

MINISTRY PAPER _____

PERFORMANCE OF THE TRADE BOARD LIMITED FOR 2003/2004 AND FOCUS FOR 2004/2005

1.0 Purpose of Ministry Paper

This Ministry Paper provides highlights of the performance of the Trade Board Limited during the 2003/2004 Financial Year and presents the Board's programmes for the 2004/2005 Financial Year.

2.0 Mission Statement

To execute Government's Policy on electronic transactions, commerce facilitation and import/export licensing and other regulatory matters with efficiency, fairness and transparency to the benefit of the commercial sector and in accordance with GOJ guidelines.

3.0 Role and Function

The Trade Board Limited is an agency of Government, operating under the auspices of the Ministry of Commerce, Science and Technology. The Trade Board Limited has the responsibility for:

- central clearing house for Public Key Infrastructure (PKI) and the registering and certifying authority of public keys (electronic transactions);
- interfacing with the commercial community to facilitate commerce;
- issuing import and export licences for specific items that impact negatively on the environmental, social and economic conditions of the country;
- issuing Certificates of Origin for Jamaican products exported under various preferential trade agreements;
- registering and maintaining a list of importers/manufacturers that use milk powder and refined sugar as raw material for the production of specified products in accordance with the regulations governing the pre and post entry verification; and
- ensuring that Jamaica meets its international obligations under the following:
 - WTO Agreement on Rules of Origin
 - WTO Agreement on Import Licensing

4.0 Highlights of Performance/Achievements

4.1 Outreach Programme

A programme to sensitize the Chambers of Commerce on the function of the Trade Board was undertaken in four (4) parishes. The purpose of the visits was to outline the mandate and responsibilities of the Company and to afford them an avenue to air their concerns with a view to channeling them to the relevant authorities.

4.2 Exporter Certification

The work of the Trade Board facilitated products valued US\$308,737,910 to be exported under the following trade agreements administered by the Company, with 9,070 Certificates of Origin being validated:

Trade Schemes	Agreement	2003/2004 (US\$)	2002/2003 (US\$)	% change export value
GSP		5,307,528	6,111,811	-13
CBI		11,226,939	8,891,249	26
CARIBAN		8,346,588	8,037,248	4
CARICOM		43,706,370	42,290,584	3
CARICOM/COLOMBIA		0	0	0
CARICOM/VENEZUELA		48,283	130,031	-63
CARICOM/DOM. REP.		125,495	294,849	-57
TEXTILES		239,976,710	236,573,934	1
TOTAL		308,737,910	302,329,706	2

4.3 Major Activities

Four (4) measurable targets were set to enable achievement of the above performance of the trade schemes. Most targets were exceeded as indicated below.

Particulars	Target	Actual	% of Target
Issue Certificates of Origin	9,000	9,070	100.78
Conduct & verify analyses of working Process	60	73	121.67
Conduct Company Visits	80	128	160.00
Computerize certificates and textiles visas	N/A	3,524	N/A
Issue revised certificates	N/A	415	N/A
Generate Reports	N/A	34	N/A
Generate revenue	4,000,000	3,714,990	92.87

4.4 Regime for Imported Sugar - (January – March 2004)

The Licensing Regime for Refined Sugar commenced on January 1, 2004 on the instructions of the Cabinet. A Refined Sugar Advisory Committee was established comprising representatives of several stakeholders.

A total of 110 companies use refined sugar as raw material for production. In the first three (3) months of the commencement of this regime, 105 manufacturers/distributors/traders were registered. Forty-eight (48) verification visits were made to factories to determine bona fide manufacturers/distributors/traders.

The Advisory Committee has held seven (7) meetings since its formation and reviewed applications from 95 manufacturers for the importation of 86,956 metric tonnes of refined sugar. Of this amount, 72,821 metric tonnes were allocated to 88 manufacturers.

The Pre-Entry Verification process of this regime was established for the following purposes:

- Allow for the registration of all importers of refined sugar and manufacturers that use sugar as an input into production.
- Verification of the production process to determine qualification to be classified as a bona fide manufacturer.
- Examination of production records, accounting records, import entries and invoices to verify import and production statistics.
- Verification of product analyses to establish standards of input of refined sugar into the production of each product.
- The issuing of a Waiver Letter by the Ministry of Agriculture to bona fide manufacturers to benefit from the waiver of additional stamp duty.

4.5 Milk Powder Regime (October 2003 – March 2004)

This regime commenced on October 21, 2003. For the period October 2003 to March 2004, eighteen (18) manufacturing companies have been registered along with other non-profit organisations and distributors. A total of twenty-two (22) companies are importers of milk powder.

As at March 31, 2004, approval has been granted by the Milk Powder Advisory Committee for twenty (20) companies to import 6,646 metric tonnes of the product.

4.6 Import Licensing

A total of 15,466 import permits were receipted during the year, resulting in a 10% decrease, when compared with the previous year's figure of 17,134 permits. This is due to the adjustment in the Motor Vehicle Import Policy in April 2003.

Particulars	2003/2004	2002/2003	% change
Applications receipted	15,466	17,134	-9.7
M/V applications receipted	14,278	15,154	-5.7
Number of Units	23,701	31,306	-24.2

4.7 Trade Policy Unit

The following objectives were achieved:

- Maintained communication linkages with ministries/agencies for current information with respect to trade and commerce policy issues related to our operations.
- Conducted survey with exporters to determine information requirements to enhance their business.
- Membership on Jamaica Trade Adjustment Team (JTAT) of the Ministry of Foreign Affairs and Foreign Trade,

4.8 Computerization

The operations of the Trade Board are scheduled to be fully computerized by December 2004. This includes on-line processing of applications, validation of exporter certification, Public Key Infrastructure and computer linkages with other key Government agencies.

4.9 Review of Motor Vehicle Policy

During the period under review, the Trade Board Motor Vehicle Committee completed a revision of the Motor Vehicle Import Policy. The policy recommendations were submitted to the Ministry for review/approval.

4.10 Budget/Revenue

For the financial year 2003/2004, total expenditure was \$43.7M. Actual revenue collected for the period was \$41.2M - a 20% reduction in the amount budgeted of

\$51.8M. For the corresponding period 2002/2003, a total of \$45.2M was budgeted, while **\$47.1M** was collected – resulting in a **4%** increase over the budgeted sum.

Revenue Collections as at March 2004

	Projection \$M	Actual \$M	Excess (E)/ Shortfall (S) \$M
Licensing	47.80	37.0	10.8 (S)
Certification	4.00	3.60	0.37(S)
Application Forms	-	0.62	0.62(E)

5.0 STRATEGIC FOCUS FOR 2004/2005

5.1 E-Commerce

Financial year 2004/05 will see the start of transformation of the role and function of the Trade Board from a predominantly regulatory agency of the Ministry, to one of playing an integral and facilitatory role in addressing commerce issues, specifically as this relates to Government's ICT policy direction.

The Trade Board has been appointed the custodian for Government's Public Key Infrastructure (PKI) to enable secure electronic business transactions, and to engender trust and confidence by the consumer and companies, in conducting business electronically.

The Company will also be responsible for establishing a registering and certifying authority in order to:

- verify the identity of all users
- ensure confidentiality of information stored and communicated globally
- secure the Internet for e-business through the issue and use of digital certificates

5.2 Facilitating Commerce

The Trade Board is also slated to be the focal point of the Ministry's thrust to stimulate commerce. As such, the agency will be responsible for co-ordinating and strengthening Jamaica's commercial infrastructure. Some of the main activities include:

- Facilitating commerce through interfaces with all organisations, i.e. Embassies; Ministries and Departments of Government; Chambers of Commerce; public and private sector groups
- Providing recommendations to the Ministry on matters related to policy development for commerce
- Supporting the work of the National Commerce Security Council
- Developing a programme of guarantee of client service delivery

With the appointment of the Trade Board as the agency to assume responsibility for the central clearing-house and public key infrastructure (PKI), the Board of Directors of the Trade Board embarked on a strategic review of the agency to ensure that its structure and business process are realigned and the upgrading of staff to be done to effectively meet its new mandate. The strategic review of the Trade Board is scheduled to be completed by the first quarter in 2004/05.

5.3 Certification Unit

For the 2004/04 fiscal year, the Trade Board will focus on:

- Ensuring that products comply with the rules of origin governing the various trade schemes and identify products that are eligible for preferential treatment;
- Providing technical and advisory services to the Ministry of Foreign Affairs and Foreign Trade and any other Government Ministries, on issues related to the rules of origin, to support negotiating position of the following trade agreements:
 - CARICOM/Dominican Republic Free Trade Agreement
 - CARICOM/Costa Rica Free Trade Agreement
 - CARICOM/Venezuela Free Trade Agreement
 - Market Access in the FTAA
- Continue with workshops and seminars on how to access trade arrangements, as well as any new bilateral agreements between CARICOM and other countries;
- Provide information on the export documentary requirements under the various preferential schemes;
- Maintain secretariat services of the Advisory Committee for Milk Powder and Refined Sugar Regime;

5.4 Trade Policy Unit

- Develop a virtual resource centre and ensure greater awareness of commerce issues by the Trade Board;
- Research and disseminate trade information and data both locally and internationally;
- Liaise with the Ministries of Commerce, Science and Technology and Foreign Affairs and Foreign Trade in respect of trade policy issues;
- Continue survey of importers/exporters to determine information needs;
- Establish mechanism to address Freedom of Information Act.

5.5 Computerization

Full computerization of both Kingston and Montego Bay Offices; this includes:

- On-line processing of import/export permits and validation of certificates of origin
- Re-launch of website
- Implementation of Public Key Infrastructure (the registration and certification of electronic transactions)
- Co-ordination with Inter-American Development Bank and other Government agencies regarding e-commerce modernization programmes and initiatives.

5.6 Budget Projection for 2004/2005

A budget submission of \$47.7M was made to the Ministry of Finance and Planning and \$46.2M was approved. This compares with \$42.5 M for the preceding year.

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