

**PERFORMANCE OF THE TRADE BOARD LIMITED
FOR FINANCIAL YEAR 2004/2005 AND FOCUS FOR FINANCIAL YEAR 2005/2006**

1.0 Purpose of Ministry Paper

This Ministry Paper provides highlights of the performance of the Trade Board Limited during the 2004/2005 Financial Year and presents the Board's programmes for the 2005/2006 Financial Year.

2.0 Mission Statement

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

3.0 Role and Function

The Trade Board Limited is a portfolio agency of the Ministry of Commerce, Science and Technology (MCST) and has responsibility for:

- establishing and operating a Central Clearing House for Public Key Infrastructure (PKI) and a registration and certification authority for public keys (electronic transactions);
- interfacing with the commercial sector 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 materials for the production of specified products in accordance with the regulations governing 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 – Financial Year 2004/2005

4.1 Computerization - Trade Board Information System (TBIS) under IDB/ICT Project

The Trade Board Information System (TBIS) which is a component of the e-Government initiative under the IDB/ICT Project has been tested and evaluated and is now ready for implementation.

4.2 Trade Facilitation

The Trade Facilitation programme, geared to sensitize chambers of commerce, other umbrella organizations and the general public on the role and function of the Trade Board, was further strengthened during the review period. In that regard, the organization participated in:

- Two (2) workshops in Kingston and Montego Bay on the Rules of Origin under the European Partnership Agreement. These were conducted in collaboration with the Jamaica Manufacturers Association (JMA) and JAMPRO.
- Seminar organized by the Jamaica Chamber of Commerce; Trade Board presented information on Rules of Origin in CARICOM.
- A Jamaica Exporters' Association (JEA) training course; Trade Board made presentation on export documentation procedures.
- The Western Chamber of Commerce Trade Fair in Montego Bay in October 2004. The Trade Board was represented at a booth from which information on a wide range of issues pertaining to trade was made available.

4.3 Collaboration with Stakeholders

The Trade Board, in its capacity as member of several umbrella organizations, participated in various initiatives and meetings involving these entities.

The Trade Board (Western Committee), as the MCST's interface with commerce was instrumental in facilitating the launch of Government's energy initiative in Montego Bay, Negril and Savanna-la-mar. The Board launched the series of conservation initiative programmes at meetings with the Montego Bay, Negril and Savanna-la-mar chambers of commerce.

Presentations were made to chambers of commerce in Portland, St. Thomas, St. Mary, St. Ann, Trelawny, Manchester, St. Elizabeth and Negril. At these fora, policies were

explained and feedback obtained on a range of issues including the Motor Vehicle Import Policy, evaluation of hurricane damage and electronic transaction legislation.

In an effort to forge a closer link with the chambers of commerce, each director of the Trade Board has been assigned a chamber and is charged with the responsibility of attending meetings and providing feedback to the Board on related issues.

4.4 Exporter Certification

Over the review period, the work of the Board facilitated the export of products valued at **US\$277,568,865** under the trade agreements as indicated in Table 1.

Table 1: Exports under Various Trade Agreements

Trade Agreement Schemes	2004/2005 (April – Dec.) US\$	2003/2004 (April – Dec.) US\$	% Change Export Value
GSP	3,923,339	5,307,528	-26%
CBI	16,423,306	11,226,939	46%
CARIBCAN	11,225,482	8,346,588	34%
CARICOM	43,335,962	43,706,370	-1%
CARICOM/DOMINICA	159,379	125,492	27%
CARICOM/VEN.	0	48,283	-100%
CARICOM/COLOMBIA	128,691	0	-
TEXTILES	202,372,706	239,976,710	-16%
TOTAL	277,568,865	308,737,910	-10%

4.5 Major Activities

**Table 2: Major Activities – Trade Board Certification Unit - Financial Years
2004/05 & 2003/04**

Particulars	2004/2005	2003/2004	% Change
Certificates of Origin issued	8,249	9,070	-9.05%
Working process verified/analyzed	9	73	-87.67%
Company visits conducted	61	128	-52.34%
Revised certificates issued	187	415	-54.94%
Computerized certificates and textile visas	2,993	3,524	-15.07%
Reports prepared	23	34	-32.35%
Certificates under Cuba Line of Credit issued	8	6	33.33%
Letters of origin issued	28	12	133.33%
User fees earned (\$)	3,683,670	3,714,990	-0.84%

Four (4) measurable targets were set to enable performance under the trade schemes indicated in Table 1. As indicated below, most targets were exceeded.

Table 3: Comparison of Performance and Targets for 2004/05

PERFORMANCE AGAINST TARGET			
PARTICULARS	TARGET	PERFORMANCE	% OF TARGET
ISSUE CERTIFICATES OF ORIGIN	9,000	8,249	91.66%
CONDUCT & VERIFY ANALYSES OF WORKING PROCESSES	60	9	15.00%
CONDUCT COMPANY VISITS	80	61	76.25%
COMPUTERIZE CERTIFICATES AND TEXTILE VISAS	N/A	2,993	N/A
ISSUE REVISED CERTIFICATES	N/A	187	N/A
GENERATE REPORTS	N/A	23	N/A
CERTIFICATES UNDER CUBA LINE OF CREDIT ISSUED	N/A	8	N/A
LETTERS OF ORIGIN ISSUED	N/A	28	
GENERATE REVENUE	4,000,000	3,683,670	92.09%

4.6 Regime for Imported Sugar

On the instructions of Cabinet, the licensing regime for refined sugar commenced on January 1, 2004. A Refined Sugar Advisory Committee was established comprising representatives of several stakeholder entities.

For the period under review, one hundred and fifteen (115) companies were registered to use refined sugar as raw material for production. As at March 31, 2005, a total of one hundred and twenty-one (121) manufacturers/distributors/traders have been registered. One hundred and twenty-one (121) verification visits were made to factories to determine bona fides for manufacturers/distributors/traders.

The Advisory Committee held fourteen (14) meetings and reviewed applications from one hundred and fifteen (115) manufacturers for the importation of refined sugar. One hundred and twenty-one (121) companies were allocated import quantities totaling 71,073 metric tonnes.

Manufacturers were granted licences for 67,282 metric tonnes of refined sugar out of an allocation of 75,000 metric tonnes, while distributors were afforded licences for 2,068 metric tonnes.

For the Financial Year under review, a total of four hundred and eighty five (485) import licences were issued for 71,073 metric tonnes of refined sugar.

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

- Registration of all importers of refined sugar and manufacturers that use sugar as a production input.
- Verification of the production process to determine qualification for classification as a bona fide manufacturer.
- Examination of production records, accounting records, import entries and invoices to verify production and import statistics.
- Verification of product analyses to establish standards of input of refined sugar into production of each commodity.
- Issuance of a Waiver Letter by the Ministry of Agriculture to bona fide manufacturers to facilitate waiver of additional stamp duty.

4.7 Milk Powder Regime

This regime commenced on October 21, 2003. For the period under review, nineteen (19) manufacturing companies were registered along with other non-profit organizations and distributors. A total of twenty-two (22) companies are importers of milk powder.

As at March 31, 2005, approval has been granted by the Milk Powder Advisory Committee, for nineteen (19) companies to import 24,380 metric tonnes of the product.

4.8 Import Licensing

A total of 16,228 import permits were receipted during the period 2004/05 Financial Year resulting in a 4.92% increase over the previous year's figure of 15,466 permits. There was only marginal change in the number of applications receipted for motor vehicles as 14,164 applications were receipted. During the corresponding period of the previous reporting year, 14,278 applications were receipted.

Table 3
Comparison of applications receipted – 2004/2005 vs. 2003/2004

Particulars	2004/2005	2003/2004	% change
Applications receipted	16,228	15,466	4.92%
M/V applications receipted	14,164	14,278	0
Number of Units	21,246	23,701	-10.35%

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, which treats comprehensively with the range of issues relating to motor vehicle importation. These issues include mandatory requirements for operating and maintenance manuals to be in English, implications for the natural environment and implications for importation of damaged vehicles. Recommendations arising from the review were approved by the Ministry in June 2004.

New policies for damaged vehicles as well as flooded vehicles from the Cayman Islands, due to Hurricane Ivan, were instituted. In accordance with regulations, the relevant notices were issued indicating that only individuals, as distinct from corporate entities, would be allowed to import such units. This was done in an effort to protect unsuspecting consumers, based on past experiences by the public with such vehicles.

4.10 Budget/Revenue

Revenue collections surpassed projections for the period under review by \$2.4 M. The budgeted sum for the period was \$34 M while \$36.4 M was collected. For the previous period 2003/2004, \$37 M was collected, resulting in a shortfall of \$10.8M from the total amount budgeted, which was \$47.8 M.

The budget approved for Financial Year 2004/2005 was \$46.2 M. Actual subvention received was \$43.2 M. Included in this sum, was \$3.6 M representing total Export Certification Fees (appropriation in aid) collected. Total expenditure was \$46.8 M. The approved budget for the 2005/06 Financial Year is \$46.2 M.

Table 4

Revenue Collections for Financial Year April 1, 2004 to March 31, 2005

Particulars	Projection \$M	Actual \$M	Excess (E)/Shortfall (S) \$M
Licensing	34	36.4	2.4 (E)
Certification	4	3.6	0.36 (S)
Application Forms	-	0.57	0.57
Total	38	40.57	2.57 (E)

5.0 Strategic Focus

The Trade Board is accelerating plans to reshape itself for taking on new responsibilities that entail a greater facilitatory role in commerce issues. In accordance with its three-year Strategic Plan (2004-2007), the key areas reflecting the Board's transformation will involve:

- Restructuring the organization. This will involve designing a structure to reflect the new and emerging role and function of the organization
- Developing a sustainable positive image for the organization
- Computerizing operations fully
- Attaining self-financing through increasing services offered and service charges
- Strengthening human resource capacity; and
- Improving effectiveness in existing core functions

6.0 Projections for Financial Year 2005/2006

6.1 E-Commerce

Financial Year 2005/2006 will see a continuation of the transformation of the role and functions of the Trade Board from a predominantly regulatory agency of the MCST, to one of playing an integral and facilitatory role in addressing commerce issues, specifically as this relates to the Government's ICT policy direction with respect to e-transactions.

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. Thus the agency, through its PKI Policy Committee, will work toward completion of the certificate policy document.

The Government's PKI will be implemented in five (5) phases, outlined as follows:

- **Phase 1** will provide for the domain of Government, strong authentication, digital signatures, data confidentiality and data integrity services
- **Phase 2:** PKI-based Virtual Private Network (VPN) for Government domain
- **Phase 3:** PKI services to the Jamaican business community
- **Phases 4 and 5:** PKI services to the general public

The Board will also be meeting with stakeholders as part of the public education and marketing campaign to ensure that there is a greater awareness on issues of Internet Security, PKI, and Electronic Commerce.

6.2 Trade Board Information System (TBIS)

The Trade Board Information System (TBIS) is aimed at developing an Import/Export License, Export Certification and Cashiering System, with interfaces to JAMPRO, Jamaica Customs and the Taxpayer Registration Number (TRN) systems, as well as other Government ministries/agencies. This will be undertaken in later phases of the e-Government component of the IDB/ICT Project.

The objectives of TBIS are to:

- Streamline information flow within the agency both intra-office and inter-office (Kingston - Montego Bay).
- Allow online submission of import licence applications and applications for export certification.
- Reduce customer interaction with different government agencies by capturing required information once and exchanging the information electronically rather than have the client resubmit similar information to other agencies with which business is transacted.
- Permit easy generation of Management Information System (MIS) reports
- Allow electronic payment of Trade Board over the Internet
- Facilitate online status query of submitted applications
- Allow for pro-active notification of significant events (e.g. approval of application or rejection of certification) to customer by email and or Short Message Service (SMS).

6.3 Facilitating Commerce

The Trade Board is also slated to be the focal point of the MCST'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.

6.4 Certification

In the area of certification, for 2005/2006 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 positions 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
- Conducting workshops and seminars on how to access trade arrangements, as well as any new bilateral agreements between CARICOM and other countries;
- Providing 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;

6.5 Trade Policy

Under trade policy, the agency will undertake to do the following:

- 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 a mechanism to address the Freedom of Information Act.

6.6 Computerization

Full computerization of both the Kingston and Montego Bay offices is envisaged. This entails inter alia:

- Real-time access to database information for all departments
- Website being updated and fully functional
- Implementation of PKI (the registration and certification of electronic transactions)
- Co-ordination with Inter-American Development Bank (IDB) and other agencies regarding e-commerce modernization programmes and initiatives.

Phillip Paulwell
Minister
Ministry of Commerce, Science and Technology
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