreign exchange earnings and because of the need to provide protection from dumping by industrialized countries. Agricultural commodities are charged a 40 per cent tariff while agricultural inputs all have a 0 tariff rate. Rice is treated differently from other agricultural products since it is considered to have a cost of living effect and, as such, has been assigned an initial tariff of 25 per cent to be reduced subsequently. Belize's rice (a basic consumption good) is subject to an even lower tariff rate of 3 per cent.

In addition, the structure of the CET includes four Lists (A, B, C, and D) which give effect to certain principles. List A consists of goods whose production may account for less than 75 per cent of regional consumption, but which a country might wish to stimulate and, therefore, protect. The country would, therefore, be allowed to treat the product as competing while other countries apply lower rates. List B comprises special concessions to the LDCs [3], but is no longer operational.

List C comprises products that are highly revenue sensitive (cigarettes and alcoholic beverages), for which minimum rates were established, allowing each country to set its own rate. This List, together with agricultural goods, comprises the most sensitive items. The actual rates applied by different countries for products on this List sometimes show wide differences. For example, the tariff for beer varies from 30-50 per cent for all countries, with the exception of Guyana where it is 100 per cent.

List D allows Belize to suspend the CET for specific products (gas stoves, non-electric stoves, refrigerators, etc) and Part III of the List allows LDCs to suspend the rates on pharmaceuticals, since some of them have a zero or minimal tariff on these products. Products deemed to have a cost of living effect were assigned tariffs of 0, 5 and 10 per cent. In addition to these exceptions to the CET, each country also has its own set of exceptions to the Caribbean Common Market Trade Agreement. Many of these exceptions are designed to provide specific protection to locally produced goods.

Countries differ widely in their policies regarding duties on inputs. Some countries, notably Trinidad and Tobago, exempt inputs from duties while Grenada levies up to 5 per cent duty on raw materials and other intermediate inputs. Suriname also allows manufacturers to import raw materials on a duty free basis. While duty exemptions are allowed and are widely used for various purposes, as previously indicated, there is a list of products for which countries are not allowed to give duty exemptions (e.g. frozen fish, bacon, carrots, etc.).

Table 1 provides information on the tariff structure in selected CARICOM countries. It clearly reveals that the average tariff for all the goods is above 25 per cent, while agricultural goods are subjected to a higher tariff of 40 per cent. These rates are high compared to other developing countries. For example, the post-Uruguay Round average rate for Latin American countries is less than 12 per cent. The average for East Asian and Pacific countries is also below 12 per cent.[4]

Duties in the Bahamas, which is neither a member of the World Trade Organization (WTO) nor of the Common Market, range from 1 per cent to 212 per cent and average 35 per cent. The rates on durable goods range from 30 - 62 per cent. As part of the government strategy to simplify and harmonize customs import duties, 123 separate import duty rates were consolidated into 29 rates effective 1 July 1996. To protect the local industry, imports of items produced locally attract high, prohibitive tariffs.

[3] The LDCs comprise the OECS countries namely: Antigua and Barbuda, Dominica, Grenada, Saint Lucia, St Kitts and Nevis, Saint Vincent and the Grenadines plus Belize.

[4] Michael Finger, Francis Ng and Isidro Soloaga (1998).

(b) Additional trade charges

On top of the CET, CARICOM countries apply a number of additional charges to imports. These include stamp duties, customs surcharges and consumption taxes. The types and rates of these additional charges vary a great deal among the countries.

(i) Customs service charges

One of the most commonly used additional trade charges is the customs service charge. The application of this charge varies a great deal among the countries. For example, it varies from 2.5 per cent per cent in Saint Vincent and the Grenadines to 15 per cent in Dominica (See Table 3). In 1993, the Government of Barbados replaced most of its quantitative restrictions with a temporary customs surtax of 75 per cent to be levied until March 1999, after which date it will be further reduced to 35 per cent and subsequently eliminated in 2000. The surcharges only apply to a list of imports from outside CARICOM. Dominica levies a customs surcharge of 15 per cent on motor vehicles and motor cycles and some fruits. Grenada imposes a customs service charge of 5 per cent on imports. St Kitts and Nevis and Saint Lucia levy customs service charges of only 3 per cent and 4 per cent, respectively. Trinidad and Tobago imposes import surcharges ranging from 5 to 45 per cent on the C.I.F. value of agricultural goods and food products.

(ii) Consumption taxes

In addition to the customs service charge, a number of countries also levy consumption taxes on imports. This type of tax is normally levied on the C.I.F. value of imports. In Barbados, a consumption tax of the range of 5-30 per cent is assessed on the cost, including freight plus the duty value of the item. Antigua and Barbuda imposes a consumption tax of 15, 20, and 30 per cent on goods (mainly food, beverages and agricultural products) listed in the Consumption Tax Act, No. 28 of 1993. In the case of Jamaica, all items are assessed a 15 per cent general consumption tax, except where they are zero-rated or exempted.[5] Rates ranging from 9.09 per cent to 176.92 per cent are also charged on motor vehicles. St Kitts and Nevis imposes a consumption tax of varying levels on imports. This tax ranges from 5-15 per cent, with 90 per cent of all the imported goods bearing a 15 per cent tax. The country also imposes a 12 per cent consumption tax on clothing. In Saint Lucia, the consumption tax ranges from 3 per cent to 45 per cent while in Saint Vincent and the Grenadines it ranges from 0 to 65 per cent (Table 3).

(iii) Value Added Tax (VAT)

In recent years, a number of countries in the Caribbean, notably Barbados, Belize, Grenada and Trinidad and Tobago, have introduced VAT, which is a broad-based consumption tax. Barbados introduced its VAT in 1997, to replace 11 indirect taxes. All the goods imported

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[5] Most raw materials, certain foods, agricultural implements, diplomatic and international organizations, certain goods used by places of worship, books, new papers, educational articles used in educational institutions, most sports goods, packaging (container and coverings) are some of the items exempted from paying General Consumption Tax (GCT).

into Barbados are charged a 15 per cent VAT (See Table 3). Due to the regressive nature of VAT, a number of items have been exempted or zero-rated. Some countries are in the process of reforming their tax system and may introduce VAT. Belize imposes a 15 per cent VAT on imports.

(iv) Stamp duties

Stamp duties are applied by a number of CARICOM countries. For example, Barbados charges a 20 per cent stamp duty on the imports of goods from outside CARICOM. The Bahamas also levies stamp taxes at levels ranging from 2-10 per cent on most imports beyond and above the import duty. Belize also levies a stamp duty of 14 per cent across the board. In the case of Jamaica, a selected group of animal and plant products pay an aggregate Duty Import and Additional Stamp Duty, ranging from 65 per cent to 90 per cent ad valorem. St Kitts and Nevis levies a stamp tax on imports of only 2 per cent imports (Table 3). Trinidad and Tobago repealed its national stamp taxes and import surcharges as of 1 January 1995.

(v) Other trade charges

In addition to the trade charges discussed above, many CARICOM countries use other charges. These include environmental surcharges, excise taxes and petrol tax. The environmental tax is used in few countries, notably Dominica and Grenada and is levied on certain goods (e.g. water of all types, beverages containing cocoa, malt beverages, etc.) imported into or manufactured and sold in these countries. In this respect, a charge of EC$0.25 cents per container is levied on waters, beer, stout and wine. Grenada imposes a petrol tax of EC$0.11 per litre of gasoline and an environmental levy of EC$0.25 per container is charged on all types of water. Guyana levies an environmental tax of G$10 on every returnable metal, plastic, glass or cardboard container of any alcoholic or non-alcoholic beverage imported into the country. Trinidad and Tobago levies excise duties, at the rate of 15 per cent, on all imports with the exception of unprocessed foods, rice, milk and agricultural products.

(c) Non-Tariff Barriers (NTBs)

On top of the CET and other trade taxes, all the CARICOM countries impose non-tariff barriers in one form or another. Non-tariff barriers cover a wide range of government policies other than tariffs designed to affect the volume or composition of a country's trade. The Common Market agreement does not provide for harmonization of quantitative restrictions among countries but calls for the pursuit of "such policies regarding quantitative restrictions as would facilitate the implementation of a common protective policy as soon as practicable after the transition periods". Since each member country administers a different system of quantitative restrictions, there is, therefore, no inherent consistency in the policy of many countries. Michael Finger et al (1998) explains the point succinctly:

> "Each of the countries has in its tariff provision special concessions for particular users or for particular uses. Access to such concession must be applied for, it is not automatic. The pattern of quantitative restrictions and licensing requirements show a similar tailor-made, one-off nature. For example, quantitative restrictions or licensing requirements in one country on a few industrial chemicals, in another on paper for cigarette making."

In general, the use of quantitative restrictions has declined in importance. Many countries have reduced their quantitative restrictions or abandoned them completely so as to make their trade regime consistent with the requirements of the WTO. But a number of countries in the subregion continue to make use of various types of quantitative restrictions, including import licensing, import quotas, price controls, antidumping and countervailing measures, State trading enterprises, foreign exchange controls and rules of origin. Safeguards, sanitary and phytosanitary measures and technical barriers to trade are also used, but since these tend to apply to both external and internal trade, they will be examined under the section dealing with internal trade policies.

(i) Import licensing

Quantitative restrictions and non-automatic licenses are applied by many CARICOM countries on some imports: mainly agricultural products, beverages and other food products of non-CARICOM origin (See Table 4). The import licensing requirements are used mainly to regulate the import of agricultural products and beverages, which compete with local products.[6] Many countries use licensing requirements in combination with negative import lists. These licenses are issued to importers by the relevant authority, in most countries the Ministry of Trade and Industry, prior to the importation of goods.

All the countries of the Organization of Eastern Caribbean States (OECS) maintain import licensing requirements on manufactured goods, such as industrial gases, plastic, etc. In Belize, import licenses are required for agricultural goods while the importation of live animals, birds, poultry and carcasses, plants and vegetable organism, etc. is restricted. Belize also applies quantitative restrictions to milk and fuels, which may only be imported by selected purchasers. Barbados and Guyana apply import licensing requirements to agricultural products and beverages.

Jamaica operates a single open general import licensing requirement system covering 39 products ranging from milk and cream to plants and vegetables. The general import licensing system is less restrictive than the specific import licensing system applied elsewhere. Suriname applies import licensing to all imports while Trinidad and Tobago applies its licensing requirements only to imports of livestock and poultry, fish, oils and fats and industrial inputs (Table 4).

(ii) Import quotas

Import quotas are quantitative restrictions, which establish a ceiling or a limit to the quantity of or value of products to be imported into the country. By limiting the supply of an item in the market, import quotas raise the price of a product indirectly.

Only few countries (Barbados, Grenada, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago) apply import quotas. In the case of Saint Vincent and the Grenadines, a global unallocated quota is imposed on edible fats, dead poultry, including fowls,

[6] See ECLAC LC/G.2038-P "Latin America and the Caribbean in the World Economy, 1998.

ducks, geese, turkey and guinea fowl. Trinidad and Tobago imposes import quota on certain products. However, there is no published information regarding the quantity or value of goods subjected to import quotas. Any information on import quotas is given to individual importers. A questionnaire on Import License Procedures sent by Trinidad and Tobago to the WTO Committee on Import Licensing in early 1996 revealed that import quotas were only applicable to livestock. Suriname applies import quotas to a number of agricultural and food products, such as bananas, plantains, milk powder and fish.

(iii) Import prohibitions

Import prohibition is a quantitative restriction which prohibits the importation of products for sanitary, phytosanitary or national security purposes. Sometimes products that compete with locally produced goods are prohibited.

Apart from import prohibitions of a phytosanitary nature, Barbados maintains a considerable number of prohibitions on the import of the following plant products: green banana, citrus peel, copra, corn, cotton plant, lumber and rice straw. In the case of Belize, the imports of many agricultural and food products are prohibited unless they are of CARICOM origin. These include products, such as peanut butter, jam, jellies, pasta and flour. Furthermore, certain products, mainly agricultural goods, such as rice and beans, are prohibited from any other country whenever there is a surplus of these products on the domestic market.

In Jamaica, the Customs Products Act lists products subject to absolute prohibition. These include the following goods: amusement machines, dogs for racing or affiliated equipment, certain brands of crayons from China and Thailand and sugar (except under license).

Apart from applying import prohibitions for phytosanitary purposes, Guyana maintains prohibitions on imports of shaving brushes manufactured in Japan. Imports of wheat, flour and matches containing white or yellow phosphorous are also prohibited. In Saint Vincent and the Grenadines imports of jet skis and water bikes are prohibited. Suriname maintains import prohibition on certain products, mainly agricultural and food products. Suriname also prohibits importation of goods, such as specified explosives and narcotics, for reasons of public safety and health. In Trinidad and Tobago, a signatory to the Montreal Protocol on Substances that deplete the Ozone Layer, the importation of controlled substances (chlorofluorocarbons and halons) listed in Annex A to the Montreal Protocol is prohibited.

(iv) Price controls

Price controls refer to measures that are instituted to restrict the importation of goods below a pre-determined value. This generally relates to the prices prevailing in the market for that particular product.

Virtually all the countries in the Caribbean apply price controls. In the case of Antigua and Barbuda, all products subject to price controls are listed in the Price Controls Order and the list covers 41 items or categories of items (i.e., animal and poultry, mineral water, fruits, etc.). For the wholesale, the margin ranges from 10 per cent, to 15 per cent while the retail margins are either 15 per cent or 20 per cent (Table5). Following the damage caused by Hurricane Georges in September 1998, the Government invoked the Emergency Powers Act to place price controls on essential items such as milk, flour, corned beef, macaroni, rice, potatoes and bottled water (See Table 2).

(v) Antidumping and countervailing (ADCV) measures

Antidumping and countervailing duties refer to measures designed to reduce the prejudicial effects of dumping and/or subsidies on the economic activity of an importing country.

Although all the countries in the CARICOM subregion, with the exception of Bahamas, Belize, Grenada, and Guyana, have ADCV legislation in place, only one country, Trinidad and Tobago has ever applied these measures against a third country. To safeguard the local manufacturing sector from the prospect of increased incidence of unfair trading practices consequent to the dismantling of the Negative List, the Government enacted Antidumping and Countervailing Duties Legislation in 1995. In January 1996 an Anti-Dumping Unit was set up in the Ministry of Trade and Industry to enforce the legislation. The unit has been investigating cases of alleged dumping in accordance with WTO rules and criteria. Thus far the Government has taken action only once, this being against cheddar cheese from New Zealand.

(vi) Exchange controls

Another non-tariff barrier, which is closely related to import licensing, is exchange controls. In the early 1980s, many countries in the CARICOM subregion imposed controls on the movement of capital. This measure, which was introduced temporarily to help governments cope with the chronic balance of payments problems, became a permanent feature of economic management in many Caribbean countries. This invariably led to the creation of parallel and black markets in foreign exchange.

With financial liberalization, including exchange rate reforms measures implemented in the mid-1980s many countries, notably Jamaica, Guyana, and Trinidad and Tobago, removed exchange and capital controls with the aim of enhancing their external competitiveness. However, a number of countries in the region still use exchange controls, especially on foreign currency (See Table 7).

Despite the adoption of exchange rate and financial liberalization policies, as well as progress towards cross listing and security trading, exchange and capital controls remain in operation in some CARICOM countries. In addition, some countries impose taxes on exchange rate transactions. These countries include Antigua and Barbuda , the Bahamas and Barbados which charge 1 per cent, 1.25 per cent and 1 per cent, on foreign exchange transactions, respectively.

(vii) State trading enterprise monopoly

Trading in some products, particularly agricultural products, in many countries is reserved to State Trading Enterprises which enjoy exclusive monopoly. Reference to monopolies in the CARICOM Treaty is limited to the provision allowing member States to adopt or enforce measures necessary "to secure compliance with laws or regulations relating to the operation of monopolies by means of State enterprises or enterprises given exclusive or special privileges".[7] As Table 6 indicates, monopolies on specified products, mainly food and vegetables, exist in 10 out of 15 CARICOM countries surveyed.

The trading of some products by one company in countries where monopolies have been eliminated has created a situation whereby these companies enjoy virtual monopoly of trading in these products. In Jamaica, for example, although the monopoly rights enjoyed by the Jamaica Commodity Trading Company (JCTC) ceased on 31 December 1991, it still retains the responsibility for procurement of commodities under government to government agreements, such as the P.L. 480 programme. State trading enterprises exist in all the CARICOM countries, with the exception of the Bahamas, Jamaica and Trinidad and Tobago.

(viii) Rules of Origin

Since a free trade area confers tariff preferences on the products of its members, rules are needed to determine which products will get such preferences. Rules of origin provide the legal basis for determining the origins of a product. In CARICOM, goods of Common Market origin are those that:

(a) have been wholly produced within the Common Market;

(b) fall within a description of goods listed in what is known as a Processed List if they have been produced within the Common Market by the appropriate qualifying process described in that List;

(c) at any stage in their production use inputs from outside the Common Market or of undetermined origin that do not exceed 60 per cent of the export price of the goods in a LDC and 50 per cent in any other member State.

Furthermore, the Common Market Annex also permits member States to treat any imports consigned from another member State as of Common Market origin, provided that similar imports from any other member State are accorded the same treatment.[8]

[7] Article 23 (d) of the Treaty Annex.

[8] Article 14 of the Common Market Annex to the Treaty of Chaguaramas.

3. INTERNAL TRADE POLICIES OF CARICOM

This section examines the internal policies of CARICOM, including tariff and non-tariff measures.

(a) Tariff measures

The Common Market agreement makes provisions for the free movement of commodities as the basis of intraregional policies and specifically prohibits the imposition of import duties on goods of Common Market origin. Therefore, substantial progress has been made in recent years in removing all impediments to intra-CARICOM trade with the elimination in many countries of stamp duties and surcharges for products originating and trading within the integration grouping. However, despite further trade liberalization within CARICOM a number of member countries still use trade charges, such as customs charges and stamp duties on imports of CARICOM origin. For example, countries like Antigua and Barbuda and Grenada subject imports from the CARICOM countries to other taxes, including discriminatory rates of consumption taxes. Barbados imposes a stamp duty of 10 per cent on imports of CARICOM origin. Jamaica places a duty on imports of fresh milk and cream, evaporated or condensed milk, steel reinforcing bars, while Trinidad and Tobago imposes duties on imports of lube oil, diesel oil, and gasoline of CARICOM origin. It also charges excise duties on cigarettes, alcoholic beverages, smoking tobacco and cigars originating from CARICOM.

Belize, Grenada, Dominica, St Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines impose duties on rums of CARICOM origin. In addition, Grenada charges duties on cigarettes, public transport vehicles, motor cars and vehicle parts.

(b) Non-tariff measures

Non tariff barriers (NTBs) against imports of CARICOM origin have been substantially eliminated. However, some quantitative restrictions and non-automatic licensing requirements are still applied by many countries on intra-CARICOM trade. Other measures used against imports from other CARICOM countries are safeguards, sanitary and phytosanitary measures, technical regulations, antidumping and countervailing duties and import quotas.

(i) Import licensing

As mentioned earlier, many countries still apply import licensing requirements on imports mainly of agricultural, beverages and food products of CARICOM origin. The list of countries requiring licenses for imports of goods of CARICOM origin is summarized in Table 4. For example, the OECS countries exempt members of the organization, while licenses are required from non-OECS countries, and particularly CARICOM More Developed Countries (MDCs). These import licenses are applied to mainly agricultural and food products (most of which are protected under Article 56 of the Common Market Annex).[9] The specific provisions of this Article will be discussed in Section 5.

[9] See Commonwealth Secretariat: Review of Article 56 of the Treaty of Chaguaramas.

In Barbados, licenses are required for the imports of certain goods from CARICOM countries. The goods that are subjected to import licenses are coconuts and other food products, coin-operated amusement machines. Suriname applies import licenses on all imports, including imports from CARICOM countries. Jamaica operates a single general import licensing requirement covering 39 products. This system affects imports originating from other CARICOM countries as well.

(ii) Import quotas

Article 21 of the Common Market Annex on quantitative import restrictions deals with the subject of quotas along with import licenses or other measures with equivalent effect, including administrative measures and requirements restricting imports or exports. The general rule is that a member State shall not apply such quantitative restrictions on the imports of goods which originate from a member country of the Common Market.

However, there are exceptions to this rule, especially where States have already made prior contractual obligations. Additional exemptions are indicated in various Schedules with respect to particular products or product categories for which special arrangements are in operation, such as unrefined sugar (VII), selected agricultural products (VIII), and oils and fats (IX), as well as for the protection of Guyanese petroleum products (X) and special arrangements for Belize (XI).

The use of import quotas has declined considerably over the years. Only one country, Grenada, continues to impose import quotas on beer and malt from regional producers. This policy is intended to boost the domestic production of these goods.

(iii) Import prohibitions

The CARICOM Agreement deals with the issue of import prohibitions along with import licenses or other measures with equivalent effect. Article 21 of the Common Market Annex prevents countries from prohibiting imports from the Common Market.

Few countries impose these measures. In many of these, prohibitions are used mainly for sanitary and phytosanitary reasons and will be discussed under sanitary and phytosanitary measures.

(iv) Price controls

The Treaty establishing CARICOM addresses the subject of price controls merely as a transitional measure in relation to the adoption of the CET. Article 32.2 of the Common Market Annex allows countries to apply price controls during the transitional period, as a temporary measure, provided that goods originating from member States, on which duties are payable, are accorded treatment no less favourable.

In general, the use of price controls has declined considerably in recent years. Use of these measures against imports from CARICOM countries could not be documented.

(v) Antidumping and countervailing measures

Another measure used, though to a lesser extent, is the antidumping and countervailing measures. Antidumping and countervailing duties refer to a tax imposed by an importing country designed to offset artificially low prices charged by exporters. The use of foreign subsidies and the negative effect it has had on domestic production, especially agricultural products, has raised the awareness in many countries of the importance of antidumping and countervailing measures. The Common Market agreement permits member countries to use antidumping and countervailing measures against dumped or subsidized imports.

In addition, if any industry in a member State is threatened with material injury as a result of subsidized or dumped imports, the latter shall, at the request of the former, examine the possibility of taking, in conformity with any other international obligations, action to remedy the injury or prevent the threatened injury.

Although all the countries, except the Bahamas, Belize, Grenada and Guyana, have antidumping and countervailing legislation in place, only one country, Barbados, applies such measures against Common Market countries. Under the Customs Duties (Dumping and Duties) Order No: 118 of 1996 and No: 51 of 1997 Barbados has taken antidumping actions and imposed duties on a number of products, such as milk and cream manufactured in Trinidad and Tobago.

(vi) Safeguards

Safeguard measures refer to action temporarily taken to protect specific economic activity in the face of an unexpected increase in imports. It may be carried out by additional duties or quotas.

Article 28 of the Common Market Annex allows countries to use quantitative restrictions on imports for the purpose of safeguarding their balance of payments. Article 29 permits the use of quantitative restrictions if an industry in a particular sector is experiencing difficulties due to a decrease in domestic demand for a domestically produced good, as a result of an increase in imports from other member States.

Safeguard measures have seldom been used against other member countries. However, Barbados has applied Article 29 of the CARICOM Annex in respect of pasta, while Grenada has applied it in respect of brewery products. The latter country has also applied Article 56 to restrict imports of wheat, flour, feeds and some wooden products. Saint Lucia has invoked Article 29 in respect of soft drinks and beef patties.

(vii) Sanitary and phytosanitary measures

CARICOM has taken the view that a Single Market presupposes systems and legislation, which are comparable in the member States with respect to animals and plant health.

With respect to animals, Draft Model Legislation on the International Movement and Diseases of Animals was first circulated to member States in 1978. However, few countries have enacted this legislation. Based on information available, only Antigua and Barbuda, Montserrat and St Kitts and Nevis have done so. Meetings of Chief Veterinary Officers are convened periodically and the view has been expressed officially that they should meet more regularly.

With respect to plants, the Community has aimed at the Harmonization of Plant Quarantine arrangements in the region, and proposals and recommendations have been made to address and upgrade the operation of plant quarantine systems throughout the region. Financial difficulties have hampered progress in this area. Ministers of Agriculture have endorsed recommendations from Plant Quarantine Officers on measures for intraregional trade in fresh produce.

The Single Market consultation held in Barbados in 1996 concluded that there was a need for a more effective reporting mechanism among veterinarians and plant quarantine officials in the subregion to ensure early identification, control and eradication of both new and existing communicable animal and plant diseases.

In many countries, notably Antigua and Barbuda, Grenada, Belize, Guyana, St Kitts and Nevis, Saint Lucia and Suriname, the imports of animals, poultry, livestock and plants and plant products are required to conform with Animal and Plant Health Legislation and, in many cases, they must be accompanied by certificates from relevant authorities, either Veterinary or Plant Protection Officers in the exporting countries. The imports of pesticides require import licenses or permits from the Pesticides Board or any other relevant authority. In some countries, such as Barbados, the importation of certain planting materials specified in the schedule for the propagation of crops, except tissue cultures and seeds is prohibited. In addition, Barbados, Bahamas and Dominica maintain bans on the importation of plants and plant parts, fruits, vegetables, flowers, etc., from countries where Pink Mealybug is reported to exist..

In Jamaica all live animals, poultry, meat products and agricultural products may be imported, subject to an import permit from the relevant authority. In Trinidad and Tobago, a permit is required to import planting material and related products. In addition, all products are examined upon arrival at a port of entry. Licensing requirements for environmental protection reasons are set out in the Pesticide and Toxic Chemicals Act 42 of 1979 and Regulations 225 and 226 of 1987. Furthermore, since the country is a signatory to the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), Trinidad and Tobago maintains import controls on a number of animals and plants.

(viii) Technical rules and regulations

Article 42(e) of the Annex to the CARICOM Treaty recognizes the importance of having harmonized standards. The Caribbean Common Market Standards Council (CCMSC)was established as an association of existing national standard bodies in the subregion. Its principal objectives are to develop regional standards and to advise the Council of Trade and Economic Development on technical matters relating to standards.

The process of setting and agreeing on regional standards has been slow and the overall programme is behind schedule. By mid-1996, 97 standards had been established, of which 27 are currently mandatory. Efforts have been made to amend national standards legislation to include the CARICOM Standards Mark.

The management of national standardization programmes (in terms of both implementing standards and monitoring compliance) is handicapped by the lack of human resources, not to mention the immense financial burden it places on the small island economies. Standards' writing in virtually all the countries is based on internationally available standards. Most countries do not have structures in place for conformity assessment and testing. Only Jamaica and Trinidad and Tobago have laboratories to support their activities in testing and certification.

Apart from membership of the CCMSC, a number of Caribbean countries are members of many regional and international organizations. For example Antigua and Barbuda, the Bahamas, Belize, Haiti, Jamaica and Trinidad and Tobago are members of the CODEX Alimentarius Commission of the United Nations Food and Agricultural Organization (FAO). The same countries plus Barbados, Grenada, Guyana and Saint Lucia are also members of the International Organization for Standardization (ISO), while Barbados and Trinidad and Tobago are members of the International Organization of Legal Metrology (OIML).

Most CARICOM countries have bureaux of standards, however three, notably Dominica, Montserrat and Suriname still need to set up such bureaux. Even in some of the countries which have bureaux of standards, few have the administrative capacity required to implement standards and monitor compliance. This has led to the ineffectiveness of many bureaux of standards.

In some countries, notably St Kitts and Nevis where national regulations and standards do not exist, the United Kingdom and United States standards are used. In a number of countries, notably Grenada and Guyana, there are no laws relating to marking and labeling requirements.

Of all the countries examined, Jamaica's and Trinidad and Tobago's Bureaux of Standards seem to be the most advanced. They are responsible for standards governing all items, except those involving food, drugs, cosmetics, medical devices and agricultural products. Other standards development organizations coordinate the development of environmental standards, foods and others. For example, the Environmental Management Authority (EMA) of Trinidad and Tobago is responsible for the development of environmental standards in the country.

4. SPECIAL REGIME FOR LDCS

Taking cognizance of the unique situation of the smaller islands, the CARICOM Treaty made special provisions for the LDCs relating to tariffs and rules of origin.

(a) Tariff policies

As was noted earlier, a number of exceptions to the CET exist whereby products imported for specific uses from outside the Common Market are eligible for duty exemptions. The product coverage is specified on the Exemption List of the Common Market Annex, but a member country is free to approve the actual beneficiary of the exemptions. A list of commodities ineligible for Conditional Duty Exemption has also been provided. These include products, such as tomatoes (fresh and chilled); lettuce; cabbages; kidney beans, etc.

A major trade related concession made to the LDCs is Article 56 of the Common Market Annex. This provision allows them (LDCs) to temporarily suspend common market tariff treatment for imports from the MDCs, so as to promote a particular industry in the LDCs. This Article covers eight goods: curry powder, pasta products, wheat flour, aerated beverages, industrial gases, candles, solar water heaters and wood/upholstered furniture. Following a review of industries receiving Article 56 treatment, the Second Meeting of the Council of Trade and Economic Development (COTED), held in February 1998, took a decision to extend the time period to the year 2004 for all the products benefiting from such treatment.

Furthermore, as mentioned earlier, List D of the CET allows Belize to suspend the CET for specific products and Part III of the List allows LDCs to suspend the rates on pharmaceuticals, since some of them had zero or minimal tariffs on these products. A number of products were also considered to have a cost of living effect and were assigned tariff rates of 0, 5 and 10 per cent.

In addition, each member country has its own set of exemptions to the Caribbean Common Market Trade Agreement. Many of these exceptions are designed to provide protection for specific goods. In other cases, the measures are intended to provide protection to local infant industries that are deemed to be of importance to LDCs' economies.

In order to protect the coconut industry, which is of great importance to the LDCs, special marketing arrangements exist, for example, the fats and oil (Schedule IX), whereby regional demand and supply are matched and members are obliged to buy such products within the Common Market, even if prices are considerably above world prices level. Marketing arrangements also exist for unrefined sugar (Schedule VII) and for 22 selected agricultural products.

(b) Rules of Origin

Another concession given to LDCs relate to rules of origin which allow LDCs lower value added requirements with respect to certain products for originating status to be conferred.

These include products such as processed fruits, confectionery, plastic materials, and galvanised sheets. In addition, other product groups (most of them assembly industries) qualify for common market treatment even if they use more imported inputs than permitted to MDCs.[10]

5. EXPORT PROMOTION POLICIES

Export promotion refers to all public policy measures that actually or potentially enhance exporting activity either from a firm, industry or national perspective.[11] Growing recognition of the importance of these policies led to the adoption of a programme for the Harmonization of Fiscal Incentives to Industry in 1993. This programme also allows the smaller countries more latitude in granting concessionary incentives. Both fiscal incentives and financial mechanisms have been used widely in the CARICOM subregion to promote exports.

(a) Fiscal incentive regimes

All the CARICOM countries, with the exception of Guyana and Suriname, have in recent years established various fiscal incentive regimes to promote foreign investment and exports, particularly manufacturing exports. Guyana is still in the process of formulating a new fiscal incentive regime while, in Suriname, companies negotiate for concessions on an ad hoc basis with the government. The nature of fiscal incentives regimes offered by the countries vary somewhat depending on the country's fiscal structures (e.g. the existence or absence of direct and indirect taxes).

Various fiscal incentives, such as tax holidays and tax exemptions, are widely used in Barbados, Belize, Jamaica and the OECS countries. The most commonly used instrument in the CARICOM countries is the provision of preferential access to imported inputs, such as capital equipment, machinery and raw materials. This instrument is in place in all the countries, with the exception of Guyana. It seeks to promote exports by eliminating barriers to the importation of inputs.

In some countries, notably Jamaica, Trinidad and Tobago and the OECS, export performance based incentives are in operation. In Trinidad and Tobago, the exemptions offered to manufacturing or processing industries, other than agriculture, include total or partial relief from corporation taxes up to a maximum of 10 years and waivers on income tax on dividends.

It is important to note that the OECS countries offer the most liberal incentives (both tax and exemptions) of all the CARICOM countries, in an effort to compensate for the disadvantage inherent in their small size and scale diseconomies. The additional incentive provided for exports relates to enclave industries in the form of more extended tax holidays to industries producing exclusively for export outside the CARICOM subregion.

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[10] World Bank Report " The Caribbean Common Market: Trade Policies and Regional Integration in the 1990s", December 1990.

[11] See for example Seringhuis in Deryck R. Brown, pp.22.

Furthermore, all the countries, with the exception of Guyana, Barbados and St Kitts and Nevis, have export processing zones and companies operating in the free zone are granted lucrative concessions and are exempted from import licenses and customs duties on capital goods and raw materials.

(b) Export financing

While there is no export financing mechanism at the CARICOM level, there are facilities at the national, regional and international level that provide finance to exporters. One such scheme is the Latin American Export Bank (BLADEX) which was created to provide finance to several Latin American and three Caribbean countries, viz: Barbados, Jamaica and Trinidad and Tobago. The Bank provides short-term financing to regional banks for lending to exporters and importers. It also provides financing directly to regional exporting institutions.

In Barbados the Central Bank provides indirect financing through supporting commercial banks which provide export financing facilities such as; export financing guarantees for pre- and post-shipment; export credit insurance; The short-term Export Rediscount Facility; the Industrial Credit Fund; and the Export Grant and Incentive Scheme, which mainly assist companies to defray export costs. The Small Business Development Act allows small businesses access to loan guarantees under Export Credit Guarantee Scheme.

Jamaica provides many facilities for export financing, with the National Import-Export Bank being the main institution offering instruments such as the Export Credit Facility - a post-shipment facility that provides working capital support in local currency to exporters. A pre-shipment facility also offers financing in local currency to exporters of non-traditional goods manufactured or produced in Jamaica. There is also a Modernization Fund for Exporters that offer financial support to companies engaged in export or otherwise generate foreign exchange (i.e. hotels). The EX-IM Bank of Jamaica offers a Small Business Facility and a Cuban Line of Credit. The former provides financial assistance to small businesses, which produce for either the domestic or export markets, while the latter provides a line of credit through Banco Nacional de Cuba to enable the country to pay for the importation of goods from Jamaica. In addition to all these facilities, international organizations, such as the World Bank, provide credit for export expansion purposes.

Trinidad and Tobago offers many financing facilities mainly through the EXIMBANK, which provides two financing facilities - an Export Credit Insurance Scheme and Post Shipment Financing. The Export Credit Insurance provides protection against comprehensive risk (commercial or political) arising from export of goods and services on credit terms, while the Post Shipment Financing is an arrangement whereby exporters' receivables are discounted. A number of commercial banks also offer export financing. One such bank is the Royal Bank, which provides export finance under its Export Development Financing Plan. In addition, other facilities are available, such as: export marketing loans, revolving trade finance line of credit; standby letter of credit, etc.

In addition to these export financing facilities, trade and export promotion organizations, such as JAMPRO in Jamaica, and the Export Development Corporation of Trinidad and Tobago, now the Tourism and Industrial Development Company (TIDCO), play an important role in promoting exports. In the case of Trinidad and Tobago, there has been an increase in exports of non-traditional products since the late 1980s. Although it is difficult to determine the extent to which this can be attributed to export promotion measures, their importance, nonetheless, should not be overlooked.

Other countries, such as those of the OECS, also provide export financing facilities. The Export Credit Guarantee of the Eastern Caribbean Central Bank (ECCB) provides assistance for exporters of non-traditional manufactured goods. By 1997, credit extended to exporters through this facility amounted to EC$5.4 million with almost three quarters accounted for by the food processing sector. The Export Development and Agricultural Diversification Unit (EDADU) also helps the OECS countries in their efforts to diversify their economies by assisting manufacturers and agricultural enterprises in the development and marketing of products.

6. CONCLUSION

It is clear that trade policy regimes in the CARICOM subregion have undergone substantial changes in the 1990s, signaling a desire to move away from the inward-looking policies of the past towards more outward-oriented growth and development. All the CARICOM countries have introduced a series of export promotion measures, including fiscal incentives regimes and export financing schemes. In addition, the tariff structure has been simplified and the various rates reduced. Tariff rates were brought down from a range of 0 - 70 per cent to a range of 0 - 45 per cent. Furthermore, a new CET regime was introduced in 1993, with four phases to be phased down over a period of five years, at the end of which the CET will be in the range of 0 - 20 per cent, except for agriculture.

Despite the policy of trade liberalization adopted by many countries and which, in general, has resulted in the reduction of tariffs, many CARICOM countries continue to apply additional trade charges, such as customs surcharges, stamp duty and discriminatory rates of consumption taxes. These taxes affect imports of non-CARICOM and CARICOM countries.

Non-tariff barriers are also widely used in virtually all the CARICOM countries. Quantitative restrictions and non-automatic licensing requirements on beverages, agricultural and food products are widely used. Import quotas, import prohibitions, price controls, safeguard and antidumping and countervailing measures are also used. While some countries, notably Trinidad and Tobago and Jamaica, have removed non-tariff barriers on imports from CARICOM countries, many countries, notably Barbados and the OECS countries, still maintain an array of such measures. In virtually all the countries trading in some commodities particularly agricultural products remain the exclusive monopoly of State trading enterprises.

The number of policy measures of a restrictive nature still in operation in CARICOM point to the need for further trade liberalization. Indeed, international and regional negotiations particularly those for the establishment of FTAA, present a golden opportunity for the Caribbean countries to further liberalize their trade.

STATISTICAL ANNEX

Table 1. Tariff Structure

	ALL GOODS	OTHER GOODS
ANTIGUA & BARBUDA	0 -35 %	40 % Primary agriculture
BAHAMAS	0- 42 %	30 -62% Durable goods
BARBADOS	5 -25%	40% Primary Agriculture
BELIZE	0 -30%	40 % Primary Agricultural Goods
DOMINICA	0 -30 %	40 % Primary Agriculture
GRENADA	0 -25 %	40 % Primary Agriculture
GUYANA	5 - 25 %	40 % Primary Agriculture
JAMAICA	0 -50%	40 % primary Agriculture
SAINT KITTS & NEVIS	0- 30 %	40 % primary Agriculture
SAINT LUCIA	0 -30 %	40 % primary Agriculture
SAINT VINCENT & THE GRENADINES	0 -25 %	40 % primary Agriculture
SURINAME	5 -30 %	40 % primary Agriculture
TRINIDAD & TOBAGO	5- 25 %	40 % primary agricultural goods 20 -30 % Durable

Source: J. Michael Finger, Francis Ng and Isidro Soloaga, "Trade Policies in the Caribbean Countries: A Look at the Positive " (June, 1998)

Table 2. Common External Tariff

CARICOM – COMMON EXTERNAL TARIFF RATES				
CATEGORIES	**1-1-1993- 31-12-1994**	**1-1-1995- 31-12-1996**	**1-1-1997- 31-12-1997**	**1-1-1998**
Agricultural Inputs	0	0	0	0
Non-competing primary inputs	5 (LDCs 0-5)	5 (LDCs 0-5)	5 (LDCs 0-5)	5 (LDCs 0-5)
Non-competing intermediate inputs	"	"	"	"
Non-competing capital inputs	"	"	"	"
Competing primary inputs	20	15	10	10
Competing capital goods	"	"	"	"
Selected imports	"	"	"	"
Competing intermediate inputs	25	20	15	15
Non-competing final goods	25	25-30	20-25	20
Agro-industry	30-35	25-30	20-25	20
Garments	"	"	"	"
General manufactures	"	"	"	"
Agriculture	40	40	40	40
LIST A	Suspended rates	Suspended rates	-	-
LIST B	Suspended rates LDCs	Suspended rates LDCs	-	-
LIST C	Minimum rates	Minimum rates	Minimum rates	Minimum rates
LIST D Parts I and III	Suspended rates LDCs	Suspended rates LDCs	-	-
Safety	0	0	-	-
Cost of living	0-20	0-20	-	-
Socio-economic and socio-cultural	"	"	-	-
Range of CET (Agriculture)	0-40	0-40	0-40	0-40
Range of CET (Non-agriculture)	5-35	5-30	5-25	5-20

Source: CARICOM, October 1992

Table 3. Additional Trade Charges

	Cons. Tax	Cust. Surchar.	Stamp Duty	VAT	Others
Antigua & Barbuda	rates of 15%, 20 and 30% on M	5% on dutiable goods			1 % FET
Bahamas			2-10 % on M		
Barbados	5 %-30% on M	75%	20 % on M of NCA 10 % on M of CA	15% on M	1% FET BDS$.20 ET Et on alcoholic bev.
Belize			14% on M	15% on M	1.25 FET
Dominica	25%	15% on Motor Veh., apples, & grapes			EC$0.25 ET 5 % on Refrige.
Grenada		5% on M		20 % on M 10% on M from CA	EC$0.25 ET EC$0.11 PT
Guyana	0 - 85 %				GS$10 ET
Jamaica	15% 9.09-176.92 % cars		25-56% alcohol 65-90% A&P		
St Kitts & Nevis	5-15% on M 12% clothing	3%	2%		
Saint Lucia	3%-45%	4%			Et on alcohol
St. Vincent & the Grenadines	0 %- 65%	2.50%			1 % FET and ET on CA Rum
Suriname				5 % services and 7 on goods	5%-18% Et on alcohol & tobacco
Trinidad &Tobago		5 % on agric. 60 % cane and sug 75 % refined Sug.		15 % on M	Et on alcohol and Tobacco

Sources and Notes**:** Tabulated from ACS Study on Obstacles to Trade
Notes**:** CA=CARICOM, NCA =Non-CARICOM, ET =Environmental tax, Et =Excise tax, FET= Foreign Exchange Tax, M= Imports, PT =Petrol tax, TT= Tourist tax, Sug= Sugar

Table 4. Import Licensing Requirements

	Non- CARICOM	**CARICOM**
ANTIGUA & BARBUDA	ML required for agricultural product	ML required for manufactured items such as furniture, wood etc.
BAHAMAS	None has been identified	None has been identified.
BARBADOS	ML required agricultural goods animals and vegetable fats, and oil, fresh milk, meat and fish	ML for coconut, coin operated amusement machines, milk and cream, and etc
BELIZE	ML required agricultural goods Import of sensitive products is restricted	
DOMINICA	ML required for manufactured goods(I.e eggs, industrial gasses, plastic, live animal	
GRENADA	ML for agricultural products such as chicken, pork and manufacturing products i.e chairs, furniture, wooden & aluminum doors etc	ML for importation of gold bullion, and all other gold, firework and explosives
GUYANA	ML for agricultural products.	ML required for agricultural goods.
JAMAICA	Maintained a List covering 39 agricultural and manufactured product which require ML	Maintained a List covering 39 agricultural and manufacturing products which are subject to ML
ST KITTS & NEVIS	ML required for importation of agricultural commodities such as fish, meat, poultry and certain manufacturing goods i.e tobacco, cigarettes, semi-manufactured gold, rum and television receiver	ML for sugar, beer, some appliances, food, and beverages
SAINT LUCIA	ML required for importation of agricultural products, foods and certain manufactured goods	
SAINT VINCENT & THE GRENADINES	ML required for importation of food & other goods.	ML required for importation of foods from
SURINAME	ML required for all imports	ML required for all imports
TRINIDAD & TOBAGO	ML required for importation of live stock, live poultry, fish, oils and fats ML required for importation of industrial inputs as pork, powdered milk, vegetable fats, oil & ground coffee)	

Source: Tabulated From ACS Studies on Obstacles to Trade. Notes: ML= Import Licensing.

Table 5. Price Control Measures

ANTIGUA & BARBUDA	Impose price controls on 41 items or category of items Wholesale margins of 10%,12.5% and 15% and for retail the margins are either 15 or 20 %
BARBADOS	Imposes price controls on mainly agricultural and dairy products
BAHAMAS	Price controls exist for 13 bread basket items, as well as gasoline, utility rates , public transportation and automobiles
BELIZE	Price controls on basic foodstuff, gas and fuel
DOMINICA	Price controls on 43 items such as petroleum products, cement, building materials, and foodstuff
GRENADA	Maintain price controls on 43 items or category of items. Wholesale mark up ranges from 7.5 % to 15 % Retail mark up ranges from 10 % to 40 %
JAMAICA	Price controls on certain public utility items such as bus fares, water, electricity and telecommunication
ST KITTS & NEVIS	Apply price controls on petroleum products, rice, flour and evaporated milk
SAINT LUCIA	Maintain price controls in the form of allowable percentage mark ups. Wholesale mark up ranges from 7.5 %,10 % and 15 % Retail mark up are either 10 % or 15 % above the landed cost
SURINAME	Introduced price controls on 40 consumer goods such as cheese, peanut butter, onion, beans, peas, tea, flour,corn beef and various other items.
TRINIDAD & TOBAGO	Maintains price controls on sugar, breed, school books and pharmaceuticals The price of gasoline is fixed by the government

Source: Tabulated from Association of Caribbean States (ACS) Study on Obstacles to Trade.

Table 6. State Trading Enterprises

Country	State Trading Enterprises	Products
Antigua & Barbuda	Central Marketing Corporation	Sugar and Rice
Bahamas	No	
Barbados	Barbados Agricultural Development and Marketing Corporation Barbados Dairy Industries Ltd.	poultry, onions and sugar Dairy products
Belize	Marketing Board	Rice
Dominica	Dominica Export-Import Agency	Rice and Sugar
Grenada	Marketing and National Import Board	Powdered milk, Sugar and Rice
Jamaica	None	
St Kitts & Nevis	3 types of import monopolies Supply Office in MOT Poultry producers Eggs Producers	Wheat flour in bulk and packages bigger than 5lb, Evaporated milk, Rice in bulk and packages bigger than 10 lb, and brown sugar Poultry products Eggs
Saint Lucia	Ministry of Trade MOT Fish Marketing Corporation S.t Lucia Poultry Cooperative	cabbage, lettuce, tomatoes, carrots, sweet potatoes, and eggs. Bulk rice,flour and bulk, sugar fish, crustaceans and mollusks Baby chickens and eggs
S.t Vincent & Grenad.	Agricultural Marketing Board Diamond Diaries Ltd.	edible oils and fats, bulk sugar Dairy products
Suriname	Central Importation Service Monopolies for electricity, gas, water and Suriname Airways	potatoes, salt, and sugar
Trinidad & Tobago	None	

Source: Tabulated from ACS Study on Obstacles to Trade.

Table 7. Foreign Exchange Restrictions

COUNTRY	EXCHANGE RATE REGIME	EXCHANGE CONTROL Authority	CONTROL ON IMPORT AND EXPORT OF CURRENCY
Antigua & Barbuda	ECCB CBA	Ministry of Finance	Control on foreign currency
The Bahamas	pegged	Central Bank	Exchange control in place foreign currency
Barbados	pegged	Central Bank of Barbados	restrictive controls on domestic and foreign currency
Belize	pegged	Central Bank of Belize	On both domestic and foreign currency
Dominica	ECCB CBA	Ministry of Finance	on export of domestic currency
Grenada	ECCB CBA	Ministry of Finance	On exports
Guyana	Freely determine in the market	None	Only declarations is required
Jamaica	Freely determine in the interbank market	Trading in foreign exchange is prohibited, except through an authorized dealer	No restrictions or controls
St Kitts & Nevis	ECCB CBA	Ministry of Finance	No restrictions or controls
Saint Lucia	ECCB CBA	Ministry of Finance, Statistics and Negotiations	No
Saint Vincent & Grenadines	ECCB CBA	Ministry of Finance	NA
Suriname	Freely determine in the interbank market	Institute for Import, Export and Foreign Currency Control, administers by MOF	Exchange control requires foreign currency Licenses requires
Trinidad & Tobago	Freely determine in the interbank market	Central Bank	Large amounts require declaration

Source: Tabulated From ACS Study on Obstacles to Trade.
Notes: ECCB= Eastern Caribbean Central Bank, CBA= Currency Board Arrangement
MOF= Ministry of Finance

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