



Editor's Corner

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Dear Valued Members

We are pleased to welcome you to the Chamber's first issue of Trade and Investment Bulletin for 2010!

In our *Trade Round-Up!* for this issue we bring to you some of the amendments that have been made to the procedures of Suspension of Common External Tariff as it applies to CARICOM.

Also, Trinidad and Tobago as a part of CARICOM is currently undergoing negotiations with Canada for a Caricom-Canada Trade and Development Agreement and we are delighted to provide you with an update on this front!

In addition to this, check out our *What's Happening!* section for the latest in local, regional and international trade shows and events.

We are making every effort to make our **Trade and Investment e-bulletin** tailored to *YOUR* needs. Should you have any suggestions as to how we may improve this publication and if there is other information you would like to see included, please do not hesitate to contact us. We certainly welcome your feedback!

Happy reading!

NEW PROCEDURE FOR THE SUSPENSION OF COMMON EXTERNAL TARIFF

The Trinidad Cement Limited vs. Caribbean Community ruling by the Caribbean Court of Justice, was a landmark decision, and has altered the relationship between the CARICOM Secretariat's and private entities. Nowhere is this more clearly illustrated than in CARICOM Secretariat new procedures for the suspension of the Common External Tariff (CET) announced at the 28th Council of Trade and Economic Development (COTED). Prior to the ruling of the CCJ, the private sector had no direct formal contact with the CARICOM Secretariat on official matters. When determining whether to grant a suspension of the CET, the Secretary General's (SG) by his own admission in court, never attempted to contact the companies directly: rather he relied on Member States and assumed they took companies submission into consideration when they responded.

The new procedures mandate that local authorities, in Trinidad and Tobago's case, the Trade Licensing Unit of the Ministry of Trade and Industry, must consult with private sector entities formally, whilst this happened in the past, it was not mandatory. The COTED at its 29th Meeting has reviewed the new procedure for the suspension of the CET and has subsequently made some amendments. In addition the COTED has decided to amend the Revised Treaty of Chaguaramas and add additional criteria to reasons under which the CET is suspended.

What is the Common External Tariff (CET)

- ❖ The CET is a common harmonized system of classification for goods entering into Members States from external countries
- ❖ CET also consists of a consistent tariff rate attached to each goods entering the member state
- ❖ The CET is should be unified and applied by all Member States.

What is meant by Suspension of the CET

Member States in 'special' circumstances are allowed to waive the CET. This is done on a country by country basis and must be approved by CARICOM. The waiver is granted when:

- ❖ The good cannot be sourced regionally in the quantity or quality required
- ❖ If the good is not produced within the region

New Procedures for Companies Requesting a Suspension

Prior to the ruling companies applied to the Ministry of Trade and Industry for a suspension of the CET. Generally they wrote indicating the quality and quantity of the good that they needed, and stated that it could not be sourced regionally. However this was a national practice and not a mandatory step. The new rules state:

- ❖ When writing requesting a suspension of the CET companies must indicate the required:
 1. Quantity
 2. Quality
 3. Urgency

- ❖ Companies are also now required to provide proof of attempting to source the goods from local and regional suppliers. The judgment stated companies should endeavor to “ **provide evidence of unfulfilled orders; evidence of the response of the regional producers including transportation logistics and information showing efforts made to obtain regional supplies**”.

While companies are not mandated to provide all of the information above, the judgment clearly indicates that companies must show that they have earnestly attempted to obtain materials from regional suppliers.

New Procedures for Companies Challenging a Suspension of the CET

Member states are mandated to contact companies in the specific industry when they receive word from the CARICOM Secretariat that a suspension is being requested. Companies challenging suspensions are required to:

- ❖ State in writing that it can supply indicating the quantity, quality and the time frame within which it can supply.
- ❖ Indicate also in writing its annual production to prove its local and regional supply capabilities.
- ❖ Ensure that the Ministry has their contact information.

If the company is not able to supply the quantity demanded they must indicate when they will be able to supply the requested quantity. Please note that the suspension will possibly be granted for the period of time within which the regional company cannot supply.

Assessment of New Procedures

In the five months between the 28th and 29th COTEDs the CARICOM Secretariat has implemented a new procedure for the applications and the responses to the suspension of the CET. At the 29th COTED there was a review of the system. It was decided:

- ❖ Not to expand the 14 day timeframe within which suspension are normally granted.
- ❖ However after the 14 day period, if there is still no response from the member state and there isn't a known supplier then the suspension will be granted.
- ❖ In instances where there is a known supplier CARICOM Secretariat will be given an additional seven days in which to contact the known supplier.

Source: Information provided by the CARICOM Secretariat

TRADE ROUND UP!

UPDATE ON THE CARICOM-CANADA TRADE AND DEVELOPMENT AGREEMENT

The first meeting of the Technical Working Group on **Trade Related Issues** was convened in Barbados on 22nd to 23rd February, 2010. The Chamber was present at this meeting as part of the Trinidad and Tobago delegation headed by the Ministry of Trade and Industry. The following is a snapshot of the discussions and developments that took place:

-Transparency in Government Procurement

The CARICOM Heads of Government mandated the Regional Specialists in Government Procurement to develop a CARICOM position for Government Procurement. It was recommended that a minimalist approach be adopted and as such only transparency should be negotiated as it was felt that negotiating Market Access would not be in the region's best interest.

The document has been approved by the Council for Trade and Economic Development (COTED) will be used at the Meeting of Technical Negotiating Group in Barbados 29 -30 March 2010.

-Competition Policy, Monopolies and State Enterprises

The Negotiating brief recommends that Caricom commitments in Competition Policy, Monopolies and State Enterprises should focus on co-operation and include measures aimed at helping CARICOM States establish and/or strengthen all aspects of their national competition enforcement agencies. It was also recommended that CARICOM should resist the incorporation of disciplines which depart in a material way from either the Revised Treaty or EPA disciplines or surpass these in any respect.

-Trade and Innovation

In 2002 Canada developed a national innovation strategy as they were concerned that they were lagging behind their main competitors in innovation and productivity. Thus, based on the results of national consultations on the state of their innovation systems, Canada's Minister of Finance dedicated funds to move their ranking from 15th to 5th in the world in expenditure on innovation development. These measures included efforts to ensure that the right type of research communities, clusters and business environment were being created to promote the development of innovation. They also restructured the education system, provided more opportunities for tertiary level students to specialize in areas in which Canada had comparative advantages. In accordance with this Canada introduced more programmes focused on the commercialisation of innovation, such as Networks of Centres of Excellence, a Sustainable Development Technical Fund and Industrial Research Assistance of Excellence (IRAP) for SMEs.

It is intended that including a Chapter on Trade and Innovation in the Trade Agreement would benefit CARICOM as it would commit Canada to engage in collaborative efforts to assist the region develop its innovation systems.

Both the CARICOM Draft Chapter on Competition Policies, Monopolies and State Enterprises and Trade and Innovation have not yet received the necessary approval from COTED which will convene its next meeting in May 2010. As such, Member States still have the opportunity further develop their national positions. If you have any thoughts of programmes of innovation that Canada offers that your company maybe interested or comments on any on the Trade Related Issues please do not hesitate to contact us.

SUSPENSIONS OF THE COMMON EXTERNAL TARIFF

The Ministry of Trade and Industry has advised of the following suspensions of the Common External Tariff:

Tariff Heading	Description of Goods	Varied Rate of Duty	Period	Reference
2004.10.90	Frozen French Fries	5%	21 Jan 2010 to 31 Dec 2010	Legal Notice No.8 & 9 Dated 21 st Jan 2010
1701.99.90	Cane or beet sugar and chemically pure sucrose, in solid form			Legal Notice No. 316 & 317
1701.99.90	Other	Free	1 Jan 2010 to 31 Dec 2010	Dated 31 st Dec 2009
15.07	Soya Bean Oil and its fractions, whether of not refined, but not chemically modified	Free	22 Feb 2010 to 31 Dec 2010	Legal Notices No. 29 & 30 Dated 22 February 2010
1507.90.00	Other	Free	22 Feb 2010 to 31 Dec 2010	
3926.90.90	Other (Ear Plugs, Ear Muffs)	Free	22 Feb 2010 to 31 Dec 2010	
6307.90.90	Other (Disposable Respirators)/ Oil Sorbents	Free	22 Feb 2010 to 31 Dec 2010	
9004.90.00	Other (Safety Goggles)	Free	22 Feb 2010 to 31 Dec 2010	
9020.00.00	Other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replacement filters	Free	22 Feb 2010 to 31 Dec 2010	

WHAT'S HAPPENING!

CARICOM MEETINGS – MARCH 2010

DATE	MEETING	VENUE
22-24	Thirty Second Meeting of the Customs Committee	Guyana
22-23	Meeting of Senior Officials on Institutions and Associate Institutions	Barbados
23-25	Sub-Regional Workshop on Development of National Anti-drug Strategies and Plans	St. Vincent and the Grenadines
24	Meeting of the PANCAP Priority Areas Coordinating Committee (PACC)	Barbados
25-26	Fourteenth Meeting of the Regional Coordinating Mechanism (RCM) of PANCAP	Barbados

LOCAL TRADE SHOWS 2010

DATE/TIME	EVENT	VENUE	CONTACT
19 th - 22 nd May	Trade and Investment Convention (TIC) 2010	Hyatt Regency	Ms. Sonja Jardine Nanton Email: promotions@ttma.com Ph: (868) 675-8862 Ext. 247

REGIONAL EVENTS 2010

21-25 June	Second Caribbean Sustainable Energy Forum (CSEF-2): Coping with Copenhagen- Fast Tracking Sustainable Energy in the Caribbean Region	Rose Hall Resort, Montego Bay, Jamaica	Ms. Dania Hamilton Tel: 1-758-458-1425 Fax: 1-758-452-2721 Email: csef2@credp-gtz.org
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INTERNATIONAL EVENTS

April 2010	4th India – Latin America and Caribbean Conclave “Enhancing Business Partnerships”.		Mr. Tarun Gupta, Tel: 011-24616423 Email : tarun.gupta@cii.in
29 th & 30 th June 2010	The Future of Wireless International Conference	Robinson College, Cambridge	Email: clare.kettle@cambridgewireless.co.uk Website: www.cambridgewireless.co.uk/futureofwireless