



TRADE POLICY REVIEW

REPORT BY

JAMAICA

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

Note: This report is subject to restricted circulation and press embargo until the end of the first session of the meeting of the Trade Policy Review Body on Jamaica.

Contents

1 INTRODUCTION	3
2 VISION 2030 JAMAICA – NATIONAL DEVELOPMENT PLAN ("VISION 2030 JAMAICA")	3
3 MACRO-ECONOMIC ENVIRONMENT	4
3.1 The Economic Reform Programme	6
3.2 Economic Growth Council	6
4 TRADE AND SECTORAL PERFORMANCE.....	7
4.1 Trade performance	7
4.2 Sectoral performance.....	8
4.3 Impact of global economic developments on Jamaica's trade performance.....	9
4.3.1 Slow recovery from the global economic recession.....	9
4.3.2 Lack of progress in the Doha Round negotiations and rising protectionism	9
4.3.3 De-risking and the loss of correspondent banking relationships	10
4.3.4 Brexit.....	10
4.4 Economic growth-inducing policies and strategies to promote competitiveness.....	10
5 TRADE POLICY AND INSTITUTIONAL FRAMEWORK.....	13
5.1 Elements of Jamaica's foreign trade policy	13
5.2 Institutional framework for Jamaica's foreign trade policy regime	13
5.3 Regional integration – the establishment of the CARICOM Single Market and Economy (CSME)	14
6 BILATERAL/HEMISPHERIC AND PREFERENTIAL TRADE ARRANGEMENTS	14
6.1 CARICOM bilateral agreements.....	14
6.2 CARIFORUM-EU Economic Partnership Agreement	14
6.3 CARIBCAN	14
6.4 CARIBBEAN Basin Initiative (CBI)	15
7 MULTILATERAL FRAMEWORK – THE WTO.....	15
7.1 Implementation of the Uruguay Round Agreements	15
7.2 Implementation of the WTO Agreement on Trade Facilitation	18
7.3 Aid for trade	18
7.4 Technical assistance and capacity building	19
8 CONCLUSION.....	19

1 INTRODUCTION

1.1. For the 2011-2016 period under review, the focus of the Government of Jamaica was on economic growth and development; creating employment and maintaining fiscal prudence. Jamaica's macro-economic policies and strategies continued to operate within the framework of Vision 2030 Jamaica – National Development Plan, which seeks to put the country on a path to achieving developed country status by 2030. Progress has been made in the implementation of the Plan, which is currently in its ninth year.

1.2. Several policies and strategies have been implemented, *inter alia*, to assist Jamaica to (i) recover from the effects of the 2008-2009 global financial and economic crises, which had a negative impact on the productive and export sectors; (ii) implement reforms to reduce the high debt burden and lay the foundation for sustained, robust economic growth; (iii) improve the business environment and increase the competitiveness of firms; and (iv) develop and implement strategic investment projects, such as the Global Logistics Hub Initiative, the establishment of Special Economic Zones (SEZs), and information communications technology/business process outsourcing (ICT/BPO), to spur further growth.

1.3. To facilitate Jamaica's further integration into the multilateral trading system, progress was made in key policy areas and strategies, including the launch of a National Aid for Trade Strategy in 2011; the implementation in 2015 of the National Export Strategy 2 (NES 2); reforming the trade facilitation regime; and the continued implementation of obligations under bilateral and regional trade agreements as well as under the World Trade Organization (WTO). Work also continued on the revision of the Foreign Trade Policy. To ensure an inclusive approach to trade policy formulation and implementation, these initiatives were mainstreamed into the national development plan, Vision 2030 Jamaica, which is aligned to the United Nations Sustainable Development Goals (SDGs).

1.4. There was a change in political administration in March 2016. The emphasis of the current administration is to pursue inclusive private sector-led economic growth and broad and sustained job creation. A Ministry of Economic Growth and Job Creation (MEGJC) was established with the overarching mandate of managing the development and implementation of Jamaica's economic growth strategy. The Prime Minister of Jamaica has portfolio responsibility for this Ministry. The new Government is placing emphasis on three pillars of economic management: (a) the effective execution and monitoring of monetary policy; (b) the development of Jamaica's capacity to manage the implementation of a sustainable fiscal policy; and (c) public sector reform to support effective and efficient implementation of economic growth policies. There has also been a thrust to streamline government operations, including through the merger of ministerial responsibilities. An example of this is the establishment of the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAF), which is a merger of the Ministry of Agriculture and Fisheries and the Ministry of Industry, Investment and Commerce. The investment portfolio has been transferred to the MEGJC.

1.5. Trade and investment are considered critical components of the economic growth agenda. Jamaica is leveraging the value of its global brand to penetrate new markets; expand exports in existing markets and to integrate further into global value chains. This is being done through addressing supply-side constraints; improving quality standards; the application of science, technology and innovation (STI) to improve productivity; and fostering entrepreneurship, including through the internationalization of micro, small and medium sized enterprises (MSMEs).

1.6. Jamaica continues to pursue effective integration into the global economy; however, global developments, such as de-risking and increasing tendencies towards protectionism in some markets, present threats to the country's ability to do so.

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

2.1. Vision 2030 Jamaica, Jamaica's national development plan covering the 21-year period, 2009–2030, presents a strategic roadmap for Jamaica to achieve developed country status by 2030. Vision 2030 Jamaica is now in its 9th year of implementation. The document is built on a results-based management framework, comprising 4 goals, 15 national outcomes and a strategic and operational framework geared towards the achievement of specific goals and outcomes as

embodied in the Vision Statement, "Jamaica, the place of choice to live, work, raise families and do business".

2.2. The three-year Medium Term Socio-Economic Policy Framework (MTF) is the implementation mechanism for Vision 2030 Jamaica. Since 2009, there have been three MTFs. In the plan for 2017/18, focus will be placed on the development of the fourth medium term framework, which would rely on participatory mechanisms for its development and review. It is envisaged that there will be about 800 to 1,000 people/organizations providing strategic direction to define the priorities to 2021.

2.3. The overall progress of implementation of Vision 2030 Jamaica under the successive MTFs (2009-2012, 2012-2015 and 2015-2018) has been mixed. A summary of the progress made under the framework of national outcome indicators and targets for the Plan indicates that, of a total of 67 indicators, 64.2 per cent have shown improvement over the baseline year 2007, based on results to 2015/16, while 34.3 per cent showed no improvement or worsened relative to the baseline year of 2007.

2.4. This can be further broken down as follows:

- 25.4 per cent of the Vision 2030 Jamaica targets were met or exceeded the 2015/16 period. This compares to 23.4 per cent over the 2014/15 period;
- 38.8 per cent of indicators showed some improvement over the baseline year 2007 compared to 31.9 per cent over the 2014/15 period;
- 34.3 per cent of indicators showed no improvement or worsened compared to 42.6 per cent over 2014/15; and
- one (1) indicator each for 2014/15 and 2015/16 could not be compared in this way, due to lack of agreed targets for the relevant period.

3 MACRO-ECONOMIC ENVIRONMENT

3.1. Growth in the Jamaican economy accelerated to an estimated 1.5 per cent in 2016, following an increase of 0.8 per cent in 2015. The expansion in 2016 was largely influenced by increased consumer and investor confidence and a stable macroeconomic environment. GDP growth reflected the impact of increased investments in infrastructure, business process outsourcing, tourism and agro-processing, given improvements in external competitiveness facilitated in part by structural reforms. The Jamaican economy is projected to grow in 2017 at a faster rate than in 2016. This forecast envisages expansions in agriculture, forestry and fishing; manufacturing, electricity and water supply; mining and quarrying; and hotels and restaurants.

3.2. The current account balance for the 2016 calendar year improved by US\$327.1 million to a deficit of US\$103.0 million (0.7 per cent of GDP), relative to the previous calendar year (Figure 17). This represents a continuation of the improvements observed for the last four years. The improved outturn emanated from all sub-accounts, except for the primary income sub-account. The goods, services and secondary income sub-accounts improved by US\$220.9 million, US\$153.1 million and US\$83.1 million, respectively, while the primary income sub-account reflected a deterioration of US\$130.0 million. The improvement in the combined goods and services balance of US\$374.0 million, or 16.3 per cent, reflected a fall in goods and services imports primarily due to lower mineral fuel prices.

3.3. The net international reserves (NIR) of the Bank of Jamaica (BOJ) increased by US\$282.4 million to US\$2,719.4 million at end-2016. Gross reserves amounted to US\$3,291.5 million and represented 24.7 weeks of projected goods and services imports at end-2016, relative to 23.5 weeks at end-2015.

3.4. BOJ continued its accommodative monetary policy stance in 2016. For the year, the Bank reduced its signal interest rate, the rate payable on its 30-day Certificate of Deposit (CD), by 25 basis points (bps) to 5.00 per cent. Related rates were adjusted accordingly. The lowering of the signal rate reflected the generally favourable outlook for inflation over the near- to medium-term amidst improved macroeconomic fundamentals. During the year, the Bank raised the cash reserve and liquid asset reserve requirements for deposit-taking institution's foreign currency liabilities in

incremental steps to equal those for domestic currency liabilities while discontinuing the remuneration of foreign currency reserve holdings. This adjustment was intended to curb the growing trend in dollarization. The Bank continued to manage Jamaica Dollar liquidity through issues of regular sterilization instruments and repurchase operations.

3.5. The year 2016 brought positive developments in Jamaica's inflation experience. The calendar year inflation outturn of 1.7 per cent was not only lower than in 2015 but was the lowest rate for a calendar year since 1964. The deceleration in inflation for the year reflected the impact of weak, albeit improving, domestic demand conditions, declining inflation expectations and favourable weather conditions. Annual inflation was 4.1 per cent at March 2017, relative to 3.0 per cent for the corresponding period in 2016. The outturn was marginally below the lower end of the Bank's forecast range of 4.5 per cent to 6.5 per cent for FY2016/17 and largely reflected higher costs for energy and transport, domestic agriculture commodities and processed foods. Annual core inflation was 2.3 per cent at March 2017, attributable to the lower exchange rate pass-through to domestic prices coupled with continued fiscal restraint. For FY2017/18, inflation is projected within the range of 4.0 per cent to 6.0 per cent.

3.6. The Government of Jamaica has remained resolute in its effort at maintaining fiscal prudence and achieving continued success under its economic reform programme. In November 2016, the Government recorded its thirteenth consecutive positive review under the IMF's Extended Fund Facility (EFF) programme. It also successfully negotiated a new precautionary three-year Stand-By Arrangement (SBA) with the IMF. The SBA replaced the EFF in the penultimate quarter of FY2016/17. The frequency of the formal reviews of the quantitative performance criteria (QPCs) and the structural benchmarks under the SBA has been adjusted to semi-annual from quarterly. Under the precautionary SBA, Jamaica has access to approximately US\$1.6 billion (SDR 1,195.3 million, or 312 per cent of quota) with certain conditionalities. In addition to the commitments to maintaining macroeconomic stability and reducing public debt, by addressing a wide range of structural issues, the SBA incorporates a renewed focus on unlocking Jamaica's growth potential through structural reforms. The first IMF Staff Review mission under the SBA was conducted between 20 February and 3 March 2017. That mission was followed by a successful review by the Executive Board of the IMF on 18 April 2017. The approval of the first review provides the Government of Jamaica with access to SDR 126.0 million (approximately US\$170.0 million). The remaining funds will become accessible to Jamaica in six tranches upon successful completion of the semi-annual programme reviews. The Bank of Jamaica is confident that all the indicative QPCs and structural benchmarks under the SBA at end-March 2017 were met.

3.7. Central Government operations recorded a cumulative primary surplus of \$135.9 billion, or 7.7 per cent of GDP, for FY 2016/17, which was \$15.1 billion above FY2015/16. Similarly, for the FY2016/17, the fiscal deficit was lower by \$1.4 billion relative to the FY2015/16. The outturn was attributable to higher Revenue and Grants partly offset by higher expenditure. In particular, for FY2016/17, Revenue and Grants was \$44.0 billion above FY2015/16. The performance of revenue was reflected primarily in Tax Revenue and Grants. With regard to Tax Revenue, higher than budgeted receipts were recorded in Income and Profits, Production and Consumption and International Trade. Higher expenditure relative to FY2015/16 was reflected in all areas of expenditure except domestic interest payment. BOJ's Terms of Trade Index (TOT) for Jamaica contracted at an annual pace of 28.5 per cent at March 2017, in contrast to the annual expansion of 0.8 per cent registered at December 2016. This outturn reflected a decline of 15.8 per cent in the Export Price Index (EPI) and a rise in the Import Price Index (IPI) by 17.7 per cent. The reduction in export prices was driven by a fall in implicit tourism prices, while the expansion in the IPI emanated from higher prices for fuel, capital goods and non-durable raw materials. Over the next four quarters, the Bank expects that Jamaica's TOT will improve. This mainly reflects an improvement in the EPI as a result of an expected increase in implicit tourism prices, consistent with the Bank's forecast of higher global growth.

3.8. Jamaica's economy is expected to grow by 2.0 per cent–3.0 per cent in the short to medium term. Growth is predicated on increases in:

- domestic demand – due to a strengthening in the domestic labour market and increases in consumer and business confidence; and
- external demand – associated with the improved performance of the global economy.

3.9. Further improvement will be facilitated by continued improvement in Jamaica's macroeconomic and business environment; strengthening of competitiveness; increased capacity utilization in some industries; and the roll-out of major strategic investment projects.

3.10. Specifically for FY2017/18, real GDP is projected to increase by 2.3 per cent. The goods producing industry is expected to grow by 5.7 per cent, driven primarily by increased output of all four industries, with the mining and quarrying industry expected to record the largest improvement in real value added. For the services industry, growth of 1.2 per cent is projected, supported by increased value added in all industries with the exception of Producers of Government Services.

3.1 The Economic Reform Programme

3.11. In 2012, the Government of Jamaica embarked on an Economic Reform Programme (ERP), which is a strategic plan of action aimed at generating the sustained economic growth and long-term development of the country. The ERP is predicated on seven (7) pillars, namely (i) debt reduction; (ii) tax reform; (iii) public-private sector partnership; (iv) pension reform; (v) public sector reform; (vi) job creation; and (vii) growth inducement strategies. The ERP has resulted in improvements in some of Jamaica's economic fundamentals resulting in:

- debt reduction strategy which was initially pursued using the National Debt Exchange (NDX) and which featured an exchange of debt instruments between the Government and creditors on the local market. This was launched in February 2013. The debt/GDP ratio has declined from 140.5% of GDP in FY 2013/2014 to 122.5% in FY 2016/2017.
- broader tax reform through the promotion of a simpler, more efficient, broader tax base and equitable tax system which would eliminate distortions and become an incentive for economic growth. Pivotal to the issue of tax reform is the need to contain leakages within the context of the current fiscal constraints, as well as to achieve the targeted reduction of tax expenditures to approximately 2.5 per cent of GDP, whilst bolstering the revenue collection/compliance gains to achieve a targeted primary balance of 7.0 per cent.
- a Public-Private Partnership (PPP) Policy has been approved by the Cabinet. This will guide the long-term relationship between Government and the private sector.
- pension reform - the GOJ remains on track with implementing the Pensions (Public Service) Act during FY 2017/18.
- public sector reform to establish a more transparent public sector, to streamline operations and to improve efficiency. Several public sector entities will also be merged to improve efficiency and improve the use of the country's resources and divest the ones that will be more profitable in private hands.
- a reduction in the unemployment rate by 1.5 percentage points from 14.2% in January 2012 to 12.7 in January 2017.
- the implementation of Growth Inducement Strategies with primary focus being placed on the development of Special Economic Zones (SEZs), and the Information and Communication Technologies (ICT) and Business Process Outsourcing (BPOs) sectors.

3.2 Economic Growth Council

3.12. In August 2016, the Government of Jamaica established an Economic Growth Council (ECG) to advise the Cabinet on a set of policies and reforms that can help to stimulate economic growth that would assist Jamaica in achieving an economic growth target of 5 per cent per annum in four years, that is, by 2020. The ECG comprises eight representatives from the public and private sectors and is chaired by a member of the private sector. Following extensive consultations with national stakeholders, the ECG presented its recommendations to the Cabinet in September 2016. These recommendations, which also incorporate elements of the ERP, are contained in its document entitled Call to Action¹.

¹ Economic Growth Council. *Call to Action 5 in 4*. November 2016. <http://mfaft.gov.jm/wp/wp-content/uploads/2017/01/EGC-Initiatives.pdf>

3.13. The work of the Council is focused on eight priority areas: (1) maintaining macro-economic stability and pursuing debt reduction strategies; (2) improving citizen security and public safety; (3) improving access to finance; (4) pursuing bureaucratic reforms to improve the business environment; (5) stimulating greater asset utilization; (6) building human capital; (7) harnessing the power of the Jamaican Diaspora; and (8) catalysing the implementation of strategic projects. The Council follows up on recommendations made and their status of implementation and reports to the public on a quarterly basis.

4 TRADE AND SECTORAL PERFORMANCE

4.1 Trade performance

4.1. Between the period 2011–2015, trade accounted for an average 81.79 per cent of GDP, indicating that the economy is highly open and dependent on trade. About 80 per cent of the employed labour force is estimated to be involved in occupations that are either directly or indirectly linked to trade. The ratios for imports and exports of goods to GDP in 2015 were 30.3 per cent and 9 per cent, respectively, highlighting the longstanding imbalance existing in goods trade. The ratio of trade in services as a percentage of GDP in 2015 was 35.7 per cent. Tourism is the main service sector with a contribution to GDP of 16.9 per cent in 2015, accounting for the majority of the services trade. Together with tourism, Jamaica's other main exports, such as, bauxite and alumina, sugar, agricultural products and business process outsourcing, and its main imports, such as petroleum products, food and motor vehicles serve as, *inter alia*, inputs for production, a source of income and a means of advancing Jamaica's competitiveness. Additionally, the global trend of pursuing business growth through the fragmentation of production and creation of supply networks across national borders is also rooted in global trade. The pace of implementation of Jamaica's development plan is, therefore, dependent on global trade performance.

4.2. Jamaica's trade deficit grew from approximately US\$3.4 billion in 2005 to a high of US\$5.1 billion in 2008. During the period 2009–2016, the deficit fell below that of 2008, significantly impacted by the movement in the price of fuel on the international market. In 2016, Jamaica's trade deficit with the rest of the world was valued at US\$3.56 billion, which represented a US\$222.2 million or 5.9 per cent decline when compared to the US\$3.78 billion recorded in 2015. This decrease in the trade deficit was largely impacted by the country's lower expenditure on mineral fuels, chemicals and food.

4.3. Expenditure on imports in 2016 was valued at US\$4.8 billion, 5.6 per cent below the US\$5 billion recorded in 2015. Mineral fuels were valued at US\$934.9 million in 2016, below the US\$1.2 billion recorded in 2015. This represented the lowest amount spent on this commodity group since 2008 when expenditure was valued at a high of US\$3.4 billion, due to exceptionally high fuel prices on the world market. In 2016, there was also a move towards using liquefied natural gas (LNG) and this was realized in the latter part of the year. Additionally, there were reduced imports of manufactured goods, with the major items being iron, steel and building cement. Reduced importation of ethanol-related products resulted in a decline in spending on chemicals in 2016. Food declined to US\$840.9 million, down from US\$943.6 million. This was primarily due to reduced expenditure on imports of cereal and cereal preparations (mainly durum wheat), which was impacted by lower prices of grain on the world market.

4.4. Total revenue from exports for 2016 was approximately US\$1.2 billion, down from US\$1.3 billion in 2015. Revenue from domestic exports fell by US\$110.7 million, to value US\$1.1 billion, down from the US\$1.2 billion in 2015 due to lower returns from bauxite, alumina and sugar. Re-exports were valued at US\$104.2 million, increasing by 94.8 per cent or US\$50.7 million, up from the US\$53.5 million recorded in 2015. Exports of crude materials excluding fuels, valued at US\$555.9 million fell by US\$106.0 million, or 16.0 per cent, when compared to US\$661.9 million recorded in 2015, due mainly to the decrease in the exportation of alumina and bauxite. Exports of mineral fuels were valued at US\$172.7 million, a decrease of US\$21.6 million or 11.1 per cent when compared to the US\$194.3 million recorded in 2015. This decline was due mainly to lower exports by the state refinery of finished products, namely Turbojet A1 fuel and Bunker C grade fuel oil. Earnings from food products decreased by 1.0 per cent to US\$220.3 million, down from US\$222.5 million in 2015, mainly attributed to the reduction in the exportation of sugar.

4.2 Sectoral performance

4.5. The services sector contributed approximately 73 per cent of GDP in 2016. The main industries in terms of their contribution to GDP were: wholesale and retail trade; repairs; installation of machinery and equipment (19.4 per cent); producers of government services (13.0 per cent); transport, storage and communication (8.3 per cent); finance and insurance services (10.3 per cent); real estate, renting and business activities (11.3 per cent); other services (6.6 per cent); and hotels and restaurants (4.7 per cent). The services sector grew at an annual average rate of 0.4 per cent between 2011 and 2016, with hotels and restaurants registering the highest average growth rate of 2.0 per cent.

4.6. Specifically returning to trade in services, the tourism industry experienced significant growth in visitor arrivals over the review period and continued to contribute significantly to Jamaica's foreign exchange earnings. This was also marked by increases in room stock and direct employment in the sector. Implementation of key objectives of the Master Plan for Sustainable Tourism Development continued to be pursued. Areas of priority over the review period included strengthening linkages, increasing visitor arrivals, accessing new markets, developing new products, attracting new investments, building new partnerships and developing human capital. There have been a number of initiatives aimed at increasing local participation in the tourism sector. These include the tabling of a Community Tourism Policy and the establishment of a Linkages Network Programme, which increases local spend through partnerships with the private sector, academia and Government. It includes five identifiable network areas, namely, sport and entertainment, gastronomy, knowledge, shopping, health and wellness, to support the development of new tourism niche areas and broaden tourism spend to communities and non-traditional tourism segments.

4.7. The National Export Strategy identifies mining as one of its priority industries. The mining and quarrying industry recorded a decline of 3.3% in real value-added and contributed 2.3 per cent to GDP in 2016. The industry employs 0.5 per cent of the total labour force and generated US\$546.1 million in foreign exchange earnings in 2016. The mining and quarrying industry is dominated by bauxite and alumina production, which accounted for 97 per cent of the industry's export earnings and 56.2 per cent of the total value of Jamaica's goods exports in 2015. Total bauxite production, declined from approximately 10.2 million tonnes in 2011 to 8.5 million tonnes in 2016, due mainly to a fall in bauxite production arising from the curtailment of alumina production at the Sherwin refinery in the United States after it filed for bankruptcy in 2016. Two of the three plants that were closed due to the global financial crisis in 2009 are now reopened. The Alpart Nain refinery plant in St. Elizabeth was reopened on 2 June 2017 and is now owned by Jiuquan Iron and Steel (JISCO). The West Indies Alumina Company (WINDALCO) Ewarton plant, owned by UC Rusal, was reopened in the third quarter of 2010. The WINDALCO Kirkvine plant, also owned by UC Rusal, remains closed. The Government is now focused on strengthening the institutional capacity of the mining and quarrying industry to, *inter alia*, enhance efficiency, increase the use of research and technology in industry operations, and integrate the development of mineral resources with overall land-use planning and zoning.

4.8. The Government of Jamaica continues to support the development of the manufacturing industry through the implementation of policy, regulatory and institutional structures aimed at creating and further strengthening the industry in order to facilitate the establishment of an enabling business environment, improved competitiveness, and greater sectoral linkages. The Government encourages the development of environmentally sustainable manufacturing and has, where possible, provided assistance to develop stakeholders' capacity in standards, quality management, marketing and customer service. In particular, such assistance is offered to MSMEs.

4.9. In 2016, the manufacturing industry's contribution to GDP was 9.1 per cent, relatively unchanged from 2011. The industry grew from 1.8 per cent in 2011 to 1.9 per cent in 2016. Among the main subsectors were food, beverages and tobacco products, chemicals and chemical products and non-metallic mineral products. In 2015, the manufacturing industry's share of total employment was about 15 per cent. The issues facing the industry include cost of credit, compliance costs relating to standards, labour productivity challenges, shifts in energy costs, and inadequate and costly transportation infrastructure. The Government is inviting greater private sector engagement in manufacturing and is also implementing policy responses to these challenges. Such policy responses include encouraging investment in and public-private partnerships which develop alternatives to fossil fuels and renewable energy solutions and make

available cheaper sources, such as LNG. The Government has also increased investment in and policy focus on education and training; the use of industrial relations to achieve productivity gains; and the implementation of projects to rehabilitate and maintain physical infrastructure.

4.10. The agriculture, forestry and fishing industry accounted for 8.0 per cent of Jamaica's GDP, representing an increase from 6.6 per cent in 2011. The industry employed 17.7 per cent of Jamaica's total employed labour force in 2015, down from 18.2 per cent in 2012. Gross value-added for the industry increased from 10.3 per cent in 2011 to 12.9 per cent in 2016. The value of traditional export crops, namely, coconut, coffee, citrus, cocoa and pimento, fluctuated over the period 2011 to 2015, with an overall increase from US\$23.5 million in 2011 to US\$28.5 million in 2015. The value of sugar exported fluctuated over the period 2011 to 2015, with an overall decline from US\$62.2 million to US\$53.8 million.

4.11. In 2008, Jamaica ceased exporting bananas to the United Kingdom, its main traditional market, due to the impact of weather conditions. Subsequently, exports were also affected by the liberalization of the UK market and the low prices for the product in that market, which made it unprofitable for Jamaican banana exporters. Instead, banana producers are now focused on exporting to the Cayman Islands and Canada. Jamaica exported 410,072 tons and 318,048 tons of bananas to those markets in 2015 and 2016, respectively, of which the Cayman Islands accounted for about 60 per cent. It has become more lucrative to produce bananas for the local market, which includes supplying the tourism industry, than it is to export the product.

4.12. The Government is seeking to enhance the development of the agriculture industry through the use of agro-parks, which were established in 2012; encourage youth engagement through initiatives, such as the Youth in Agriculture Programme; and develop a sustainable private sector-led sugar cane industry that strengthens the economic, social and environmental resilience of sugar dependent areas, which is being done through infrastructure upgrades and the provision of quality housing. The Government of Jamaica is improving its food safety infrastructure systems through the implementation of the Food Safety Programme. The development of the agriculture industry is also guided by the Government's Food and Nutrition Security Policy, adopted in 2013, which aims at, among other things, facilitating the availability of food, guaranteeing Jamaicans' access to food, nurturing individual well-being through food choices and consumption that reflect recommended dietary allowances, and maintaining stability in food supplies.

4.3 Impact of global economic developments on Jamaica's trade performance

4.3.1 Slow recovery from the global economic recession

4.13. The global economic decline as a result of the global economic and financial crises has had significant impact on the growth of world trade. In 2016, growth in the volume of merchandise exports reflected weak performance of 1.3 per cent, representing the fifth consecutive year of trade growth below 3 per cent². This is in comparison with an average growth rate of about 6 per cent over the almost three (3) decades (1980-2007) before the outbreak of the crises³. Weak international trade growth in the last few years reflects continuing sluggish growth in the global economy, including as a result of economic policy uncertainties; economic slowdown in the emerging economies and falling commodity prices. It has been forecast that there will be growth in global merchandise trade of between 1.8 per cent and 3.6 per cent in 2017 and 2.1 per cent and 4 per cent in 2018, but that these figures could continue to be affected by policy uncertainty in certain developed countries and regions⁴. This trade slowdown has had a negative impact on developing countries, including Jamaica, in terms of a decline in merchandise exports. In 2015, Jamaica's merchandise exports fell to US\$1.2731 billion from US\$1.5933 billion in 2013.

4.3.2 Lack of progress in the Doha Round negotiations and rising protectionism

4.14. The lack of timely progress in the WTO Doha Round negotiations has resulted in countries shifting attention to concluding plurilateral agreements and regional trade agreements (RTAs) as a means of pursuing further trade liberalization. Additionally, increasing nationalism and rising

² WTO Press Release #768 dated 7 April 2016 and WTO Press Release #791 dated 12 April 2017.

³ The Commonwealth secretariat, Trade Hot Topics Issue #140, "Revitalizing World Trade: Issues and Priorities for the Commonwealth".

⁴ WTO Press Release #791 dated 12 April 2017.

protectionism and anti-globalization and anti-liberalization sentiments, particularly in developed countries, could stifle trade flows and further restrict market access. 2016 was not only a record year for the lowest growth in world trade, but there was also an increase in the stock of trade restrictive measures implemented by the G20 economies since the economic and financial crises.

4.15. These developments are occurring at a time when international trade is expected to play a central role in achieving the UN SDGs. For small, open economies like Jamaica, trade plays a major role in achieving economic growth, employment and poverty reduction. If the SDG and domestic socio-economic targets are to be achieved, Jamaica will need access to a stable rules-based multilateral trading system that will support its participation and integration into the global trading system.

4.3.3 De-risking and the loss of correspondent banking relationships

4.16. Over the past few years, there has been a general tightening of international regulatory standards for international finance, through a process known as de-risking. De-risking refers to the practice of ending banking relationships with clients or closing accounts deemed high risk, including when the earnings from such relationships are considered small in relation to the risk.

4.17. The experience of the Jamaican financial sector regarding de-risking has been mixed. Several banks have had their correspondent banking relationships terminated; others have been allowed a limited range of correspondent services; and others have been subjected to more stringent due diligence processes. Jamaica has taken a number of measures to address de-risking, including through focusing on strengthening Jamaica's supervisory capacity and regulatory frameworks while reducing the potential for money laundering and the financing of terrorism through effective Anti-Money Laundering/Counter Terrorism Financing (AML/CFT) compliance.

4.18. De-risking and the loss of correspondent banking relationships have placed Jamaica and its CARICOM partners at risk of being cut off from the international financial system as it limits the access of these countries to the global payments and financial systems. Jamaica, as part of CARICOM, has engaged in an advocacy and awareness building programme to place the issue on the agendas of bilateral, regional and international meetings, including meetings of the WTO Committee on Trade in Financial Services (CTFS). Jamaica is also working with its international partners to identify the best means of addressing and mitigating the impact of reduced access to international banking and financial services and markets caused by de-risking measures.

4.3.4 Brexit

4.19. In a national referendum on 23 June 2016, the people of the United Kingdom voted to withdraw from membership of the European Union, a process commonly known as Brexit. Jamaica is closely monitoring developments relating to the United Kingdom's exit from the European Union. The United Kingdom is an important trade partner for Jamaica. In 2016, the United Kingdom accounted for 25 per cent of Jamaica's domestic exports to the European Union, and 18 per cent of Jamaica's total trade with the bloc. Jamaica accesses the United Kingdom's market through the CARIFORUM-EU Economic Partnership Agreement (EPA), to which the United Kingdom is party by virtue of its EU membership. Currently, Jamaica and its CARIFORUM partners are engaging the United Kingdom to ensure the continuation of preferential access to the market post-Brexit. Jamaica and its CARIFORUM partners will be working with the European Union to improve access to the markets of Member States post-Brexit under the CARIFORUM-EU EPA.

4.4 Economic growth-inducing policies and strategies to promote competitiveness

4.20. Global Logistics Hub Initiative and Special Economic Zones: The Global Logistics Hub Initiative (GLHI) is designed to further integrate Jamaica into the international trading system and global value chains. Through the GLHI, the Government is demonstrating its commitment to the creation of a competitive business environment, as well as supporting growth-inducing economic activities that will stimulate sustainable economic growth and development. The GLHI, complemented by other policy initiatives underway, aims at: (1) increasing transshipment at Jamaican ports; (2) developing a variety of value-adding manufacturing/assembly industries within Special Economic Zones (SEZs); (3) expanding services for the handling and movement of goods; (4) creating a modern and efficient infrastructure; (5) competitive pricing of shipments;

(6) offering competence and quality in the delivery of logistics services; and (7) enhancing Jamaica's capacity to effectively track and trace consignments. Jamaica is finalizing its market analysis and master plan for the logistics hub.

4.21. The implementation of the GLHI brings into sharp focus the importance of the SEZs. The SEZ legislation was enacted on 1 August 2016, and repealed the Jamaica Export Free Zone Act. SEZs represent an ambitious plan to develop geographically-demarcated industrial clusters, by offering simple and efficient regulations and procedures that engender supply chain integration, targeted investment promotion and retention, diversification of economic activities across sectors and value addition. The SEZs implementation also places emphasis on trade facilitation, which includes the automation of processes and improved customs management. Importantly, the Customs Act is also being revised to augment operations at the SEZs. An integrated approach is being taken to the implementation of the SEZs to ensure that the environment is conducive to the growth of both the goods and service sectors.

4.22. The Jamaica Special Economic Zone Authority (JSEZA) has been established to regulate, attract investment in and guide the development of SEZs in Jamaica. JSEZA, which is housed in the Ministry of Economic Growth and Job Creation, is managing companies' transition from the Free Zones to the Special Economic Zones regime. The Authority is facilitating the enactment of new regulations for the SEZs.

4.23. The Information Communications Technology and Business Process Outsourcing (ICT/BPO): The ICT/BPO industry is a priority sector for the country and has a key role to play in the development of the Jamaican economy. It is a high-performing segment of Jamaica's services industries, having grown at an annual rate of 16% since 2012 and enjoying the highest employment growth rate over the last decade, with an estimated 25,000 employees as at 31 March 2017. It is one of the country's most dynamic sectors covering, *inter alia*, contact centres, back office operations, and knowledge intensive operations. The industry is poised for further growth and has the capacity to double its current size. Efforts are being made to increase the level of local and international investments in the sector. The Government of Jamaica has established an ambitious target of doubling the size of the ICT/BPO industry by 2020, and is focused on providing the necessary support and putting in place the requisite policies and enabling environment to facilitate further growth.

4.24. The first phase of the National Export Strategy (NES) was developed in 2009 as a set of initiatives aimed at increasing Jamaican exports and reducing Jamaica's trade deficit through targeted intervention in key sectors. Implemented over a three-year period, April 2010–March 2013, the NES sought to competitively reposition Jamaica's exports in the global economy by focusing on specific cross-cutting industry strategies and priority industry initiatives. The NES has since been updated with inputs from key stakeholders from each priority sector (e.g., agro processing, light manufacturing, film and animation) and cross-cutting area (e.g., capacity building, standards and quality management), resulting in phase two of the NES (NES2). The overall targets for NES2 are to achieve export growth of 15% per annum, with total goods exports reaching US\$2.5 billion by 2019, and for services exports to reach US\$3.2 billion also by 2019.

4.25. The Business Reform Agenda and the establishment of the National Competitiveness Council (NCC): All mechanisms pertaining to national competitiveness fall within the purview of the NCC, which was established in 2010. The NCC's Business Environment Reform Agenda is specifically focused on enhancing Jamaica's performance in key international indices, such as the Doing Business Report, the Global Competitiveness Index (GCI), and the Logistics Performance Index (LPI). The NCC plays a key role in the implementation of the World Bank funded Foundations for Competitiveness and Growth Project, which is intended to strengthen the business environment in Jamaica for private sector investment, and it oversees the execution of Component 1 of the Project which seeks to enhance competition in the business environment. The NCC is tasked with oversight of the implementation of the NES and is the main entity to which bureaucratic impediments facing investors are escalated for redress. Its achievements since mid-2013 include the establishment of a Secured Transaction Framework, which included the passing of the Security Interest in Personal Property Act, the establishment of a National Collateral Registry and the creation of a single business registration form; the passage of the Insolvency Act, the establishment of a mandatory e-filing system for tax administration and the implementation of the ASYCUDA System for customs administration.

4.26. The Government of Jamaica places great emphasis on fostering entrepreneurship and enterprise development in Jamaica. MSMEs play a significant role in generating employment and contributing to private sector growth and expansion. It is estimated that MSMEs account for 97.6% of all registered classified taxpaying enterprises and that there are also approximately 412,000 own-account-workers, i.e., single person enterprises, operating in Jamaica.

4.27. The Government of Jamaica has put in place a policy, legislative and institutional framework to support the development and expansion of MSMEs. There have been significant improvements to the policy and legislative framework in the past few years with the passing of, *inter alia*, the Secured Interest in Personal Property Act, the Bankruptcy and Insolvency Act, the Public Procurement Act (and Regulations 2017), the Special Economic Zones Act and the MSME and Entrepreneurship Policy, which was implemented in 2013. The MSME and Entrepreneurship Policy is the first comprehensive, coherent and coordinated framework for addressing the policy issues and challenges facing the sector and providing targeted support to expand its contribution to Jamaica's socio-economic development. In 2016, the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAF) began a limited review of the policy with a view to, *inter alia*, strengthening sector support mechanisms and outlining the strategies and activities to further boost the sector over the next five-year period.

4.28. Several entities have been established to provide targeted support to the sector. These include the Jamaica Business Development Corporation, the Micro Investment Development Agency and the Development Bank of Jamaica and Start-Up Jamaica. An MSME Office was established in MICAF with responsibility for policy oversight and coordination of activities and initiatives in relation to the development of the MSME sector.

4.29. Jamaica is in the process of developing a National Investment Policy by 2018, which will support the realization of the country's national sustainable development goals and the country's overall development strategy as set out in the GOJ's medium term economic programme and Vision 2030. Investment policy priorities are guided by a thorough analysis of the country's comparative advantages, development challenges and opportunities, and address key bottlenecks for local direct investment and foreign direct investment in: the GLHI; infrastructure development; establishment of an international financial centre; further development and diversification of the tourism product into health and wellness and medical tourism; expansion of the ICT sector; the creative industries; the development of agro-parks; and energy diversification. The policy will also seek to improve collaboration among Ministries, Agencies and Departments (MDAs) involved in investment facilitation and promotion. A Steering Committee was approved by the Cabinet of Jamaica in February 2017 to oversee the development of the policy, and working groups have been formed to carry out the policy development activities.

4.30. Jamaica is committed to meeting international standards for transparency in investment and tax matters. To this end, Jamaica recently revised the text of its Model Double Taxation Agreement (DTA), *inter alia*, to include the minimum standards required under the Base Erosion and Profit Shifting (BEPS) Project. Jamaica has also submitted its Letter of Intent to become a signatory to the OECD Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (Multilateral Instrument or MLI), which was developed under the BEPS initiative to modify existing treaties allowing for compliance with the BEPS minimum standards.

4.31. Since 2011, nine (9) bilateral Tax Information Exchange Agreements (TIEAs) have been concluded. On 1 June 2016, Jamaica became a signatory to the OECD Multilateral Convention on Mutual Administrative Assistance in Tax Matters.

4.32. Jamaica is reviewing its policy and approaches towards the negotiation and implementation of bilateral investment treaties (BITs), which includes the completion of a model agreement to guide the Government's engagement in future BITs negotiations. To date, 17 BITs have been concluded since 1987, and discussions are underway regarding the possible conclusion of BITs with a number of other bilateral partners. This is in addition to Jamaica's compliance with the requirements of: (i) the international certification process of the IMF/World Bank Financial Sector Assessment Programme, (ii) the Financial Action Task Force (FATF), (iii) the Caribbean Financial Action Task Force (CFATF), as well as various bilateral commitments under the United States' implementation regime for the Foreign Account Tax Compliance Act (FATCA). Jamaica is a member

of the following: (i) the OECD Global Forum on Transparency and Exchange of Information⁵, (ii) the Committee for Fiscal Affairs of the OECD⁶, (iii) the Inclusive Framework for BEPS⁷, and (iii) the Steering Group for the Inclusive Framework⁸.

5 TRADE POLICY AND INSTITUTIONAL FRAMEWORK

5.1 Elements of Jamaica's foreign trade policy

5.1. Generally, Jamaica's trade policy continues to focus on mainstreaming trade, increasing competitiveness, production and exports. Jamaica, as a member of CARICOM, engages in the negotiation and implementation of trade agreements as a means of securing its trade interests and enhancing trade performance. In these agreements, Jamaica seeks to maintain and improve market access with a view to fostering increased market penetration and stimulate exports and develop a diversified export sector. There is also the goal of maintaining and improving performance in the domestic market and facilitating measures to address supply-side constraints thereby improving productivity and competitiveness in both the domestic and export markets.

5.2. For Jamaica, trade agreements should be aimed at promoting both trade and development, and should have a strong development component.

5.3. Jamaica is reviewing its foreign trade policy, which was last revised in 2001 (Ministry Paper No. 69). The current review seeks to ensure the mainstreaming of foreign trade to strengthen its role as a driver of economic growth and development; allow Jamaica to adjust to significant changes in the international environment since 2001; and pursue a more comprehensive and inclusive approach to foreign trade policy formulation and implementation. The overall aim of the revision is to promote a whole-of-Government approach aimed at increasing exports in goods and services and ensuring that the flow of imports benefits the economy in a sustained manner. The Policy and its Action Plan, when approved, will span a five-year implementation period and will focus on positioning Jamaica to leverage the benefits of trade-related issues, such as intellectual property rights. They will also take account of the country's implementation of the United Nation's SDGs.

5.2 Institutional framework for Jamaica's foreign trade policy regime

5.4. The formulation of foreign trade policies and the negotiation of trade agreements is the responsibility of the Ministry of Foreign Affairs and Foreign Trade. The Ministry carries out this responsibility in consultations with stakeholders from the public and private sectors and from civil society. The implementation of Jamaica's obligations under trade and trade-related agreements to which it is a party is done by other ministries and their departments and agencies, mainly, the Ministries of Industry, Commerce, Agriculture and Fisheries; Finance and the Public Service; Science, Energy and Technology; Tourism; Transport and Mining; and the Office of the Prime Minister. The trade-related departments and agencies include the Planning Institute of Jamaica, the Jamaica Customs Agency, the Bureau of Standards Jamaica, the Trade Board Limited and Jamaica Promotions Corporation (JAMPRO).

5.5. National consultations on the implementation of Jamaica's foreign trade policies and on positions to be taken in external trade negotiations are undertaken by the Jamaica Trade and Adjustment Team (JTAT). JTAT is a consultative mechanism comprising representatives of trade-related ministries, departments and agencies, in addition to representatives of the private sector and civil society. The Minister of Foreign Affairs and Foreign Trade chairs the meetings of JTAT. However, it also meets in its various configurations.

5.6. The Jamaican private sector plays an active role in trade policy development and implementation. This is usually done as sectoral initiatives and through the work of umbrella organizations namely the Private Sector Organization of Jamaica (PSOJ), the Jamaica Exporters Association (JEA), the Jamaica Chamber of Commerce (JCC), the Jamaica Manufacturers Association (JMA), the MSME Alliance and the Small Businesses Association of Jamaica. At the level

⁵ Jamaica has been a member since 2010.

⁶ Jamaica is one (1) of fourteen (14) developing countries invited to join the Committee in 2014.

⁷ Jamaica has been a member of the Framework since 2016.

⁸ Jamaica was elected to the Steering Group in January 2017.

of civil society, the trade unions, trade and development-related associations and academia are also invited.

5.7. Jamaica's trade policy formulation is also guided by the provisions of the Revised Treaty of Chaguaramas establishing the Caribbean Community (CARICOM) including the CARICOM Single Market and Economy (CSME). The Treaty requires the coordination of the regional trade policy, and bilateral trade negotiations with third countries as a regional grouping is usually led by the CARICOM Office of Trade Negotiations (OTN). In this connection, Jamaica participates actively in the work of the Council for Trade and Economic Development (COTED) and other trade-related bodies established by CARICOM.

5.3 Regional integration – the establishment of the CARICOM Single Market and Economy (CSME)

5.8. The 2001 Revised Treaty of Chaguaramas was passed into law in Jamaica through the Caribbean Community Act of 1 December 2005. Implementation of the CARICOM Single Market and Economy (CSME) began in 2006. The CSME is administered through five (5) core regimes, namely: (i) the free movement of goods; (ii) the free movement of skills; (iii) the free movement of capital; (iv) the provision of services; and (v) the right of establishment. In 2011, CARICOM Heads of Government decided to put the economy aspect of the CSME on hold and focus on the Single Market. A number of regional institutions have been established to support the implementation and operation of the CSME. They include: the Caribbean Court of Justice (CCJ), the CARICOM Regional Organisation for Standards and Quality (CROSQ), the CARICOM Competition Commission, the Caribbean Agricultural Health and Food Safety Agency (CAHFSA) and the CARICOM Development Fund (CDF). While most Member States have made progress in the implementation of the CSME, there is still more work required amongst Members to ensure a greater level of implementation. This is an important issue for Jamaica and for the CARICOM Conference of Heads of Government.

6 BILATERAL/HEMISPHERIC AND PREFERENTIAL TRADE ARRANGEMENTS

6.1 CARICOM bilateral agreements

6.1. CARICOM currently has trade agreements with Colombia, Costa Rica, Cuba, the Dominican Republic and Venezuela. Work is being conducted under the CARICOM-Costa Rica Free Trade Agreement, the CARICOM-Dominican Republic Free Trade Agreement and the CARICOM-Cuba Trade and Economic Cooperation Agreement to further enhance market access commitments and resolve existing market access difficulties that have impeded effective utilization of the Agreements.

6.2 CARIFORUM-EU Economic Partnership Agreement

6.2. Jamaica currently trades with the European Union under the reciprocal CARIFORUM-EU Economic Partnership Agreement (EPA), which was signed on 15 October 2008.⁹ It was notified to the WTO on 24 October 2008 under GATT Article XXIV. Jamaica continues to provisionally apply the EPA, pending its ratification. Its ratification is among the priority issues being pursued by the Government in 2017. A five-year review exercise was conducted in 2015 and focussed on the impact of the EPA on CARIFORUM States and the challenges encountered in advancing the implementation process. The outcome of the review suggested that the global financial and economic crisis had a profound impact on the ability of the CARIFORUM parties, including Jamaica, to take advantage of the market access opportunities under the Agreement.

6.3 CARIBCAN

6.3. The 1986 Caribbean/Canada Trade Agreement (CARIBCAN) continues to provide non-reciprocal duty free access to the Canadian market for a range of goods from participating CARICOM countries. In July 2015, the WTO General Council, at the request of Canada, extended the MFN waiver for CARIBCAN to 2023.

⁹ Guyana signed the agreement on 20 October 2008, and Haiti signed on 10 December 2009.

6.4 CARIBBEAN Basin Initiative (CBI)

6.4. The Caribbean Basin Initiative (CBI) comprises the Caribbean Basin Economic Recovery Act (CBERA) of 1983/1990 and the Caribbean Basin Trade Partnership Act (CBTPA) of 2000. The CBTPA, through which the benefits under CBERA were further expanded, is due to expire on 30 September 2020. In May 2015, the WTO General Council approved a further MFN waiver for the CBI up to 31 December 2019.

7 MULTILATERAL FRAMEWORK – THE WTO

7.1. Since becoming a founding Member of the WTO on 9 March 1995, Jamaica has been an active participant in all aspects of the WTO's work programme, including in the WTO regular bodies and in the Doha Round of multilateral trade negotiations. Despite its small size and resource constraints, Jamaica has taken numerous steps to continue implementing the Uruguay Round Agreements. Jamaica participates in the work conducted in the various WTO committees charged with overseeing the implementation of these agreements.

7.2. Jamaica remains actively engaged in the negotiations on Doha Development Agenda issues, including through its membership of certain groupings, such as the SVE Group, the African, Caribbean and Pacific (ACP) Group, the G90 comprising the ACP, African and LDC Groups, the Group of 33 and the 'W/52' Group in the negotiations on geographical indications, to promote its interests and concerns with a view to ensuring that there will be balanced, development-oriented outcomes. Jamaica continues to chair the Negotiating Group on Rules.

7.3. During the period under review, Jamaica did not participate as a complainant, defendant or third party in any dispute settlement case.

7.4. Jamaica continues to make notifications under the WTO Agreements as required, including in the areas of technical barriers to trade, sanitary and phyto-sanitary measures, import licensing, agriculture, subsidies and countervailing measures, anti-dumping measures, and state trading enterprises.

7.1 Implementation of the Uruguay Round Agreements

7.5. Jamaica enacted the Customs Duties (Dumping and Subsidies) Act of 1999 (CDDSA) and the Customs Duties (Dumping and Subsidies) (Determination of Fair Market Price, Material Injury and Margin of Dumping) Regulations in 2000, to implement the WTO Agreements on Anti-dumping and Subsidies and Countervailing Measures. There are significant amendments pending to the CDDSA which will make the legislation more user friendly for industry and clarify existing practice. The Safeguard Act of 2000 and the Safeguard Regulations of 2003 were enacted to implement the WTO Agreement on Safeguards.

7.6. The Anti-dumping and Subsidies Commission (the Commission), a portfolio agency of the MICAF, administers the trade remedy regime for Jamaica by conducting investigations and determining appropriate remedies under both legislative regimes. The Commission has conducted to completion six anti-dumping investigations and one safeguard investigation. No investigations were conducted during the period of review. The Commission also performed investigative research, provided advice to the portfolio Minister, and was involved in trade policy development and trade negotiations. The Commission is building business capacity to take trade remedy action by completing the amendments to the CDDSA, training micro, small and medium goods producing entities in the use of trade remedies and to establish a help desk to assist industry. As part of its capacity-building initiative, the Commission trains individuals and businesses in the application of trade remedies. Accreditation was received from the General Legal Council for the coursework for training of Attorneys-at-Law. In addition, a proposal for a help desk to support industries in the process of compiling evidence and filing complaints has been developed.

7.7. The Executive Director of the Commission has served as a panellist on five completed WTO Dispute Settlement panels on trade remedy and related matters. Jamaica continues to provide guidance and support on trade remedy matters to others in the region.

7.8. Jamaica continues to work tirelessly to implement an intellectual property rights regime that is fully compliant with the TRIPS Agreement. The Jamaica Intellectual Property Office (JIPO) is continuously reviewing and updating relevant legislation to ensure that the country's intellectual property laws effectively protect the intellectual property rights of nationals and non-nationals alike.

7.9. Since Jamaica's last report to the WTO in 2011, Jamaica amended its Trade Marks Act and Trade Marks Rules and the Copyright Act, and is currently in the process of again amending the Trade Marks Act and Rules and the Protection of Geographical Indications Act and Regulations. Jamaica is also now in the final stages of adopting a new Patents and Designs Act and is currently drafting new legislation for the protection of new varieties of plants.

7.10. The Trade Marks Rules were amended in 2011 to provide for a new schedule of fees, and, in 2013, the Trade Marks Act and Rules were amended to provide, *inter alia*, for a cooling off period for trade mark oppositions. The Copyright Act was amended in 2015 to provide, *inter alia*, for an extension of the term of copyright protection and to provide exceptions to the copyright regime for visually impaired persons, persons with print disabilities and the hearing impaired to allow them to place material into accessible formats.

7.11. Jamaica is currently amending the Trade Marks Act and the Trade Marks Rules to generally update the Act and Rules including the fees and forms and to provide for the international registration of trademarks under the Madrid Protocol. The Protection of Geographical Indications Act and Regulations are also being amended at present to provide the higher level of protection to all goods including wines and spirits, to establish a Geographical Indications Advisory Committee and to update the applicable fees payable.

7.12. The new Patents and Designs Act will be fully compliant with the TRIPS Agreement and will pave the way for Jamaica to become party to the Patent Cooperation Treaty (PCT), as well as the Hague Agreement and the Locarno Treaty for Industrial Designs. Amendments are also being made to the Copyright Act to provide for cross-border copyright transactions and to add to the list of authorized bodies which can make accessible formats for visually and print disabled persons. A new law is currently being drafted for the protection of new varieties of plants, which will ensure Jamaica's compliance with the TRIPS Agreement.

7.13. In 2012, JIPO issued a Practice Notice regarding the examination of trademarks which contain traditional knowledge and/or traditional cultural expressions of indigenous or local communities. By virtue of that Practice Notice, such trade mark applications will be refused registration if misleading and if they are submitted without consent or authorization of one of the recognized representatives of the relevant indigenous or local community. In 2015, another Practice Notice was issued by JIPO extending the terms of the 2012 Practice Notice to the examination of design applications by JIPO. Jamaica has also recently started the process to develop legislation for the protection of traditional knowledge and traditional cultural expressions.

7.14. In 2013, Jamaica passed the Secured Interests in Personal Property Act (SIPPA) for IP securitization and is in the process of developing the framework to implement the securitization of assets using IP.

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

7.16. Standards in Jamaica are primarily regulated by the Bureau of Standards of Jamaica (BSJ) which was established in 1969, as a statutory body, pursuant to the Standards Act of 1969. The BSJ promotes and encourages the maintenance of standardization in relation to commodities, processes and practices. Over time, its role expanded to include the provision of services in relation to conformity assessment (certification, inspection, testing, and calibration) and metrology. The BSJ is in the process of reviewing its existing legal framework with a view to creating an environment conducive to the implementation of the National Quality Policy. The review includes the governing legislation (Standards Act of 1968, Processed Food Act of 1959 and

Weights and Measures Act of 1976).¹⁰ The amendment aims to shorten the process for the export of processed food and to enable a more trade-friendly regime that brings Jamaica in line with international best practice, which posits a risk-based approach towards production.

7.17. The regulatory functions of the BSJ were operationally separated with the establishment of the National Compliance and Regulatory Authority (NCRA) in January 2016. The NCRA is responsible for registering processed food establishments, inspecting goods at the ports of entry and in the domestic market for compliance, and legal metrology. The BSJ provides the NCRA with corporate services, namely, human resource management and development; corporate planning and budgeting; financial management; facilities management; and ICT support. The BSJ has commenced a number of initiatives, including the Strategic Public Sector Transformation Project and the Capacity Building for Market Access Project to, among other things, enhance the organization's role in the areas of trade facilitation, industrial growth and the protection of the health and safety of the Jamaican people.

7.18. The BSJ's conformity assessment programmes were transferred to the National Certification Body of Jamaica (NCBJ) as at 1 January 2017. These programmes include the Jamaica Made Mark Programme (JMM); HACCP Recognition Programme; National Certification Mark Programme (CMP); and Certification of Agricultural Produce (CAP). The NCBJ continues to maintain the effectiveness of the accredited management system to ISO 17021:2015 and was approved by ANAB to issue ISO 9001:2015 accredited certificates to organizations. The BSJ attained certification to ISO 9001:2008 Quality Management Systems – Requirements from BSI (UK certification body) in February 2016 for the provision of services in relation to facilitating the development of standards for commodities, services, practices and processes; performing conformity assessment activities; and promoting research and education in standardization. This achievement was an indication that the organization has a quality management system that meets the requirements of ISO 9001:2008.

7.19. Four of the organization's laboratories (chemistry, microbiology, packaging and mass) attained accreditation of critical food test according to ISO/IEC 17025:2005 general requirements for the competence of testing and calibration laboratories for specified tests. The BSJ has undertaken a reduction of the turnaround times in its laboratories. Generally, the times have been reduced by two weeks. Products tested at the accredited laboratories of the BSJ will provide access to over 80 markets worldwide, based on the accreditation received from the Jamaica National Agency for Accreditation (JANAAC).

7.20. The BSJ is seeking to establish a 'WTO/TBT National Enquiry Point Portal' to meet the relevant obligations outlined in the Agreement on Technical Barriers to Trade and to provide value-added services to the BSJ's clientele. Targeting mainly associations and sector groups, such as the Jamaica Manufacturers Association (JMA) and the Jamaica Business Development Corporation (JBDC), the BSJ is assisting MSMEs to enhance their international competitiveness.

7.21. The Plant Quarantine Produce Inspection Division in the MICAFA is Jamaica's enquiry point under the WTO Agreement on Sanitary and Phyto-sanitary Measures. A National Agricultural Health and Food Safety Coordinating Committee has been established to allow for more effective coordination among the various administrative bodies. The enquiry point continues to play a major role in ensuring transparency in the implementation and application of Jamaica's laws and regulations affecting SPS measures. Changes have been made to Jamaica's legislative framework in the area of sanitary and phyto-sanitary measures to facilitate compliance with the WTO SPS Agreement. The SPS enquiry point circulates, as frequently as possible, a spread sheet which provides information on the most recent SPS notifications. The stakeholders are encouraged to initiate discussion on notifications which are of interest to them. The modernization of Jamaica's SPS regime remains a work in progress which would benefit from further development assistance.

¹⁰ Cabinet, in February 2017, approved an amendment of the Processed Food Act 1959 and the Processed Food (General) Regulations 1959 to remove the requirement for Export Certificate. Parliament, in 2015, approved an amendment to the Weights and Measures Act 1976 and its attendant Regulations to increase the fines to a maximum of \$1 million in respect of offences under the Act or Regulations. Parliament, in 2012, approved an amendment to the Standards Act of 1968 and the Processed Food Act of 1959 to increase the fines to a maximum of \$3 million in respect of offences under the Acts.

7.22. The WTO Agreement on Customs Valuation is administered by Jamaica Customs, an Agency of the Ministry of Finance and the Public Service. Under the Customs Modernisation and Reform Programme, the then Jamaica Customs Department underwent an extensive process of rationalization and re-organization of customs procedures and management. The Customs Act, 1955, which is Jamaica's primary piece of legislation dealing with customs valuation and procedures, was amended in 2001 to bring it into conformity with the provisions of the WTO Agreement on Customs Valuation.

7.23. Despite the advances that have been made under the Customs Modernisation and Reform Programme, the Customs Agency still encounters challenges associated with, among other things, under-invoicing. Additionally, there continues to be a need for ongoing training and technical assistance. In this regard, Jamaica has benefited from technical assistance provided by the Governments of Chile, Sweden, the United States, the United Kingdom and Canada, as well as the World Customs Organization (WCO).

7.24. As part of efforts to modernize customs procedures, the Jamaica Customs Agency implemented the Automated System for Customs Data (ASYCUDA) World on 1 April 2016. ASYCUDA World is a web-based system that accelerates customs clearance and simplifies procedures through computerization. The implementation of ASYCUDA World is among the measures being introduced by the Government of the Jamaica to facilitate trade, achieve greater efficiency, reduce transaction costs and improve the domestic business environment.

7.2 Implementation of the WTO Agreement on Trade Facilitation

7.25. Jamaica was an active participant in the negotiations on trade facilitation. Acting individually and in its capacity as Coordinator of the ACP Group in Geneva during the preparatory process for the 9th Session of the WTO Ministerial Conference (MC9), Jamaica advocated strongly for the adoption of a new and more dynamic approach toward the treatment of special and differential treatment (S&DT) provisions that would take into account the different capacities of the developing countries and LDCs to implement the provisions of the TF Agreement and the difficulties they may encounter in doing so. Emphasis was therefore placed on the need for the provision of adequate technical assistance and capacity building support to assist developing countries and LDCs in implementing the TF Agreement.

7.26. Jamaica notified its Category A commitments in February 2015 and ratified the Agreement in January 2016. Jamaica's Categories B and C commitments were submitted to the WTO Secretariat in July 2017.

7.27. A Trade Facilitation Task Force comprising representatives of the public and private sectors was established in 2015 under the aegis of the National Competitiveness Council (NCC). The Task Force is responsible for mapping and driving the implementation of the trade facilitation measures, including those under the TF Agreement, which are deemed critical to support economic growth and promote competitiveness, as well as ensure a coordinated approach across government Ministries, Departments and Agencies (MDAs) in the development of a single electronic window for trade (SEWT) and a national trade information portal (NTIP), amongst a range of other reforms.

7.28. Since 2015, the Task Force has undertaken a range of activities which are required for coordinating and implementing various provisions under the TF Agreement. These activities include the development of a Roadmap and Project Plan for Trade Facilitation, as well as partnering with the World Bank Group to provide technical assistance and training in areas such as gap assessments, data collection and analysis and the development of risk profiles.

7.29. Jamaica also participates in the CARICOM Regional Committee on Trade Facilitation (RCTF) established to facilitate regional coordination and implementation of the TF Agreement within CARICOM and to promote consistency between national and regional trade facilitation priorities.

7.3 Aid for trade

7.30. Jamaica supported the proposal for the Doha Development Round to have a capacity building component. The Aid for Trade Initiative is intended to assist developing countries and LDCs to build the trade capacity and infrastructure required to take advantage of export

opportunities; to increase their capacity to trade; and to participate more effectively in international trade.

7.31. Jamaica's National Aid for Trade Strategy, entitled 'Partnership towards Sustained Economic Growth and Development through Trade', was developed with the assistance of the Inter-American Development Bank (IDB). It was presented by the IDB at the WTO's 3rd Global Aid for Trade Review in July 2011 and formally launched in Kingston in November 2011. The Strategy identified gaps in previous funding for trade projects and identified Jamaica's trade-related needs in three (3) pillars, namely network infrastructure; competitiveness and export diversification; and trade development. It also includes an action matrix identifying critical initiatives requiring development assistance and investment. Jamaica's National Aid for Trade Strategy has been aligned with national policies, plans and strategies. The Strategy is also closely linked to the Regional Aid for Trade Strategy, which was launched by CARICOM in 2013.

7.32. Since the launch of the National Aid for Trade Strategy, the Government of Jamaica has been the recipient of six major Aid for Trade projects aimed at, *inter alia*, (i) export diversification; (ii) improving conditions for better access of Jamaican products to the rest of the world; (iii) increasing agricultural competitiveness; and (iv) strengthening of the business environment in Jamaica for private sector investment.

7.33. Jamaica appreciates the trade-related assistance receive from its development partners, including the European Union, IDB, World Bank, Commonwealth Secretariat, Canada, New Zealand, the United Kingdom and the United States.

7.34. Nevertheless, it should be recalled that, at the Global Aid for Trade Reviews, it was recognized that the Caribbean was among the regions receiving the least amount of Aid for Trade resources. Among the problems affecting Jamaica's ability to secure additional funding have been the Government of Jamaica's tight fiscal policy space, due primarily to the high debt burden and slow economic growth; the priorities of international development partners; and the challenges of size as investors look at economies of scale.

7.4 Technical assistance and capacity building

7.35. During the period under review, Jamaica continued to participate in the technical assistance and capacity building (TACB) courses and programmes offered by the WTO on-line, at the national and regional (CARICOM) levels and in Geneva. These courses and programmes have provided practical support to Jamaica in building its knowledge, capacity and skills in relation to the WTO Agreements and their implementation; and in facilitating greater participation in the work programme of the WTO and in international trade in general. The introduction of the progressive learning approach to TACB has resulted in a more streamlined approach to learning, and the on-line courses have provided greater access to information and instruction on the WTO Agreements. However, Jamaica will continue to face capacity constraints in a number of areas and will continue to require TACB support from the WTO. In this regard, there will also be need for a more structured approach toward the provision of TACB in certain specialized areas, including trade in services, to address the capacity deficits that exist in these areas.

8 CONCLUSION

8.1. Jamaica remains committed to the multilateral trading system, and continues to actively participate in the WTO's regular work and contribute to the efforts being made to advance negotiations on issues under the Doha Development Agenda. Notwithstanding limited resources, Jamaica continues its efforts to implement the WTO Agreements, while implementing its obligations under the Revised Treaty of Chaguaramas establishing the CSME, as well as other trade agreements negotiated with the European Union and bilateral partners in Latin America and the Caribbean. As stated, international trade is essential to the Government achieving its goal of robust economic growth and job creation. Jamaica, therefore, is aiming to take a holistic approach to the implementation of its foreign trade policy to ensure that the country benefits from international trade.

8.2. The country, however, faces major challenges arising from developments in the global economic environment. These challenges include the practice of de-risking by financial institutions

in major economies, an increased tendency towards protectionism in some key markets, lack of fiscal space to absorb concessionary donor funding from Aid for Trade, and the uncertainties surrounding the future of the Doha Development Round. This is a parlous situation for highly indebted developing countries with small, open, vulnerable economies. Nevertheless, Jamaica is monitoring developments in the global economy, especially those that have a significant bearing on its trade performance, and thus its ability to achieve robust economic growth and create jobs. These are development dimension issues which Jamaica hopes will continue to receive attention as preparations accelerate for the 11th WTO Ministerial Conference (MC11) to be held in December 2017 in Buenos Aires, Argentina.
