

MINISTRY PAPER No.: _____

**PERFORMANCE OF THE TRADE BOARD LIMITED
FOR FINANCIAL YEAR 2006/2007 AND FOCUS FOR FINANCIAL YEAR
2007/2008**

1.0 Purpose of Ministry Paper

The purpose of this Ministry Paper is to inform Parliament and the public about the performance of the Trade Board Limited during the 2006/2007 Financial Year and its focus for the 2007/2008 Financial Year.

2.0 Mission Statement

The mission of the Trade Board Limited is to stimulate a modern commercial environment by:

- Managing relevant trade related regulations
- Providing facilitatory services for commercial activity
- Providing effective interface between clients and the Government
- Supporting an E-commerce environment

3.0 Role and Function

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

- Establishing and operating a certification authority for the Jamaican Government's Public Key Infrastructure (PKI)
- Providing support to the commercial sector by being a liaison between the Government and the business sector and by providing public education programmes geared at stimulating commerce
- Issuing import and export licenses for specific items that impact negatively on the environmental, social and economic conditions of the country; guided by the WTO ruling on import licensing
- Issuing certificates of origin for Jamaican products exported under various preferential trade agreements; guided by the WTO ruling on rules of origin
- Monitoring imports of specified commodities as required by Government.

4.0 Highlights of Performance/Achievements – Financial Year 2006/2007

4.1 E-Commerce

4.1.1 Public Key Infrastructure (PKI)

Under the E-Transaction Act the Trade Board is designated as the certifying authority and as such will have responsibility for the secure exchange of electronic information and the verification of users. This framework is referred to as a Public Key Infrastructure (PKI). The Trade Board has also been mandated to implement a system that will authenticate Government electronic transactions in the short term. During the 2006/07 the Trade Board made following preparations to act as the Certifying Authority for PKI:

- Upgrading of the physical
- Staffing for the Unit was secured
- Project document detailing the planning and implementation of the project was revised with the assistance of the International Telecommunications Union (ITU) and approved by the Ministry
- Funding to support the PKI initiative was approved under the Government of Jamaica IDB/ICT Project.

The E-Transaction Act was passed in December 2006, while the regulations for the implementation of the PKI early in the new fiscal year. A steering committee consisting of public and private sector representatives was formed to guide the Trade Board in the implementation stage.

4.1.2 Trade Board Information System (TBIS) under IDB/ICT Project

TBIS forms part of the Jamaica Trade Point, the Jamaican Government's initiative to enable an e-government, e-commerce society. Using TBIS, clients apply for the services of the Trade Board online at any time, on any day of the week. The first component of the import licensing module of TBIS was implemented in 2004.

To date, approximately sixty four percent (64%) of applications are submitted online. However only about one third (33%) of those applications are paid online. Therefore, just twenty one percent (21%) of all import license applications are being paid for online.

The Trade Board hopes to achieve a thirty percent (30%) usage rate of TBIS in this area by the end of the 2007/2008 Financial Year.

Areas of achievement for Financial Year 2006/2007 were:

- Development and testing of the export module of TBIS was completed. This module is fully integrated with that of Jamaica Trade and Invest (JAMPRO) and the online system of Jamaica Customs. The module is currently being used to process export license applications and will shortly be used in conjunction with the Customs' system to process applications for certificates of origin and applications submitted online.
- The launching of a pilot for a paperless system for import license took place in November 2006. Clients participating in this pilot are no longer given a printed permit as Customs is able to view permits issued by the Trade Board online. Participating clients who apply online can go directly to Jamaica Customs, twenty four (24) hours after the application was made, and within one (1) hour of approval being granted, to effect their normal Customs procedures.

4.2 Commerce Facilitation

The Trade Board continues to place significant focus on the area of commerce facilitation. The Unit completed its tour of the various parish Chambers and determined that there was a general need for information dissemination within the business sector; as such, the Trade Board will be offering a series of seminars in the financial year 2007-2008, aimed at stimulating commerce.

4.3 Collaboration with Stakeholders

During the review year, the Agency participated in number of meetings and initiatives. A summary follows:

- Meeting of the CARICOM Technical Working Group in Barbados, in preparation for the negotiations of the European Partnership Agreement (EPA).
- Meetings of the ACP Group of Experts held in Brussels, Belgium, in preparation for the EPA.
- Meeting of the Customs Committee held in Guyana, in preparation for the EPA.
- Participation in the legislative committee regarding passage of the E-Transactions Act.

4.4 Exporter Certification

The Trade Board facilitated the export of products valued at US \$231,682,311 under various trade agreements. This figure represents an increase of forty two percent (42%) when compared with the previous financial year. Details are provided in Table 1.

Table 1: Exports Certified under Various Trade Agreements (Preliminary)

Trade Agreement Schemes	2006/2007 US\$	2005/2006 US\$	% Change Export Value
GSP	50,295,941	5,293,890	850.0%
CBI	73,875,483	42,471,995	74%
CARIBCAN	13,935,297	12,085,409	15.3%
CARICOM	57,826,699	49,105,538	17.7%
CARICOM/DOM-REP	244,259	159,874	34.5%
CARICOM/VEN.	0	0	0%
CARICOM/COLOMBIA	3000	0	n/a
TEXTILES	35,366,966	54,444,232	-3.5%
TOTAL	231,682,311	163,560,938	42%

The reduction in the export value of textiles as presented in Table 1 is as a result of the fallout in the textile and apparel sector and the general downturn in manufacturing; while the seventy four percent (74%) increase in CBI export value reflects a significant increase in ethanol exports to the USA. The increase in CARICOM shipments is due to the recently concluded ICC Cricket World Cup

**Table 2: Trade Board Certification Unit Activities
Financial Years 2006/2007 & 2005/2006 (Preliminary)**

Particulars	2006/2007	2005/2006	% change
Certificates of Origin issued	4,780	6,680	-28%
Working process verified/analyzed	78	49	59%
Company visits conducted	22	42	-47%
Letters of origin issued	71	86	-17%
User fees earned (\$) (M)	4.0	4.1	-0.2%

Table 3: Trade Board Certification Targets

Particulars	2006/2007	Target	% of Target
Issue Certificates of Origin	4,780	7836	61%
Conduct & verify analyses of working Process	78	60	130%
Conduct Company Visits	22	59	37%
Issue Letters of Origin	71	n/a	n/a

The Agency was unable to make any significant dent in its target for conducting company visits due to personnel constraints.

4.5 Commodity Regimes

4.5.1 Refined Sugar and Milk Powder

The Trade Board has been mandated to manage a verification process of importers of refined sugar and milk powder. Under both regimes a duty waiver is applicable for importers using either refined sugar or milk powder as a raw material in their production. In addition to the relevant licensing requirement attached to both commodities, the Trade Board also conducts a pre-entry verification process to ensure that persons registered as manufacturers, and thus eligible for the duty concession, are in fact bona fide. Tables 4 and 5 detail the activities undertaken under both regimes.

Table 4: Registration and Licensing of Refined Sugar

Particulars	2006/2007	2005/2006	% Change
# of companies registered	127	133	-5
# of licenses issued	390	482	-22
Tonnage	70,003	115,820	-39.5

Table 5: Registration and Licensing of Milk Powder

Particulars	2006/2007	2005/2006	% Change
# of companies registered	30	22	36
# of licenses issued	92	78	18
Tonnage	7,027	7,338	-4

4.5.2 Cement Regime

Due to a shortfall in cement production for 2006 by Caribbean Cement Co. Ltd. the tariff on cement was removed to allow for the importation of cement to cushion the impact of the shortfall.

The Trade Board was mandated to review applications from companies that wish to import cement and make recommendations on the quantity of cement for which a waiver should be granted. Over the period Feb 2006 – March 31, 2007, the Trade Board has:

- Participated in regular meetings of the Cement Advisory Committee
- Registered nineteen (19) Companies
- Received applications totaling 957,263 metric tonnes (MT)
- Recommended waivers for forty one (41) applications totaling 380,824 MT

It should be noted that at the Council for Trade and Economic Development (COTED) meeting in November 2006, Jamaica's request for a suspension of Common External Tariff (CET) on cement was approved for two (2) years commencing September 9, 2006.

Indications are that the market has returned to normality. In November 2006 meetings of the Cement Advisory Committee were reduced to a bi weekly and then subsequently to a bi monthly basis. The Trade Board continues to closely monitor cement demand and supply to ensure that demand is adequately satisfied.

4.6 Import Licensing

The Trade Board issues import licenses for items that require close monitoring. Motor vehicle imports account for the bulk of import license applications. Details are provided in Table 6:

Table 6: Applications Received 2006/2007 and 2005/2006

Particulars	2006/2007	2005/2006	% change
Applications received	16,834	14,859	13%
M/V applications received	15,970	12,235	31%
Number of Units	20,389	16,950	20%

4.6.1 Cayman Vehicles

Temporary procedures were implemented with respect to vehicles imported from the Cayman Islands by returning residents consequent a new immigration policy instituted by the Cayman Government. In accordance with the regulations, the relevant notices were issued indicating that applications for motor vehicles which fall outside of the Motor Vehicle Import Policy would be reviewed on a case by case, provided the model year did not predate 2000. This was done in an effort to facilitate those residents experiencing difficulties in disposing of vehicles in Cayman.

4.7 Export Licensing

The Trade Board issues export licenses for items such as ammunition, crocodiles, crocodile eggs, eggs (not otherwise provided), antique furniture, gold bullion, ores, antique paintings, pimento, plasma, sugar, wood, petroleum products, motor vehicles, live animals, jewelry (excluding those from earth metals) and shells. Table 7 summarises these licensing activities:

Table 7: Applications Received 2006/2007 and 2005/2006

Particulars	2006/2007	2005/2006	% Change
Applications received	389	465	-16

4.8 Closure of Montego Bay Office

As part of the Trade Board's 2004 - 2007 restructuring plan, the Montego Bay Office was closed at the beginning of 2006/07. The main reason for closure was to enable the organization to more efficiently utilize its resources.

The Trade Board's clients in the western end of the island have adjusted well to the closure. Most of these clients now make applications online via TBIS. However, for clients still wishing to make a manual submission the documents are couriered to Kingston and the processed documents are couriered back to the client.

5.0 Strategic Focus

Key areas of focus for the Board for the period 2007/2008, as highlighted in the Trade Board's operational plan are:

- Establishment of a Government of Jamaica Public Key Infrastructure (PKI) with a locally managed root certification
- Strengthening the public image of the organization
- Full implementation of TBIS
- Rollout of a seminar series
- Improving the agency's cost recovery programmes
- Development of strategic medium term plan 2008 – 2011
- Development of an information database to enhance awareness and assist the development of commerce

6.0 Budget and Revenue Data

Table 8: Details of Budget/Expenditure

Particulars	2007/2008 (\$M)	2006/2007 (\$M)	2005/2006 (\$M)
Approved Budget	61.3	58.1	46.3
Total expenditure	n/a	55.4	52.1

Table 9: Revenue Collections for Financial Year 2006/2007

Particulars	Projection \$M	Actual \$M	Excess (Shortfall) \$M
Licensing	62.2	83.9	21.7
Certification	4.5	4.0	-.5
Cement	-	.88	n/a
Misc.	-	1.7	n/a
Total	66.7	91.48	24.78

7.0 Projections for Financial Year 2007/2008

7.1 E-Commerce

As custodian of the Government's Public Key Infrastructure (PKI), the Trade Board will be meeting with stakeholders as part of its public education and marketing campaign to ensure greater awareness on issues of Internet Security, PKI, and Electronic Commerce.

Implementation of PKI will be effected as follows:

Phase 1: *Implementation of PKI for the Government domain*, estimated to commence in May 2007

Phase 2: *PKI-based Virtual Private Network (VPN) for the Government domain*, estimated to commence in August 2007

Phase 3: *Rollout of PKI to the Jamaican business community*, estimated to commence in September 2007

Phase 4: *Rollout of PKI to the general public*, estimated to begin October 2007

Phase 5: *Rollout of strong authentication service to the general public*, estimated to start in November 2007

7.2 Trade Board Information System (TBIS)

It is anticipated that the launch of the export module and thus full implementation of TBIS will occur in Financial Year 2007/2008. This will include a completely paperless licensing system, totally eliminating the need for clients to visit the offices of the Trade Board.

7.3 Facilitating Commerce

The main focus for the Trade Board in the area of commerce facilitation for 2007/2008 will be the coordination of a series of seminars targeting the business sector.

7.4 Certification

In the area of certification, for Financial Year 2007/2008 the Trade Board will focus on:

- Ensuring that products comply with the rules of origin governing the various trade regimes 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/agencies, 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
- Maintaining secretariat services for the Committees for the milk powder, refined sugar, and cement regimes.

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Ministry of Industry, Technology, Energy and Commerce
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