

ASSOCIATION OF CARIBBEAN STATES

DIRECTORATE OF TRADE DEVELOPMENT AND EXTERNAL ECONOMIC RELATIONS

CUSTOMS FACILITATION STATUS REPORT OF ACTIVITIES

Introduction

The Directorate of Trade executing the mandate from the XXVII Special Committee Meeting, held the I Meeting of the Working Group on Customs Facilitation on 23rd January, 2013. Discussions addressed pertinent matters concerning the simplification, harmonization and sharing of customs information between Member States. A key recommendation was the use of a Memorandum of Understanding to govern the exchange of information and interface between Member States.

At the conclusion of the meeting the working group agreed that:

The Directorate of Trade would consult with the Legal Advisor of the ACS as to the legal instrument that could be employed to facilitate the exchange of customs-related information amongst Members. This legal instrument would be reviewed at the Second Meeting for the Working Group on Customs Facilitation.

Update of Activities

Following the conclusion of the I Meeting of the Working Group on Customs Facilitation the Directorate of Trade retransmitted the request for information related to customs administration and procedures, as well as the retransmission of the country questionnaire to those member States who had

not made submissions, as well as those countries desirous of updating and amending information.

To date three (3) new responses have been received from Member States.

The Directorate of Trade also held discussions with the ACS Legal Advisor as to an appropriate instrument to be employed to facilitate and govern the exchange of customs related information between Member States. On the advice of the Legal Advisor the use of a Draft Customs Ministerial Agreement has been proposed and draft text of this Agreement will be presented to member States for their consideration during this meeting.

As a means of assessing and addressing the challenges to Customs Facilitation in the Region, the Directorate of Trade has prepared the Project - **Addressing Customs Facilitation in the Greater Caribbean** for the consideration and approval of Member States, as well as the identification of areas of concern that can be addressed during this second Working Group meeting.

Concern Areas Identified

Member States noted that the need for expedited, automated procedures was crucial for increased efficiency and to alleviate or avoid delays within the system. However, in addition to enhanced infrastructural and technological capabilities, accompanying rules and regulations must not constitute as an unnecessary barrier to trade. For the developing countries of the Greater Caribbean, this is an area of great concern as it negatively impacts their ability to establish market presence and properly exploit opportunities intra-regionally. Some areas which were highlighted to be addressed in the II Working Group on Customs Facilitation are¹:

¹ Taken from OECD, Looking Beyond Tariffs: The Role of Non-Tariff Barriers in World Trade, 2005.

1. **Impressive number and variety of additional taxes and charges:** This refers to service fees, additional charges, and internal taxes which increase the market price of commodities and prove to be problematic. A possible solution to this would be the removal or reduction of burdensome charges to streamline the process and enhance the competitiveness of commodities on the domestic market.
2. **Differences in tax regulations and their lack of transparency:** One way to resolve this problem will be the creation of the information portal which provides a regional platform for the upload of relevant customs information in clear and concise manner.
3. **Import Licensing Systems (including allocation of tariff quotas):** Emphasis should be placed on making these requirements as clear as possible so that conditions can be met. Time taken to grant import licenses should be examined to ensure that there is no undue delay to constitute as a non-tariff barrier.
4. **Technical barriers to trade:** This occurs in cases where regulations, standards and conformity assessment procedures may effectively serve as border-protection instruments for example Sanitary and Phyto-Sanitary measures. One way to rectify this problem is through harmonization of standards or mutual recognition amongst members. Online publication of these requirements could also prove beneficial so that exporters know in advance the criterion for importation.
5. **Bureaucratic delays in the release of goods into the importing market²:** These undue delays reduce the competitiveness of imported goods by increasing time required to enter the market which in turn could result in accrued charges from being held at the port. This is especially detrimental for fresh agricultural products which need to be cleared as quickly as possible. One way to resolve this issue would be

² <http://www.psoj.org/?q=news/improving-caricom-market-access-jamaican-goods-and-services>

to remove the existing bottlenecks so that it will not hinder the competitiveness of imported products.

Of these measures, lack of transparency, technical barriers to trade and sanitary and phyto-sanitary measures were deemed to be the main issues regarding non-tariff barriers in the Latin American and Caribbean region. As major exporters of agricultural products, these were the recurring problems highlighted as impediments to trade.

The Directorate of Trade remains committed to the improving of the Trade Facilitation, Customs Facilitation in the Region and look forward to the commitment and support of all Member States in the achieving of this goal.