



INTER-AMERICAN DEVELOPMENT BANK

INTEGRATION AND REGIONAL PROGRAMS DEPARTMENT



Institute for the Integration  
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*ITD*

Integration, Trade and  
Hemispheric Issues Division

# Jamaica: Trade, Integration and the Quest for Growth

Anneke Jessen  
Christopher Vignoles

**Jamaica:  
Trade, Integration  
and the Quest for Growth**

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Christopher Vignoles



March, 2005  
Occasional Paper 30

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Integration, Trade and Hemispheric Issues Division  
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Printed in Argentina

Institute for the Integration of Latin America and the Caribbean  
Jamaica: Trade, Integration and the Quest for Growth  
1<sup>a</sup> ed. - Buenos Aires: IDB-INTAL, marzo 2005.  
108 p.; 28 x 21 cm. (INTAL-ITD Occasional Paper 30)

ISBN 950-738-210-0

1. Relaciones Internacionales I. Título  
CDD 327

US\$ 5.00

Editing:  
Susana Filippa

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## ABBREVIATIONS

ACP	African, Caribbean and Pacific States
ACS	Association of Caribbean States (includes all Caribbean and Central American countries, as well as Colombia, Mexico and Venezuela)
AD/CVD	Antidumping and countervailing duties
ASD	Additional Stamp Duty
CACM	Central American Common Market
CAFTA	US-Central American Free Trade Agreement
CARIBCAN	Caribbean-Canada preferential trade arrangement
CARICOM	Caribbean Community (Antigua & Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Suriname, Trinidad & Tobago)
CARTAC	Caribbean Regional Technical Assistance Center
CBERA	Caribbean Basin Economic Recovery Act (United States)
CBI	Caribbean Basin Initiative (United States)
CBTPA	Caribbean Basin Trade Partnership Act (United States)
CDB	Caribbean Development Bank
CEDA	Caribbean Export Development Agency
CET	Common external tariff
CFD	Caribbean Forum for Development
CGCED	Caribbean Group for Cooperation in Economic Development
CIDA	Canadian International Development Agency
COMTRADE	Commodity Trade Statistics
COTED	Council for Trade and Economic Development
CROSQ	Caribbean Regional Organization for Standards and Quality
CSME	Caribbean Single Market and Economy (all CARICOM countries belong, except The Bahamas)
C&WJ	Cable & Wireless Jamaica
DFID	Department for International Development (United Kingdom)
DOTS	Direction of Trade Statistics
EC	European Commission
ECLAC	Economic Commission for Latin America and the Caribbean
EDF	European Development Fund

EIB	European Investment Bank
EIU	Economist Intelligence Unit
EPA	Economic Partnership Agreement
EU	European Union
FDI	Foreign direct investment
FSC	Financial Services Commission
FTA	Free trade agreement
FTAA	Free Trade Area of the Americas
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
GSP	Generalized System of Preference
HCP	Hemispheric Cooperation Program
HS	Harmonized System
IDB	Inter-American Development Bank
ILO	International Labour Organization
INT/ITD	Integration and Regional Programs Department / Integration, Trade and Hemispheric Issues Division (IDB)
IMF	International Monetary Fund
JAMPRO	Jamaica Promotions Corporation
JDIC	Jamaica Deposit Insurance Corporation
JTAT	Jamaica Trade and Adjustment Team
JTB	Jamaican Tourist Board
KIN	Norman Manley International Airport, Kingston
LA	Latin America
LDC	Less developed country
MBJ	Donald Sangster International Airport, Montego Bay
MDC	More developed country
MERCOSUR	Southern Common Market (Argentina, Brazil, Paraguay and Uruguay)
MFN	Most favored nation
MED	Ministry of Economic Development
MIIB	Ministry of Industry and International Business
MOH	Ministry of Health

MOT	Ministry of Tourism
MTW	Ministry of Transport and Works
NTB	Non-tariff barrier
OAS	Organization of American States
OECD	Organization of Economic Co-operation and Development
OECS	Organization of Eastern Caribbean States
RCA	Revealed comparative advantage
RCD	Revealed comparative disadvantage
RNM	Regional Negotiating Machinery (Caribbean)
R&D	Research and development
REER	Real effective exchange rate
RER	Real bilateral exchange rate
RoW	Rest of world
S&D	Special and differential (treatment)
SIDS	Small island developing states
SITC	Standard International Trade Classification
TBT	Technical barriers to trade
TC	Technical cooperation
TEU	Twenty-foot equivalent unit
TSA	Tourism satellite account
TRIMS	Trade-related Investment Measures
TRIPS	Trade-related aspects of Intellectual Property Rights
UK	United Kingdom
UN	United Nations
US	United States
USAID	United States Agency for International Development
VAT	Value-Added Tax
WDI	World Development Indicators
WTO	World Trade Organization





# JAMAICA: TRADE, INTEGRATION AND THE QUEST FOR GROWTH

Anneke Jessen \*  
Christopher Vignoles \*

## I. INTRODUCTION

Jamaica is a small, open island economy with one of the highest trade/GDP ratios in the Western Hemisphere. Because trade plays such a dominant role in the Jamaican economy, it also substantially determines the country's development prospects. Successful participation in the global economy through enhanced international competitiveness, trade facilitation and related measures should therefore be a central aim of the Inter-American Development Bank's support strategy for Jamaica, particularly at a time when the country is facing the rapid erosion of trade preferences long enjoyed by its exporters in major world markets.

This paper discusses recent trends in Jamaica's foreign trade, as well as related policy developments and economic integration efforts undertaken by the country both at the regional and global level. The aim is two-fold: to identify existing bottlenecks to the country's successful participation in the global economy, and to inform the IDB's country strategy and programming process with a view to supporting the removal of such bottlenecks. Section II briefly highlights the importance of trade in the Jamaican economy. Sections III and IV analyze trends in goods and services trade over the past decade, using different indicators to measure the country's export performance. Section V discusses Jamaica's trade and economic integration policies, focusing on the various trade agreements it has recently signed or is in the process of negotiating. Section VI examines the national trade policymaking process and the principal institutions involved in that process. Section VII summarizes the main difficulties faced by Jamaica in its efforts to achieve successful international insertion, and points to some possible solutions. Section VIII discusses the IDB's support to Jamaica in the area of trade and integration, briefly reviews the activities of other multilateral and donor agencies, and provides recommendations for future support. Two annexes complete the study: the first provides an overview of Jamaica's trade agreements with partner countries and regions; the second presents detailed and complementary trade data.

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## II. THE IMPORTANCE OF TRADE IN THE ECONOMY

One way of illustrating the crucial role of trade in the Jamaican economy is by looking at the value of the country's external transactions relative to its total output – a measure referred to as trade openness. Jamaica displays a high degree of openness: its trade/GDP ratio is over 100 percent.<sup>1</sup> Openness renders the economy vulnerable to external shocks such as fluctuations in international commodity prices, a downturn in global demand for tourism, or policy changes abroad. It also means that any significant expansion – or contraction – in the country's foreign trade will have an immediate effect on its GDP.

Another way of illustrating the importance of trade in the national economy is by looking at how trade flows affect the country's balance of payments. Between 1990 and 2002, Jamaica's current account was negative in most years. Following a steady deterioration in the merchandise trade balance, the current account deficit reached 12.5 percent of GDP in 2002. A services account surplus (mainly tourism receipts) and growing inflows of worker remittances (current transfers) helped mitigate a further deterioration in the current account. Tourism receipts and income from mineral exports have recovered somewhat since 2002, but in the short term, the deficit is expected to remain high due to Jamaica's huge debt overhang (hence high interest payments) and continued high oil prices (which raise the cost of imports). It is also worth noting that remittances, though constituting a positive flow in the current account, negatively affect the merchandise trade balance when used to pay for imported consumer goods.

Jamaica has financed the current account deficit with financial account surpluses resulting from heavy government borrowing and significant inflows of foreign direct investment (FDI). While the hotel and mining sector could continue to attract sizeable FDI inflows in the coming years, there is no guarantee that such flows would maintain their current level. Meanwhile, Jamaica's high public sector debt (roughly 150 percent of GDP) places limits on future borrowing. In 2002, debt service amounted to roughly 20 percent of exports of goods and services, and with US interest rates expected to rise, so will the burden of debt repayment. Interest payments currently absorb over 50 percent of government expenditures, diverting spending from crucial investment and social service programs. The IMF has already warned the Jamaican authorities of a "fast approaching debt trap". Ultimately, stronger export performance will be crucial to restore the country's external accounts to a more healthy and manageable position.<sup>2</sup>

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<sup>1</sup> Exports plus imports of goods and services, divided by GDP. The average ratio for the period 1998-2002 was 105 percent; the ratio exceeded 100 percent in every year. By comparison, the average ratio for CARICOM is 97 percent, Andean Community 39 percent and Mercosur 26 percent.

<sup>2</sup> For more detailed BOP information, see IMF, *Jamaica: 2003 Article IV Consultation – Staff Report*. May, 2003.

### III. MERCHANDISE TRADE: TRENDS AND PERFORMANCE INDICATORS

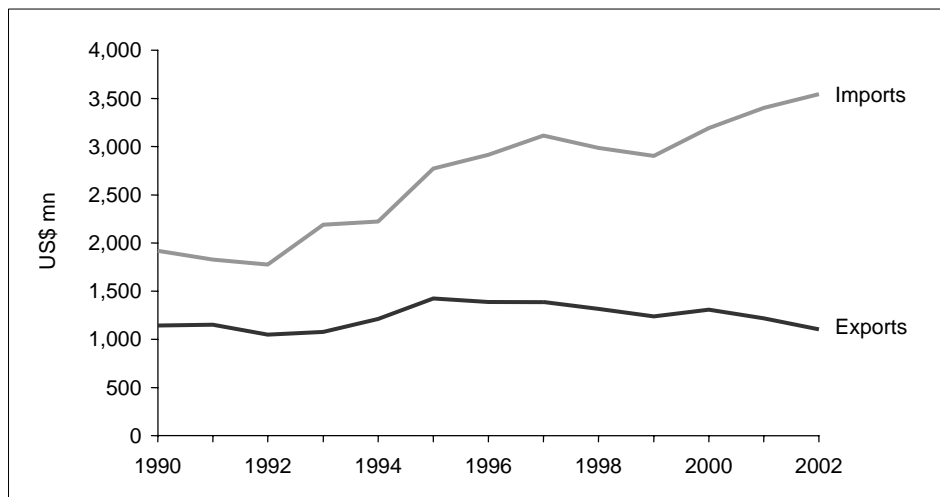
Similar to other Caribbean islands, Jamaica exports mostly services, which account for roughly 60 percent of its total exports, and imports mostly goods, which make up around two thirds of its total imports. Growing services exports have reduced the share of goods in total trade from 63 percent in 1990 to 56 percent in 2002. The following sections deal with merchandise trade only. Services trade will be covered in Chapter IV.

#### Growth and Direction of Trade

In the last twelve years, Jamaica's merchandise trade has been characterized by stagnant export growth and rising imports. Between 1990 and 1995, exports grew by an average of 4.5 percent a year, but have since declined by 3.6 percent a year in value terms, in a context of strong growth in world trade during both periods (8.4 and 3.1 percent, respectively). In 2002, Jamaica exported goods worth US\$ 1.1 billion, less in absolute terms than in 1990, representing an average annual decline of 0.3 percent in exports for the twelve-year period. Re-exports, that is, goods previously imported into the country that are then exported in the same state, without any value added, constitute an important share of exports for some Caribbean countries, but not for Jamaica. Since 1990, re-exports have made up only 3 percent of total merchandise exports, with shares at or below 5 percent in all export markets except Latin America, where the share is considerably higher (reaching over 40 percent in some years).

Imports grew by an average of 5.2 percent a year between 1990 and 2002. Growth was strongest in the first part of the decade and mainly related to an influx of manufactured goods, led by imports of machinery and transport equipment from the United States and Japan. Figure 1 below illustrates these trends while, at the same time, highlighting Jamaica's significant deficit in its merchandise trade with the world.

**FIGURE 1**  
**JAMAICA: MERCHANDISE TRADE**  
1990-2002

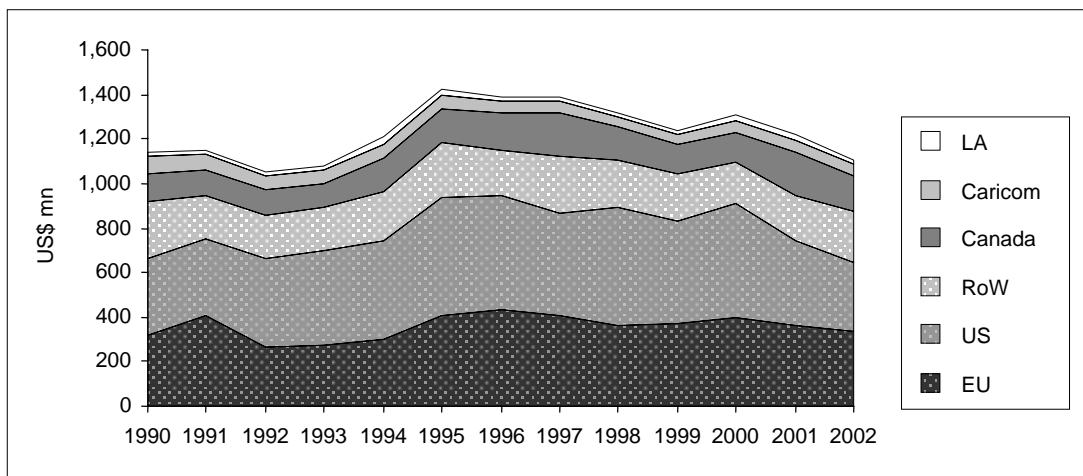


Source: See Tables 1 and 3 in the Statistical Annex.

Jamaica relies heavily on large markets that grant preferential access to its merchandise exports. In 2000-2002, one third of the country's exports went to the United States; a slightly smaller share, 30 percent, went to the EU (Figure 2). Exports to the United States declined by over 20 percent a year during this period and have reduced their share from 39 to 28 percent of total exports; sales to the EU, while also in decline, have managed to maintain their share. Canada, the third largest market, absorbs 13 percent of Jamaican exports and is the only destination to have witnessed export growth from Jamaica in recent years (8.3 percent a year since 2000). CARICOM accounts for just 5 percent of total exports. Sales to this market have contracted by around 3 percent a year over the last decade, indicating that Jamaica has not taken sufficient advantage of the preferences linked to its participation in the regional market. Latin America accounts for 2 percent of Jamaican exports, while the remainder (17 percent) goes to the rest of the world, mainly to Norway in the form of aluminum oxide (alumina).

With the exception of Canada, Jamaica's merchandise trade balance with all these markets is negative. While this is a relatively recent phenomenon in Jamaica's trade with Europe (Jamaica recorded a trade surplus with the EU throughout the 1990s), trade deficits with the United States, CARICOM and Latin America have been persistent and growing throughout the last decade. Jamaica's deficit with CARICOM is mostly a result of its trade with Trinidad and Tobago, which accounts for almost 90 percent of its total deficit with the group. It is worth noting, however, that Jamaica maintains trade deficits with over half of all CARICOM countries – even with tiny Dominica and St. Vincent and the Grenadines. In fact, among CARICOM countries, Jamaica's intra-regional export performance is one of the weakest.

**FIGURE 2**  
**JAMAICA: MERCHANDISE EXPORTS BY DESTINATION**  
 1990-2002



Source: See Table 1 in the Statistical Annex.

Imports are mainly sourced from the United States, which supplies almost half of the total, followed by Latin America, CARICOM, Asia and the EU, with about 12 percent each (2000-2002). Jamaican imports from the United States have increased at an average rate of 4.1 percent a year since 1990, yet their market share has fallen, mainly as a result of faster growth in imports from Latin America

and, particularly, CARICOM. Imports from Canada are negligible and have contracted in both absolute and relative terms.

It is worth noting that Jamaica's partners in the planned Free Trade Area of the Americas (FTAA) account for over half of the country's total merchandise exports, and three quarters of its imports. Among the various external trade negotiations in which Jamaica is currently involved, the FTAA negotiations are thus a priority. After the United States and Canada, Jamaica's main export markets in the Western Hemisphere are Trinidad and Tobago, Barbados and Mexico, in that order. Export penetration into Latin American markets is extremely weak. Jamaica exports more to Trinidad and Tobago (population 1.3 million) than to all Latin American countries combined (population 500 million). For more specific data on the growth and direction of Jamaica's merchandise trade, see Annex II, Tables 1-4.

### **Market Access**

Jamaica's weak merchandise export performance is particularly worrying in light of the trade preferences it enjoys in its major export markets. Access to the EU and North American markets is very favorable. Apart from those goods entering duty-free under most favored nation (MFN) rules, many products exported to these markets face zero or reduced tariffs under the Cotonou Agreement (EU), CARIBCAN (Canada), the US Caribbean Basin Economic Recovery Act (CBERA) – also known as the Caribbean Basin Initiative (CBI) – and the Caribbean Basin Trade Partnership Act (CBTPA) or "enhanced" CBI, and the Generalized System of Preferences (GSP).<sup>3</sup> In addition, exports to CARICOM face zero tariffs and are protected from foreign competition by the Community's common external tariff (CET). We have calculated that currently, almost 55 percent of Jamaica's merchandise exports to the world (in value terms) enjoy some form of preferential treatment, in addition to the 37 percent that receive MFN duty-free treatment. The remaining 8 percent are subject to duties and are mainly petroleum oils exported to Honduras and aluminum oxide exported to Russia and China (Table 1).<sup>4</sup>

Preferential access to the EU market is very favorable, covering almost all (98 percent) of Jamaica's exports to that market. Three products – aluminum oxide, sugar and bananas – make up over three quarters of those exports and enter the EU through preferences granted to all ACP countries. In the US market, Jamaica enjoys preferences for around 60 percent of its merchandise exports (in value terms) under the GSP and the CBI. The majority of these (44 percent of total US imports from Jamaica) are apparel exports that enter with duty concessions under CBERA and the CBTPA. Most Jamaican exports to Canada enter with MFN duty free status.<sup>5</sup>

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<sup>3</sup> Apart from preferential access to US, Canadian and EU markets, Jamaica receives GSP preferences from Australia, Japan, New Zealand and Switzerland.

<sup>4</sup> Calculations using UN-COMTRADE and TRAINS data.

<sup>5</sup> *Ibid.*

**TABLE 1**  
**JAMAICA: MARKET ACCESS BY EXPORT DESTINATION**  
2001

Share of exports (%)	EU	US	Canada	RoW	World
MFN duty free	1	41	93	52	37
Enter with Preference	98	59	6	3	55
Subject to Duty	1	0	1	45	8

Note: Calculations using HS 1996 8 digit for EU, US and Canada; 6 digit for Rest of World. Preferences for each region include: for EU- GSP and ACP preferences; for US- GSP, CBI and CBTPA preferences; for Canada- GSP and special preferences granted to Jamaica; for Rest of World (RoW) preferences are only for Dominican Republic-Jamaica trade. World share is weighted by trade with each region

Source: IDB Integration & Regional Programs Department using UN-COMTRADE and TRAINS.

In all these markets, however, preferences are being eroded by global tariff reductions resulting from the Uruguay Round of multilateral trade talks, and from bilateral trade initiatives such as US and Canadian free trade agreements with Latin American countries, CARICOM's own recent agreement with the Dominican Republic (see Chapter V) and the EU's *Everything But Arms* initiative for the least developed countries (LDCs). Under that initiative, for example, the EU will grant duty- and quota-free access to sugar imports from all LDCs starting in 2006. The expected increase in sugar exports from LDCs to the EU market as a result of this initiative is likely to push down internal EU prices, and might therefore encourage the EU to negotiate lower prices with ACP producers. The European Commission has already proposed a radical reform to the EU sugar regime, including a 37 percent reduction in the guaranteed price for sugar supplied under the ACP/EU sugar protocol – a measure viewed with considerable concern by CARICOM governments. Lower prices would erode the economic rent received by Caribbean sugar producers under their export quota, a scenario that has already prompted some restructuring efforts in the industry across the region. Jamaican sugar exports – over 90 percent of which go to the EU – have declined by an average of 13 percent a year in value terms since 1998, and are likely to contract further as a result of the proposed EU reform. Bananas, too, have been affected by the erosion of preferences: since 1994, when the EU introduced a single market regime for bananas, thereby laying the ground for a gradual opening of that market, Jamaican banana exports have contracted by an average of over 10 percent a year in value terms.

Jamaica's apparel industry was one of the first industries to experience the direct impact of preference erosion when the 1994 entry into force of the North American Free Trade Agreement (NAFTA) wiped out Jamaica's market access advantages *vis-à-vis* those of Mexican apparel producers, giving the latter a more privileged position in the US market than that enjoyed by Jamaican exporters under the CBERA. The expansion of CBI benefits in 2000 – in the form of the CBTPA or "enhanced" CBI – reversed some of those losses by giving CBI beneficiaries virtual NAFTA "parity" in US markets, but did not eliminate the actual erosion effect and did not lead to a recovery in Jamaican apparel exports after huge losses in the mid to late 1990s. More recently, the US-Central American Free Trade Agreement (CAFTA), signed in May 2004 and subsequently expanded to include the Dominican Republic, has given Central American and DR apparel producers more favorable conditions for their apparel exports to the US market, mainly through more generous rules of origin compared to those applying to Jamaica under the CBTPA. The impending elimination of apparel and textile quotas under the WTO Multi-fiber Agreement (MFA),

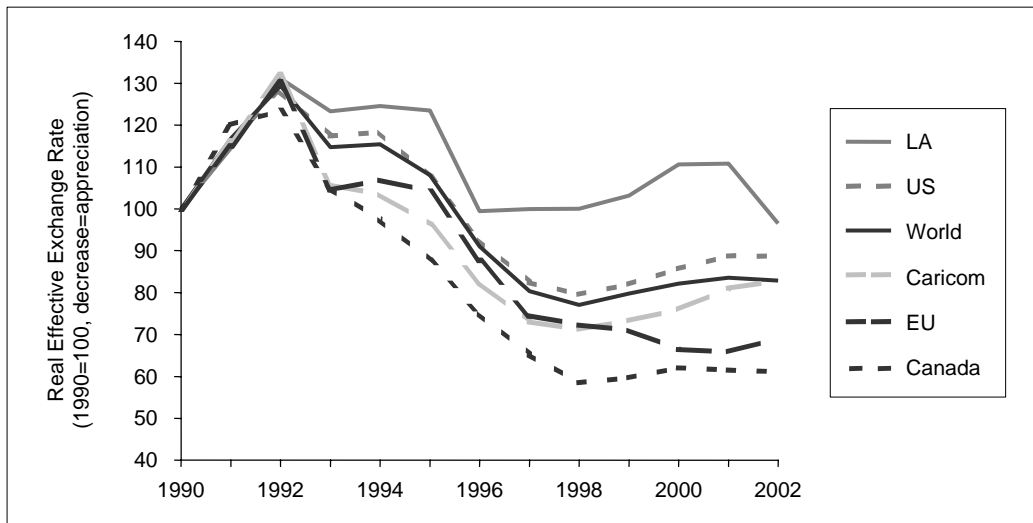
planned for 2005, will put further pressure on the Jamaican apparel industry due to the heightened competition from Asian exporters that will likely result from global trade liberalization in this sector.<sup>6</sup>

The trend towards preference erosion is likely to intensify in the coming years. This is because of expected further trade liberalization under the WTO and the eventual entry into force of the FTAA, which would substantially reduce Jamaica’s relative market access advantages compared to those of other FTAA countries in the US/Canadian and Caribbean markets. These processes, along with the negotiation of a reciprocal trading arrangement with the EU, will also put increased pressure on Jamaican firms producing for the island’s domestic markets. In such a context, questions of export performance and competitiveness become even more relevant.

### Exchange Rates and Trade Performance

Exchange rate movements and their price effects are among the various factors influencing a country’s export performance. To see how important this factor might be for Jamaica, we will look at trends in the country’s real effective exchange rate (REER) with the world, CARICOM, Latin America and the EU, as well as its real bilateral exchange rate with the United States and Canada. Since 1992, the Jamaican dollar has witnessed a period of persistent real appreciation (1992-1998), followed by one of mild real depreciation (1999-2002). Currency appreciation can negatively affect a country’s export performance by raising the price of its exports to foreign buyers. At the same time, it encourages imports, further weakening the trade balance and reducing the competitiveness of exports that depend on imported inputs for their production.

**FIGURE 3**  
**JAMAICA: REAL EFFECTIVE EXCHANGE RATE**  
1990-2002



Source: IDB Integration & Regional Programs Department using IMF-IFS and DOTS.

<sup>6</sup> For more information on recent developments in the apparel industry, see World Bank, *Jamaica: The Road to Sustained Growth*, Report N° 26088-JM. December, 2003.



Figure 3 shows that, between 1992 and 1998, the Jamaican dollar appreciated by an average of 8.3 percent a year against the currencies of its main trading partners (REER - World). The appreciation was strongest with respect to Canada, CARICOM and the EU (12, 10 and 9.5 percent a year, respectively), but also significant with respect to the US dollar and Latin American currencies (7.5 and 4.5 percent, respectively). The persistent real appreciation of the Jamaican dollar arose mainly from price effects, in that higher rates of inflation in Jamaica (relative to its trading partners) increased the cost of locally produced goods and negatively affected Jamaica's international competitiveness.<sup>7</sup> Since 1998, the Jamaican dollar has stabilized somewhat, showing a moderate 1.8 percent depreciation a year on average, but the currency's value is still well above that recorded in the early 1990s.<sup>8</sup>

Looking at Jamaica's trade flows, there appears to be a strong correspondence between exchange rate movements and trends in trade flows during the 1990s (see Figure 4). Between 1990 and 2000, Jamaica's merchandise exports (as a percentage of GDP) and the REER displayed a direct positive correlation coefficient of 0.8.<sup>9</sup> This means that as the REER appreciated, merchandise exports (measured as X/GDP) fell at an almost identical rate, and as the REER depreciated, exports grew at an almost identical rate. There is no such clear picture for the period 2000-2002, when exports continued to slide as the currency depreciated. This, however, does not necessarily mean that there is no link between exchange rates and export performance; rather, it could indicate that despite some depreciation, other factors, such as low commodity prices for Jamaica's mineral exports, or high labor costs, continued to depress exports, more than outweighing the positive influence of depreciation. On balance, since the early 1990s, Jamaica appears to have lost export competitiveness as a result of strong real currency appreciation, and because the trend towards an overvalued currency has been only partially offset by the recent depreciation, the government's strong currency policy remains a matter of concern.

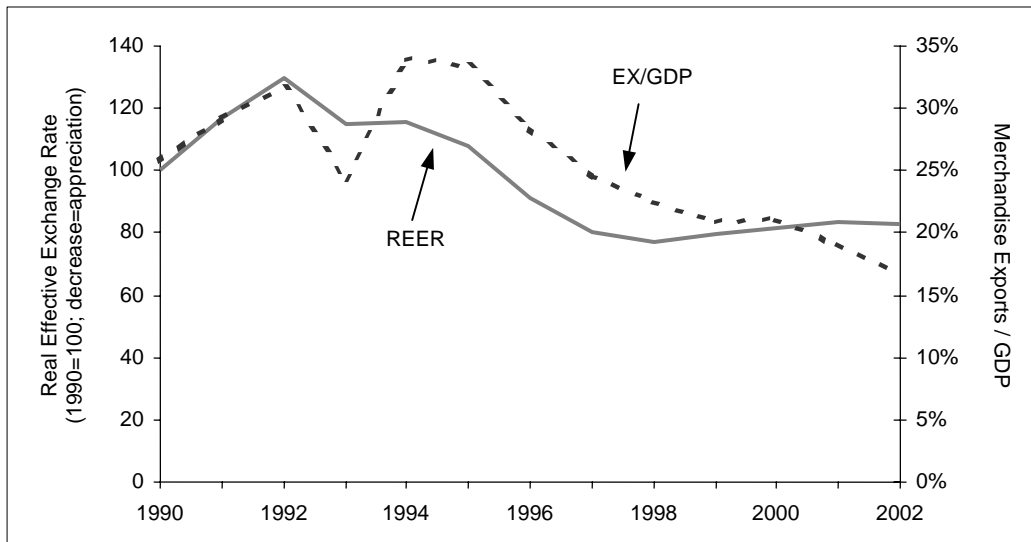
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<sup>7</sup> Between 1992 and 1998, Jamaica's inflation rate averaged almost 20 percent per year, while prices in the US, the UK and Canada rose at 2.5, 2.7 and 1.9 percent, respectively.

<sup>8</sup> The real bilateral exchange rate (RER) calculated for the US and Canada is defined as:  $RER_{ij} = (E_{ij} * P_j) / P_i$ , where  $E_{ij}$  is the cross nominal exchange rate with respect to the US dollar between country  $i$  and partner  $j$ , corrected by the ratio of the foreign price level ( $P_j$ ) to the domestic price level ( $P_i$ ), where  $P$  is the Consumer Price Index. The real effective exchange rate (REER) calculated for the Jamaican dollar *vis-à-vis* the World, CARICOM, Latin America and the EU is defined as:  $REER_i = \sum_j \delta_j RER_{ij}$ , where  $\delta_j$  is the relative weight based on trade flows between Jamaica and its main trading partners in the region  $j$ .

<sup>9</sup> The correlation coefficient is a statistical tool that measures the degree to which two variables are linearly related. A coefficient of zero (0) means the two variables in question are not related; while a coefficient of one (+1) indicates a perfect positive relationship; and negative one (-1) a perfect negative relationship.

**FIGURE 4**  
**JAMAICA: CORRELATION BETWEEN REER AND EXPORT PERFORMANCE**



Source: IDB Integration and Regional Programs Department using IMF-IFS.

### Product Composition

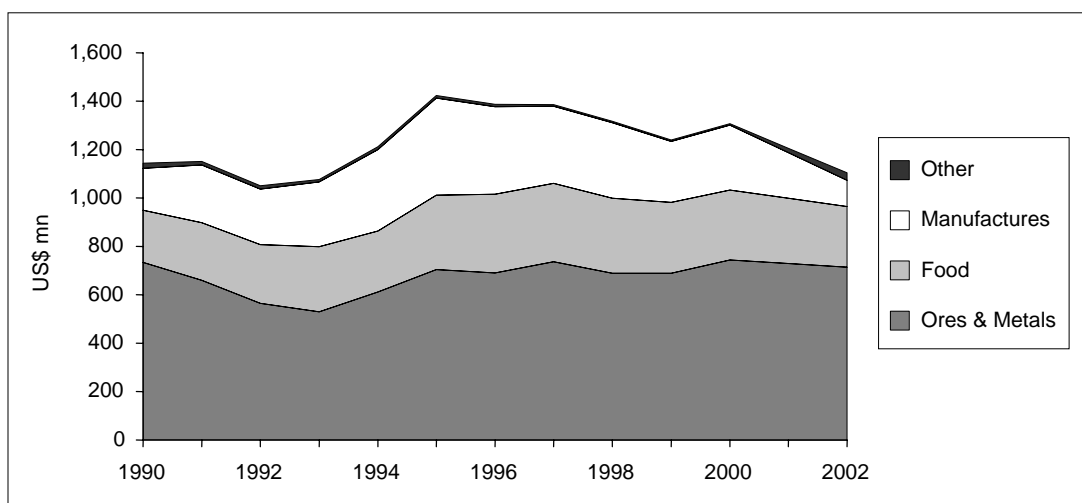
Figure 5 shows the sectoral composition of Jamaica’s merchandise exports to the world. Ores and metals (mainly aluminum oxide) account for the bulk of these exports – just over 55 percent on average in the period 1996-2002. Another 23 percent of exports are food products, and 21 percent are manufactured goods. While food exports have maintained their share of total exports since 1990, the shares of ores and metals and manufactures have fluctuated considerably. In 1990, ores and metal exports accounted for 64 percent of total exports; the share dropped to 50 percent in 1996 and then rose again to 65 percent in 2002. Such fluctuations are in part due to changes in the commodity price of Jamaica’s principal export product, aluminum oxide.<sup>10</sup> Meanwhile, the share of manufactured goods in total exports grew from 15 to 26 percent and then dropped to 10 percent during the same period. Agricultural raw materials, fuels and non-specified goods exports together account for less than 1 percent of total exports.

A closer analysis of export flows by destination shows that fluctuations in exports of manufactured goods are driven mainly by trade with the United States. Sales of manufactures, composed predominately of products 84629 (*Other under-garments*) and 84631 (*Panty hose*), grew at 20 percent a year on average between 1990 and 1996 and then contracted by 26 percent a year in 1996-2002, an indication of the industry’s declining competitiveness resulting from the previously mentioned erosion of preferences and high domestic operating costs (e.g. labor and security costs). Exports of ores and metals are well diversified in terms of destination, with 33 percent going to the EU, 26 percent to the United States, 18 percent to Canada and 23 percent to the rest of the world. The sector’s share in total exports to these destinations has dropped in all cases

<sup>10</sup> Between 1995 and 2002, Jamaican production of aluminum oxide increased in every year, while at the same time the price of the commodity, and thus the country’s export value, fluctuated considerably.

except the EU. Jamaican food exports are primarily shipped to the United States and the EU, and have increased their share in total exports to all destinations, again with the exception of the EU. The sectoral composition of exports to CARICOM is dominated by manufactured goods and food items, accounting for 56 and 38 percent, respectively (1996-2002). For more specific data on the sectoral composition of Jamaica's exports to these and other destinations, as well as a breakdown of imports by origin, see Annex II, Tables 5-6.

**FIGURE 5**  
**JAMAICA: SECTOR COMPOSITION OF EXPORTS**  
 1990-2002



Note: 2001 data has been estimated for display in this figure.

Source: See Table 5 in the Statistical Annex II.

Analysis of the product composition of Jamaica's merchandise exports reveals a high concentration in just a few products. Table 2 shows that of a total of 884 products exported by Jamaica in the period 1999-2002,<sup>11</sup> the top 20 – led by aluminum oxide – accounted for almost 90 percent of total exports (in value terms). Product concentration is high in all markets except CARICOM. In exports to Canada and the EU, three products alone account for over 90 percent of the total, driven by aluminum oxide (89 and 64 percent, respectively) and, in the case of the EU, sugar (20 percent) and bananas (6 percent). In the US market, ten products alone account for over 80 percent of total Jamaican exports, led by aluminum oxide, aluminum ores and concentrates, and garments (64 percent combined). In Latin America, the share of the top 20 is 87 percent, driven primarily by alcoholic beverages (40 percent).

<sup>11</sup> Includes all products exported in at least one year of period 1999-2002, aggregated at the SITC Rev. 2 leaf level.

**TABLE 2**  
**JAMAICA: TOP 20 PRODUCTS EXPORTED TO THE WORLD AND CARICOM**  
1999-2002

World				CARICOM			
Code	Product	Share	Acc Share	Code	Product	Share	Acc Share
28732	Alumina (aluminium oxide)	52.7%	52.7%	09809	Food preparations, n.e.s.	9.1%	9.1%
0611	Sugars, beet and cane, raw, solid	6.2%	58.8%	5114	Sulphon. nitrat./nitro. derivatives	6.2%	15.3%
28731	Aluminium ores & concentrates	5.7%	64.5%	8931	Art. for conveyance or packing	4.0%	19.3%
84631	Panty hose (tights), knitted	5.1%	69.6%	11249	Spirits & distilled alcoholic bevs	3.8%	23.1%
84629	Other under garments, knitted	2.7%	72.3%	0240	Cheese and curd	3.6%	26.7%
11249	Spirits & dist. alcoholic bevs	2.6%	74.9%	53342	Other paint & enamels, varnishes	2.5%	29.2%
51216	Ethyl alcohol (ethanol)	2.6%	77.6%	52319	Other sulphates (including alums)	2.1%	31.4%
07111	Coffee, not roasted; coffee husks	2.4%	80.0%	5542	Organic surface-active agents	2.1%	33.5%
0573	Bananas, fresh or dried	1.9%	81.9%	09805	Soups and broths, in liquid, solid	2.0%	35.5%
05481	Manioc, arrowroot, salep	1.3%	83.2%	33451	Lubricating petroleum oils	1.9%	37.4%
1123	Beer made from malt	1.0%	84.2%	0142	Sausages & the like, of meat	1.7%	39.1%
33451	Lubricating petroleum oils	0.8%	85.0%	04842	Pastry, biscuits, cakes	1.7%	40.8%
1221	Cigars and cheroots; cigarillos	0.6%	85.6%	0730	Chocolate & other food preps.	1.7%	42.4%
0360	Crustaceans and molluscs, fresh	0.6%	86.2%	1122	Other fermented beverages n.e.s	1.6%	44.1%
09809	Food preparations, n.e.s.	0.6%	86.8%	7731	Insulated, elect. wire, cable, bars	1.6%	45.7%
05899	Fruit and nuts, prep. or pres.	0.5%	87.3%	89399	Other articles, n.e.s. of mat. of div.	1.5%	47.2%
52256	Aluminium hydroxide	0.5%	87.9%	54179	Medicaments cont. other subs.	1.5%	48.7%
09804	Sauces; mixed condiments	0.5%	88.4%	89211	Printed books, booklets, brochures	1.3%	50.0%
7929	Parts of heading 792, excl. tyres	0.4%	88.8%	09804	Sauces; mixed condiments	1.3%	51.2%
05798	Other fresh fruit	0.4%	89.2%	5514	Mixtures of 2+ odoriferous	1.1%	52.3%
Top 20		89.2%		Top 20		52.3%	
Total (884 products)		100%		Total (526 products)		100%	

Note: SITC Revision 2 leaf level of aggregation.

Source: IDB Integration and Regional Programs Department using UN-COMTRADE.

CARICOM is the most diversified destination of Jamaican exports, with the top 20 accounting for just over half of all exports to the region. This can be attributed to the fact that aluminum is not among the top exports, mainly because CARICOM countries do not import much of this product. Food items and manufactured goods are the principal exports, together accounting for 19 of the top 20 products exported to CARICOM. It is interesting to note that the remaining product is lubricating petroleum oil, whose share has dropped to 2 percent, from an 8 percent share as the top-ranking product in 1990-1992. For more information on top exports to these and other destinations see Annex II, Table 7.

Jamaica's narrow export base compounds the country's vulnerability to external shocks. Its dependence on the bauxite industry as the main foreign exchange earner (apart from tourism) poses serious challenges in the form of price and income volatility, as well as long-term production, given that bauxite is a non-renewable natural resource. Gradual diversification away from the mining sector should therefore be a priority for the country, but it may be difficult to achieve much diversification in merchandise trade. As indicated in Chapter IV, the future for Jamaica appears to lie in the services sector, particularly in tourism where the country is internationally competitive. But even in the goods sector, there should be some room for diversification and the development of niche market products in both agriculture and manufacturing. The best strategy to foster improved export performance in these sectors would be to shift export supply towards products that face growing demand in world markets. This would increase Jamaica's capacity to expand exports over time. Conversely, for a country whose exports are either uncompetitive or face mostly stagnant or declining demand in world markets, there is little opportunity for growth.

In the following section, we will look at some indicators that analyze both supply and demand conditions for Jamaica's merchandise exports and, by doing so, give indications of the level of competitiveness of its exports. As explained further on, none of these indicators is perfect. Most importantly, they do not isolate policy-induced from real competitive advantages, and can therefore erroneously conclude that a country is competitive in exporting a specific product when the country's only competitive advantage stems from preferential market access. These rather crude measures should therefore be taken only as very broad indicators of competitiveness.

## **Competitiveness, Specialization and Trade Complementarity**

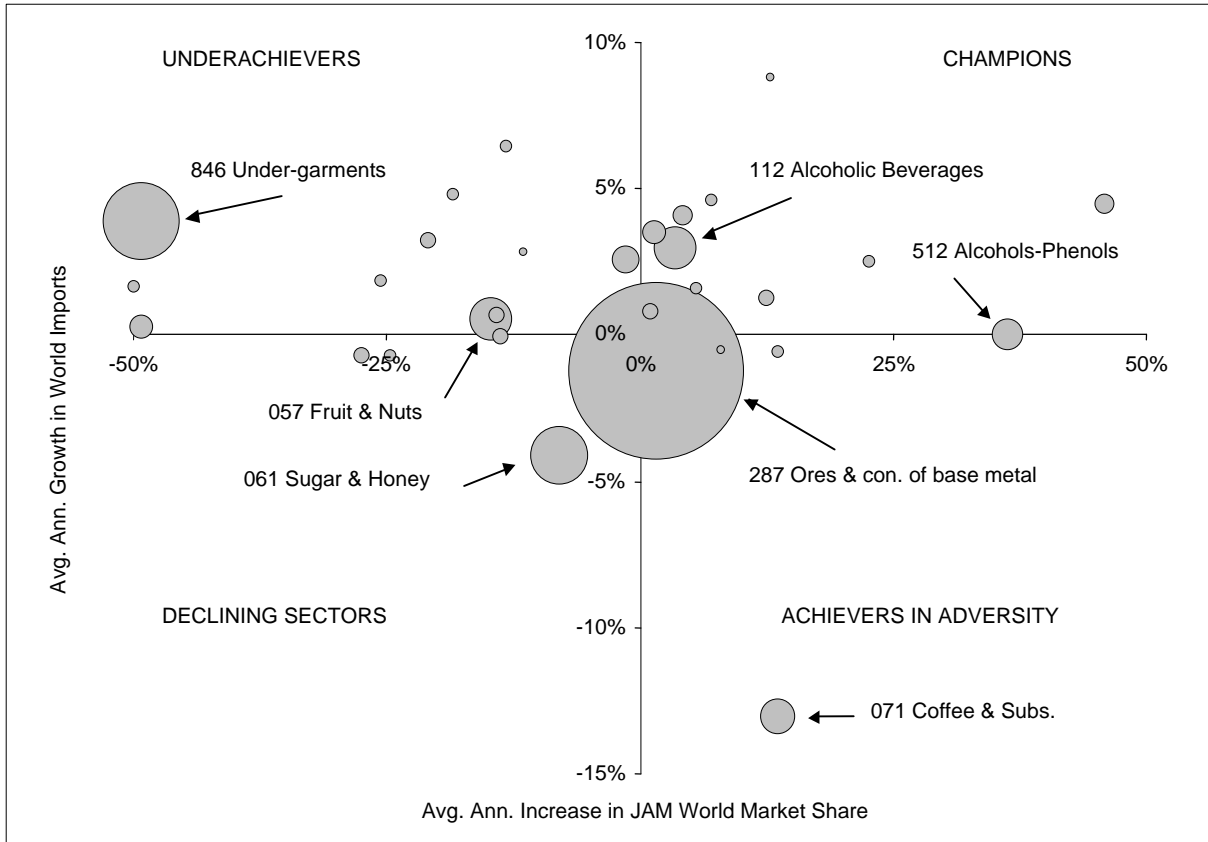
### *Winners and Losers*

Figure 6 divides Jamaica's top 30 exports into four categories, with the size of each "bubble" depicting the corresponding product's export value:

- *Winners in growing markets* (upper right quadrant). These are the country's "champions": global demand for these products is expanding (for some goods, faster than the average growth in world trade) and Jamaica has increased its share in world exports of these products. Promotional efforts for products in this category should focus on further expanding supply, as well as efforts to capture new markets.
- *Winners in declining markets*, or "achievers in adversity" (lower right quadrant). In these products, Jamaica has managed to increase its share of world trade, but demand for these products is declining. Niche marketing strategies may be the best way of expanding export opportunities in otherwise declining markets.
- *Losers in growing markets*, or "underachievers" (upper left quadrant). These products present a challenge: they face growing demand in world markets, but Jamaica has not been able to maintain its share of that market because its exports have either declined or grown less dynamically than world trade. Supply factors, rather than weak demand, are the bottleneck, and promotional efforts should aim at eliminating these where possible.

- Losers in declining markets (lower left quadrant). These products face bottlenecks on both the supply and demand side. World demand has declined, and Jamaica has been unable to maintain its share of a shrinking market. Efforts to promote products in this sector may be the least cost-effective in terms of expanding export revenues.

**FIGURE 6**  
**JAMAICA: COMPETITIVENESS OF TOP 30 EXPORTS**  
 1997-2002



Note: To analyze Jamaica's competitiveness: we measured International Demand by calculating the average annual growth rate in world imports from 1997-2002. Then, we looked at the average annual increase in Jamaica's *i* world market share, by taking its exports of product *k* as a share of total world exports of *k* ( $X_{ik} / X_{wk}$ ) for the same time period. The chart shows the relative export values of the product group analyzed (size of bubble) and the concentration of those exports.

Top 30 Exports by Category (in descending order by export value): *Champions* (11)- 112 Alcoholic beverages, 512 Alcohols phenols, 098 Edible products & preps, 048 Cereal preps, 334 Petroleum refined, 058 Fruit preserved, 075 Spices, 024 Cheese & curd, 893 Other articles of plastics, 511 Hydrocarbons, 111 Non-alcoholic beverages. *Achievers in Adversity* (4)- 287 Ores & concentrates, 071 Coffee & substitutes, 844 Under-garments of textile fabrics, 523 Other inorganic chemicals. *Underachievers* (11)- 846 Under-garments knitted, 057 Fruit & nuts, 054 Vegetables, 122 Tobacco manufactured, 036 Crustaceans & moluscs, 843 Outer-garments women, 034 Fish fresh, 551 Essential oils perfumes, 516 Other organic chemicals, 553 Perfumery, 072 Cocoa. *Declining Sectors* (4)- 061 Sugar & honey, 522 Inorganic chemical elements, 842 Outer-garments men, 273 Stone sand & gravel. Average annual increase in Jamaican world market share for product group 516 exceeded 50 percent; data is aggregated at SITC Revision 2 3-digit level.

Source: Integration and Regional Programs Department using UN-COMTRADE.

As Figure 6 shows, most of Jamaica's top thirty export products are either "champions" or "underachievers". In terms of export value, the category "achievers in adversity" dominates,

mainly because Jamaica's alumina exports are located here (group 287, *ores and concentrates of base metals*). In Annex II, Table 8, we repeat the analysis for *all* product groups exported by Jamaica in the period 1997-2002. The analysis shows that of a total of 169 product groups exported during that period,<sup>12</sup>

- 55 product groups, representing 11 percent of the country's total exports in value terms, can be classified as "champions". It is worth noting that 46 percent of these exports (in value terms) go to the US market; another 19 percent go to CARICOM.
- 29 groups, or 60 percent of exports, are "achievers in adversity". As mentioned, this category is dominated by exports of alumina, a product that faced declining world demand in the period examined. Jamaica exports alumina to multiple destinations.
- 56 groups (21 percent of exports), are "underachievers." Most of these go to the United States.
- 29 groups (8 percent of exports), are "declining" products. Almost 80 percent of these go to the EU (driven by product group 061, *sugar and honey*).

A division of a country's exports along these lines can be useful in that it helps identify the varying degrees of global competitiveness that the country's exports have achieved; the nature of constraints (demand or supply-side) faced by different export products; and possible export promotion strategies using the results of the above.

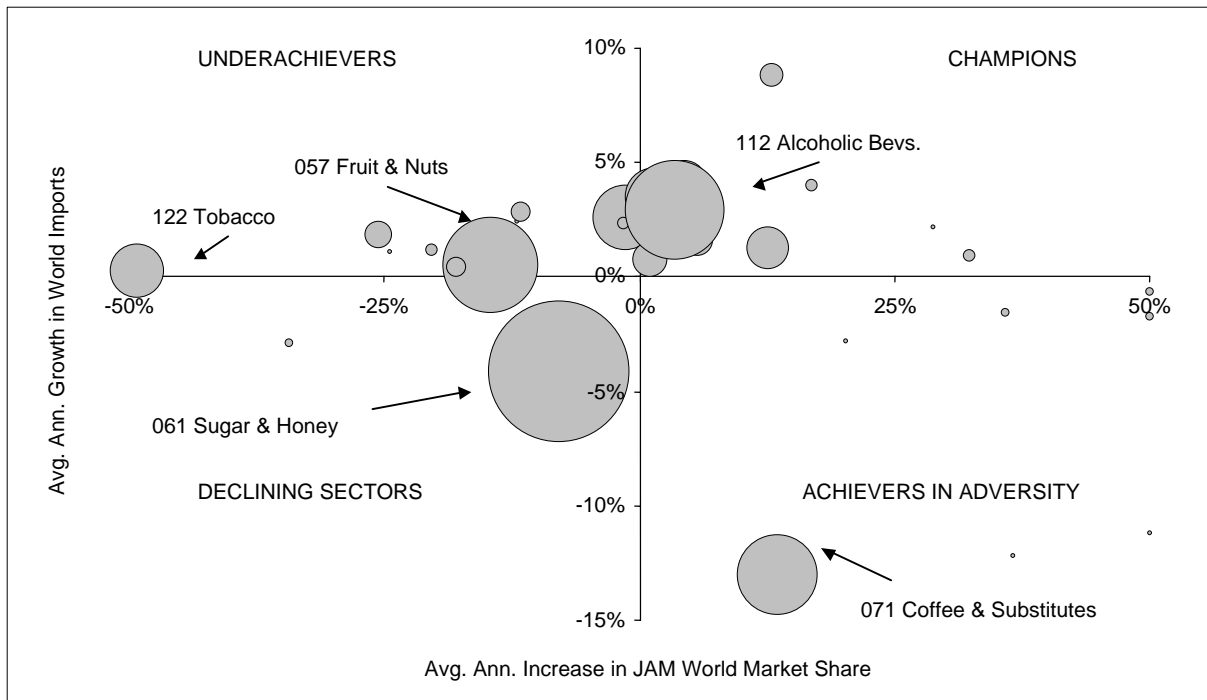
To obtain more specific data, the analysis can be repeated at the sector level (which we do below) or for different export markets. In all such research, the level of product aggregation is important. Here we have used an intermediate level of aggregation, the SITC 3-digit product group level. At this or higher levels of aggregation, some important winners or losers may be missed. The disadvantage of using more detailed product data, on the other hand, is that at that level, trade flows may be more sensitive to policy interventions such as restrictive (or preferential) trade policies in the importing country or industrial policies in the exporting country. Such interventions distort trade and may lead to erroneous conclusions about competitiveness.

The challenges facing Jamaica's agricultural and manufacturing export sectors are illustrated below. As regards agricultural products (Figure 7), of a total of 48 product groups, nineteen (that is, 40 percent of all agricultural products, and almost 60 percent in value terms) are underachievers or declining products, with *fruits and nuts* dominating the former and *sugar and honey* the latter category. Fourteen product groups (30 percent of the total in value terms), led by *alcoholic beverages*, are champions, and the remaining products, led by *coffee*, are achievers in adversity. Note that these four product groups alone account for almost 70 percent of Jamaica's total agricultural exports, indicating a low level of diversification in this sector.

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<sup>12</sup> This number excludes products that are exported only in 1998-2000, but not in either 1997 or 2002 (2001 is excluded from the analysis since it is not reported in UN-COMTRADE).

**FIGURE 7**  
**JAMAICA: COMPETITIVENESS OF AGRICULTURAL EXPORTS**  
 1997-2002



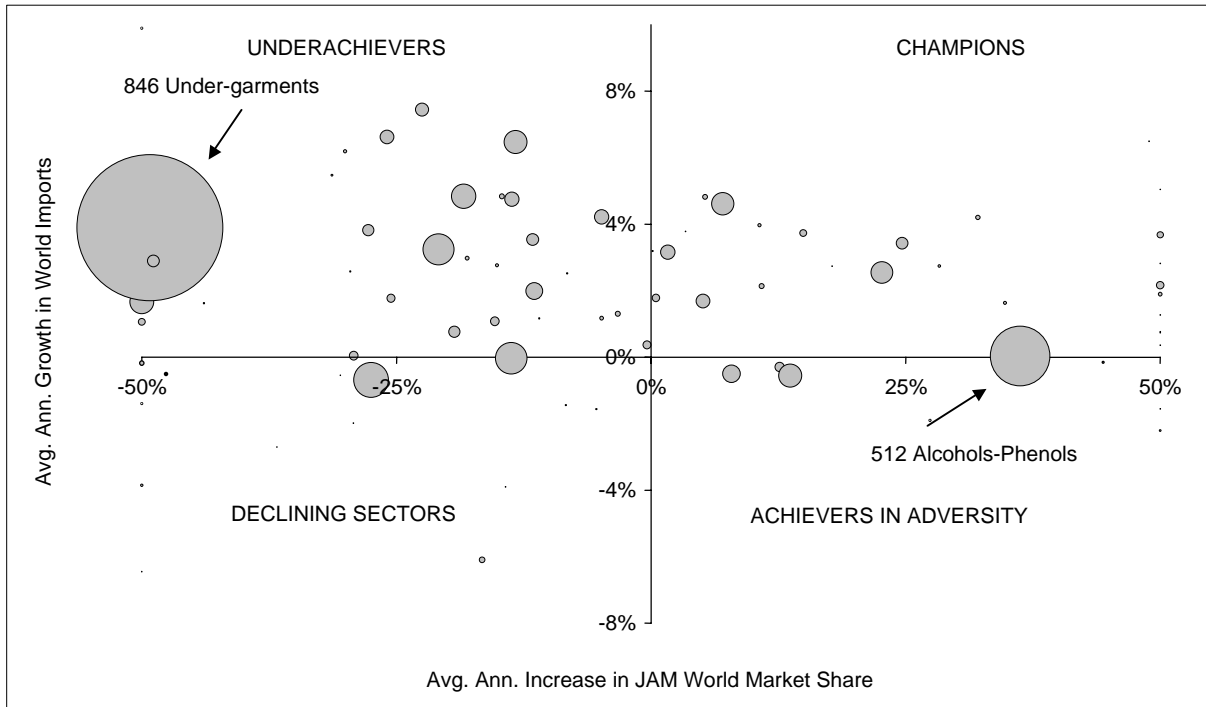
Source: IDB Integration and Regional Programs Department using UN-COMTRADE.

The picture is similar for manufactures (Figure 8). Jamaica exports more manufactured goods than agricultural products, but diversification is low in this sector, too. The main product, *undergarments, knitted or crocheted*, represents over 60 percent of the value of all manufactured exports. Jamaica's manufactured exports are concentrated in the category "underachiever", mainly due to the apparel industry's recent performance. In total, more than half of all product groups, and over 80 percent of manufactured exports in value terms, appear to be either "underachievers" or "declining" product groups.

In addition to "declining" products, the high share of "underachievers" and "achievers in adversity" in Jamaica's total merchandise exports raises concern because it points to either a lack of competitiveness (underachievers) or a concentration of export activity in products for which world demand is declining (achievers in adversity).



**FIGURE 8**  
**JAMAICA: COMPETITIVENESS OF MANUFACTURED EXPORTS**  
 1997-2002



Source: IDB Integration and Regional Programs Department using UN-COMTRADE.

### *Export Specialization*

Another way of analyzing Jamaica's export performance is by looking at revealed comparative advantage (RCA), an indicator of international trade specialization. It measures a country's level of specialization in a particular product by dividing that product's share in a country's total exports by its share in world imports. The link with competitiveness is based on the assumption that if a given product's share in a country's exports is greater than its share in world imports (that is,  $RCA > 1$ ), then the country is specialized in, and therefore a relatively efficient producer of that product. Here, too, the level of aggregation is important. For purposes of consistency, we will use the same level as above, namely the three-digit (product group) level of the SITC.<sup>13</sup>

Table 3 shows that of the 198 product groups exported to the world in the period 1999-2002, Jamaica appears to be relatively efficient in 21 groups ( $RCA > 1$ ). In three of these, it did not have comparative advantage at the beginning of the 1990s, but developed it during the decade, while another 13 product groups increased their RCA over the period. The remaining five (four of which

<sup>13</sup> Revealed Comparative Advantage (RCA) is calculated:  $RCA (X_{ijk}) = (X_{ijk} / X_{ij} \text{ total}) / (X_{wjk} / X_{wj} \text{ total})$ ; where  $X_{ijk}$  is the exports of country  $i$  to country/region  $j$  of product  $k$ ,  $X_{ij} \text{ total}$  is the total exports of country  $i$  to country/region  $j$ ,  $X_{wjk}$  is the exports of the world to country/region  $j$  of product  $k$ , and  $X_{wj} \text{ total}$  is the total exports to country/region  $j$ . RCA measures how important each product (group) is in the exports from one market to another versus the total importance of that product (group) in world exports to the destination market.

are food items or apparel) saw their RCA decline. Together, the 21 product groups (which include most of the country's top 20 exports) account for almost 95 percent of the country's total exports in value terms. For the 177 remaining product groups, Jamaica shows no particular specialization ( $RCA < 1$ ), although for nine of these groups, it did so at the start of the decade.<sup>14</sup>

Trends in RCA can help identify "emerging" comparative advantages (or disadvantages) in exports and, by doing so, point to areas where promotional efforts might render positive returns. They can also highlight variations in export performance across different markets. Table 3, for example, shows that in exports to CARICOM, Jamaica is a relatively efficient producer in 49 products – more than double the number of products with  $RCA > 1$  in exports to the world. In the regional market, Jamaica became specialized in 15 new products during the 1990s, and increased its existing RCA in 18 others. It also saw an erosion of RCA levels for eight product groups and lost RCA for an additional 16 products. This trend highlights some successes in Jamaica's specialization efforts, given that the 33 products (mostly in food and manufacturing) that developed or increased their RCA accounted for 65 percent of exports to CARICOM between 1999 and 2002. It is nevertheless important to remember that CARICOM accounts for only a small share of Jamaica's total exports, roughly 4 percent during the period in question.

In the US market, Jamaica gained new specialization in six products and increased its RCA in another 15. At the same time, however, Jamaica decreased its RCA levels for six products and lost RCA in eight products. In the EU market, despite significant preferences, Jamaica appears to be specialized in only 12 product groups, having developed or gained RCA in seven products and lost it in one product. In Latin America, which represents only a tiny fraction of the country's total exports, Jamaica has gained RCA in 21 product groups but decreased or lost it in 10 products. Table 4 summarizes the RCA analysis for all five markets discussed above. Annex II, Table 9 has more detailed RCA data for these markets.

The same analysis of trade specialization can be performed at the subregional level, by measuring a product's share in a country's intra-regional exports by its share in total intra-regional exports. Jamaica's exports to CARICOM seem more specialized relative to intra-regional trade than to total world trade with CARICOM, with 61 product groups (of a total of 171 exported in the period 1999-2002), showing an  $RCA > 1$ . Of these, 19 did not have RCA at the beginning of the decade. In comparison, Trinidad and Tobago exhibits intra-regional specialization in 100 products, half of which did not have RCA a decade ago, while Barbados specialized in 59 products, 15 them without RCA in the earlier period. See Annex II, Table 10 for detailed intra-regional RCA data.

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<sup>14</sup> It is quite possible, of course, that among these broader product groups, there are individual products that have an  $RCA > 1$ . We could identify these by repeating the analysis at a more disaggregated product level.

**TABLE 3**  
**JAMAICA: REVEALED COMPARATIVE ADVANTAGE, WORLD & CARICOM**  
1990-1993 and 1999-2002

World					CARICOM (continued)				
Code	Product Description	Share 99-02	RCA 90-93	RCA 99-02	Code	Product Description	Share 99-02	RCA 90-93	RCA 99-02
287	Ores & concentrates base metal	59.9	144.1	212.8	112	Alcoholic beverages	8.0	7.5	10.4
061	Sugar and honey	6.3	28.9	40.5	048	Cereal prepares & preps.	8.4	4.5	10.0
846	Under garments, knit, crochet	8.0	18.7	16.6	273	Stone, sand and gravel	1.0	8.9	9.9
071	Coffee and coffee substitutes	2.5	6.4	15.0	533	Pigments, paints, varnishes	3.3	4.1	7.6
075	Spices	0.5	12.4	14.1	057	Fruit & nuts (not incl. oil nuts),	1.1	6.6	7.4
512	Alcohols, phenols, phen-alcohols	2.7	0.1	13.0	014	Meat & edib. offals, prep./preps	2.0	3.9	7.3
112	Alcoholic beverages	3.9	4.6	7.5	851	Footwear	1.3	10.7	6.9
057	Fruit & nuts (not incl. oil nuts),	2.8	7.7	6.6	071	Coffee and coffee substitutes	0.3	4.1	6.0
098	Edible products and preps	1.3	2.7	4.7	075	Spices	0.3	0.5	5.7
273	Stone, sand and gravel	0.2	1.6	4.0	773	Equip't for distributing electric	1.9	5.4	5.4
058	Fruit, preserved	0.8	2.7	3.9	899	Other miscellaneous manufs	0.8	5.4	5.3
054	Vegetab., fresh, chill, frozen	1.5	2.3	3.9	737	Metal working machinery, parts	0.3	3.7	5.3
048	Cereal prepares & preps.	0.9	1.7	2.9	058	Fruit, preserved	1.8	4.6	4.6
036	Crustaceans & molluscs, fre, chi	0.6	2.0	2.7	893	Arts of materials described in	5.3	4.1	4.4
122	Tobacco manufactured	0.7	1.3	2.7	554	Soap, cleansing and polishing	2.6	7.7	4.4
111	Non alcoholic beverages, n.e.s.	0.2	1.0	2.6	642	Paper and paperboard, cut	3.1	0.7	3.7
522	Inorganic chemicals, oxides	0.6	0.8	2.2	843	Outer garments, women's	0.4	0.7	3.0
072	Cocoa	0.1	4.6	2.0	122	Tobacco manufactured	0.3	0.3	2.8
024	Cheese and curd	0.4	0.7	2.0	111	Non alcoholic beverages, n.e.s.	1.2	1.9	2.6
551	Essential oils, perfume & flavour	0.2	2.5	1.6	699	Manuf's of base metal, n.e.s.	1.3	2.4	2.6
844	Under garments of textile fabric	0.3	2.6	1.6	848	Art. of apparel & clothing acc's	0.2	0.5	2.2
Share of EX's with RCA>1 (%)		94.6			046	Meal and flour of wheat, flour	0.3	0.0	2.2
					844	Under garments of textile fabs	0.2	0.7	2.0
					692	Metal containers for storage	0.5	1.0	1.9
					665	Glassware	0.5	3.7	1.8
					612	Manufactures of leather	0.0	0.0	1.7
					022	Milk and cream	1.0	1.4	1.7
					591	Disinfectants, insecticides	0.5	1.6	1.6
					697	Household equipment of metal	0.3	1.8	1.6
					691	Structures & parts of struc.	0.8	1.5	1.6
					598	Misc. chemical products, n.e.s.	0.7	0.3	1.5
					812	Sanitary, plumbing, heat, light	0.3	0.3	1.5
					663	Mineral manufactures, n.e.s	0.3	0.1	1.4
					062	Sugar confectionery, other sugar	0.1	4.4	1.2
					821	Furniture and parts thereof	1.0	3.6	1.2
					664	Glass	0.2	0.5	1.2
					611	Leather	0.0	0.4	1.1
		<i>(Continued on next column)</i>			Share of EX's with RCA>1 (%)		92.2		

Note: Products with RCA>1 in 1999-2002 (SITC Rev. 2, 3 digit); ranked in descending order by RCA 1999-2002.

Source: IDB Integration and Regional Programs Department using UN-COMTRADE.

**TABLE 4**  
**JAMAICA: TRENDS IN GLOBAL AND INTRA-REGIONAL RCA BY DESTINATION**  
 1990-1993 and 1999-2002 (number and classification of products)

World	Global				Intra-Regional
	CARICOM	USA	LA	EU	CARICOM
<b>Increase in RCA</b>					
16	33	21	21	7	54
9 Food/Animal	10 Food/Animal	6 Food/Animal	6 Food/Animal	4 Food/Animal	15 Food/Animal
3 Bevs/Tobacco	3 Bevs/Tobacco	3 Bevs/Tobacco	3 Bevs/Tobacco	2 Bevs/Tobacco	2 Bevs/Tobacco
2 Crude Material	2 Crude Material	2 Crude Material	2 Crude Material	1 Crude Material	4 Crude Material
2 Chemicals	6 Chemicals	6 Chemicals	6 Chemicals		9 Chemicals
	7 Manufactures	4 Manufactures	4 Manufactures		9 Manufactures
	1 Machinery				6 Machinery
	4 Misc Manufs				9 Misc Manufs
<b>No Change</b>					
0	8	1	0	2	2
	1 Food/Animal	1 Food/Animal		2 Food/Animal	1 Food/Animal
	2 Chemicals				1 Manufactures
	2 Manufactures				
	1 Machinery				
	2 Misc Manufs				
<b>Decrease in RCA</b>					
5	8	6	3	3	5
2 Food/Animal	3 Food/Animal	1 Food/Animal	1 Food/Animal	3 Food/Animal	1 Crude Material
1 Chemicals	1 Chemicals	1 Crude Material	1 Crude Material		1 Chemicals
2 Misc Manufs	2 Manufactures	4 Misc Manufs	1 Fuels		1 Manufactures
	2 Misc Manufs				2 Misc Manufs
<b>Others (no RCA)</b>					
177	122	152	95	114	110
of which (9)*	(16)	(8)	(7)	(1)	(19)

Notes: \* These products had an RCA>1 in the early period (1990-1993) but lost it later on (1999-2002).

In our analysis, we define an "increase" in RCA as >10 percent growth in the RCA indicator, a "decrease" as >10 percent decrease, and "no change" as no more than +/- 10 percent movement. See Annex II, Table 11 for a RCA table with product codes.

Source: IDB Integration and Regional Programs Department using UN-COMTRADE.

## Trade Complementarity

A third way of analyzing export performance is by looking at Jamaica's trade complementarity with its principal trading partners, that is, the degree to which Jamaica's export supply matches the import demand of these countries and/or regions. To do this, we use the trade complementarity index, which pairs the information obtained on the exporting country's product specialization or RCA (its commodity export profile) with an importing country or region's revealed comparative disadvantages (commodity import profile). An index greater (or lower) than one indicates a higher (or lower) degree of complementarity relative to the world average.

Table 5, covering the period 1990-2002 (excluding 2001 due to missing data), shows that the Canadian market has the highest degree of complementarity with Jamaica's export structure. The degree of complementarity is much lower for the other markets, and has increased in only one case, namely CARICOM. Jamaica's complementarity with the United States, Latin America and the EU has seen a clear drop from the mid-1990s to the period 1998-2002. With respect to the United States and Latin America, this decline is due to those countries' declining alumina imports from the world, precisely the product that dominates Jamaica's exports to those regions. Given the strong concentration of Jamaica's exports in just a few products, the generally low degree of complementarity of its export structure *vis-à-vis* the import structure of most of its export markets is to be expected. This is not the case with Canada, which is a relatively large importer of alumina, precisely Jamaica's top export.<sup>15</sup>

**TABLE 5**  
**JAMAICA: TRADE COMPLEMENTARITY INDEX**  
1990-2002

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	90-93	94-97	98-02
CARICOM	2.1	0.8	0.6	0.8	0.7	0.6	0.6	0.6	0.7	0.7	1.1	...	1.3	1.1	0.6	1.0
United States	1.9	1.9	1.7	1.4	1.2	1.4	1.2	1.3	1.2	1.1	0.9	...	0.8	1.7	1.3	1.0
Canada	2.6	2.9	2.8	3.0	3.1	3.0	2.5	2.4	2.3	2.4	2.4	...	3.0	2.8	2.7	2.5
EU	0.7	0.7	0.8	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.7	...	0.7	0.8	0.9	0.7
Latin America	1.8	1.7	1.2	1.2	1.1	1.1	0.7	0.6	0.6	0.6	0.6	...	0.5	1.5	0.9	0.6

Source: IDB Integration and Regional Programs Department using UN-COMTRADE.

<sup>15</sup> The Trade Complementarity Index is defined as:  $C_{ij} = \sum_k [(RCA_{ik}) \times (RCD_{jk}) \times (M_{wk} / M_w)]$ , where  $RCA_{ik} = (X_{ik} / X_i) / (M_{wk} / M_w)$  and  $RCD_{jk} = (M_{jk} / M_j) / (M_{wk} / M_w)$ .  $RCA_{ik}$  is the Revealed Comparative Advantage of country  $i$  in product  $k$ ,  $RCD_{jk}$  is the Revealed Comparative Disadvantage of country/region  $j$  in product  $k$ , and  $M_{wk} / M_w$  is the share of product  $k$  imports in total world imports. Note that  $w$  is world minus country  $i$ ; and when  $j$  is country  $i$ 's subregion,  $j$  is region minus country  $i$ . The Complementarity Index measures the commodity composition of bilateral trade between two countries or regions, and its relation to world trade. In other words, the index is a trade-weighted ( $M_{wk}/M_w$ ) measure of the degree to which country  $i$ 's commodity export profile ( $RCA_{ik}$ ) corresponds with country/region  $j$ 's commodity import profile ( $RCD_{jk}$ ). It is interpreted using a threshold equal to one, with an index value greater than one identifying a greater level of complementarity between  $i$ 's exports and  $j$ 's imports, relative to the world norm. An index value equal to or less than one identifies trade complementarity equal or less than the world-trading norm. Index calculated at SITC Revision 2 leaf level of aggregation.

As mentioned earlier, all three measures used to determine the competitiveness of Jamaica's merchandise exports – "winners" and "losers", product specialization and the complementarity index – may be subject to significant margins of error. The preferences that Jamaica enjoys in its major export markets probably distort the analysis at all levels of product aggregation.<sup>16</sup> We can nevertheless draw some important conclusions from the above analysis, both from the actual trade flows – and their product composition – and from the various competitiveness indices used to analyze those flows in more detail.

- Jamaica has not been a successful exporter of merchandise goods in the past decade. Export values have remained stagnant or declined in most of its export markets, and there has been little product or market diversification. The total number of product groups exported in the period 1999-2002 is very close (in fact slightly smaller) than the number exported a decade earlier, in 1990-1993. This is true not only for total exports, but also for exports in each of the main sectors (agriculture, minerals and manufactures).
- Jamaica does not appear to have used its trade preferences to increase export market shares and build competitive sectors. Loss of competitiveness in various manufacturing products and markets (for example, apparel exports to the United States) has in the past few years led to a shift in the export structure away from manufactured goods and towards raw materials, resulting in increased vulnerability to commodity price fluctuations and volatile foreign exchange earnings.
- Most of Jamaica's merchandise exports are either uncompetitive (underachievers) or face dwindling demand in world markets (achievers in adversity). Despite some progress in the CARICOM market (in terms of achieving new or higher levels of specialization in a number of products exported to that market), much of that increased specialization appears to be linked to the preferences enjoyed by Jamaica in that market, rather than "real" competitive advantages; as mentioned above, moreover, Jamaica has lost market share even in this relatively accessible market.

In conclusion, Jamaica has experienced a general decline in the external competitiveness of its merchandise exports over the last 10-15 years. The currency's real appreciation is one important factor, for the reasons mentioned above. There are other factors, however, that have affected Jamaica's competitiveness, particularly at the enterprise level. A recent IDB survey of Jamaican firms concludes that there was a general increase in operating costs (wages, energy, security) between 1998 and 2002. According to this study, the real unit labor cost in Jamaica began to rise starting in 1993, as increases in real average compensation exceeded those in productivity. Furthermore, Jamaican enterprises have focused few of their resources on training and new technologies, key inputs to productivity growth.<sup>17</sup> These trends are worrying, not least in light of the changing market access conditions that Jamaican exporters will face in the coming years,

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<sup>16</sup> Alternatives, such as looking at specialization in production rather than in exports, are available, but they are more demanding of data and have their own drawbacks.

<sup>17</sup> IDB. *Jamaica: Productivity and Competitiveness in the Jamaican Economy*. Region 3 Department: Economic and Sector Study Series. July, 2003.

including the erosion and elimination of current preferences that undoubtedly have facilitated export growth into some of Jamaica's most important markets.

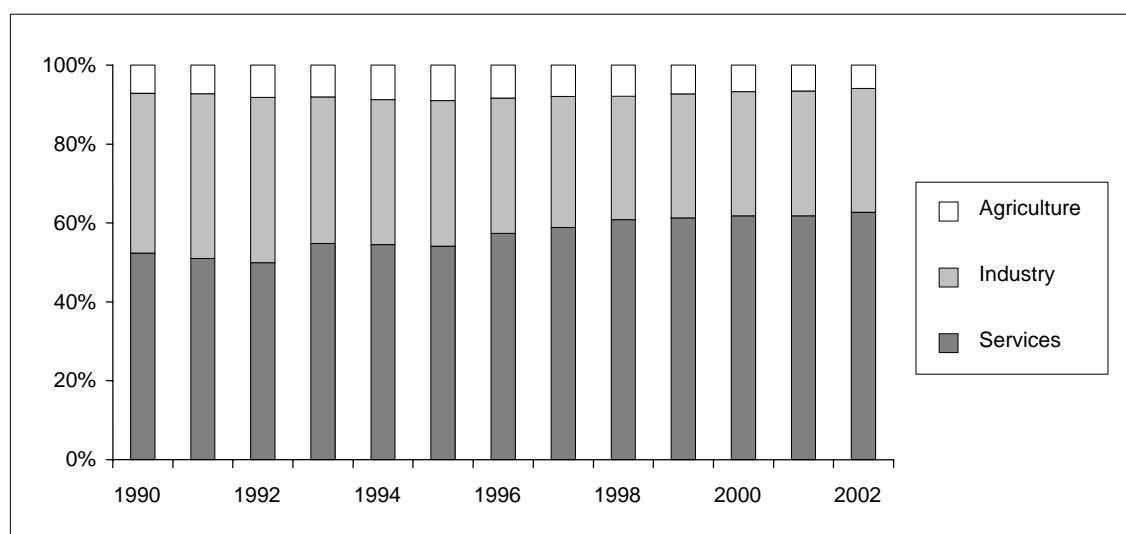
Against this background, the government should assist the private sector with the implementation of a transition strategy involving (i) a gradual move away from the production of goods that depend mostly (or exclusively) on preferences for their "competitive" advantage in international markets; and (ii) selective export diversification and promotion efforts, concentrating on products that face growing demand in world markets. Export promotion efforts should not only focus on identifying promising products and niche markets and fostering product innovation among local producers and exporters, but also target new markets. Efforts to achieve greater overall competitiveness should be pursued at the country, sector, and enterprise level. A stable and attractive macroeconomic environment is crucial for improving export capacity; so is emphasis on greater efficiency in sectors such as telecommunications, transport infrastructure and related services. Enterprises, meanwhile, must increase their efforts to invest in their human capital to spur innovation and entrepreneurship. This would also facilitate growth in Jamaica's services industries, which have become the fastest growing and most promising area of export growth in recent years.

## IV. SERVICES TRADE

### The Importance of Services Trade

Services exports have become an increasingly important driver of economic growth in Jamaica. Between 1990 and 2001, the value of the country's annual services exports almost doubled to reach US\$ 1.9 billion. In the second half of the decade (1996-2001), services accounted for 55 percent of total exports, up 8 percentage points from the previous 5-year period. The sector's contribution to GDP has also increased significantly, from 52 percent in 1990 to 63 percent in 2002 (see Figure 9). Its economic weight is moreover evidenced by the fact that, in 2002, it employed 63 percent of the island's workforce (up from 54 percent in 1990).<sup>18</sup> This chapter attempts to analyze this important component of the Jamaican economy, although the scarcity of reliable data – the result of a deficient system of services data collection and dissemination in the country (and worldwide) – does limit the scope of our analysis.

**FIGURE 9**  
**JAMAICA: CONTRIBUTION OF MAIN ECONOMIC SECTORS TO GDP**  
1990-2002



Source: IDB Integration and Regional Programs Department using WB-WDI.

### General Trends in Services Exports

Jamaica's services exports grew steadily between 1990 and 2001, expanding at an average rate of 5.8 percent a year, equal to growth in world services exports over the same period and well above the growth rate for services exports from the CARICOM region as a whole (4.7 percent).<sup>19</sup>

<sup>18</sup> Calculations of services exports, contribution to GDP, and employment using UN-COMTRADE, WB-WDI, and ILO-Caribbean Labour Statistics (CLS), respectively.

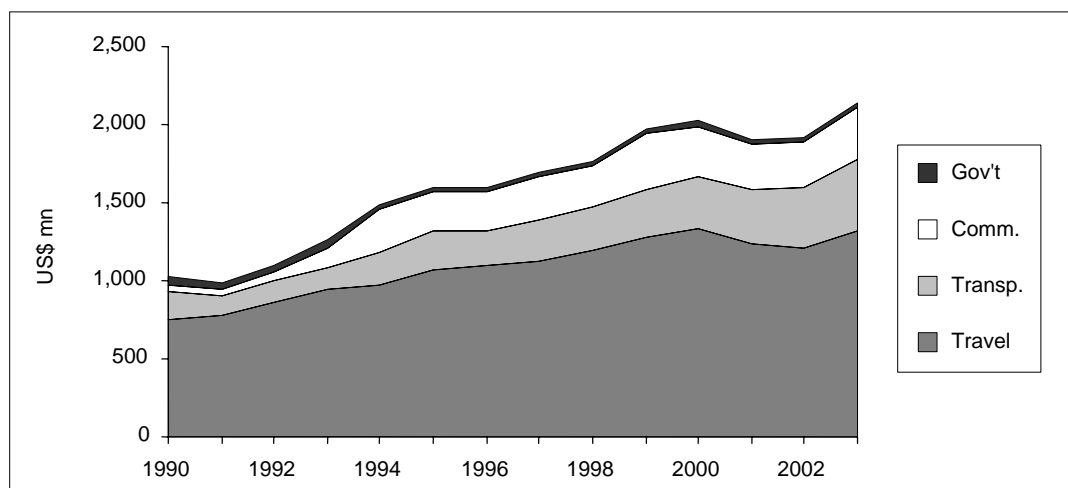
<sup>19</sup> WTO, *World Commercial Services Exports by Region and Selected Economies 1980-2003*. April, 2004.



Growth in the first half of the period (9.3 percent) was much faster than that witnessed in the second half (3.5 percent). In 2001, Jamaica's services exports contracted for the first time in 10 years (by 6.2 percent) as a result of declining travel and communications receipts and in a general context of stagnant world services exports during that year. The negative growth does not signify a trend in services receipts, given preliminary estimates indicating growth of 1 percent in 2002 and 11 percent in 2003 (Figure 10 below).<sup>20</sup>

Jamaica's travel (tourism) industry represents the most important sector in the country's services portfolio, accounting for two thirds of services exports between 1990 and 2001. In 2000, travel receipts alone reached US\$ 1.3 billion, roughly equal to the value of all merchandise exports. The significance of Jamaica's travel services sector is also evident at the regional level. Within CARICOM, Jamaica has consistently ranked second – after The Bahamas – in terms of tourism-related foreign exchange earnings, and has accounted for at least 25 percent of the CARICOM tourism market in every year between 1993 and 2000.<sup>21</sup> The share of travel in Jamaica's total services exports has diminished over the years (from almost 80 percent in 1991) not because of a contraction in absolute terms, but due to faster growth in the transportation sector. Between 1996 and 2001, transportation receipts grew at an average annual rate of 9.4 percent, reaching a 16 percent share of all services exports. Commercial exports also account for a 16 percent share, but their share has contracted in recent years. Government services receipts are negligible at around 2 percent of the total.<sup>22</sup> For additional data on services exports, see Annex II, Table 12.

**FIGURE 10**  
**JAMAICA: SERVICES EXPORTS BY AREA**  
1990-2003



Note: 2002-2003 data using BOJ [2003] and WTO [2004].

Source: See Table 12 in the Statistical Annex II.

<sup>20</sup> *Ibid.*

<sup>21</sup> CARICOM excludes Haiti; from CARICOM Secretariat, *CARICOM's Trade in Services 1990-2000*. July, 2002.

<sup>22</sup> Services include *Transportation* (Passenger Fares, Freight and Other), *Travel*, *Commercial* (Insurance, Financial, Communications and Other) and *Government Services*.

Jamaica's services sector is not only an important foreign exchange earner, but also the leading source of employment on the island. Between 1997 and 2002, over 60 percent of all employed persons worked in services-related industries.<sup>23</sup> The community, social and personal services sector accounted for 27 percent of all employment, while the wholesale, retail trade, hotel and restaurant sector accounted for 22 percent (1997-2002). The latter is the sector most directly linked to tourism; it created almost 11,000 net jobs in the period 1997-2002. Tourism also generates additional employment creation through its strong linkages to other sectors, such as construction (9 percent share and +8,000 jobs between 1997 and 2002).<sup>24</sup> The services sector as a whole created 37,400 net jobs between 1997 and 2002, while manufacturing and agriculture witnessed a net reduction of approximately 39,700 jobs.<sup>25</sup> This shows the importance of services industries, many of them directly related to trade, as a promoter of economic growth, employment and poverty reduction.

Because services trade is so important for Jamaica, the stakes in the services negotiations currently taking place at the regional and multilateral level are high. Services liberalization has potentially positive effects on economic growth. A more efficient provision of services in the financial, telecommunications and transportation sectors drives down transaction costs and improves the performance of industries across the economy (including those in the goods sector). One example is further opening to service suppliers via Mode 3 (commercial presence/foreign direct investment), stimulating the transfer of technology and skills to improve national productivity.<sup>26</sup> These effects are more pronounced in a small economy like Jamaica, where the services sector employs a large share of the labor force. Although Jamaica has already taken significant steps to open its services sector to foreign competition, further liberalization should be a key element of its trade policy for this sector.

Unlike goods, which are traded across borders, services exports can be exchanged through four different modes of supply. These modes are defined by General Agreement on Trade in Services (GATS) and include: Mode 1 (cross border trade) – the supply of a service from the territory of one country into that of another, such as an international telephone call; Mode 2 (consumption abroad) – the movement of the consumer of one country into the territory of the country supplying the service, such as tourism; Mode 3 (commercial presence) – the services provided by foreign suppliers (for example, a foreign-owned bank) who are established in the territory of the country concerned; and Mode 4 (presence of natural persons) – the services supplied by foreign national persons who enter the territory of the country concerned on a temporary basis. Given that services can be traded through several of these modes and that services data (via the Balance of Payments) does not distinguish among them, we have chosen to analyze services trade by individual sectors, while adding a section on Mode 3.

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<sup>23</sup> Services-related industries include: Wholesale, Retail Trade, Hotels, Restaurants; Transport, Storage and Communications; Finance, Insurance, Real Estate and Business; and Community, Social and Personal Recreation.

<sup>24</sup> The construction industry is not considered in the services sector since it requires large amounts of capital goods and raw materials for production and exchange.

<sup>25</sup> Between 1997 and 2002, the economy as a whole created 7,400 net jobs, reaching 1,124,000 employed persons. Calculations using ILO-CLS.

<sup>26</sup> Mattoo, Aaditya, *et al. Measuring Services Trade Liberalization and its Impact on Economic Growth*, World Bank. 2001.

## Travel Services

### *Tourism*

Figure 10 above shows the overwhelming importance of travel in the country's services export portfolio. Travel-related earnings represent an average 20 percent of GDP (1990-2001) and account for almost one-quarter of the employed labor force.<sup>27</sup> Between 1990 and 2000, travel earnings grew every year, at an average annual rate of 5.9 percent. In 2001, however, the travel industry was hard hit as tourists avoided the island due to domestic civil unrest in Kingston in July, the September 11<sup>th</sup> attacks in the United States, and Hurricane Michelle in November. These events adversely affected the tourism industry into the next year, resulting in an average 5 percent contraction in travel earnings in the period 2001-2002. In 2003, travel receipts rebounded (by 10 percent year-on-year) to reach over US\$ 1.3 billion.<sup>28</sup>

It is important to note that measuring the tourism sector's impact on services trade and GDP is difficult in the Caribbean given the absence of a reliable tourism satellite account (TSA).<sup>29</sup> This leads to the use (as we have done) of other – sometimes less precise – indicators such as visitor arrivals, expenditures and hotel occupancy to measure the sector's economic weight.

Jamaica receives three types of visitors: stopover arrivals (mainly tourists but also business visitors), cruise ship passengers and yachting excursionists.<sup>30</sup> Stopover tourists are defined as visitors who stay at least one night and up to a year on the island, and they account for a majority of total visitor arrivals (60 percent). Their numbers increased steadily by 3 percent a year between 1995 and 2000, followed by a 2 percent average contraction in 2001 and 2002. Growth returned in 2003, with stopover arrivals expanding by 6.6 percent to reach almost 1.4 million people, equal to over half of Jamaica's resident population of 2.6 million.

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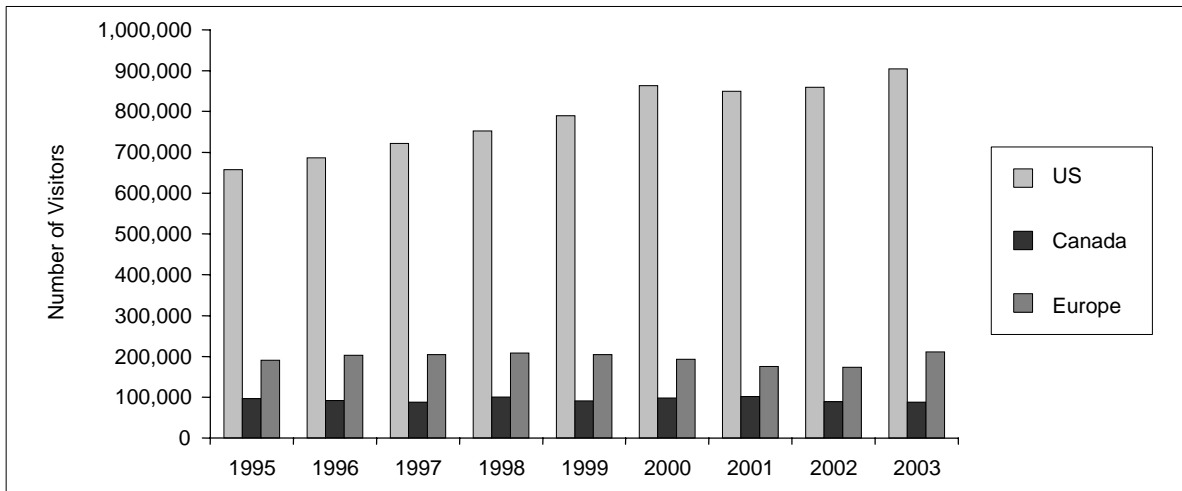
<sup>27</sup> According to the International Labour Organization (ILO-CLS), the "Wholesale, Retail, Hotel & Restaurant Services" sector employed 214,000 out of 939,400 (23 percent) people in the employed labor force in 2001.

<sup>28</sup> Calculations using IMF-BOPS and BOJ.

<sup>29</sup> A TSA is an internationally recognized methodology to measure the economic contribution of tourism to GDP, through among others, tourism expenditure, export earnings and employment accounting.

<sup>30</sup> No data exists in Jamaica distinguishing yachting excursionists' arrivals or expenditure.

**FIGURE 11**  
**JAMAICA: STOPOVER ARRIVALS BY ORIGIN**  
 1995-2003



Source: See Table 13 in the Statistical Annex II.

The United States is by far the most important consumer market for Jamaica's travel industry. Propelled by a growing US economy, the number of American stopover visitors to the island increased significantly during the second half of the 1990s, reaching 65 percent of all visitors in 2000 (up from 57 percent in 1995). Growth in European arrivals was relatively stagnant in comparison, probably as a result of slower economic growth in Europe and the strong appreciation of the Jamaican dollar *vis-à-vis* European currencies (between 1992 and 1998, the Jamaican dollar appreciated by 9.5 percent a year against a trade-weighted basket of European currencies – compared with a much lower appreciation of 4.5 percent against the US dollar). As a result, Europe's share of total visitors to Jamaica contracted in every year between 1998 and 2002. The recent strengthening of the euro and the pound sterling has undoubtedly contributed to the 22 percent increase in European visitors witnessed in 2003. Europeans now represent 16 percent of stopover visitors to the island. The number of Canadian visitors has fluctuated from year to year, accounting for roughly 7 percent of the total; the same amount as non-resident Jamaicans visiting the island. Jamaica has few visitors from its Caribbean neighbor countries (5 percent in 1999-2003).

The other type of visitor in Jamaica is the excursionist who arrives by cruise ship. Between 1995 and 2003, cruise ship passengers accounted for just under 40 percent of total visitors; the share was particularly high in 2003 when cruise ship arrivals grew by 31 percent. Such visitors, however, stay less than 24 hours and consume much less onshore than stopover visitors; their impressive growth has therefore not translated into similar growth rates of travel receipts. Jamaica should develop strategies to increase income derived from cruise ship passengers while they are onshore. Among these should be attempts to improve the quality and quantity of services provided, thus creating incentives for passengers to spend money on the island. Other strategies could include increased cooperation with cruise lines, resulting in more preferred onshore businesses providing services; and/or more providers such as entertainers and craft makers onboard while the ship is in national waters. More information on Jamaica's visitor arrivals is presented in Annex II, Table 13.

In Jamaica, private operators are the main providers of tourism services. Following a series of divestments from the tourism sector in the last decade, the government's main role is to provide

the regulatory environment to attract investment into the industry, assist in the promotion and marketing of tourism products, and develop the infrastructure to facilitate increased tourism capacity. The public sector agencies involved in the policymaking process include the Ministry of Tourism (MOT), under direct authority of the Prime Minister, the Jamaican Tourist Board (JTB) and the Jamaica Promotions Corporation (JAMPRO). The Tourism Council was established in 1997 to advise policymakers on developments within the industry.<sup>31</sup>

The development of Jamaica's tourism industry is important for future economic growth and stability. The industry is not only a major source of services receipts, but also a catalyst for growth in other sectors. Industries such as advertising, marketing, information and communications technology, transportation, construction, and personal and recreational activities all benefit from increased tourism arrivals. The country's natural endowments (white beaches and lots of sunshine) and its close proximity to the United States are important advantages in the industry's prospects for growth. Jamaica currently appears to be a competitive supplier of tourism services compared to other destinations both in the Caribbean and beyond, and has attracted sizeable new investments to the sector in recent years, mostly from foreign companies.<sup>32</sup> At the enterprise level, Jamaican hotels (all-inclusive resorts) appear to operate at international standards of efficiency and productivity.<sup>33</sup> It is uncertain, however, to what extent the industry as a whole can sustain its competitive edge in the medium term given the growing competition it faces from other regional tourist destinations like the Dominican Republic and Mexico.<sup>34</sup>

To ensure success within a context of growing competition, the country must address some important bottlenecks that currently constrain the industry's future growth. First, Jamaica's increasing crime rates and visitor harassment cases must be contained (the cost of crime, clearly evidenced, among other things, by its detrimental effect on the tourism industry, has been estimated at close to 4 percent of GDP).<sup>35</sup> Second, an underdeveloped road infrastructure prevents tourists from traveling throughout the island and spending money outside the large beachfront resorts. Third, the fact that small firms – many of which are (or could become) active providers of tourism services – do not have easy access to capital is a major bottleneck to the growth of these firms and the industry as a whole. Finally, the government may need to review the tax incentives granted to foreign investors, particularly those in the hotel sector<sup>36</sup>, in terms of the costs and benefits they bring to the economy as a whole. While the government views tax incentives as necessary for Jamaica to compete with other tourist destinations in the region and worldwide, the negative impact of such incentives on tax revenues can be significant, leaving the government with fewer resources to address the above bottlenecks.<sup>37</sup>

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<sup>31</sup> WTO, *Jamaica Trade Policy Review*. September, 1998.

<sup>32</sup> In 2004-2005, several large international hotel companies plan over 3,000 new hotel rooms for construction.

<sup>33</sup> World Bank [2003].

<sup>34</sup> The Dominican Republic's travel receipts have increased at an average rate of 12 percent a year since 1990, compared to an average rate of 4.6 percent for Jamaica. Calculations using IMF-BOPS.

<sup>35</sup> World Bank [2003].

<sup>36</sup> These incentives include the Hotel Incentives Act, which grants a 10-year relief from income tax and import duties on building materials, machinery, and equipment; and the Resort Cottages Act, which grants relief for 7 years from income tax obligations and import duty relief for materials, furniture and machinery. See WTO [1998].

<sup>37</sup> World Bank [2003].

## *Health*

Another sector within travel services that merits attention is the provision of health-related services. Jamaica has potential for growth in this sector because it enjoys the characteristics needed for successful development. These include, among others, an attractive climate, skillful health practitioners, reliable telecommunications infrastructure, an established tourism services sector, and close proximity to the target market (North America). The diversification of travel products into the health tourism sector has been discussed in Jamaica. A 1999 initiative under the direction of the University of West Indies (UWI) and the Ministry of Health (MOH) resulted in the establishment of a subcommittee on Health Tourism. This subcommittee was given thirteen terms of reference, two of which were the development of a policy framework for Health Tourism, and the recommendation of models of private-public alliances for the diversification of these products. The subcommittee never convened and restructurings at MOH and MOT have delayed the implementation of this initiative.

One success story in the development of health tourism in Jamaica has been the Jamaica Hotel and Tourism Association's "community tourism" concept. This approach is similar to sustainable tourism, in that a healthy lifestyle package is offered in a community practicing these same ideas. It is argued that such types of tourism increase the present value of a community's assets, while also safeguarding those assets for future generations.<sup>38</sup> This is a good example of the private sector identifying a possible niche market, developing a related product, and diversifying Jamaica's services export portfolio as a result. Also, there is potential in other health-related services such as elder care, cosmetics, and rehabilitation. As the population in developed countries ages and the cost of healthcare increases, the provision of offshore health services is a real possibility. Further research in this area is needed to identify strategies to attract investment in health facilities and to address issues such as the portability of insurance.

## *Education*

International trade in education services is also a growing market, given the increased demand worldwide for higher education and a new push from international policymakers promoting this form of trade.<sup>39</sup> Jamaica has been a regional supplier of education services for over 75 years, with two large universities, UWI Mona (11,000 students) and the Northern Caribbean University (4,500 students). Although data is not available for education-related travel receipts, it is clear that this may be another way for Jamaica to diversify its travel services exports. The development of education services is also capacity-enhancing as it attracts and develops domestic human capital. This is an interesting area of potential growth for Jamaica's services exports and, again, one that merits further research.

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<sup>38</sup> Gonzales, Anthony *et al.* *Health Tourism and Related Services: Caribbean Development and International Trade*, Report for RNM. 2001.

<sup>39</sup> Larsen, Kurt and Stephan Vincent-Lancrin. *International Trade in Educational Services: Good or Bad?* Higher Education Management and Policy, Vol 14, N° 3. 2002.

## Transportation Services

Transportation services represent 16 percent of Jamaica's total services exports and have been the fastest growing services sub-sector, with average annual growth of over 9 percent between 1996 and 2001. Passenger fares have steadily increased their share in total exports of transportation services and now account for almost 70 percent of earnings in this sub-sector. The remainder (roughly 30 percent) is mostly attributed to receipts from cargo handling and navigation and maintenance fees (both sea and air). Jamaica nevertheless continues to be a net importer of transportation services, with a negative trade balance of approximately US\$ 260 million (1996-2001). This deficit is mainly the result of high freight expenses, which consistently accounted for 80 percent of transportation services imports during the same period.<sup>40</sup> The prospects for this sub-sector appear to be good; Jamaica hosts a relatively large national airline and its geographical location gives it a natural advantage in maritime services.

There are two international airports in Jamaica, located in Kingston (Norman Manley – KIN) and Montego Bay (Donald Sangster – MBJ). Both are operated by the Airports Authority of Jamaica, a public sector institution under the direction of the Ministry of Transport and Works (MTW). The development of airport facilities to increase capacity is underway through the Airport Reform and Improvement Program, and the two major airports have been allocated US\$ 59 and US\$ 21 million, respectively, under this program. Air Jamaica is the island's flag carrier and operates out of MBJ. It was privatized in 1994 and its shares are 70 percent private-owned, 25 percent government- and 5 percent employee-owned. The airline operates over 360 flights a week to the region from 12 cities in the United States and two in Europe.<sup>41</sup> The air carrier is also responsible for handling the majority of air cargo between the United States and Jamaica; including agricultural products going to the US market during the winter months, and Article 807 apparel inputs and finished products.<sup>42</sup>

Jamaica has a natural advantage in maritime services, given its central location in the Caribbean in one of the Panama Canal's major shipping lanes. The Port of Kingston, currently the seventh largest in the world and second largest in the Caribbean Basin,<sup>43</sup> offers the most mechanized container shipping system in the region. Over 30 major shipping lines use this port, including firms such as China Shipping, ZIM, Hapag Lloyd, Evergreen and P&O Nedlloyd. The Port of Kingston has seen a steady increase in container traffic since 1996, growing at an average annual rate of 12 percent to reach over 1.1 million TEUs in 2003. The fourth phase of a port expansion program is expected to finish in the coming months, bringing capacity to 1.5 million TEUs, more berthing space and four additional cranes.<sup>44</sup>

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<sup>40</sup> Calculations using IMF-BOPS.

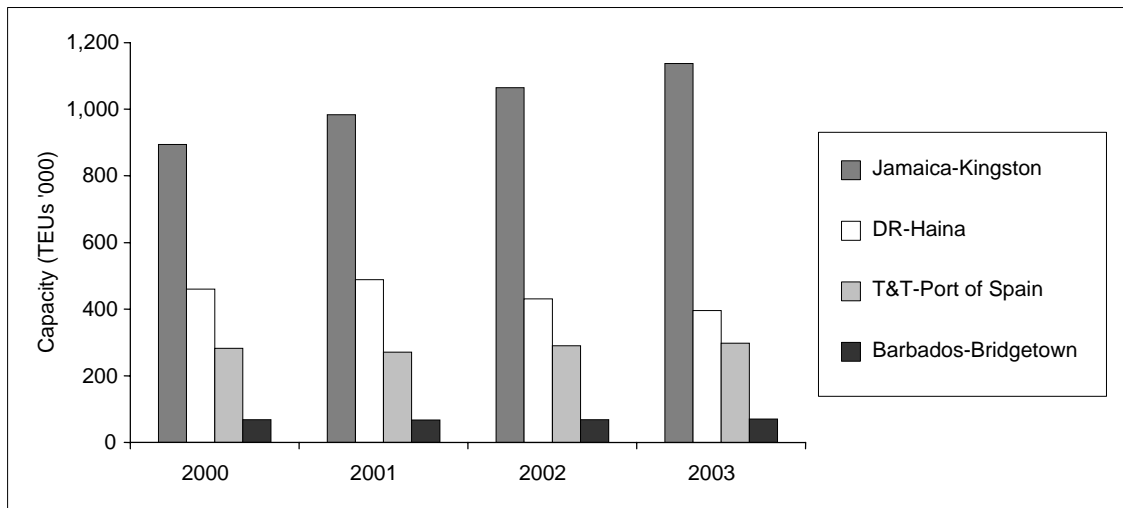
<sup>41</sup> The US cities include New York, Boston, Newark, Chicago, Philadelphia, Baltimore/Washington, Atlanta, Los Angeles, Orlando, Houston, Ft. Lauderdale and Miami; the European cities are Manchester and London.

<sup>42</sup> Air Jamaica website, <http://www.airjamaica.com/history.asp>.

<sup>43</sup> Kingston's port ranks second in the Caribbean Basin after Panama's Port of Colon, which has a capacity of roughly 1.5 million TEUs.

<sup>44</sup> Port Authority of Jamaica, *Jamaica – Distribution Hub for the Americas*. 2004.

**FIGURE 12**  
**LARGEST PORTS IN THE CARIBBEAN**  
 2000-2003



Source: IDB Integration and Regional Programs Department using ECLAC-MP.

The future of Jamaica's maritime services sector as a driver of economic growth is uncertain. First, although Jamaica's comparative advantages make it an ideal transshipment point, high labor costs have in the past reduced its competitive edge relative to other regional shipping centers. To address this and other bottlenecks and increase the sector's competitiveness, a Danish firm – AP Moller – was awarded a contract in 2001 to manage all Jamaican ports; it is too early, however, to evaluate the results of this initiative. Second, international security concerns and illegal trafficking are placing increased pressure on shipping and cruise terminals around the world. Jamaica has implemented intense security measures to adhere to international concerns. In July 2004, the Port of Kingston was certified for implementing the International Maritime Organization's International Ship and Port Security Code. Illegal trafficking nevertheless remains an issue of concern. Finally, Jamaica has a relatively small national maritime fleet, with only three recorded vessels (capacity 8,648 gross tons) compared to The Bahamas' fleet of 33 vessels (capacity 745,860 gross tons).<sup>45</sup> It may be worth assessing the possible benefits and costs of further investment in the Jamaican shipping sector, and its prospects for becoming an additional source of foreign exchange. Although the maritime services sector faces some challenges, it continues to be an area of potential economic growth.

<sup>45</sup> ECLAC, *Maritime Profile (MP)*. <http://www.eclac.cl/transporte/perfil/>. 2004.



## Commercial Services

### *Information and Communications*

The information and communications services sector<sup>46</sup> is attracting growing attention throughout the Caribbean region as a potential source of export revenue. In Jamaica, the communications subsector represents almost 70 percent of all commercial services exports and 11 percent of total services exports (1996-2001). Export receipts have been highly volatile; they grew by 49 percent in 1999, but fell by 24 and 20 percent, respectively, in 2000 and 2001. In addition, the rates charged for international telephone calls have dropped in the last few years, adversely affecting exports.<sup>47</sup>

Telecommunications services in Jamaica were a public monopoly until 1986 when Telecommunication of Jamaica was privatized and became Cable & Wireless Jamaica (C&WJ). The Telecommunications Act of 2000 proposed a path towards complete liberalization of the sector, to be carried out in three phases. Phase I (March 2000-August 2001), allowed for competition in mobile, internet and data services using the C&WJ network. Two licenses were issued to participate in the cellular market. Two years later, it was estimated that Digicel held a 50 percent market share in cellular telephony, while C&WJ held 46 percent, and Centennial Jamaica the remainder. The number of cellular phone customers in Jamaica has grown almost fourfold during this period to reach 1.3 million subscribers (half of the entire population).<sup>48</sup> Phase II (September 2001-February 2002) established competition in domestic voice services and internet via cable networks. Phase III, which concluded in March 2003, opened land-based and international voice communications.

Jamaica has taken a gradual approach towards liberalization of the telecommunications sector instead of pursuing a rapid transition to full competition (a strategy often promoted by industry experts).<sup>49</sup> Full competition – whether achieved gradually or immediately – is likely to boost efficiency and facilitate Jamaica's successful insertion into the global economy. Competition allows for the provision of high quality services at market prices. Jamaica has already outlined a strategy to increase the use of information and communication technology in the public and private sectors. It has also included the development, within the sector, of additional export products built around call and data processing centers, telemarketing and consulting services.

The prospects for implementing such a strategy appear to be favorable. For this development to occur, the country needs to focus on four core requirements: (i) an infrastructure with good access, high capacity and low cost; (ii) human capacity with the required technical skills; (iii) a transparent

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<sup>46</sup> Communication and information services cover postal, courier and telecommunications services. The latter include services delivered via transmission of sound or images by telephone, telex, telegram, cable, broadcasting, satellite, email, facsimile, teleconferencing, and voicemail; and information services such as online storage and retrieval, data processing including transactions, transcription services, credit verification, etc.

<sup>47</sup> Export revenue comes from settled accounting standards, requiring the originating carrier to compensate one half of the total cost of completing the call to the terminating carrier.

<sup>48</sup> EIU, *Jamaica – Country Profile*. June, 2003.

<sup>49</sup> Aronson, Jonathan D. and Peter C. Cowhey, *Trade in Services and International Trade Agreements: Telecommunications*. World Bank, Services Trade and International Negotiations Course. April, 2004.

and strong policymaking process; and (iv) the appropriate legal framework to protect consumer interests yet facilitate access to capital. Jamaica appears to be making significant progress in all these areas.<sup>50</sup>

### *Financial and Insurance*

Jamaica's financial and insurance services are characterized by the events of the 1995 financial crisis, and the subsequent process of rehabilitation and restructuring. Leading into 1995, the financial sector was well developed, open and growing, but poor government supervision during this rapid expansion led to poor credit policies and high operating costs, and thus, an unstable sector. At the onset of the crisis, the Bank of Jamaica (BOJ) intervened through a newly created institution, the Financial Sector Adjustment Company (FINSAC). FINSAC played an important role by intervening in insolvent financial institutions and restoring their liquidity by selling a portion of their shares. It is estimated that by mid-1998, the government had a controlling stake in Jamaica's seven largest commercial banks.<sup>51</sup>

As a result of the crisis, Jamaica has taken significant steps to improve financial supervision in the sector. In addition to FINSAC, the government established the Jamaica Deposit Insurance Corporation (JDIC) in 1998 and the Financial Services Commission (FSC) in 2002. Since 1995, the financial services sector has recovered, with exports growing by an average of 20 percent a year between 1996 and 2001. However, the value of financial services exports remains negligible at less than 1 percent of total services exports.

Securities trading takes place through the Jamaican Stock Exchange and is regulated by the 1993 Securities Act and the Securities Commission. In 2003, the stock exchange had 42 companies listed and a market capitalization of J\$512 billion (US\$ 8.9 billion).<sup>52</sup> Cross-border securities trading takes place primarily with the regional stock exchanges in Trinidad and Barbados. Only two Jamaican companies (Grace Kennedy and JMMB) are cross-listed. Deeper regional integration through implementation of the CSME is likely to promote more cross listing, and perhaps the creation of a regional stock exchange.<sup>53</sup>

Similar to financial services, the insurance sector was severely affected by the financial crisis in the mid-1990s. Exports of insurance services grew by an annual average of over 12 percent between 1990 and 1994, and then contracted by an average of 46 percent a year over the next two years. Exports did not recover their 1995 level until 2001. Between 1996 and 2001, insurance receipts accounted for just half a percent of total services exports. Jamaica is fully committed to liberalization of its insurance sector. Under the GATS schedule of commitments it signed in

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<sup>50</sup> Cleland, Celene et al. *Prospects for CARICOM Services Exports in Information and Communications Technology: Trade and Investment Issues*. Report for RNM. 2003.

<sup>51</sup> EIU, *Jamaica Country Profile*. April, 2004.

<sup>52</sup> By comparison, the Trinidad and Tobago Stock Exchange had 33 companies listed and a market capitalization of TT\$ 49.1 billion (US\$ 7.7 billion using the average market exchange rate, IMF) in 2002.

<sup>53</sup> WTO [1998] and Henry, Lester. *Implications for CARICOM Countries of the Negotiations on Financial Services in the FTAA and GATS: assessment and strategic options*. Report for RNM. 2003.

December 1997, Jamaica has placed no limitations on market access and national treatment in non-life and reinsurance services supplied via Modes 1-2; opened the sector to 100 percent foreign investment equity through Mode 3; and maintained the horizontal commitment of relevant visa requirements in Mode 4. Life insurance services are under the same limitations with the exception that both market access and national treatment are unbound for Modes 1-2.<sup>54</sup>

The future holds some challenges for the development of Jamaica's financial and insurance services, and for exports in this sector. Domestic banking and insurance institutions' access to extra-regional markets will be difficult, given the high fixed costs of foreign entry and the relatively limited liquidity of these (small) institutions compared to the larger and more efficient firms in Canada, the United States and Europe.<sup>55</sup> Jamaica's financial services providers may find more promising opportunities in the smaller, regional CARICOM market.

### *Entertainment*

The Jamaican entertainment industry – particularly music and films – has become an increasingly visible part of trade in services. Jamaican reggae music is a good example of a product born from local creativity and content that is now exported to all major international markets. There is no data to measure the precise value of the Jamaican entertainment industry and its exports. Global sales of reggae music, however, are estimated at US\$ 100 million per year and the genre's potential global market value is estimated at around US\$ 2 billion, making this a potentially lucrative market for Jamaican musicians. However, some problems – both internal and external – must be addressed for the sector to continue growing. With an appropriate response from the Jamaican public and private sectors, the development prospects for the industry do appear promising.

Jamaica's music industry faces three main development constraints. First, there appears to be an absence of large entities in the supply chain delivering Jamaican music to the world. This capacity issue is important, given that successful promotional agencies/agents with linkages to the international music conglomerates and media outlets are needed to propel local talent abroad. Second, international market access is difficult as work permits are required for entertainers to give concerts abroad (an important source of revenue for the artists). Third, illegal downloading or file sharing is a clear violation of intellectual property rights and poses a significant threat to the future of the music industry.

The Jamaican government has demonstrated its commitment to the entertainment industry by attempting to address some of its growth constraints. Since 1996, the government's National Industrial Policy has recognized the entertainment industry and made efforts to support its development. The Ministry of Industry and Tourism and JAMPRO are currently involved in the development and promotion of the industry with programs that focus on education, training, infrastructure, financing, marketing, and distribution.<sup>56</sup> However, additional steps need to be taken in order for the industry to achieve its potential.

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<sup>54</sup> WTO, *GATS - Jamaica Schedule of Specific Commitments*, GATS/SC/45 (Supplements 1 and 2). April, 1994.

<sup>55</sup> Henry [2003].

<sup>56</sup> Jamaica Information Service. *Music Represents One of the Few Areas of Comparative Advantage*. [www.jis.gov.jm](http://www.jis.gov.jm), 2004.

There are five important elements that a future strategy for the industry should contain:

- There should be an effort to develop stronger linkages between entertainment and other industries – such as tourism, merchandising/fashion, sports, and information technology/interactive software – to solidify music, festivals and films as major export products.
- It is important to have more private sector involvement in the development of the entertainment industry. One strategy is to increase public-private sector partnerships, making firms more invested in the process and ensuring the industry's sustainable growth.
- Jamaica should seek better market access for its entertainers through the FTAA, EU-ACP and WTO negotiations. As a result of the CSME, Jamaican musicians and artists already enjoy free movement within some CARICOM countries.
- Further efforts should be made to protect the intellectual property rights of local entertainers.
- Investment in new technology is important for sectors such as music to remain competitive in this digital age. One example is the use of e-commerce as a tool for developing countries to bring their products to market at internationally competitive prices.<sup>57</sup>

### **Trade via Mode 3**

Services trade via Mode 3 – the provision of services by a foreign company in the territory of the country concerned – is an important element of trade in services. The WTO has developed a statistical tool – the Foreign Affiliates Trade in Services (FATS) – to measure a range of activities by foreign affiliates engaged in the provision of services. This tool measures the operations of Jamaican affiliates of foreign firms (inward FATS) and the operations abroad of affiliates of Jamaican firms (outward FATS). Given that few countries actually report FATS data at this time, the use of foreign direct investment data is an accepted substitute to measure trade in Mode 3. FDI measures the investment of an entity to gain an interest in a resident enterprise of another economy. The direct investment must produce 10 percent or more foreign ownership; the resident firm is labeled an "associate" with 10-50 percent foreign ownership, a "subsidiary" with 51-99 percent foreign ownership, and a "branch" if it is wholly foreign owned.<sup>58</sup>

Jamaica's FDI inflows in services-related sectors have increased every year since 1998 (earliest data available) with the exception of 2002. The telecommunication and information sectors account for the majority of these flows, while tourism is the second most popular destination of foreign investment (1998-2003). Investment in telecommunications is mainly the result of a multinational firm's strategy to tap into the domestic market. This has potential benefits for the economy in that it can improve the business environment, increase efficiency and, consequently,

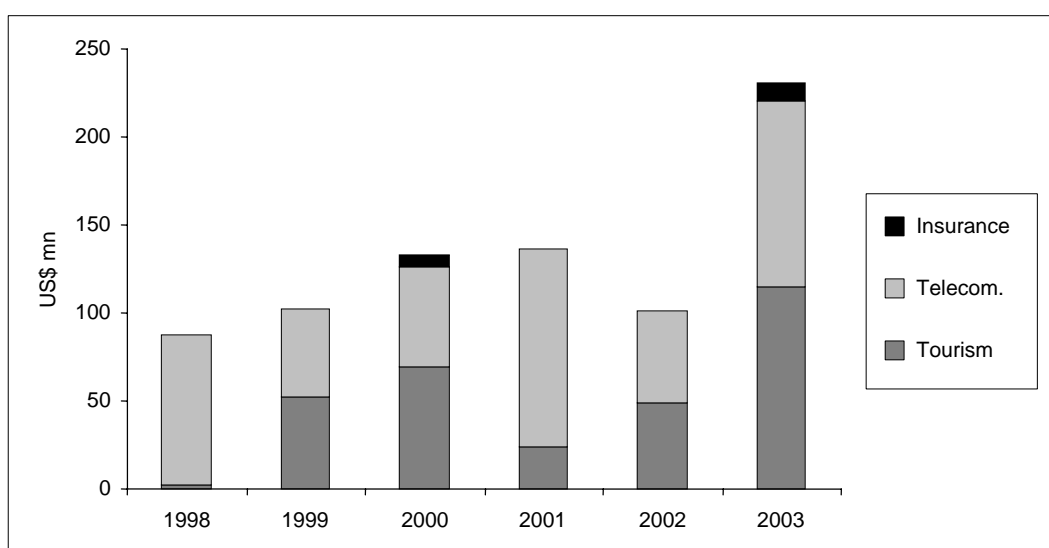
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<sup>57</sup> See ITC, *Jamaica's Approach to the Development of Non-Tourism Services Exports*. Small States in Transition – From Vulnerability to Competitiveness, Trinidad & Tobago, 2004; and UNCTAD, *Electronic Commerce and Music Business Development in Jamaica: a Portal to the New Economy?* Technology for Development Series, UN. 2002.

<sup>58</sup> WTO, *Measuring Trade in Services*. November, 2003.

upgrade the country's export performance. It is important, however, that Jamaica attract additional horizontal FDI – that is, investment as a cost-saving strategy – in tradable sectors such as tourism (where it increased in 2003) and transportation to make it a more viable regional and, more importantly, extra-regional services export platform.<sup>59</sup>

**FIGURE 13**  
**JAMAICA: FDI INFLOWS IN SERVICES-RELATED SECTORS**  
 1998-2003



Note: Excludes retained earnings and divestment.

Source: IDB Integration and Regional Programs Department using BOJ data.

## Export Specialization

As mentioned earlier, it is important to note the difficulties in obtaining detailed and reliable data on trade in services in the Caribbean countries, including Jamaica. Given this and the fact that services trade data lacks both geographical distribution and an extensive disaggregated sector level, any sort of competitiveness, specialization or complementarity analysis is difficult. Using aggregate data at the services sector level, we can nevertheless analyze Jamaica's export performance relative to other regional and global competitors. As in the previous chapter on merchandise trade, by looking at RCA, an indicator of international trade specialization, we can measure a country's level of specialization in a particular services sector by dividing that sector's share in a country's total services exports by its share in world services imports. The link with competitiveness is based on the assumption that if a given sector's share in a country's services exports is greater than its share in world services imports (that is,  $RCA > 1$ ), then the country is specialized in, and therefore a relatively efficient producer of, products in that sector.<sup>60</sup>

<sup>59</sup> For market- versus efficiency-seeking FDI see IDB/INT, *III EU-LAC Summit: Special Issue on Latin American and Caribbean Economic Relations with the European Union*. May, 2004.

<sup>60</sup> Again, the efficiency statement may not be true if large policy-induced factors (such as trade preferences, or domestic subsidies) are involved, since these cannot be isolated from the RCA analysis.

Jamaica appears to be an efficient exporter of travel services to the world, yet not as efficient as some of its Caribbean neighbors. Between 1995 and 2001, Jamaica recorded an RCA of 2.1, placing it at number 18 of 139 countries with travel services data available; however, 11 of those with a higher specialization are Caribbean countries (see Table 6 below). Jamaica's RCA in travel services has remained unchanged since 1995.

**TABLE 6**  
**THE CARIBBEAN: REVEALED COMPARATIVE ADVANTAGE IN SERVICES**  
1995-2001

World Rank	Travel Services Country	World Share	RCA 1995-2001	World Rank	Transportation Services Country	World Share	RCA 1995-2001
3	The Bahamas	0.56	2.83	17	Suriname	0.02	1.92
4	St. Lucia	0.09	2.79	26	Trinidad and Tobago	0.09	1.64
5	Anguilla	0.02	2.77	83	Antigua and Barbuda	0.03	0.73
6	Dominican Republic	0.77	2.76	<b>90</b>	<b>Jamaica</b>	<b>0.12</b>	<b>0.69</b>
7	Aruba	0.24	2.61	115	Montserrat	0.00	0.40
11	Haiti	0.02	2.29	117	St. Kitts and Nevis	0.00	0.38
13	St. Kitts and Nevis	0.03	2.22	119	Dominica	0.00	0.36
14	Barbados	0.24	2.19	121	St. Vincent and the Grens.	0.00	0.33
15	Antigua and Barbuda	0.11	2.19	122	Aruba	0.03	0.32
16	Belize	0.03	2.17	129	Guyana	0.01	0.22
17	Grenada	0.03	2.15	130	Belize	0.00	0.22
<b>18</b>	<b>Jamaica</b>	<b>0.42</b>	<b>2.12</b>	131	St. Lucia	0.01	0.20
21	St. Vincent and the Grens.	0.02	2.07	132	Grenada	0.00	0.18
33	Dominica	0.02	1.83	133	The Bahamas	0.03	0.13
34	Guyana	0.02	1.83	135	Dominican Republic	0.03	0.10
46	Montserrat	0.00	1.68	136	Barbados	0.01	0.09
89	Trinidad and Tobago	0.05	1.01	137	Anguilla	0.00	0.09
121	Suriname	0.00	0.45	Share of World Trade (%)		0.40	
Share of World Trade (%)		2.66					

Source: IDB Integration and Regional Programs Department using IMF-IFS.

In transportation services, Jamaica's position appears to be the opposite of travel services. Between 1995 and 2001, Jamaica's RCA in transportation was 0.7, ranking it a rather poor 90<sup>th</sup> out of 137 countries with transportation data available. Relative to its Caribbean neighbors, Jamaica fared well with only Suriname, Trinidad and Tobago and Antigua and Barbuda displaying a higher RCA, in that order. Jamaica accounts for 0.1 percent of world exports of transportation services, the largest share of any Caribbean country; and since 1995, its specialization in transportation services has grown by 25 percent.

As explained in Chapter 3, the RCA indicator must be analyzed with caution. Taken at such an aggregated level, there are clear limitations to the conclusions we can draw from it, and as such it

should only be used as a broad reference tool to assess Jamaica's performance *vis-à-vis* its regional competitors and the world. Furthermore, given the importance of services in Jamaica, and in the Caribbean as a whole, it is vital that a comprehensive system of data collection, management and reporting in services trade be implemented to ensure that the region's policymakers have the most reliable and up-to-date information on which to base their decisions. Even with these constraints, some conclusions regarding Jamaica's services trade can be drawn from the above analysis.

- Jamaica is a successful exporter of services. Services exports account for 60 percent of total exports and almost 25 percent of GDP, clearly demonstrating their importance to the economy.
- Prospects for growth of the Jamaican tourism industry remain somewhat uncertain. Despite having a competitive product and clear advantages in terms of location and natural endowments, the tourism industry faces a number of bottlenecks along with growing competition from other tourism destinations in the region. Foreign investment continues to flow to the island; Jamaica must use this to increase its competitive edge relative to other destinations, develop niche products, and exploit its natural comparative advantages of sun and sand in the most efficient and sustainable way possible.
- Transportation services have been an additional source of foreign exchange for Jamaica. Its national flag carrier, Air Jamaica, has a strong foothold in the regional market, especially between the United States and the Caribbean. The Port of Kingston's large capacity and its new management should increase its competitiveness. This poses opportunities for increased services exports in, among others, port charges and maintenance and cargo fees.
- Jamaica's trade in services via Mode 3 is an important source of revenue for the economy. FDI inflows to the telecommunications and tourism industries, along with insurance, increased sharply in 2003 to reach US\$ 230 million.
- Current external trade negotiations in services at the hemispheric and multilateral level have potentially significant implications for market access in this rapidly growing sector of the world economy. Jamaica's engagement in these negotiations, and its general trade policy objectives and actions, are the subject of the next chapter.

## V. TRADE POLICY OBJECTIVES: GLOBAL INTEGRATION

After more than two decades of inward-oriented economic policies based on import-substitution strategies, Jamaica began to liberalize its economy and pursue an open trading environment in the late 1980s. These changes centered on the liberalization and deregulation of trade through unilateral reforms, on the one hand, and growing support to regional and multilateral trade initiatives, on the other. Today, the country's trade policy is formulated within the context of multilateral trade rules established by the WTO, single market commitments under CARICOM, ongoing free trade negotiations both in the FTAA process and with the EU, and bilateral trade agreements with Costa Rica, the Dominican Republic, Colombia, Cuba and Venezuela.

### **CARICOM Membership**

Jamaica is a founding member of CARICOM, which was established in 1973 to foster economic integration, cooperation and foreign policy coordination among its now 15 members. CARICOM has a population of 14.8 million and a combined GDP of US\$ 34 billion.<sup>61</sup> The group, excluding The Bahamas, is currently in the process of establishing a Caribbean Single Market and Economy, the CSME, which includes the free movement of goods, services, capital and skilled persons within the subregion, growing harmonization of economic and regulatory policies, and a common external tariff and trade policy. Thus, in the area of trade, CARICOM membership has important implications for Jamaica.<sup>62</sup>

#### *Preferential Access to and Participation in the CSME*

CARICOM's free trade area in goods, in place since the early years of the integration process, allows virtually free – and preferential – access to the subregional market for Jamaican merchandise exports that meet CARICOM rules of origin. Current efforts in the region focus on the elimination of a few remaining non-tariff barriers (NTBs). Intra-regional trade nevertheless remains fairly modest, accounting for only 15 percent of the group's total exports and only 8 percent of its imports.<sup>63</sup> Inefficient regional transport facilities constitute a major bottleneck to the free flow of goods, as do the small size of the regional market and similar product specialization in a number of Caribbean countries. Only a limited number of companies in the region have thus far managed to overcome these constraints by establishing a lasting presence in the subregional market.

As mentioned earlier, Jamaican exporters do not appear to have benefited much from trade liberalization within CARICOM. Between 1990 and 2002, their merchandise exports to the subregion declined by an average of 3.1 percent a year in value terms, and today make up less

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<sup>61</sup> Calculations using World Bank-WDI.

<sup>62</sup> For a more detailed overview of progress achieved so far in the implementation of the CSME, see a recent CDB and DFID-financed consultancy report for the CARICOM Secretariat, entitled: "CARICOM Single Market and Economy: Assessment of the Region's Support Needs" (mimeo). June, 2003.

<sup>63</sup> Average shares for the period 2000-2002. These are IDB/INT estimates based on UN-COMTRADE, IMF-DOTS, and FTAA-HDB data.



than 5 percent of Jamaica's total merchandise exports. Among CARICOM countries, Jamaica ranks fourth as a supplier of goods to the regional market (after Trinidad and Tobago, Barbados and Guyana). In contrast to Trinidad and Tobago, which is the source of over 70 percent of all intra-group merchandise exports and which doubled its share of the CARICOM import market in the last ten years, Jamaica accounts for just 4 percent of total intra-regional exports and, more worryingly perhaps, has been unable to maintain its share of the CARICOM market. It has lost market share in every CARICOM country with the exception of The Bahamas and St. Kitts and Nevis, and now accounts for just 0.4 percent of CARICOM's total imports (Table 7).

It is uncertain whether the country will be able to maintain even this small share of the CARICOM market once the FTAA enters into force (Jamaica's growing trade deficit with CARICOM was already noted). Much will depend on its ability to pursue a successful transition towards freer trade but, as indicated in Chapter 3, the outlook for its merchandise exports is not encouraging. The regional services market may present more opportunities for Jamaica, although it is not clear to what extent this could outweigh the problematic situation currently prevailing in merchandise trade.

**TABLE 7**  
**JAMAICA: SHARE IN CARICOM COUNTRIES' IMPORTS**

(US\$ mn) <sup>1/</sup>	Imports from Jamaica		Imports from World		Jamaica's Market Share	
	1990-1992	2000-2002	1990-1992	2000-2002	1990-1992	2000-2002
Antigua & Barbuda	9.2	10.4	1,001	2,113	0.9%	0.5%
Bahamas	1.9	7.9	7,030	12,242	0.0%	0.1%
Barbados	48.0	29.0	1,954	3,295	2.5%	0.9%
Belize	18.0	12.5	730	1,321	2.5%	0.9%
Dominica	5.6	5.6	350	487	1.6%	1.1%
Grenada	4.6	6.9	329	645	1.4%	1.1%
Guyana	8.5	10.8	991	1,904	0.9%	0.6%
Haiti	2.5	3.5	1,604	3,458	0.2%	0.1%
St. Kitts & Nevis	5.3	6.1	776	544	0.7%	1.1%
St. Lucia	10.7	9.0	728	1,316	1.5%	0.7%
St. Vincent & Grenadines	5.8	4.2	400	891	1.5%	0.5%
Suriname	10.1	3.7	1,552	1,749	0.7%	0.2%
Trinidad & Tobago	99.0	46.5	4,307	7,999	2.3%	0.6%
<b>CARICOM <sup>2/</sup></b>	<b>229.1</b>	<b>156.3</b>	<b>21,751</b>	<b>37,965</b>	<b>1.1%</b>	<b>0.4%</b>

Notes: <sup>1/</sup> Values are in US\$ millions and represent total for period.

<sup>2/</sup> CARICOM data does not include Jamaica and Montserrat.

Source: IDB Integration & Regional Programs Department using IMF-DOTS.

The CSME's main provisions on services trade, right of establishment and movement of capital and labor are to be in place by 2005 (Jamaica, along with Barbados and Trinidad and Tobago, has committed itself to full implementation by the end of 2004). To reduce transaction costs in the CSME, moreover, member countries have sought to deepen the process of harmonizing and

upgrading regulatory frameworks within CARICOM. The aim is to identify key areas affecting investment decisions and other sectors of economic activity where regional harmonization is most urgent. While a lack of technical and financial resources has thus far precluded concrete progress in this area, member states recognize it as vital for fulfilling one of the major objectives of the CSME, which is to strengthen the international competitiveness of Caribbean economies.<sup>64</sup>

By fully participating in the CSME, Jamaica could benefit from opportunities in the travel and transportation services markets, given that it is relatively more efficient and developed than other regional competitors.<sup>65</sup> In addition, CSME integration can serve as a catalyst for improved participation in the global economy, in terms of more effective penetration of external markets for tourism services (for example, by offering a regional Caribbean vacation product to European and North American consumers, or by sourcing inputs to the tourism industry regionally rather than nationally), or a more efficient, regionally integrated provision of education services to North and South American consumers. As one of the larger CARICOM economies Jamaica could reap considerable gains from the CSME, and the government has made full and timely implementation of its various provisions a key part of its trade policy agenda. To date, the implementation process has been rather slow across the region, perhaps understandably so given the large number of countries in the group and the varying levels of development among them. In Jamaica's particular case, weak export performance and a growing trade deficit in the CARICOM market (compared to the much more intangible long-term gains expected from the CSME) have made it all the more difficult for the government to maintain popular support for the integration process, and unless these circumstances are reversed, they could have important implications for Jamaica's political commitment to the process.

### *Trade Policy Coordination and the CET*

By signing the Treaty of Chaguaramas in 1973, Jamaica committed itself to a progressive coordination of its trade policies with those of its CARICOM partners.<sup>66</sup> In line with the group's common market objective, member countries agreed to establish a common external tariff.<sup>67</sup> In

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<sup>64</sup> Delays in the formal integration process have not stopped a budding process of private sector-led economic integration through growing intra-regional investment flows. Such investment is mostly carried out by large firms based in Trinidad and Tobago, Jamaica and Barbados, and mainly targets services industries. Although specific data measuring these investments is not available, anecdotal evidence suggests that capital flows occur predominantly through the establishment of intra-corporate links via "brownfield", rather than "greenfield" investment. In Jamaica's particular case, there has been some investment by Caribbean firms into its financial sector as a result of buy-outs following its financial crisis in the 1990s. At the same time, some of its homegrown tourism companies- Sandals in particular – are increasingly investing in the tourism sector across the region. For more on this subject, see Trevor Farrell, "Caribbean Economic Integration – What is Happening Now; What Needs to be Done" (monograph). 2003.

<sup>65</sup> The lack of reliable data on intra-regional services trade may in the past have led policymakers and analysts to underestimate the importance of the CSME for CARICOM countries. Anecdotal evidence suggests that services trade within the CSME is picking up and that opportunities for the intra-regional provision of services are growing. Jamaica should be relatively well placed to expand its participation in such trade.

<sup>66</sup> See Chapter IV of the Treaty's Common Market Annex, Article 34: External Trade Policy, which states that "Member States shall seek a progressive co-ordination of their trade relations with third countries or groups of third countries... Member States undertake to transmit to the Secretariat particulars of any trade or aid agreements entered into after the entry into force of this Annex."

<sup>67</sup> *Ibid*, Article 31.

1993, after much delay, they finally began a four-phased implementation of the CET, to be completed by 1998. Given the new outward-oriented direction of the integration program, this process involved a substantial reduction in external protection levels (including those of Jamaica), from an average of 20 to 10 percent for CARICOM as a whole.<sup>68</sup> The pace of implementation has varied among CARICOM countries, with revenue concerns holding back the process in a number of countries. Jamaica achieved full implementation relatively early, in 1999; as of July 2004, all but two countries (Antigua and Barbuda and St. Kitts and Nevis) have reached that goal.

There are some concerns about the CET in light of CARICOM's current external trade negotiations, particularly with respect to the FTAA. First, while CARICOM tariffs are considerably lower than a decade ago they are still relatively high when compared to those of some neighboring Latin American countries. This means that, when the FTAA enters into force, adjustment to free trade (even if gradual) will be all the more difficult for the small Caribbean economies, in terms of both lower fiscal revenue and greater competition in domestic markets. Jamaica is in a better position than other CARICOM members as regards potential revenue losses resulting from reduced tariff income,<sup>69</sup> but it retains additional stamp duties (ASDs) for many agricultural and food products and will have to negotiate appropriate phase-in periods for tariff reductions in order to prepare its import-competing sectors for greater external competition, particularly in light of its current merchandise trade performance.

Second, even when it is uniformly applied throughout CARICOM, the CET will remain rather "uncommon". That is because, in its current form, there is broad scope for tariff suspensions and reductions, as well as for national derogations from the CET. This not only complicates the region's joint negotiating efforts *vis-à-vis* third partners but also, given the implementation of rules of origin to avoid trade deflection, creates additional transaction costs and reduces transparency for exporters targeting the CARICOM market.

Third, the level of tariff dispersion in the CET remains high, resulting in higher efficiency costs and further complicating the group's market access negotiations with other countries and regions. Table 8 illustrates these three problems.

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<sup>68</sup> Unweighted average tariff rate.

<sup>69</sup> Revenues from taxes on international trade represent 9 percent of government revenues (2001, IMF-GFS).

**TABLE 8**  
**CARICOM: CET AND APPLIED TARIFFS FOR SELECTED COUNTRIES**  
2002

Code	Description	CET	Jamaica	Barbados	Guyana	St. Kitts
01	Live Animals/Products	24.9	25.3	53.3	27.1	11.5
02	Vegetable Products	18.2	16.4	28.0	18.4	13.2
03	Animal/Vegetable Fats	26.7	23.9	32.1	25.8	21.9
04	Processed Foods/Tobacco	19.7	15.5	34.2	25.0	16.1
05	Mineral Products	4.8	2.6	6.9	6.2	2.4
06	Chemical/Industrial Products	5.4	2.0	6.6	6.1	5.6
07	Plastics/Rubber	7.4	5.6	9.1	8.7	6.7
08	Animal Hides/Skin	8.2	5.6	9.6	9.2	7.6
09	Wood/Wood Articles	9.6	6.8	10.6	9.5	9.7
10	Paper/Cellulose Material	7.3	4.8	8.9	8.0	8.1
11	Textiles	10.4	7.6	10.8	10.8	11.1
12	Footwear/Miscellaneous Articles	16.6	15.4	16.2	16.0	18.5
13	Stone/Glassware	8.8	6.2	9.6	8.8	9.8
14	Precious/Semi-Precious Metals	20.1	16.8	29.7	28.6	14.4
15	Base Metals	5.6	2.7	6.8	6.7	6.2
16	Machinery/Electrical Equipment	6.5	3.5	7.8	7.5	7.7
17	Motor Vehicles/Vessels	9.6	6.4	10.0	9.4	9.7
18	Precision Instruments	11.5	8.9	14.4	14.2	10.8
19	Arms/Munitions	38.1	22.7	47.7	44.7	46.8
20	Misc. Manufactured Articles	16.2	15.2	16.2	15.8	19.3
21	Art/Antiques	20.5	20.0	20.0	20.0	25.0
22	Other (Chapters 00,77,98,99)	n.a.	n.a.	n.a.	n.a.	n.a.
	Average Tariff (%)	10.1	7.2	13.1	11.0	9.4
	Standard Deviation	14.7	12.4	26.4	12.9	12.1

Note: Simple Average of MFN Applied Tariff Rate (%) using HS 1996 Sections.

Memo: (Average Tariff %, Standard Deviation) for CACM (5.9, 7.9) and Chile (7.0, 0.0).

Source: IDB Integration & Regional Programs Department using UN-TRAINS.

It is worth noting that, among CARICOM countries, Jamaica has one of the lowest applied tariffs, almost three percentage points below the CET. This is a clear demonstration of Jamaica's unilateral liberalization efforts over the past 15 years, and to some extent explains its growing trade deficit with the world.

In addition to a somewhat uncommon CET, there are other loopholes in CARICOM's common trade regime that weaken the group's external projection as a single market. As indicated earlier, CARICOM's founding treaty sought no more than a "progressive coordination" of members' external trade policies (which, in the absence of a common services regime, focused exclusively on trade in goods), and allowed members freely to negotiate bilateral trade agreements with third

countries. The revised treaty of 2001 goes further towards establishing a common trade policy, but falls short of fully committing member states to this goal. By creating a common services regime, the treaty extends CARICOM's capacity to negotiate and implement joint services agreements with third parties. Moreover, it reduces the flexibility that individual member states have to negotiate bilateral trade agreements by obliging members who negotiate such accords to seek the approval of the relevant CARICOM Ministerial Council.<sup>70</sup> It does not, however, expressly prohibit the negotiation of such agreements and is thus at odds with the principle of a customs union (and, by extension, a single market), which requires a truly common trade policy in order to be effective.

The constraints imposed by CARICOM's not so common trade policy on national policy-making should be weighed against the benefits that accrue to Jamaica from preferential access to the CARICOM market (at least for some products), the creation of the CSME, and functional cooperation. There is another advantage, namely that foreign policy coordination has given the countries a stronger voice in international trade negotiations. As experience in the FTAA process has shown, the voice of over a dozen countries, however small, is stronger than that of one small country on its own. The creation, in 1997, of the Caribbean Regional Negotiating Machinery (RNM) to formulate and implement joint Caribbean negotiating strategies has facilitated a more efficient pooling of the region's scarce human, technical and financial resources, and thus has led to more effective participation in external trade negotiations. For Jamaica, there is an added benefit: as one of the more powerful members in the group, it is probably better able than many other member states to shape regional positions in the negotiations.

### **Links with Latin American Countries**

Jamaica, through CARICOM, has signed trade agreements with five Latin American countries in the past decade (Venezuela, Colombia, the Dominican Republic, Cuba and Costa Rica; see Annex I), allowing it improved, preferential access to some important markets in the region. Because the first two agreements are limited in scope, and the last three were concluded only recently, it is too early to determine the overall effect of these agreements on bilateral trade flows.<sup>71</sup> Jamaica trades very little with Latin American countries (the result of a long tradition of doing business mainly with the English-speaking world). In the last six years, its merchandise sales to Latin America averaged less than \$35 million a year (roughly 3 percent of total exports). As shown in Figure 14, two countries – the Dominican Republic and Mexico – accounted for over half of this trade. Sales to Mexico consist almost entirely of alcoholic beverages, with exports of rum growing by an

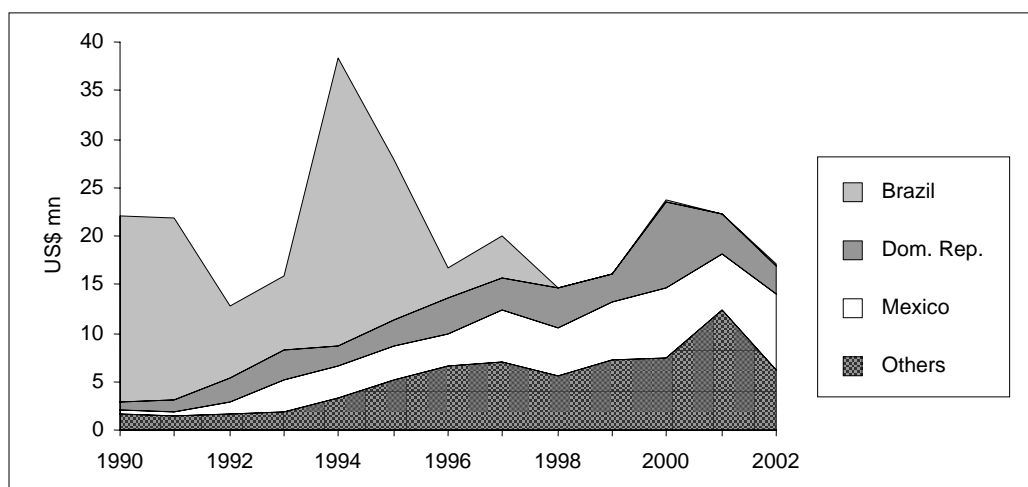
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<sup>70</sup> Chapter V, Article 80 of the revised treaty states that: "The Member States shall coordinate their trade policies with third States or Groups of states. The Community shall pursue the negotiation of external trade and economic agreements on a joint basis in accordance with principles and mechanisms established by the Conference. Bilateral agreements to be negotiated by Member States in pursuance of their national strategic interests shall (a) be without prejudice to their obligations under the Treaty; and (b) prior to their conclusion, be subject to certification by the CARICOM Secretariat that the agreements do not prejudice or place at a disadvantage the position of other CARICOM States *vis-à-vis* the Treaty. Where trade agreements involving tariff concessions are being negotiated, the prior approval of COTED shall be required." Belize obtained certain derogations from these provisions with respect to negotiation of trade agreements with "neighboring economic groupings".

<sup>71</sup> It should be noted, however, that Jamaican exports to Colombia since 1995 (date agreement went into force) have grown at an average annual rate of 18 percent.

impressive 26 percent a year on average since 1990. Brazil was an important trading partner in the early and mid 1990s, importing mainly minerals and "re-exported" engines (according to available data, such exports appear to have declined significantly since then). Imports – mostly oil from Mexico and Venezuela – have been higher, averaging over \$350 million a year in the same period. Consolidated data on services trade with Latin America are not available, but it is well known that Latin Americans account for only a tiny share of tourism arrivals in Jamaica.

**FIGURE 14**  
**JAMAICA: MERCHANDISE EXPORTS TO LATIN AMERICA**  
 1990-2002



Source: See Table 2 in the Statistical Annex II.

Considering the size and growth potential of the Latin American market, Jamaica should explore possibilities for expanding its trade relations with these countries, particularly in the area of services. The Association of Caribbean States (ACS), established in 1994 with headquarters in Port of Spain, aims to facilitate closer relations among its members, which include all Caribbean and Central American countries as well as Colombia, Mexico and Venezuela. The Association's mainly consultative character nevertheless places limits on its role in fostering trade among its member countries – it is not a negotiating forum, and does not, of course, cover the whole of Latin America. Improved penetration of Latin American markets will therefore require a concerted effort by both the government and the private sector in Jamaica, in terms of improved market analysis, promotional activities specifically targeted towards new Western Hemisphere markets and efforts to obtain better access to these markets. The latter is already being pursued through the current FTAA negotiations.

### The FTAA Process

Negotiations for a hemisphere-wide free trade agreement were officially launched in 1998. The original deadline for concluding the agreement – January 2005 – is unlikely to be met given the current pace of negotiations. The goal, however, remains the same: a balanced and comprehensive WTO-consistent agreement covering trade in goods and services, investment, government

procurement, dispute settlement, intellectual property, subsidies, competition policy, and antidumping and countervailing duties. The agreement must take into account the needs, economic conditions and opportunities of the smaller economies of the region, and can coexist with bilateral and subregional agreements (such as CARICOM) to the extent that the rights and obligations under these agreements are not covered by or go beyond those of the FTAA. The latter has implications for CARICOM in that, unless substantial progress towards the CSME is made in the next two to three years, the group's economic integration process could risk being overtaken (and made somewhat redundant) by the FTAA. The current impasse in the FTAA negotiations has provided CARICOM with some breathing space in this regard, but given the scope of the CSME implementation program and the likelihood of a renewed acceleration in the FTAA talks next year, the window of opportunity is small. It is worth noting that CARICOM countries negotiate as a group in the FTAA process and have, with some exceptions, presented joint offers in the various negotiating groups.

Trade liberalization under the FTAA will affect real or relative market access conditions for over half of Jamaica's merchandise exports. Most exports to the United States, Canada, CARICOM and those Latin American countries with which Jamaica already has a free trade area will face tougher competition because of the erosion of current preferences enjoyed by Jamaica in these markets – which makes it all the more urgent for the country's exporters to exploit their current window of opportunity in these markets. At the same time, however, access to the United States and Canadian markets will be more secure under an FTAA, since it will no longer depend on unilaterally applied "preferences", but rather on contractually agreed rules. In addition, exports that do not currently enjoy preferences or enter duty-free under MFN rules in these markets will gain improved access, as will sales to many Latin American countries – but here, too, competition from other FTAA countries will be tough.

Jamaica will have a particular interest in securing better market access for its services exports, and this is a real possibility in the FTAA. At the same time, it will have to liberalize its import market for both goods and services, with important consequences for import-competing industries and fiscal revenues, but also potentially significant benefits for consumers and the economy in general (FTAA countries account for three quarters of Jamaica's merchandise imports).<sup>72</sup> The potential gains from trade liberalization (which go beyond trade creation by facilitating ongoing structural reforms and their subsequent "locking in", the establishment of a more transparent business environment, and even higher inflows of FDI, among other things) could be significant for a relatively small country like Jamaica, but the adjustment process will be difficult even if the country succeeds in negotiating longer transition periods for its own market opening.

Given the complexity of the FTAA negotiating agenda and the large number of participating countries, there could well be delays in the negotiations even beyond the current impasse (the breakdown of multilateral trade talks in Cancún last year and the marked slowdown in hemispheric talks in recent months have added to the uncertainty surrounding the FTAA timetable). While some Caribbean countries may be quite eager to prolong the negotiations (or reduce their scope) in order to gain more time to prepare for their transition to freer trade, a prolonged delay could hurt their economies. This is because other countries in the hemisphere are pushing ahead with

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<sup>72</sup> Period average for 2000-2002.

trade liberalization, and have shown themselves quite ready to pursue that goal even outside of the FTAA process. The United States, for example, has ratified a free trade agreement with Chile, signed agreements with five Central American countries and the Dominican Republic (CAFTA), and initiated negotiations with Panama (all in 2004). Negotiations for a US-Andean free trade agreement, geared to replace the US-Andean Trade Preferences Act (ATPA), were launched in May with Colombia, Ecuador and Peru; Bolivia may join at a later date. Furthermore, Canada has signed an FTA with Costa Rica and plans to conclude negotiations with the remaining members of the Central America Common Market (CACM) by the end of the year.

The CAFTA and Canada-CACM agreements, which could enter into force well before the conclusion of FTAA negotiations, would give Central American countries a "head start" in the US and Canadian markets, to the possible detriment of other trade partners, such as the Caribbean countries, that are competing for market share in those countries. Jamaica, along with its CARICOM partners, must watch these and other bilateral negotiations with great care, as they could affect its relative market access conditions in the hemisphere. In the context of growing bilateral trade links and negotiations across the Americas (both among Latin American countries and between them and the US/Canada), a timely conclusion of the FTAA negotiations would seem to be in the interest of all Caribbean countries. It is imperative if CARICOM wants to preserve its preferences under the US CBTPA, which are set to expire in 2008 unless the FTAA or a comparable free trade agreement between the United States and CBTPA beneficiaries enters into force earlier.

## **Relations with Europe**

Along with other African, Caribbean and Pacific (ACP) countries, Jamaica is currently engaged in negotiations with the EU that will fundamentally alter the current provisions governing EU-ACP trade. The ACP-EU Partnership Agreement, signed in Cotonou in June 2000, foresees the entry into force of Economic Partnership Agreements (EPAs) between the EU and ACP countries or groups of countries by 1 January 2008 at the latest. These will include the progressive, two-way elimination of tariff and non-tariff barriers to trade, leading to the full implementation of reciprocal free trade by 2020. Formal EPA negotiations began in September 2002 between the EU and the ACP group as a whole. Phase I (September 2002–October 2003) focused on the general objectives and principles of the EPAs and issues of common interest to all ACP countries. In Phase II (October 2003-2007), negotiations are conducted on a "bilateral" basis between the EU and selected ACP groups in accordance with the geographical configuration of the EPAs. EU-Caribbean negotiations were launched in Jamaica on April 16, 2004. Meanwhile, the unilateral trade preferences granted by the EU to imports from ACP countries under Lomé IV have been extended to the end of 2007. A subsequent 12-year transition period is expected to lead to full reciprocal free trade between both parties.

The EPAs will be comprehensive agreements covering trade in both goods and services, as well as related areas such as intellectual property rights, technical barriers to trade and sanitary and phytosanitary measures. In a note explaining the EU's negotiating strategy, the European Commission recognized that although EPAs are designed to be "instruments of development" by establishing a stable, predictable and transparent framework for biregional economic and trade relations, they will require difficult social and economic adjustments in ACP countries, including CARICOM. The Commission therefore considers it "essential that EPA negotiations and



implementation be accompanied by appropriate flanking policies of the ACP and that appropriate EU support measures are included in regular EDF financing."<sup>73</sup> To this end, the Commission recently approved Trade.Com, a €50 million trade-related assistance program for the ACP countries that is complementary to the trade assistance provided through the Commission's National and Regional Indicative Programs with these countries,<sup>74</sup> as well as €20 million set aside for ACP countries for capacity-building in preparation for EPA negotiations, which is managed by a Brussels-based Project Management Unit.

Since CARICOM countries (including Jamaica) already enjoy duty-free access to the EU market for most of their merchandise exports, the benefits of the agreement for CARICOM will largely depend on the degree to which remaining non-tariff restrictions to such trade are eliminated; to what extent the EU opens up its services market to CARICOM; the timeframe and scope of reciprocal trade liberalization, which should allow CARICOM countries enough time to adjust to both increased competition and declining tariff revenues; and how generous and effective the EU's financial assistance in support of CARICOM's adjustment to freer trade will be.

The timing of the EPA negotiations is important. The Cotonou Agreement contains an MFN clause suggesting that the EU would expect certain trade preferences granted by ACP countries to non-EU developed countries to be extended to the EU. Until recently, this language was of little relevance given that CARICOM did not grant any preferences to imports from North America, but the current FTAA negotiations, which are expected to conclude earlier than the EPA negotiations, could change that situation. It is not certain how this issue will be resolved, but CARICOM negotiators are fully aware that whatever they "offer" in Western Hemisphere negotiations will probably affect the outcome of the EPA negotiations – or *vice versa*, depending on the sequencing of the negotiations.

CARICOM's trade relations with the EU will not only be shaped by a future EPA. As in the case of CAFTA and other bilateral trade initiatives in the Western Hemisphere, new trade arrangements entered into by the EU (either bilaterally with third countries or regions, or at the multilateral level) could weaken the position of CARICOM countries in the EU market, and thus erode the benefits of an EPA. Deterioration in relative market access is already underway as a result of the EU's decision to grant all LDCs duty-free access to its markets by 2005. The Cotonou Agreement states that, in response to this problem, the parties "agree to examine all necessary measures in order to maintain the competitive position of the ACP states in the Community market during the preparatory period." This implies a commitment, on the European side, to consult with the ACP group prior to implementing new (unilateral or reciprocal) liberalization measures. It does not, however, guarantee CARICOM continued "preferential" status in the EU market, either in the transition phase or following the implementation of an EPA.

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<sup>73</sup> See European Commission, "Explanatory Memorandum, Commission Draft Mandate 9 April 2002", at <http://www.europa.eu.int/comm/trade>. EDF refers to the European Development Fund, which has provided substantial aid to ACP countries since its creation in 1957 (see Articles 131 and 136 of the Treaty of Rome).

<sup>74</sup> According to the national and regional indicative programs for the Caribbean countries, a total of € 290 million (of which € 57 million is for regional initiatives) is programmed for CARICOM countries under the 9<sup>th</sup> EDF for the period 2001 (or later depending on when the individual programs were agreed) - 2007. These allocations are not entitlements and may be revised by the EU.

Another factor influencing CARICOM-EU trade relations is the EU's recent eastward enlargement (May 1, 2004). Since most trade between the EU and the ten new members is already liberalized, and because there is little overlap in CARICOM and East European exports to the EU, enlargement will probably not lead to significant trade diversion away from Caribbean countries, or erosion of CARICOM's existing trade preferences in the EU market. Upon joining the EU, moreover, the new members assumed all EU commitments included in the Cotonou Agreement; consequently, they must now offer CARICOM the same preferences it enjoyed in the EU of 15.<sup>75</sup> Along with the acceleration of economic growth expected in the acceding countries, the EU enlargement translates into new export opportunities for CARICOM, not only in the goods sector but also – and perhaps most of all – in services (tourism, for example). It is, however, important to point out that the new EU members are now party to, and influence, the ongoing EPA negotiations. For political as well as economic reasons, therefore, it is important for Caribbean countries – including Jamaica – to increase their engagement with these countries in order to facilitate dialogue, information-exchange and business links between both regions.<sup>76</sup>

## **WTO Membership**

Jamaica has been a GATT contracting party since December 1963 and became a founding member of the WTO in January 1995. It accords at least MFN treatment to all its trading partners. As a result of the Uruguay Round of multilateral trade negotiations, it has bound all tariffs on industrial products at a uniform rate of 50 percent. For agricultural imports, tariffs are bound at 100 percent, with the exception of three sensitive sugar products bound at 200 percent. Since 1991, Jamaica's liberalization efforts have reduced trade protection significantly, with the dismantling of all quantitative restrictions and licensing requirements. However, Jamaica does impose additional stamp duties (ASDs) on some imports. ASDs are levied on the duty-paid value of imports, particularly on agriculture, beverages, tobacco and aluminum products.<sup>77</sup> In 2001 and 2002, Jamaica raised the ASDs on a number of agricultural products, including beef, poultry, tomatoes, cabbage and carrots, from 32 to 80 percent.<sup>78</sup>

Under the GATS, Jamaica has scheduled a number of commitments in trade in services with two horizontal exemptions applying to all sectors. First, it has imposed a limitation on all services delivered via commercial presence (Mode 3) by requiring that all Jamaican branches of international companies register their businesses before starting operations, and it has expressed its preference that foreigners purchasing large acreages of land do so for a specific investment project. Second, it has set a limitation of services delivered through the temporary presence of natural persons (Mode 4), in that work permits and visas are required for entry and even practice in some cases.

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<sup>75</sup> The Czech Republic, Poland and the Slovak Republic already granted reduced or zero tariff rates (via GSP) to selected imports from Jamaica before their accession into the EU.

<sup>76</sup> For more information on CARICOM-EU economic relations see IDB [2004].

<sup>77</sup> For example, if the invoice price of fresh tomatoes is 100 with an ad-valorem tariff of 40 percent, the duty-paid value is 140. An ASD of 80 percent is levied on tomatoes, and when applied to the duty-paid value (140) rather than the invoice value (100) it translates into an aggregate duty of 152 percent. See World Bank [2003].

<sup>78</sup> *Ibid.*

Jamaica has also made sector-specific commitments to services liberalization. These include no limitations on market access and national treatment status for foreign service providers of transportation, tourism, all business services including professional, computer, research and development, and education and health services via Modes 1-2. Jamaica's GATS commitments in telecommunications, financial and insurance services were discussed in the previous chapter.<sup>79</sup>

Currently, Jamaica faces two challenges in the WTO. The first relates to the full implementation of the Uruguay Round Agreements. Compared to other Caribbean countries, Jamaica is relatively advanced in implementing its Uruguay Round obligations, a difficult process involving a number of legislative and institutional changes (some of which are being handled at the regional rather than the national level in CARICOM). There are, however, some pending issues to be resolved, for example with respect to Jamaica's export processing zones and changes in subsidy regulations resulting from additional WTO commitments.

The second relates to Jamaica's participation in the Doha Development Round. The Doha negotiations, launched in November 2001, include a large number of areas, prominent among them agriculture and services, in which countries are seeking substantial improvements in market access and, in agriculture, the elimination of distorting domestic support measures (including export subsidies). Countries also want to achieve further reductions in tariffs and NTBs on industrial goods, and reach agreement on new issues, such as establishing multilateral rules for competition policy and foreign direct investment, achieving greater transparency in public procurement, and trade facilitation. Implementation issues resulting from the Uruguay Round Agreements are also on the agenda – developing countries, in particular, have experienced problems in implementation and have asked for revisions of commitments undertaken in that earlier round of multilateral negotiations. The deadline for completing the Doha negotiations, originally set for January 2005, looks increasingly unlikely to be met following the breakdown of talks at the 2003 Ministerial Meeting in Cancún, Mexico, where countries could not agree on crucial elements for moving the process forward. After a prolonged impasse, a package of framework agreements to guide future negotiations was finally concluded on August 1, 2004, giving renewed impetus to the talks and securing the continuation of the Doha Development Round. Given its potentially important outcome, the next phase of negotiations will require a concerted effort by each member country to influence the process.

Jamaica, along with its CARICOM partners, has specific interests in the Doha negotiations. Its main objective is to place the needs and interests of developing countries – in particular small developing islands states – at the center of the Doha Work Program, and to ensure that any agreement reached will facilitate the successful integration of these countries into the multilateral trading system. In the view of CARICOM countries, this would involve the establishment of trade rules that – through special and differential treatment – take full account of the difference in size and development among WTO members (particularly the lack of economies of scale and limited flexibility of small industries and suppliers to be internationally competitive), and offer adequate periods of adjustment to, and compensation for, the erosion of market access preferences and the attendant loss in earnings for developing countries. CARICOM countries – including Jamaica – also insist that long overdue implementation issues be addressed before they assume additional commitments in the WTO.

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<sup>79</sup> WTO [1994].

In terms of market access, they are seeking exemptions from tariff reduction obligations, anti-dumping, countervailing and safeguard measures and, at the same time, binding commitments from developed countries on duty and quota-free market access for all products from small developing countries. In the dismantling of tariffs, tariff escalation and non-tariff barriers, the export interests of small developing countries should, in their opinion, be accorded the highest priority.

On agriculture, Jamaica and the other CARICOM countries seek trade rules that take into account their rural development and food security objectives and allow them to adequately insulate their domestic sectors from import surges and depressed import prices. They also insist that in the process of agricultural trade liberalization, the special needs of net food-importing countries should be addressed. On services, the CARICOM countries have called on WTO developed country members to liberalize those sectors and modes of supply that are of specific export interest to developing countries, in particular Mode 4 (the movement of natural persons). On the so-called Singapore issues (competition policy, foreign direct investment, public procurement and trade facilitation), CARICOM countries, in their submission to the Cancún Ministerial, had requested a process of clarification of these issues before commencing negotiations; according to the recent framework agreement reached in the WTO, only trade facilitation will remain on the Doha negotiating agenda. The region also has an interest in improving the WTO's Dispute Settlement Mechanism, particularly the ability of small developing countries to access and use that system, and to improve the transparency and inclusiveness of the WTO negotiating and decision-making process more generally.<sup>80</sup>

Given that most of Jamaica's trade is with its FTAA partners (68 percent) and the EU (15 percent),<sup>81</sup> it would make sense for the country to focus, first and foremost, on Western Hemisphere talks and on EPA negotiations with Europe. Active participation in the WTO nevertheless remains important, not least because the multilateral negotiations, particularly in agriculture, are likely to influence both the scope and pace (and the outcome) of the FTAA negotiations. Some of the most contentious topics in agriculture, including high agricultural tariffs, export subsidies and, particularly, domestic support may have to be solved at the multilateral level before an FTAA agreement on agriculture can be completed.

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<sup>80</sup> CARICOM positions in the WTO negotiations are summarized in the "Caribbean Declaration on the Fifth WTO Ministerial Conference", presented in Cancún, Mexico. September, 2003.

<sup>81</sup> Period averages for 2000-2002, exports plus imports.

## VI. TRADE POLICY-MAKING IN JAMAICA: INSTITUTIONAL ISSUES

The Ministry of Foreign Affairs and Foreign Trade is responsible for formulating, negotiating and implementing Jamaica's trade and investment policy. The Ministry plays an important coordinating role in the policy-making process related to all multilateral, regional and bilateral trade affairs through close inter-ministerial collaboration and consultation with civil society. Other ministries and departments collaborate with the Ministry of Foreign Affairs and Foreign Trade in the development and implementation of trade policy.

- The Ministry of Finance and Planning is responsible for coordinating and implementing the government's overall financial and economic policy. Its Customs Department administers tariffs, import controls, valuations and other customs procedures. The Planning Institute of Jamaica is also involved in economic planning and monitoring of international trade matters and negotiations.
- The Ministry of Commerce, Science and Technology oversees Jamaica's competitiveness abroad and all business operations on the island. It does this through the Anti-dumping and Subsidies Commission, the Fair Trading Commission, the Bureau of Standards and the Trade Board Limited. The latter is a regulatory agency that issues and oversees many of Jamaica's trade measures, such as licenses and certificates of origin.
- The Ministry of Industry and Tourism oversees policies to develop and market sustainable tourism. Through the Jamaican Tourist Board, it advertises the island's tourism and hospitality industries throughout the world.
- The Ministry of Agriculture is in charge of product inspection (sanitary and phytosanitary standards, and quarantines), forest and plant protection, fisheries, and veterinary services.
- Finally, the Ministry of Development oversees the operation of JAMPRO, Jamaica's investment and export promotions agency. It is focused on attracting foreign investment in projects with export potential.

The trade policy-making process in Jamaica enjoys a tradition of consultation between the government and the private sector (including non-governmental organizations). Since 2001, the Jamaica Trade and Adjustment Team (JTAT) – and before then the Trade Coordination and Policy Committee – has been acting as a forum in which both state and non-state actors can assist in the formulation and evaluation of trade policy. In addition, JTAT's responsibilities include the assessment of national and sectoral plans on trade policy and the establishment and implementation of the Trade Adjustment Project, designed to assist the private sector in the adjustment towards a new hemispheric and global trading environment.<sup>82</sup>

Additional institutional players in the policy-making process are the embassies and trade missions representing Jamaica around the world. Jamaica has embassies or high commissions in Canada,

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<sup>82</sup> Ministry of Foreign Affairs and Foreign Trade, Jamaica. *National Strategy for the Strengthening of Trade-related Capacities*. FTAA Hemispheric Cooperation Program. September, 2003.

the United States, Japan, the United Kingdom, Germany, Mexico, Venezuela, Trinidad and Tobago, Cuba and Nigeria. In addition, there are permanent missions to the Organization of American States (OAS) in Washington, the United Nations in New York and Geneva, and the EU in Brussels. Foreign missions play a crucial role in establishing and maintaining strong trade links with third countries. Given the impending FTAA and the importance of expanding trade links with Latin America, Jamaica may want to consider the potential benefits of expanding its diplomatic presence in that region – perhaps jointly with other Caribbean countries. Although past efforts at regional coordination in this area have not proven very fruitful, the idea merits renewed attention in the context of the approaching FTAA.

At the regional level, the RNM and the CARICOM Secretariat participate in developing and implementing trade policy. The RNM is responsible for coordinating and representing the negotiating positions of CARICOM members, and works closely with Jamaica's Ministry of Foreign Affairs and Foreign Trade and other relevant national entities in doing so. All positions presented by the RNM in the various negotiations have to be approved by the Community's Council on Trade and Economic Development (COTED), comprising Ministers of Trade and Foreign Affairs, including those from Jamaica. Jamaica participates in, and benefits from, this regional pooling of resources, but often sends its own national representatives to the negotiations to work alongside RNM officers. While the RNM has focused on the FTAA, WTO and EPA negotiations, the CARICOM Secretariat has taken the lead in some bilateral negotiations concluded in recent years (the Dominican Republic and Costa Rica, but not Cuba, which was mostly handled by the RNM).<sup>83</sup> Apart from these initiatives, the Secretariat focuses mainly on intra-regional negotiations and on the implementation of trade agreements signed by Caribbean countries (CSME, WTO).

For a small country like Jamaica, maintaining a large public sector is unrealistic. All ministries and agencies engaged in trade policy-making have to work under significant human resource and budgetary constraints. Maximizing the efficiency of these limited resources is therefore crucial, particularly in the current context of multiple, simultaneous and technically complicated trade negotiations and significant new obligations assumed in the WTO and the CSME. A comprehensive analysis of the country's institutional infrastructure in the area of trade may be useful in this respect, since it would focus attention on possible weaknesses or bottlenecks to efficient trade policy-making or administration. Institutional strengthening can be achieved, among other things, through more effective intra- and inter-agency coordination, human resource training, elimination of duplication of activities, improved access to technical expertise and use of modern communications systems.

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<sup>83</sup> It is not clear what criteria are used to determine which of the two organizations should assume responsibility for a particular bilateral negotiation.

## VII. TRADE AND INTEGRATION: MAIN CHALLENGES AND POSSIBLE STRATEGIES

### Export Growth and Diversification

In the area of trade, Jamaica's first and foremost challenge is to achieve higher and sustained export growth. The potential for growth lies mainly in services exports, and in some competitive merchandise exports. For sustained growth to happen, Jamaica needs to maintain a competitive exchange rate; eliminate costly import protection where possible; contain crime and visitor harassment on the island; improve credit accessibility for small and medium enterprises, and seek to address other existing bottlenecks to greater competitiveness, such as high costs of doing business and low investment in training and new technologies.<sup>84</sup>

The continued development of the travel industry is of crucial importance to Jamaica, but it will only be possible if the country remains competitive relative to other tourist destinations both in the Caribbean and worldwide. Efforts should be made to diversify into new sectors within the travel industry; for example, given its capacity to supply education services, Jamaica should explore education-related travel as a potential area of growth. The government can play an important role in facilitating this process, by providing the macroeconomic stability and incentives necessary to improve competitiveness. Barbados is pursuing a similar strategy with the Tourism Development Act of 2002, in which it has outlined specific goals to help the industry adapt and grow in the face of increased competition.

Diversification is important not only within the travel industry, but also with respect to services exports as a whole. Jamaica's dependence on the tourism sector is overwhelming, and therefore risky. While recognizing the importance of the travel industry, Jamaica should explore ways of decreasing the economy's dependence on this sector, for example by expanding export potential in other services sectors. One area that merits attention is Jamaica's role as transshipment point. This has been an area of focus in the past, but more could be done to develop competitive advantages, especially given the country's large port infrastructure. Relevant data are scarce and more thorough analysis would be needed to make specific recommendations in this respect.

As regards merchandise trade, continued efforts need to be made to move away from export activities that are not internationally competitive. Export promotion and diversification efforts should target products that face growing demand in world markets and that could be exported competitively even in a context of declining trade preferences. The bauxite industry appears to be competitive even though international demand for alumina products fluctuates, as does Jamaica's world share of alumina exports. Diversification away from minerals would lessen Jamaica's vulnerability to price volatility in this sector and is a necessary long-term strategy because of the non-renewable nature of the natural resources on which Jamaica's mineral exports are based. Jamaica should continue to explore opportunities in niche markets for certain manufactured goods or food products, as it has already done in the seafood sector and in the market for spices, where it has proven internationally competitive in recent years.

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<sup>84</sup> World Bank [2003].

Although the main actors in the process of diversification will be private companies, the government can support the process through targeted assistance to the various government agencies charged with assisting private sector development (particularly in areas such as the development of niche markets and specialized products, consumer and market surveys, training in product development and innovation, etc.). The government can also assist with development of the tourism industry and other services sectors, including further liberalization of the telecommunication, transportation and financial services markets. An open services sector is beneficial for the economy in that it encourages technology transfer, spurs innovation, increases transparency and predictability, and lowers the cost of doing business across the economy given that services are often key inputs to both goods and other services.

A related challenge is to diversify and gain improved access to export *markets*, both in the Western Hemisphere and beyond. Again, it is companies, not governments that trade. Companies, therefore, will have to do most of the work to reduce Jamaica's dependence on its traditional export markets in the United States and Europe, and to forge trading relationships in other Latin American and Caribbean countries. But the government can help by negotiating and implementing trade agreements that offer Jamaican exporters increased access to both existing and new markets, and by supporting market intelligence programs and private sector-led export promotion campaigns through JAMPRO, the JTB and its foreign missions.

### **A Heavy Negotiating Agenda**

For Jamaica, active participation in all the negotiations currently underway between CARICOM and its various trade partners is of vital importance, and very difficult. Like other small Caribbean countries, Jamaica faces significant resource constraints in this respect. The trade section of the Ministry of Foreign Affairs and Foreign Trade, though large compared to other CARICOM countries, is tiny compared to those of most of its external trade partners. With just half a dozen or so trade specialists (compared to 100-300 in the relevant agencies of the United States, Canada and the EU), the ministry is struggling to complete the tasks necessary to secure an effective voice in the negotiations: market/sector analysis to determine the country's competitiveness *vis-à-vis* its trade partners, studies on the implications of trade liberalization on domestic export and import-competing industries, review of partner countries' offers in the negotiations, preparation of national offers, and so on. The creation of the RNM has eased some of the pressures on CARICOM governments in terms of technical preparation for the negotiations, but the RNM can only be effective if member states contribute actively to the process.

Effective participation in complex negotiations such as the FTAA or Doha requires a considerable level of human, technical and financial resources. It would not, however, be realistic for a small country like Jamaica to significantly expand the size of its trade policy-making apparatus. Through efficient resource allocation, however, as well as targeted interventions aimed at institutional strengthening and some external support, the government could maximize its available resources without increasing its size. Under the FTAA Hemispheric Cooperation Program (HCP), Jamaica has prepared a *National Strategy for the Strengthening of Trade-related Capacities* that calls for support in a number of areas related to the negotiations, including strengthening of inter-governmental coordination and negotiating teams, consultation with and participation of civil society and the private sector, and studies to analyze the impact of liberalization on Jamaica's



trade and fiscal performance. On the basis of these needs, the government has identified a number of sector-specific projects that are outlined in the National Strategy. It hopes to address some of these needs through donor-financed technical assistance programs.

In addition, Jamaica and its CARICOM partners should further strengthen their efforts to pool scarce resources at the regional level, not just through continued support to such mechanisms as the RNM, but also through greater cooperation at the level of embassies and foreign trade missions.

It will be important for Jamaica to regularly re-assess and, if necessary, modify its various *integration and market opening strategies*, including the way in which it uses alliances such as CARICOM to promote its national development agenda. For a small country, there are many benefits to be derived from political and economic cooperation with neighboring countries, but there are some costs, too.<sup>85</sup> The pooling of resources at the regional level is one way of overcoming the constraints of smallness. Establishing clear priorities for policy intervention is another: since the countries negotiating the FTAA account for around 68 percent of Jamaica's merchandise trade, as well as the majority of its tourism arrivals, then that is perhaps where most of the country's negotiating resources should go.

As regards market opening strategies, Jamaica is currently committed to further trade liberalization under the WTO, in the Western Hemisphere and with Europe. Despite the potential benefits that further liberalization could bring (as indicated in previous sections of this report), it may be difficult to maintain the momentum towards liberalization in light of the difficulties faced by the island's manufacturing and agriculture sectors both in terms of raising their exports and competing against growing imports. Opting out of the various external negotiations – or even the CSME – for fear of further market opening and resulting intensification in competition would not appear to be a wise response, since it would greatly isolate Jamaica in the region and would almost certainly lead to a deterioration in relative market access for its exports in all its major export markets. Hence the importance of achieving the best-possible outcome in the current negotiations, with a view to maximizing Jamaica's opportunities from these agreements while, at the same time, minimizing the related adjustment costs.

## **Implementation of Agreements**

Once trade agreements are negotiated and signed, Jamaica must ensure their effective and timely implementation in order to reap the benefits (and minimize the costs) for its economy. This involves complicated revisions to the country's legal and administrative apparatus. How difficult that process can be is illustrated by the fact that Jamaica is still in the process of implementing the

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<sup>85</sup> As indicated in Chapter V above, membership of CARICOM has conferred a number of benefits on Jamaica, principal among which are privileged access to neighboring markets and the benefits derived from the pooling of scarce resources across the region (greater leverage in international fora, cost savings, etc.). But preferences may in the long term prove to be a mixed blessing unless Jamaican companies use them to upgrade their export supply not only in quantity but also in qualitative terms. Meanwhile, however, there is much room to expand cooperation among CARICOM members in a number of strategic areas related to trade and economic integration, and, like other countries in the group, Jamaica could benefit from this as it confronts the many challenges of globalization. In addition, timely implementation of the CSME is likely to provide tangible benefits for Jamaica. All of this points to the importance for Jamaica of developing and maintaining a clear strategy for its CARICOM membership.

GATT Uruguay Round agreements, 10 years after they were signed. Along with these, Jamaica will have to implement its commitments resulting from CARICOM's agreements with the Dominican Republic, Cuba and Costa Rica. With the FTAA, WTO/Doha and EPA negotiations all scheduled for completion within the next three years, Jamaica is likely to face tremendous difficulties in securing effective implementation without committing more resources to this endeavor. Again, this could be achieved through further public sector reform that would allow a more efficient allocation of existing resources, and through use of external assistance where possible, rather than an expansion of government, which is not a realistic option for Jamaica.

Indeed, such assistance will be necessary for Jamaica to meet the various challenges of implementation. Specific needs identified by the government include, among others, those related to non-tariff measures (defining and identifying them); technical barriers to trade (strengthening the Caribbean Regional Organization for Standards and Quality-CROSQ, and training staff in the Bureau of Standards on the implementation of WTO standards obligations); and investment (support for JAMPRO). As with the negotiating effort, some implementation issues (particularly those related to WTO) might be handled more efficiently – and at lower cost – at the regional, rather than the national level (for example, the preparation of draft "model" legislation regarding various implementation aspects of the WTO agreements; the establishment of a regional administration for copyrights, patents and trademarks; training activities to promote implementation; notifications); Jamaica should explore such possibilities with its CARICOM members wherever possible.

### **Achieving Competitiveness in a More Liberalized Trading Environment**

Product and market diversification, and the benefits deriving from free trade, will be neither achievable nor sustainable without a business-friendly environment, particularly one that encourages and rewards innovation, initiative and risk-taking, while at the same time offering transparent laws and regulations and a stable macroeconomic environment.

Both the government and the private sector must prepare themselves for the significant changes that will result from trade liberalization, not only within the country but in the global economy as well. Production and investment strategies in the Western Hemisphere are likely to change significantly once the FTAA enters into force. A similar process is already underway globally, and Jamaica will have to compete more fiercely for both markets and capital. The country's heavy reliance on a limited number of export products, some of which are not internationally competitive, raises some concerns in this respect – hence the importance of diversification. Once trade barriers come down, Jamaica's import-competing sectors will have to adjust to greater competition at home, and many traditional exporters will be unable to compete once their preferences disappear. Jamaica's presence in the CARICOM market, for example, is certain to come under attack once the group lowers its tariffs on imports from North America and Europe.

The government will have to play an active role in this transition process by facilitating enhanced productivity and export growth through prudent macroeconomic management, improvements in infrastructure (particularly in services and transport, but also in R&D) and, as mentioned above, more concerted efforts (with the private sector) at export diversification. The National Strategy

identifies a number of projects aimed at facilitating the country's adaptation to more liberalized trade (programs to promote competitiveness and benchmarks for competitiveness in the principal export markets, facilitation of adjustments of fragile sectors, and improvement of the business and investment environment).

### **Sharing the Costs and the Benefits**

The creation of efficient social safety nets and other such services in order to soften the impact of adjustment will be critical to the government's efforts to support the transition to free trade. Equally important will be the way in which the benefits of free trade are distributed among the Jamaican population. Export diversification, access to new markets, regional cooperation and a strong trade policy-making process should all facilitate economic growth. But higher growth is a means to an end, not an end in itself. Any strategy to increase and diversify exports should have as its ultimate goal the equitable and sustainable creation of wealth for the country's population and, in particular, the alleviation of poverty, which currently affects almost 20 percent of the Jamaican population. This, of course, requires, but is not solely based on, growth itself. It would be interesting in this regard to assess the impact that past liberalization efforts have had on poverty rates and income distribution in the country, in an effort to develop more efficient adjustment and transition strategies for further liberalization.

In its effort to maximize the gains from trade for the majority of the population, should the government target and support specific export industries – those that produce the highest value added, create the greatest number of new jobs, and pay the highest salaries? Or should it follow a more market-based approach, aimed at improving the general business climate without picking winners, and designing appropriate social and fiscal policies to encourage a better distribution of the gains from trade? Addressing these questions would go beyond the limits of this paper, but at the very least we want to raise them here.

## VIII. BANK SUPPORT AND DONOR COORDINATION

The IDB's Jamaica Country Strategy was approved in 1998. A new strategy is currently being prepared. Given the many trade-related challenges outlined above, and the fact that only a small share of the Bank's portfolio in Jamaica directly addresses these issues, we recommend that the next strategy focus strongly on the area of trade, in particular the development of greater export competitiveness and activities aimed at preparing the country's private sector for the transition to more open trade. Successful international insertion is vital for returning the Jamaican economy to a sustained path of growth and it is a necessary – though not sufficient – condition for achieving the country's development goals. Exports are particularly important in this respect: export income is needed to create and sustain jobs, to finance imports, to pay off foreign debt, and to reestablish a healthy balance in the country's external accounts.

The Bank currently has 37 active operations in Jamaica – including loans, technical cooperation programs (TCs) and grants from the Multilateral Investment Fund (MIF). Five of these have a direct link to trade and integration issues.<sup>86</sup> The first is a US\$ 22 million Agricultural Support Services loan (1283/OC) approved in 2000, aimed at improving the efficiency of national agriculture research, sanitary and food safety systems. The second is a US\$ 17 million loan focusing on the improvement of Information and Communications Technology (1438/OC, approved in 2002) in both public and private sectors, in an effort to increase economic competitiveness. The third is a Financial Sector TC of US\$ 700,000 (ATN/SF-7700, approved in 2001) assisting in the rehabilitation of the sector from the crisis in the mid-1990s. The fourth is the modernization of Jamaica's statistics institute, STATIN (ATN/SF-8183, approved in 2003), which seeks to improve the institute's capacity to collect and disseminate statistics. Finally, a small TC (C\$ 150,000) was recently approved under the newly established IDB/Canada Trade Fund to support awareness-building activities related to the FTAA among the country's public and private sector.

Of the remaining 32 active Bank operations, three provide indirect assistance to the government in addressing the problems related to negotiations, implementation and adaptation to free trade. These include two loan operations: a US\$ 59.5 million North Coast Highway Improvement program (972/OC, approved in 1996) rehabilitating the country's highway connecting Montego Bay and Ocho Rios (Jamaica's cruise ship port), is crucial for increasing receipts from cruise passengers on the island; and a US\$ 16 million Citizen Security and Justice operation (1344/OC, approved in 2001), improving the criminal justice system and establishing violence prevention programs, which is also crucial to reducing the country's climbing crime and visitor harassment rates. The other is a MIF grant for Strengthening Airport Security (ATN/MT-7902, approved in 2002), totaling US\$ 405,000. Twenty-nine operations are not related to trade capacity-building, and focus mainly on land and waste management, youth and community development, and on the health and education sectors.

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<sup>86</sup> The criteria we used to determine operations related to trade were the following: *directly linked* were instruments designed specifically for trade such as a Trade Facility or operations that highlighted sector reform/modernization of a trade-related sector; *indirectly linked* were operations that included a component of competitiveness and/or private sector reform.

Apart from active operations, there are currently 13 projects in the Bank's pipeline. Three of these – all MIF operations - have a direct link to trade and integration in Jamaica (Institutional Strengthening of the Micro-Enterprise sector, improvement of the Fair Trading Commission, and Environmental Standards for the Eco-Tourism sector). Three other operations in the pipeline, focusing on energy diversification, national irrigation and securitization of remittances, indirectly affect trade and integration. The remaining seven projects in the pipeline mainly address youth development, waste management and fiscal issues.

Jamaica has yet to take advantage of the Bank's various national lending and non-lending instruments that directly support trade and integration-related issues. One mechanism – already used by Trinidad and Tobago and a number of Latin American countries – is a Trade Facility offering small loans of up to US\$5 million for comprehensive institutional strengthening of trade-related ministries and other agencies. A simplified approval and fast-track disbursement process provides solutions to urgent needs in training and technical support for trade negotiations, institutional support for the implementation of trade agreements, mechanisms to foster coordination among trade policy-making agencies, consultation between public, private and civil society actors, and export promotion activities. Another mechanism is the Lending Program for Trade, Integration and Competitiveness (GN-2266-1), which combines the different lending instruments needed to address the challenges of trade liberalization into one package, simplifying and expediting the programming process. Support to the private sector is available through the MIF, particularly in areas that foster innovation, competitiveness and increased capacity to access both traditional and new markets.

In addition to national programs, Jamaica benefits from a number of regional projects financed by the Bank in the area of trade. One example is the ongoing support provided to the RNM in its preparation of regional negotiating positions and training of national trade officials. The Bank also supports the activities of the CARICOM Secretariat in areas related to implementation of WTO commitments, assessing the fiscal impact of trade liberalization, harmonization of investment and government procurement rules in the region, revisions to the CET, and the creation of the Caribbean Court of Justice to oversee the implementation and operation of the CSME. Some additional regional assistance includes: (i) support to the Caribbean Regional Technical Assistance Center (CARTAC) for tax and customs reform, customs valuation and business facilitation in the Caribbean; (ii) extensive technical and financial support to the FTAA process including support to the operations of the FTAA Administrative Secretariat; (iii) a *Special Initiative to Support Trade and Integration* that focuses on trade policy analysis, impact studies and public education; (iv) trade negotiation and policy courses organized jointly by the Bank's Institute for the Integration of Latin America and the Caribbean (IDB-INTAL) and the WTO Secretariat; and (v) support to the Caribbean region in the formulation of trade strategies and identification of offensive and defensive interests in the negotiations.

In order to maximize the potential benefit of such support, it is important to coordinate carefully between national and regional interventions, and to ensure that national interventions – for example, through a Trade Facility Loan or a MIF operation – are consistent not only with the Bank's country strategy for Jamaica, but also with its regional strategy for CARICOM (GN-2035-1/2, approved in January 1999). The latter strategy supports a regional approach to economic opening through: (i) improvement of regulatory frameworks to match international best practices, supporting appropriate regional harmonization; (ii) greater regional coordination of external trade negotiations

and implementation of new trade agreements; (iii) strengthening the development of human resources through more efficient education, training and R&D activities oriented towards greater competitiveness in international markets; and (iv) improvement in the region's capacity to collect, analyze and disseminate relevant and comparable social and economic data, through both regional and national interventions.<sup>87</sup>

Bank support to Jamaica in the area of trade and integration should also be closely coordinated with that of other multilateral institutions and bilateral donors. Apart from the Bank, the European Commission (EC) is one of the most active donors in Jamaica. National programs include infrastructure projects, trade promotion and investment programs, public sector reform and a banana support program; while regional programs focus on export promotion (managed by the Caribbean Export Development Agency-CEDA), tourism and other private sector development. The European Investment Bank (EIB) also plays an important role, with active loans to the Port and Free Zone of Montego Bay, the Kingston Container Terminal, and firms like CW&J and JMB Alumina.<sup>88</sup> Other donors focus more on regional development programs such as training in trade negotiations, institutional strengthening for the implementation of trade agreements, and support to the transition towards freer trade. These donors include the Caribbean Development Bank (CDB), the United States Agency for International Development (USAID), the United Kingdom's Department for International Development (DFID), the Canadian International Development Agency (CIDA), the World Bank, the WTO Secretariat, the OAS and a number of UN agencies. Some of these agencies have also undertaken national programs in Jamaica; one relevant initiative is a USAID and DFID-financed cluster competitiveness program targeting specific industries (tourism, beverages) in an effort to raise their international competitiveness.

It is expected that the HCP initiative will facilitate donor coordination, as will the discussions on trade conducted under the auspices of the Caribbean Forum for Development (CFD), formerly the Caribbean Group for Cooperation in Economic Development (CGCED). As part of its National Strategy for Strengthening Trade-related Capacity, Jamaica should consider setting up a mechanism by which its trade ministry and other relevant agencies, as well as donors, have regular access to updated information on the various trade and integration-related assistance programs currently underway in the country and, at the regional level, in CARICOM.

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<sup>87</sup> IDB/INT, *Regional Programming Paper for CARICOM*. January, 1999.

<sup>88</sup> EC, Jamaica - Country Strategy and National Indicative Programme for the Period 2001-2007. June, 2002.

**ANNEX I**  
**JAMAICA'S TRADE AGREEMENTS**

Country / Region	Date of Signature	Type of Arrangement	Coverage	Status of Implementation	Share in Jamaica Trade (%), 2002*		
	Entry into force				X	M	X+M
CARICOM <sup>1</sup>	July 1973 Aug 1973	Broad integration arrangement including Single Market and Economy (CSME). Reciprocal with preferences for some Less Developed Countries (LDCs) <sup>2</sup> of CARICOM.	Free movement of goods, services, capital and (skilled) people within subregion; harmonization of economic and regulatory policies; common external tariff and coordination of external trade policy.	Intra-trade in goods fully liberalized; other CSME provisions to be implemented by 2005; less progress on harmonization of economic and regulatory policies. CET Phase 4 implemented by Jamaica and 9 other members.	4.7	10.3	9.0
Venezuela	Oct 1992 Jan 1993	Preferential partial scope agreement with CARICOM, offering improved access to Venezuelan market.	Goods. Duty-free access for Barbadian exports and MFN treatment for Venezuelan exports. Some investment promotion instruments; recognizes importance of services liberalization.	In Nov 1998, Venezuela sought review of preferential tariffs to CARICOM More Developed Countries (MDCs) <sup>3</sup> similar to May 1998 CARICOM-Colombia Protocol. The agreement has not yet been reviewed.	0.0	4.3	3.3
Colombia	July 1994 Jan 1995	Preferential partial scope agreement with CARICOM, offering improved access to Colombian market.  Revised May 1998 to include reciprocity for CARICOM MDCs (including Jamaica).	Goods. June 1999 modifying Protocol grants certain Colombian exports duty-free access, while similar treatment is granted to other CARICOM exports. Recognizes importance of liberalization of services.	The Bahamas, Haiti and Suriname are not party to agreement. Low levels of bilateral trade and market access problems have curbed interest in the agreement and in its possible expansion into a CARICOM-ANDEAN trade agreement.	0.1	0.8	0.6
Dominican Republic	Aug 1998 Dec 2001	Reciprocal free trade agreement (FTA) with CARICOM MDCs (including Jamaica) and non-reciprocal with LDCs (The Bahamas not party to agreement).	Goods trade: free for commodities, MFN for sensitive goods. Services: reciprocal and in accordance to GATS (no timetable set). Includes some investment and government procurement provisions.	Suriname has not completed administrative procedures for implementation. LDCs preferential treatment will be reviewed in 2004.	0.3	0.3	0.3
Cuba	July 2000 Dec 2002	Reciprocal trade liberalization (partial scope) agreement with CARICOM.	Goods. Trade liberalization according to positive list approach. Provisions for trade promotion and special treatment of goods from Export Processing Zones (EPZs).	Agreement signed into force in Dec. 2002, by all CARICOM member-states (less The Bahamas) and Cuba.	0.3	0.1	0.2

(continued)

Country / Region	Date of Signature	Type of Arrangement	Coverage	Status of Implementation	Share in Jamaica Trade (%), 2002*		
	Entry into force				X	M	X+M
Costa Rica	Mar 2004 [2005]	Reciprocal free trade agreement (FTA) with CARICOM MDCs (including Jamaica) and non-reciprocal agreement with LDCs. (The Bahamas and Haiti not party to agreement)	Goods trade: free if satisfy rules of origin (60% local value added), with some exceptions (e.g. those covered under region's Oils and Fats Agreement). Also provisions for dispute settlement, application of Anti-Dumping measures and enhancement of SPS regulations.	CARICOM FTA signed March 2004 and will enter into force as soon as Parties apply necessary internal procedures. Preferential duty on some products will be phased out by January 1, 2007.	0.0	1.0	0.7
United States	CBI 1983, amended 1990.  CBTPA 2000  GSP 1974  BTA 1986	Preferential arrangements: Caribbean Basin Initiative (CBI) and Caribbean Basin Trade Partnership Act (CBTPA) offering Jamaica improved access to US market.  Preferential arrangement: General System of Preferences (GSP) offering Jamaica improved access to US market.  Bilateral Textile Agreement (BTA) governs trade in textiles and apparel.	CBI gives duty-free access to US market for exports with minimum 35% local value added. Excludes important Jamaican products such as textiles and apparel.  The GSP gives 100 beneficiary developing countries (including Jamaica) access to the US market with reduced or zero tariff rates over MFN rates.  Article 807 (US HTS 98.02): garments produced in Jamaica with US fabrics are only subject to duty on local value added.	The CBI is permanent in duration; however, the CBTPA benefits of 2000 are legislated to expire on Sept. 30, 2008 or upon entry into force of FTAA or other free trade agreement between the parties.  The Trade Act of 2002 reauthorized the US GSP program through Dec. 2006.  BTA's have been signed between the US and Jamaica, the Dominican Republic, Haiti, and Trinidad and Tobago.	28.4	43.1	39.6
Canada	Jun 1986 (entry into force)	Preferential arrangement (CARIBCAN) offering Jamaica improved access to Canadian market.	Mainly goods. 96% of CARICOM export products enjoy duty-free access, while the rest receive preferential treatment (excludes textiles and apparel). Includes investment provisions.	Agreement in Jan. 2001 to expand CARIBCAN into a possible CARICOM-Canada FTA has led to negotiations. The second round of negotiations took place in Sept. 2002.	14.2	3.2	5.8
FTAA <sup>4</sup>	[Jan 2005] [Jan 2006]	Reciprocal FTA between 34 democracies in Western Hemisphere.	Negotiations on agriculture, services, market access, government procurement, intellectual property, investment, AD/CVD, dispute settlement, and competition policy.	Deadline: negotiations to conclude by Dec 2004 with signature in 2005 and entry into force in 2006. CARICOM (Jamaica) has stated an interest in re-examining the negotiation objectives, and either reduce the scope or extend the timetable.	48.8	72.5	66.9



(continued)

Country / Region	Date of Signature	Type of Arrangement	Coverage	Status of Implementation	Share in Jamaica Trade (%), 2002*		
	Entry into force				X	M	X+M
EU <sup>5</sup> / ACP Cotonou	Jun 2000 April 2003	Partnership Agreement maintaining non-reciprocal trade preferences for CARICOM (as agreed in Lomé IV) until Dec. 2007, and introducing negotiations towards a regional Economic Partnership Agreement (EPA), a reciprocal trade liberalization agreement.	Immediately abolishes STABEX (compensatory finance scheme to stabilize export earnings) and SYSMIN (mineral export assistance) mechanisms, as well as the Rum Protocol.	Negotiations towards EPA began Sept. 2002 and are expected to last 5-6 years. Phase I of negotiations with ACP group concluded in Oct. 2003. Phase II will be negotiated at regional level, with EU-Caribbean talks kicked off in Apr. 2004. Negotiations are segmented into market access, rules-related issues, toolbox for integration, and procedures.	30.5	11.7	16.2
Leading to							
EU / Caribbean EPA	[Jan 2008]	EPA of reciprocal trade between EU and Caribbean region, with provisions of aid.	Starting Jan 2008, EPA will impose WTO-compatible liberalization provisions to cover "essentially all trade." Trade provisions will be imposed over a period of 10-12 years.	To begin January 1, 2008.			
WTO	Jan 1995	Global trade agreement on goods, services and trade-related issues.	All CARICOM (Jamaica) trade commitments must be consistent with WTO norms, including GATT agreement on trade in goods, GATS (services), and MFN provisions and national treatment.	Current Doha Round of negotiations relevant to Jamaica: agriculture, services, smaller economies, TRIPS, subsidies and countervailing duties, and technical barriers to trade. Implementation of Uruguay Round Agreements is ongoing.			

Notes: <sup>1</sup> CARICOM includes: Antigua & Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Suriname and Trinidad & Tobago.

<sup>2</sup> CARICOM LDCs: Antigua & Barbuda, Belize, Dominica, Grenada, Haiti, Montserrat, St. Kitts & Nevis, St. Lucia and St. Vincent & the Grenadines.

<sup>3</sup> CARICOM MDCs: The Bahamas, Barbados, Guyana, Jamaica, Suriname and Trinidad and Tobago.

<sup>4</sup> FTAA: CARICOM (except Montserrat), Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, United States, Uruguay and Venezuela.

<sup>5</sup> EU: Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Slovak Republic, Slovakia, Spain, Sweden and the United Kingdom.

Source: \* IDB Integration and Regional Programs Department using UN-COMTRADE.

## ANNEX II TRADE DATA

**TABLE 1  
JAMAICA: MERCHANDISE EXPORTS TO WORLD AND SELECTED PARTNERS  
1990-2002**

Values (US\$ mn)																	
Partner	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002				
World	1,143	1,151	1,050	1,075	1,211	1,424	1,387	1,386	1,316	1,239	1,308	1,217	1,104				
United States	341	344	391	424	441	526	514	464	524	463	512	382	313				
Canada	129	119	120	107	147	153	164	195	151	136	134	191	157				
CARICOM	75	68	63	62	61	62	56	49	46	45	52	54	52				
Latin America	22	22	13	16	38	28	17	20	15	16	24	22	17				
FTAA	567	554	587	609	687	768	751	728	736	660	721	649	539				
EU 25 <sup>1/</sup>	321	407	268	277	301	409	433	407	365	371	396	364	337				
EU 15	321	407	268	277	300	408	432	407	365	371	396	364	337				
Rest of World <sup>2/</sup>	255	190	195	189	223	247	203	252	215	209	190	203	229				

Shares (%)																	
Partner	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	90-02	90-95	95-00	00-02
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
United States	30%	30%	37%	39%	36%	37%	37%	33%	40%	37%	39%	31%	28%	35%	35%	37%	33%
Canada	11%	10%	11%	10%	12%	11%	12%	14%	12%	11%	10%	16%	14%	12%	11%	12%	13%
CARICOM	7%	6%	6%	6%	5%	4%	4%	4%	4%	4%	4%	4%	5%	5%	6%	4%	4%
Latin America	2%	2%	1%	1%	3%	2%	1%	1%	1%	1%	2%	2%	2%	2%	2%	1%	2%
FTAA	50%	48%	56%	57%	57%	54%	54%	52%	56%	53%	55%	53%	49%	53%	53%	54%	53%
EU 25	28%	35%	25%	26%	25%	29%	31%	29%	28%	30%	30%	30%	30%	29%	28%	30%	30%
EU 15	28%	35%	25%	26%	25%	29%	31%	29%	28%	30%	30%	30%	30%	29%	28%	30%	30%
Rest of World	22%	17%	19%	18%	18%	17%	15%	18%	16%	17%	15%	17%	21%	17%	18%	16%	17%

Avg. Growth (%)																	
Partner	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	90-02	90-95	95-00	00-02
World	n.a.	1%	-9%	2%	13%	18%	-3%	0%	-5%	-6%	6%	-7%	-9%	-0.3%	4.5%	-1.7%	-8.1%
United States	n.a.	1%	14%	8%	4%	19%	-2%	-10%	13%	-12%	11%	-25%	-18%	-0.7%	9.0%	-0.5%	-21.8%
Canada	n.a.	-8%	0%	-10%	37%	4%	7%	19%	-22%	-10%	-1%	43%	-18%	1.6%	3.5%	-2.7%	8.3%
CARICOM	n.a.	-9%	-7%	-2%	-1%	0%	-9%	-13%	-5%	-3%	14%	5%	-5%	-3.1%	-3.8%	-3.5%	0.0%
Latin America	n.a.	-1%	-42%	25%	142%	-27%	-40%	20%	-27%	10%	47%	-6%	-24%	-2.1%	4.8%	-3.2%	-15.1%
FTAA	n.a.	-2%	6%	4%	13%	12%	-2%	-3%	1%	-10%	9%	-10%	-17%	-0.4%	6.3%	-1.3%	-13.6%
EU 25	n.a.	27%	-34%	4%	8%	36%	6%	-6%	-10%	2%	7%	-8%	-8%	0.4%	4.9%	-0.6%	-7.8%
EU 15	n.a.	27%	-34%	4%	8%	36%	6%	-6%	-10%	2%	7%	-8%	-8%	0.4%	4.9%	-0.6%	-7.8%
Rest of World	n.a.	-25%	3%	-3%	18%	11%	-18%	24%	-14%	-3%	-9%	7%	13%	-0.9%	-0.6%	-5.1%	9.7%

Notes: <sup>1/</sup> For period 1990-2002 (excl. 2001), exports to UK account for 47% share of EU 25 category.

<sup>2/</sup> For period 1990-2002 (excl. 2001), exports to Norway account for 41% share of Rest of World category.

Source: IDB Integration & Regional Programs Department using UN-COMTRADE for all years except 2001 (IMF-DOTS).

**TABLE 2**  
**JAMAICA: MERCHANDISE EXPORTS TO LAC**  
1990-2002

Values (US\$ mn)														
Latin America	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Total 90-02
Argentina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.6	0.0	0.8
Bolivia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Brazil	19.2	18.8	7.4	7.7	29.7	16.6	3.1	4.3	0.0	0.0	0.1	0.0	0.0	107.0
Chile	0.0	0.0	0.0	0.0	0.1	0.6	0.8	0.0	0.4	0.1	0.9	0.7	0.8	4.6
Colombia	0.1	0.1	0.2	0.8	1.6	1.5	1.0	2.0	1.6	2.6	1.5	1.9	1.2	16.0
Costa Rica	0.2	0.0	0.0	0.1	0.0	0.2	0.3	0.1	0.1	0.1	0.1	0.1	0.2	1.8
Dom. Rep.	0.9	1.2	2.5	3.0	2.2	2.7	3.7	3.4	4.0	2.9	9.0	4.2	3.0	42.7
Ecuador	0.0	0.0	0.0	0.2	0.3	0.1	0.1	0.0	0.1	0.3	0.1	0.3	0.2	1.7
El Salvador	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.7	0.0	0.1	0.1	1.5
Guatemala	0.2	0.4	0.2	0.2	0.1	0.3	0.2	0.2	0.1	0.5	0.6	0.6	0.8	4.4
Honduras	0.0	0.1	0.4	0.0	0.2	0.3	0.5	0.5	0.4	0.6	0.7	5.4	0.5	9.8
Mexico	0.5	0.6	1.0	3.4	3.2	3.5	3.2	5.2	5.0	6.0	7.2	5.8	7.8	52.4
Nicaragua	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.0	0.0	0.1	0.1	0.5
Panama	0.9	0.3	0.5	0.3	0.4	1.1	1.7	2.0	1.1	0.6	1.3	0.7	0.9	11.8
Paraguay	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Peru	0.0	0.0	0.2	0.2	0.3	0.6	1.2	0.8	0.9	0.5	0.7	0.7	0.8	6.9
Uruguay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Venezuela	0.0	0.1	0.0	0.0	0.2	0.2	0.8	1.3	0.4	1.2	1.4	1.3	0.5	7.4
<b>Total</b>	<b>22.1</b>	<b>21.9</b>	<b>12.7</b>	<b>15.9</b>	<b>38.4</b>	<b>27.9</b>	<b>16.6</b>	<b>20.0</b>	<b>14.6</b>	<b>16.1</b>	<b>23.7</b>	<b>22.3</b>	<b>17.1</b>	<b>269.3</b>
CARICOM	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Total 90-02
Antigua & Barb.	2.9	2.6	2.8	3.4	2.8	2.4	2.5	2.5	2.3	2.6	2.9	3.1	5.2	38.1
The Bahamas	0.6	0.5	1.0	0.9	2.0	1.4	2.1	1.8	2.1	2.5	2.2	3.1	2.3	22.5
Barbados	15.7	14.3	12.5	13.3	12.7	12.2	12.0	10.1	8.6	8.2	7.8	8.7	9.5	145.8
Belize	8.7	3.4	3.9	3.8	3.7	5.0	3.9	3.4	2.8	2.8	3.5	3.2	3.8	52.0
Dominica	1.5	1.6	1.6	1.7	1.8	1.6	1.8	1.4	1.7	1.7	1.9	1.7	1.3	21.1
Grenada	1.3	1.5	1.3	1.8	1.5	1.1	1.1	1.1	1.2	1.1	1.7	1.5	1.4	17.5
Guyana	2.8	2.4	4.9	6.0	6.9	6.8	5.8	5.3	3.8	3.1	3.0	4.0	2.8	57.4
Haiti	0.9	0.7	0.1	0.3	1.0	1.6	1.2	1.3	0.8	0.7	1.0	0.6	0.7	10.7
St. Kitts & Nevis	1.5	1.5	1.4	1.6	1.6	1.5	1.7	1.6	1.7	1.9	1.6	1.6	1.5	20.8
St. Lucia	2.9	3.0	3.5	4.2	4.2	3.7	3.1	3.0	2.9	3.0	2.5	2.4	3.6	42.1
St. Vin. & Grens.	1.4	1.6	1.5	1.9	1.7	2.0	1.6	1.3	1.1	1.2	1.2	1.8	1.3	19.66
Suriname	2.9	3.8	2.6	1.1	1.1	1.2	2.4	1.5	1.1	1.1	1.0	0.9	0.7	21.4
Trin. & Tobago	32.0	30.8	26.3	21.9	20.4	21.2	17.0	14.6	16.2	15.3	21.5	21.6	17.3	276.0
<b>Total</b>	<b>75.0</b>	<b>67.9</b>	<b>63.4</b>	<b>62.0</b>	<b>61.4</b>	<b>61.7</b>	<b>56.2</b>	<b>48.8</b>	<b>46.3</b>	<b>45.1</b>	<b>51.6</b>	<b>54.1</b>	<b>51.6</b>	<b>745.0</b>

Source: IDB Integration & Regional Programs Department using UN-COMTRADE for all years except 2001 (IMF).

**TABLE 3**  
**JAMAICA: MERCHANDISE IMPORTS FROM WORLD AND SELECTED PARTNERS**  
**1990-2002**

Values (US\$ mn)																	
Partner	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002				
World	1,919	1,828	1,774	2,189	2,221	2,773	2,916	3,113	2,985	2,904	3,192	3,402	3,543				
United States	942	948	953	1,100	1,196	1,406	1,526	1,499	1,534	1,399	1,451	1,544	1,526				
Canada	121	76	75	89	81	99	88	94	90	97	98	98	113				
CARICOM	89	68	67	116	153	240	289	318	311	368	401	434	366				
Latin America	290	196	233	223	210	223	253	259	241	281	440	448	565				
FTAA	1,442	1,288	1,329	1,528	1,640	1,968	2,156	2,171	2,176	2,145	2,391	2,524	2,570				
EU 25 <sup>1/</sup>	209	254	171	205	210	294	319	395	278	237	270	321	416				
EU 15	207	250	169	198	204	283	310	387	271	232	266	317	411				
Rest of World <sup>2/</sup>	268	286	274	456	371	511	441	547	531	522	530	557	557				

Shares (%)																	
Partner	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	90-02	90-95	95-00	00-02
World	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
United States	49%	52%	54%	50%	54%	51%	52%	48%	51%	48%	45%	45%	43%	49%	52%	49%	45%
Canada	6%	4%	4%	4%	4%	4%	3%	3%	3%	3%	3%	3%	3%	4%	4%	3%	3%
CARICOM	5%	4%	4%	5%	7%	9%	10%	10%	10%	13%	13%	13%	10%	9%	6%	11%	12%
Latin America	15%	11%	13%	10%	9%	8%	9%	8%	8%	10%	14%	13%	16%	11%	11%	9%	14%
FTAA	75%	70%	75%	70%	74%	71%	74%	70%	73%	74%	75%	74%	73%	73%	72%	73%	74%
EU 25	11%	14%	10%	9%	9%	11%	11%	13%	9%	8%	8%	9%	12%	10%	11%	10%	10%
EU 15	11%	14%	10%	9%	9%	10%	11%	12%	9%	8%	8%	9%	12%	10%	10%	10%	10%
Rest of World	14%	16%	15%	21%	17%	18%	15%	18%	18%	18%	17%	16%	16%	17%	17%	17%	16%

Avg. Growth (%)																	
Partner	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	90-02	90-95	95-00	00-02
World	n.a.	-5%	-3%	23%	1%	25%	5%	7%	-4%	-3%	10%	7%	4%	5.2%	7.6%	2.9%	5.4%
United States	n.a.	1%	1%	15%	9%	18%	9%	-2%	2%	-9%	4%	6%	-1%	4.1%	8.3%	0.6%	2.5%
Canada	n.a.	-37%	-1%	19%	-9%	22%	-11%	7%	-4%	7%	2%	-1%	15%	-0.6%	-3.9%	-0.2%	7.0%
CARICOM	n.a.	-23%	-1%	72%	32%	57%	20%	10%	-2%	18%	9%	8%	-16%	12.6%	22.1%	10.8%	-4.5%
Latin America	n.a.	-32%	19%	-4%	-6%	6%	14%	2%	-7%	17%	57%	2%	26%	5.7%	-5.2%	14.6%	13.3%
FTAA	n.a.	-11%	3%	15%	7%	20%	10%	1%	0%	-1%	11%	6%	2%	4.9%	6.4%	4.0%	3.7%
EU 25	n.a.	22%	-33%	20%	2%	40%	9%	24%	-29%	-15%	14%	19%	30%	5.9%	7.1%	-1.6%	24.0%
EU 15	n.a.	21%	-32%	17%	3%	39%	10%	25%	-30%	-14%	15%	19%	30%	5.9%	6.5%	-1.2%	24.3%
Rest of World	n.a.	7%	-4%	66%	-19%	38%	-14%	24%	-3%	-2%	2%	5%	0%	6.3%	13.7%	0.7%	2.5%

Notes: <sup>1/</sup> For period 1990-2002 (excl. 2001), imports from UK account for 39% share of EU category.

<sup>2/</sup> For period 1990-2002 (excl. 2001), imports from Asia account for approximately 48% share of Rest of World category.

Source: IDB Integration & Regional Programs Department using UN-COMTRADE for all years except 2001 (IMF).

**TABLE 4**  
**JAMAICA: MERCHANDISE IMPORTS FROM LAC**  
1990-2002

Values (US\$ mn)														
Latin America	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Total 90-02
Argentina	4.2	2.4	1.2	2.5	2.7	6.6	3.0	3.6	2.6	2.4	5.5	6.2	4.5	47.3
Bolivia	0.0	0.1	0.2	0.1	0.2	0.2	0.5	0.4	0.0	0.0	0.0	0.0	0.1	2.0
Brazil	73.0	15.1	24.3	27.2	35.8	42.5	51.2	35.3	34.0	53.4	47.2	68.8	83.8	591.6
Chile	0.5	0.6	0.3	0.6	1.2	1.7	1.7	1.7	2.0	4.0	4.7	6.8	8.5	34.3
Colombia	2.4	3.5	3.9	5.1	7.4	8.3	9.2	15.2	11.6	19.6	20.0	28.5	27.0	161.5
Costa Rica	4.0	4.3	4.3	5.5	8.9	9.3	10.8	12.5	16.1	15.4	21.3	32.4	33.8	178.5
Dom. Rep.	1.4	2.4	2.9	3.3	3.5	3.5	5.7	4.6	6.6	4.1	7.0	9.3	12.1	66.4
Ecuador	4.8	0.2	0.2	0.2	6.0	6.9	0.1	1.2	1.0	0.8	0.8	8.8	55.1	86.0
El Salvador	0.2	0.2	0.2	0.5	0.3	0.3	0.3	0.7	0.8	1.1	0.9	1.1	1.2	7.8
Guatemala	1.2	1.0	1.2	1.3	1.8	4.1	13.9	9.3	8.4	12.4	9.2	9.7	11.8	85.2
Honduras	0.2	0.5	1.6	1.7	1.2	0.3	0.2	0.6	1.5	4.8	7.3	11.5	20.1	51.5
Mexico	95.6	66.5	114.4	78.2	63.0	71.7	74.6	81.2	78.2	74.8	154.4	131.9	119.4	1,203.8
Nicaragua	0.0	0.1	0.0	0.0	0.0	0.2	0.2	0.1	2.2	0.1	0.1	0.0	0.1	3.1
Panama	2.7	7.4	7.8	5.9	7.2	9.9	14.2	24.3	26.0	32.7	31.2	27.3	33.2	230.0
Paraguay	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.1	0.6
Peru	1.4	0.4	0.2	0.1	0.1	0.1	0.5	0.6	1.2	0.9	2.4	2.6	0.7	11.0
Uruguay	0.4	0.6	0.2	0.4	0.2	0.3	0.2	2.3	2.7	2.8	3.2	0.3	0.8	14.3
Venezuela	98.2	91.1	70.1	90.8	70.8	56.7	66.8	66.0	45.6	51.5	125.0	102.4	153.3	1,088.4
<b>Total</b>	<b>290.3</b>	<b>196.5</b>	<b>232.9</b>	<b>223.2</b>	<b>210.3</b>	<b>222.6</b>	<b>253.2</b>	<b>259.5</b>	<b>240.6</b>	<b>280.9</b>	<b>440.2</b>	<b>447.8</b>	<b>565.4</b>	<b>3,863.4</b>
<b>CARICOM</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>Total 90-02</b>
Antigua & Barb.	0.1	0.0	0.3	0.2	0.1	0.0	0.1	0.0	0.2	0.2	0.0	0.1	0.0	1.4
The Bahamas	0.1	0.0	0.1	0.3	3.3	4.1	1.2	2.8	0.8	1.8	2.9	0.9	0.9	19.1
Barbados	13.6	7.8	5.9	14.8	11.9	15.4	19.5	18.9	18.5	17.3	16.7	16.4	14.5	191.3
Belize	5.0	2.6	1.4	3.1	2.4	2.2	1.7	4.1	6.2	5.9	6.0	4.2	6.1	51.0
Dominica	6.5	6.6	6.7	6.4	4.5	5.6	10.9	12.7	16.5	14.1	14.0	13.4	10.5	128.5
Grenada	0.4	0.1	0.1	0.2	0.3	0.4	0.3	0.2	0.6	1.0	0.5	0.6	0.7	5.4
Guyana	5.3	3.8	17.7	8.0	5.7	6.7	7.5	22.0	28.7	29.1	33.2	30.9	30.5	229.1
Haiti	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.4
St. Kitts & Nevis	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2
St. Lucia	2.7	1.7	1.1	2.1	2.1	1.1	0.4	0.1	0.0	0.1	0.0	0.1	0.3	11.8
St. Vin. & Grens.	0.8	1.2	1.4	1.0	0.8	0.9	1.3	2.4	2.0	2.0	1.8	2.2	1.8	19.68
Suriname	0.0	0.2	0.1	0.0	0.1	0.0	2.8	9.5	7.6	8.1	6.7	7.1	8.5	50.8
Trin. & Tobago	53.8	43.8	32.6	79.7	121.9	203.4	242.8	245.4	229.9	288.4	319.5	358.0	292.4	2,511.6
<b>Total</b>	<b>88.6</b>	<b>67.8</b>	<b>67.4</b>	<b>115.8</b>	<b>153.0</b>	<b>239.9</b>	<b>288.6</b>	<b>318.1</b>	<b>311.1</b>	<b>368.2</b>	<b>401.4</b>	<b>433.9</b>	<b>366.3</b>	<b>3,220.2</b>

Source: IDB Integration & Regional Programs Department using UN-COMTRADE for all years except 2001 (IMF).

**TABLE 5**  
**JAMAICA: COMPOSITION OF EXPORTS BY SECTOR AND DESTINATION (1990-2000, 2002)**

World													Market Share (%)															
(US\$ mn)																												
Product	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	90-02	90-96	96-02	
Ag Raw Mat's	4	3	3	3	5	4	3	3	3	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0.3	0.3	0.2	
Food	216	238	242	269	252	308	326	324	310	292	288	250	19	21	23	25	21	22	23	23	24	24	22	23	22.4	21.9	23.1	
Fuels	17	11	10	7	6	8	6	3	3	4	4	29	1	1	1	1	0	1	0	0	0	0	0	3	0.7	0.8	0.6	
Ores & Metals	734	659	564	530	611	704	690	736	688	689	744	714	64	57	54	49	50	49	50	53	52	56	57	65	54.5	53.2	55.0	
Manuf Goods	174	239	230	267	337	400	362	319	313	252	270	109	15	21	22	25	28	28	26	23	24	20	21	10	22.1	23.8	21.0	
Goods n.e.s	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0	
Total	1,143	1,151	1,050	1,075	1,211	1,424	1,387	1,386	1,316	1,239	1,308	1,104																

USA													Market Share (%)															
(US\$ mn)																												
Product	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	90-02	90-96	96-02	
Ag Raw Mat's	3	2	2	2	2	2	2	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0.4	0.5	0.3	
Food	48	46	49	59	53	64	74	77	97	79	70	67	14	13	12	14	12	12	14	17	19	17	14	21	14.9	13.2	16.6	
Fuels	3	4	2	0	1	0	2	1	2	2	4	21	1	1	0	0	0	0	0	0	0	0	1	7	0.8	0.4	1.1	
Ores & Metals	187	182	166	149	111	129	136	113	156	167	226	156	55	53	42	35	25	25	26	24	30	36	44	50	35.8	35.6	34.2	
Manuf Goods	99	110	173	213	273	330	301	271	268	213	211	68	29	32	44	50	62	63	58	58	51	46	41	22	48.2	50.3	47.8	
Goods n.e.s	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0	
Total	341	344	391	424	441	526	514	464	524	463	512	313																

Canada													Market Share (%)															
(US\$ mn)																												
Product	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	90-02	90-96	96-02	
Ag Raw Mat's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0.2	0.1	
Food	8	8	9	10	11	14	14	15	15	17	16	14	6	7	7	9	8	9	9	8	10	12	12	9	8.8	7.9	9.7	
Fuels	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0	
Ores & Metals	118	106	107	96	134	138	149	179	135	118	117	142	91	89	90	89	92	90	91	92	89	87	88	91	90.0	90.4	89.8	
Manuf Goods	3	5	3	2	1	1	0	1	1	1	1	1	2	4	3	1	1	0	0	0	1	0	0	0	1.0	1.5	0.4	
Goods n.e.s	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0	
Total	129	119	120	107	147	153	164	195	151	136	134	157																

CARICOM													Market Share (%)															
(US\$ mn)																												
Product	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	90-02	90-96	96-02	
Ag Raw Mat's	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	1	0	0	0	0.3	0.3	0.2	
Food	18	21	20	20	18	18	18	17	18	19	21	22	24	30	31	32	29	29	31	34	39	41	41	43	32.9	29.3	38.1	
Fuels	10	6	6	5	3	6	3	3	1	0	0	3	14	8	10	7	5	9	6	6	3	1	0	6	6.7	8.7	3.6	
Ores & Metals	2	1	2	3	1	2	1	1	1	1	1	1	3	1	3	5	2	3	1	2	2	3	2	1	2.4	2.7	1.8	
Manuf Goods	45	41	36	34	38	36	35	28	26	25	29	26	59	60	57	55	62	59	62	58	56	56	57	50	57.6	59.0	56.2	
Goods n.e.s	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0	
Total	75	68	64	62	62	62	57	49	46	45	52	52																

Note: Sector Composition based on SITC Revision 2 aggregates, where Food is SITC 0+1+22+4, Agricultural Raw Materials is SITC 2-22-27-28, Ores & Metals is SITC 27+28+68, Fuels is SITC 3, Manufactured Goods is SITC 5+6-68+7+8, and Goods not elsewhere specified is SITC 9.

TABLE 5 (continued)

Latin America (US\$ mn)													Market Share (%)														
Product	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	90-02	90-96	96-02
Ag Raw Mat's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	2	1	0	0	0.3	0.0	0.8	
Food	1	1	2	5	6	6	6	7	7	7	11	10	5	6	15	29	15	22	35	34	46	46	47	58	27.8	17.2	44.2
Fuels	1	0	1	0	0	0	0	0	0	1	0	0	3	1	6	3	1	1	0	0	0	9	0	0	1.7	1.8	1.4
Ores & Metals	13	13	2	6	25	11	1	2	1	1	2	0	58	58	17	36	66	38	9	9	5	5	9	3	31.2	45.7	6.9
Manuf Goods	7	8	8	5	7	11	9	11	7	6	10	7	33	35	62	31	18	38	56	56	46	40	43	39	38.9	35.3	46.8
Goods n.e.s	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Total	22	22	13	16	38	28	17	20	15	16	24	17															

EU (US\$ mn)													Market Share (%)														
Product	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	90-02	90-96	96-02
Ag Raw Mat's	0	1	0	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0.2	0.2	0.2
Food	126	147	142	146	139	167	175	169	149	139	131	99	39	36	53	53	46	41	41	41	41	38	33	29	40.3	43.1	37.3
Fuels	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Ores & Metals	181	189	119	124	153	226	243	234	208	228	248	234	56	46	44	45	51	55	56	57	57	61	63	70	55.5	51.0	60.4
Manuf Goods	14	71	7	7	9	14	14	4	9	3	15	3	4	17	3	3	3	3	3	1	2	1	4	1	4.0	5.6	2.1
Goods n.e.s	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Total	321	407	269	278	303	409	433	408	366	371	396	337															

FTAA (US\$ mn)													Market Share (%)														
Product	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	90-02	90-96	96-02
Ag Raw Mat's	3	3	3	2	3	2	2	2	2	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0.3	0.4	0.2
Food	75	76	79	93	88	102	111	115	137	122	118	113	13	14	13	15	13	13	15	16	19	18	16	21	15.6	13.8	17.3
Fuels	15	10	8	6	5	7	6	3	3	4	4	24	3	2	1	1	1	1	0	0	1	1	4	1.2	1.2	1.1	
Ores & Metals	320	302	278	254	272	279	287	296	293	287	347	299	56	54	47	42	40	36	38	41	40	44	48	56	44.4	44.0	43.8
Manuf Goods	154	163	220	254	319	378	345	311	301	245	251	101	27	29	37	42	46	49	46	43	41	37	35	19	38.5	40.5	37.6
Goods n.e.s	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Total	567	554	587	609	687	768	751	728	736	660	721	539															

Rest of World (US\$ mn)													Market Share (%)														
Product	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	90-02	90-96	96-02
Ag Raw Mat's	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0.1	0.1
Food	15	14	22	29	24	39	39	40	24	31	39	39	6	8	11	15	11	16	19	16	11	15	20	17	13.7	12.2	16.3
Fuels	2	1	2	1	1	1	0	0	0	0	0	5	1	1	1	1	0	0	0	0	0	0	2	0.5	0.6	0.4	
Ores & Metals	232	169	168	152	186	198	160	207	187	174	149	181	91	89	86	81	84	80	79	83	87	83	78	79	83.4	84.4	81.5
Manuf Goods	6	5	3	6	9	8	4	3	3	4	3	4	2	3	2	3	4	3	2	1	1	2	2	2	2.2	2.7	1.6
Goods n.e.s	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Total	255	190	194	188	221	247	203	251	214	209	190	229															

Source: IDB Integration &amp; Regional Programs Department using UN-COMTRADE.

**TABLE 6**  
**JAMAICA: COMPOSITION OF IMPORTS BY SECTOR AND ORIGIN (1990-2000, 2002)**

World													Market Share (%)															
(US\$ mn)																												
Product	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	90-02	90-96	96-02	
Ag Raw Mat's	24	32	29	41	43	45	45	52	45	47	48	51	1	2	2	2	2	2	2	2	1	2	2	1	1.6	1.7	1.5	
Food	290	263	262	307	311	398	426	521	545	508	493	537	15	14	15	14	14	14	15	17	18	17	15	15	15.5	14.5	16.2	
Fuels	380	327	317	344	330	351	445	409	292	381	587	629	20	18	18	16	15	13	15	13	10	13	18	18	15.3	16.0	14.7	
Ores & Metals	20	19	21	24	19	24	23	22	21	20	18	21	1	1	1	1	1	1	1	1	1	1	1	1	0.8	1.0	0.7	
Manuf Goods	1,171	1,168	1,116	1,419	1,470	1,873	1,898	2,029	1,998	1,853	1,955	2,243	61	64	63	65	66	68	65	65	67	64	61	63	64.4	64.8	64.2	
Goods n.e.s	34	20	28	54	48	82	80	80	85	94	90	61	2	1	2	2	2	3	3	3	3	3	3	2	2.4	2.2	2.6	
Total	1,919	1,828	1,774	2,189	2,221	2,773	2,916	3,113	2,985	2,904	3,192	3,543																

USA													Market Share (%)															
(US\$ mn)																												
Product	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	90-02	90-96	96-02	
Ag Raw Mat's	17	27	24	34	36	39	37	47	40	40	39	29	2	3	2	3	3	3	2	3	3	3	3	2	2.6	2.6	2.6	
Food	148	152	150	160	161	199	232	254	266	244	232	224	16	16	16	15	13	14	15	17	17	17	16	15	15.6	14.9	16.3	
Fuels	173	128	108	120	124	109	148	127	96	96	133	170	18	14	11	11	10	8	10	8	6	7	9	11	9.9	11.3	8.6	
Ores & Metals	6	9	8	8	6	8	9	8	8	8	7	10	1	1	1	1	1	1	1	1	1	1	1	1	0.6	0.7	0.6	
Manuf Goods	599	632	663	778	867	1,051	1,100	1,062	1,124	1,009	1,039	1,089	64	67	70	71	73	75	72	71	73	72	72	71	71.2	70.5	71.9	
Goods n.e.s	0	0	0	0	1	1	1	1	1	1	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0.0	0.1	
Total	942	948	953	1,100	1,196	1,406	1,526	1,499	1,534	1,399	1,451	1,526																

Canada													Market Share (%)															
(US\$ mn)																												
Product	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	90-02	90-96	96-02	
Ag Raw Mat's	1	0	0	0	1	1	1	1	1	1	1	2	1	1	0	0	1	1	1	1	1	1	1	2	0.9	0.8	1.1	
Food	27	25	25	29	22	25	28	39	39	41	32	35	22	33	34	33	27	25	31	41	44	43	33	31	32.7	28.6	37.0	
Fuels	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0.3	0.2	0.3	
Ores & Metals	2	0	0	1	1	1	1	3	1	1	2	1	2	0	1	1	1	2	1	3	1	1	2	1	1.3	1.2	1.5	
Manuf Goods	91	50	49	59	58	71	58	51	49	53	62	74	75	66	65	66	72	71	66	54	54	55	64	66	64.7	69.3	59.9	
Goods n.e.s	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0.0	0.1	
Total	121	76	75	89	81	99	88	94	90	97	98	113																

CARICOM													Market Share (%)															
(US\$ mn)																												
Product	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	90-02	90-96	96-02	
Ag Raw Mat's	1	1	0	0	1	1	1	1	1	0	1	0	1	1	1	0	0	0	0	0	0	0	0	0	0.3	0.5	0.2	
Food	38	21	27	28	41	54	52	85	106	93	98	103	42	31	39	24	27	23	18	27	34	25	25	28	26.8	25.6	26.2	
Fuels	4	3	1	34	57	121	170	160	122	188	219	183	4	5	1	29	37	50	59	50	39	51	55	50	45.3	38.2	50.8	
Ores & Metals	0	0	0	0	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0.3	0.3	0.3	
Manuf Goods	46	42	40	53	54	64	64	72	82	85	82	80	52	63	59	46	35	27	22	23	26	23	21	22	27.4	35.5	22.6	
Goods n.e.s	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0	
Total	89	68	67	116	153	240	289	318	311	368	401	366																

Note: Sector Composition based on SITC Revision 2 aggregates, where Food is SITC 0+1+22+4, Agricultural Raw Materials is SITC 2-22-27-28, Ores & Metals is SITC 27+28+68, Fuels is SITC 3, Manufactured Goods is SITC 5+6-68+7+8, and Goods not elsewhere specified is SITC 9.



TABLE 6 (continued)

Latin America (US\$ mn)													Market Share (%)															
Product	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	90-02	90-96	96-02	
Ag Raw Mat's	2	1	1	3	2	1	2	2	2	4	6	19	1	1	1	2	1	1	1	1	1	1	1	3	1.3	0.7	1.7	
Food	15	12	10	15	20	26	29	41	43	40	38	62	5	6	4	7	10	12	11	16	18	14	9	11	10.3	7.8	12.4	
Fuels	180	141	166	141	116	99	111	104	69	79	227	244	62	72	71	63	55	44	44	40	29	28	51	43	49.1	58.6	40.9	
Ores & Metals	1	1	2	1	3	2	2	0	1	1	2	3	0	0	1	1	2	1	1	0	1	0	0	0	0.6	0.7	0.4	
Manuf Goods	92	42	54	62	69	95	109	112	126	157	166	236	32	22	23	28	33	42	43	43	52	56	38	42	38.6	32.1	44.4	
Goods n.e.s	0	0	0	0	0	0	0	0	0	0	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0.0	0.2	
Total	290	196	233	223	210	223	253	259	241	281	440	565																
EU (US\$ mn)													Market Share (%)															
Product	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	90-02	90-96	96-02	
Ag Raw Mat's	2	1	1	1	1	1	1	0	1	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0.3	0.4	0.2
Food	25	25	20	26	29	43	45	45	42	35	45	51	12	10	11	13	14	14	14	11	15	15	17	12	13.2	12.7	13.7	
Fuels	1	1	1	1	3	3	7	2	1	1	3	31	1	0	0	0	1	1	2	1	0	0	1	8	1.7	1.1	2.4	
Ores & Metals	8	8	8	10	6	9	6	7	5	4	4	4	4	3	4	5	3	3	2	2	2	2	1	1	2.4	3.3	1.5	
Manuf Goods	178	221	147	166	172	241	267	345	236	191	214	324	82	86	84	81	81	81	82	86	83	82	80	79	82.3	82.4	82.1	
Goods n.e.s	1	0	0	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0.1	0.2	0.1	
Total	216	256	175	204	212	297	326	399	285	232	266	411																
FTAA (US\$ mn)													Market Share (%)															
Product	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	90-02	90-96	96-02	
Ag Raw Mat's	20	29	26	38	39	42	41	50	43	45	47	50	1	2	2	2	2	2	2	2	2	2	2	2	2.1	2.1	2.0	
Food	227	210	212	233	243	304	341	419	454	419	401	424	16	16	16	15	15	15	16	19	21	20	17	17	17.0	15.6	18.1	
Fuels	357	272	275	295	298	329	430	392	287	364	579	597	25	21	21	19	18	17	20	18	13	17	24	23	19.6	19.9	19.5	
Ores & Metals	10	9	11	11	11	12	13	13	11	11	12	15	1	1	1	1	1	1	1	1	1	1	0	1	0.6	0.7	0.5	
Manuf Goods	828	767	806	951	1,048	1,280	1,331	1,297	1,380	1,304	1,349	1,479	57	60	61	62	64	65	62	60	63	61	56	58	60.6	61.8	59.8	
Goods n.e.s	0	0	0	0	1	1	1	1	1	1	3	5	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0.0	0.1	
Total	1,442	1,288	1,329	1,528	1,640	1,968	2,156	2,171	2,176	2,145	2,391	2,570																
Rest of World (US\$ mn)													Market Share (%)															
Product	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002	90-02	90-96	96-02	
Ag Raw Mat's	2	2	3	3	3	2	3	2	1	1	1	1	1	1	1	1	0	1	0	0	0	0	0	0	0.4	0.7	0.3	
Food	38	28	31	48	38	51	40	57	48	54	48	62	14	10	12	11	10	10	9	11	9	10	9	11	10.3	10.6	9.9	
Fuels	22	54	42	49	29	19	8	15	4	16	5	1	8	19	15	11	8	4	2	3	1	3	1	0	5.0	8.6	1.6	
Ores & Metals	2	2	3	3	2	3	3	3	5	5	2	3	1	1	1	1	1	1	1	0	1	1	0	0	0.7	0.7	0.7	
Manuf Goods	165	180	163	302	250	353	300	387	382	358	391	440	63	63	61	66	68	69	69	71	73	68	73	78	69.6	66.3	72.3	
Goods n.e.s	33	19	28	52	47	81	80	79	84	93	87	56	13	7	10	11	13	16	18	15	16	18	16	10	14.0	13.2	15.3	
Total	261	285	270	457	369	508	434	543	524	527	535	562																

Source: IDB Integration &amp; Regional Programs Department using UN-COMTRADE.

**TABLE 7**  
**JAMAICA: TOP 20 EXPORTS BY DESTINATION**  
1990-1992 & 1999-2002

World		1990-1992			US\$			Acc			World		1999-2002			US\$			Acc					
Code	Product	mn	Share	Share	Code	Product	mn	Share	Share	Code	Product	mn	Share	Share	Code	Product	mn	Share	Share	Code	Product	mn	Share	Share
28732	Alumina (aluminium oxide)	1,639	49%	49%	28732	Alumina (aluminium oxide)	1,923	53%	53%	28731	Aluminium ores and concentrates	305	9%	58%	0611	Sugars, beet and cane, raw, solid	240	7%	65%	28731	Aluminium ores and concentrates	207	6%	65%
0611	Sugars, beet and cane, raw, solid	240	7%	65%	0573	Bananas, fresh or dried	120	4%	69%	84631	Panty hose (tights), knitted, of synt	185	5%	70%	84629	Other under garments, knitted, of cot	104	3%	72%	84629	Other under garments, knitted, of cot	100	3%	72%
0573	Bananas, fresh or dried	120	4%	69%	7923*	Aircraft not exceeding an unladen w	65	2%	74%	11249	Spirits and distilled alcoholic bev	64	2%	76%	51216	Ethyl alcohol (ethanol) or neutral s	96	3%	75%	11249	Spirits and distilled alcoholic bev	96	3%	75%
84629	Other under garments, knitted, of cot	104	3%	72%	11249	Spirits and distilled alcoholic bev	64	2%	76%	07111	Coffee, not roasted; coffee husks and	44	1%	77%	07111	Coffee, not roasted; coffee husks and	88	2%	80%	07111	Coffee, not roasted; coffee husks and	88	2%	80%
7923*	Aircraft not exceeding an unladen w	65	2%	74%	84631	Panty hose (tights), knitted, of synt	185	5%	70%	0573	Bananas, fresh or dried	70	2%	82%	0573	Bananas, fresh or dried	70	2%	82%	05481	Manioc, arrowroot, salep, jerusalem ar	48	1%	83%
11249	Spirits and distilled alcoholic bev	64	2%	76%	07111	Coffee, not roasted; coffee husks and	37	1%	78%	05481	Manioc, arrowroot, salep, jerusalem ar	48	1%	83%	1123	Beer made from malt (includ. ale, sto	37	1%	84%	1123	Beer made from malt (includ. ale, sto	37	1%	84%
84631	Panty hose (tights), knitted, of synt	185	5%	70%	05481	Manioc, arrowroot, salep, jerusalem ar	32	1%	79%	84651	Brassieres	28	1%	80%	33451	Lubricating petrol.oils & other hea	20	1%	81%	33451	Lubricating petrol.oils & other hea	29	1%	85%
07111	Coffee, not roasted; coffee husks and	37	1%	78%	84651	Brassieres	28	1%	80%	1123	Beer made from malt (includ. ale, sto	17	1%	81%	1123	Beer made from malt (includ. ale, sto	17	1%	81%	1221	Cigars and cheroots; cigarillos	23	1%	86%
05481	Manioc, arrowroot, salep, jerusalem ar	32	1%	79%	33451	Lubricating petrol.oils & other hea	20	1%	81%	0360	Crustaceans and molluscs, fresh, chil	16	0%	82%	0360	Crustaceans and molluscs, fresh, chil	22	1%	86%	0360	Crustaceans and molluscs, fresh, chil	22	1%	86%
05481	Manioc, arrowroot, salep, jerusalem ar	32	1%	79%	1123	Beer made from malt (includ. ale, sto	17	1%	81%	1221	Cigars and cheroots; cigarillos	14	0%	82%	09809	Food preparations, n.e.s.	21	1%	87%	09809	Food preparations, n.e.s.	21	1%	87%
84651	Brassieres	28	1%	80%	0751	Pepper ; pimento	13	0%	83%	0751	Pepper ; pimento	13	0%	83%	05899	Fruit and nuts, prepared or preserve	20	1%	87%	05899	Fruit and nuts, prepared or preserve	20	1%	87%
33451	Lubricating petrol.oils & other hea	20	1%	81%	71311*	Internal combustion piston engines	13	0%	83%	71311*	Internal combustion piston engines	13	0%	83%	52256	Aluminium hydroxide	19	1%	88%	52256	Aluminium hydroxide	19	1%	88%
1123	Beer made from malt (includ. ale, sto	17	1%	81%	3343	Gas oils	13	0%	83%	3343	Gas oils	13	0%	83%	09804	Sauces; mixed condiments and mixed s	19	1%	88%	09804	Sauces; mixed condiments and mixed s	19	1%	88%
0360	Crustaceans and molluscs, fresh, chil	16	0%	82%	05899	Fruit and nuts, prepared or preserve	12	0%	84%	05899	Fruit and nuts, prepared or preserve	12	0%	84%	7929*	Parts of heading 792--, excl. tyres, e	16	0%	89%	7929*	Parts of heading 792--, excl. tyres, e	16	0%	89%
1221	Cigars and cheroots; cigarillos	14	0%	82%	09809	Food preparations, n.e.s.	12	0%	84%	09809	Food preparations, n.e.s.	12	0%	84%	05798	Other fresh fruit	16	0%	89%	05798	Other fresh fruit	16	0%	89%
0751	Pepper ; pimento	13	0%	83%	Top 20		2,808	84%		Top 20		3,258	89%		Top 20		3,258	89%		Top 20		3,258	89%	
71311*	Internal combustion piston engines	13	0%	83%	Total		3,344			Total		3,651			Total		3,651			Total		3,651		
3343	Gas oils	13	0%	83%																				
05899	Fruit and nuts, prepared or preserve	12	0%	84%																				
09809	Food preparations, n.e.s.	12	0%	84%																				

USA		1990-1992			US\$			Acc			USA		1999-2002			US\$			Acc					
Code	Product	mn	Share	Share	Code	Product	mn	Share	Share	Code	Product	mn	Share	Share	Code	Product	mn	Share	Share	Code	Product	mn	Share	Share
28731	Aluminium ores and concentrates	274	25%	25%	28732	Alumina (aluminium oxide)	334	26%	26%	28732	Alumina (aluminium oxide)	334	26%	26%	28731	Aluminium ores and concentrates	207	16%	42%	28731	Aluminium ores and concentrates	207	16%	42%
28732	Alumina (aluminium oxide)	256	24%	49%	84631	Panty hose (tights), knitted, of synt	185	14%	56%	84631	Panty hose (tights), knitted, of synt	185	14%	56%	84629	Other under garments, knitted, of cot	98	8%	64%	84629	Other under garments, knitted, of cot	98	8%	64%
84629	Other under garments, knitted, of cot	101	9%	59%	84629	Other under garments, knitted, of cot	98	8%	64%	51216	Ethyl alcohol (ethanol) or neutral s	95	7%	71%	51216	Ethyl alcohol (ethanol) or neutral s	95	7%	71%	51216	Ethyl alcohol (ethanol) or neutral s	95	7%	71%
84631	Panty hose (tights), knitted, of synt	44	4%	63%	0611	Sugars, beet and cane, raw, solid	24	2%	67%	1123	Beer made from malt (includ. ale, sto	31	2%	74%	1123	Beer made from malt (includ. ale, sto	31	2%	74%	1123	Beer made from malt (includ. ale, sto	31	2%	74%
84651	Brassieres	28	3%	65%	05481	Manioc, arrowroot, salep, jerusalem ar	18	2%	69%	05481	Manioc, arrowroot, salep, jerusalem ar	29	2%	76%	05481	Manioc, arrowroot, salep, jerusalem ar	29	2%	76%	05481	Manioc, arrowroot, salep, jerusalem ar	29	2%	76%
0611	Sugars, beet and cane, raw, solid	24	2%	67%	11249	Spirits and distilled alcoholic bev	17	2%	71%	33451	Lubricating petrol.oils & other hea	21	2%	78%	33451	Lubricating petrol.oils & other hea	21	2%	78%	33451	Lubricating petrol.oils & other hea	21	2%	78%
05481	Manioc, arrowroot, salep, jerusalem ar	18	2%	69%	1221	Cigars and cheroots; cigarillos	14	1%	72%	0360	Crustaceans and molluscs, fresh, chil	20	2%	79%	0360	Crustaceans and molluscs, fresh, chil	20	2%	79%	0360	Crustaceans and molluscs, fresh, chil	20	2%	79%
11249	Spirits and distilled alcoholic bev	17	2%	71%	84652	Corsets, braces, garters and the like	11	1%	74%	11249	Spirits and distilled alcoholic bev	17	1%	82%	11249	Spirits and distilled alcoholic bev	17	1%	82%	11249	Spirits and distilled alcoholic bev	17	1%	82%
1221	Cigars and cheroots; cigarillos	14	1%	72%	84412	Shirts, men's, of synthetic fibres	11	1%	75%	52256	Aluminium hydroxide	14	1%	83%	52256	Aluminium hydroxide	14	1%	83%	52256	Aluminium hydroxide	14	1%	83%
0360	Crustaceans and molluscs, fresh, chil	13	1%	73%	84599	Other outer garments & clothing of	10	1%	76%	7929*	Parts of heading 792--, excl. tyres, e	13	1%	84%	7929*	Parts of heading 792--, excl. tyres, e	13	1%	84%	7929*	Parts of heading 792--, excl. tyres, e	13	1%	84%
84652	Corsets, braces, garters and the like	11	1%	74%	1123	Beer made from malt (includ. ale, sto	10	1%	77%	05798	Other fresh fruit	12	1%	85%	05798	Other fresh fruit	12	1%	85%	05798	Other fresh fruit	12	1%	85%
84412	Shirts, men's, of synthetic fibres	11	1%	75%	52256	Aluminium hydroxide	6	1%	78%	09804	Sauces; mixed condiments and mixed s	12	1%	86%	09804	Sauces; mixed condiments and mixed s	12	1%	86%	09804	Sauces; mixed condiments and mixed s	12	1%	86%
84599	Other outer garments & clothing of	10	1%	76%	3343	Gas oils	6	1%	78%	84412	Shirts, men's, of synthetic fibres	11	1%	87%	84412	Shirts, men's, of synthetic fibres	11	1%	87%	84412	Shirts, men's, of synthetic fibres	11	1%	87%
1123	Beer made from malt (includ. ale, sto	10	1%	77%	84519	Jerseys, pull-overs, etc. of other fib	5	0%	79%	04841	Bread, ships, biscuits & other ordina	7	1%	87%	04841	Bread, ships, biscuits & other ordina	7	1%	87%	04841	Bread, ships, biscuits & other ordina	7	1%	87%
52256	Aluminium hydroxide	6	1%	78%	07111	Coffee, not roasted; coffee husks and	5	0%	79%	07111	Coffee, not roasted; coffee husks and	7	1%	88%	07111	Coffee, not roasted; coffee husks and	7	1%	88%	07111	Coffee, not roasted; coffee husks and	7	1%	88%
3343	Gas oils	6	1%	78%	29271	Cut flowers & buds for bouquets/orn	5	0%	80%	05899	Fruit and nuts, prepared or preserve	6	0%	88%	05899	Fruit and nuts, prepared or preserve	6	0%	88%	05899	Fruit and nuts, prepared or preserve	6	0%	88%
84519	Jerseys, pull-overs, etc. of other fib	5	0%	79%	71311*	Internal combustion piston engines	5	0%	80%	0240	Cheese and curd	6	0%	89%	0240	Cheese and curd	6	0%	89%	0240	Cheese and curd	6	0%	89%
07111	Coffee, not roasted; coffee husks and	5	0%	79%	Top 20		862	80%		Top 20		1,143	89%		Top 20		1,143	89%		Top 20		1,143	89%	
29271	Cut flowers & buds for bouquets/orn	5	0%	80%	Total		1,077			Total		1,288			Total		1,288			Total		1,288		
71311*	Internal combustion piston engines	5	0%	80%																				

Note: \* identifies Re-exports.

TABLE 7 (continued)

Canada		1990-1992			US\$		Acc	Canada		1999-2002			US\$		Acc
Code	Product	mn	Share	Share	mn	Share	Share	Code	Product	mn	Share	Share	mn	Share	Share
28732	Alumina (aluminium oxide)	331.5	90%	90%	28732	Alumina (aluminium oxide)	377.6	89%	89%						
05481	Manioc, arrowroot, salep, jerusalem ar	5.9	2%	92%	11249	Spirits and distilled alcoholic bev	10.7	3%	91%						
11249	Spirits and distilled alcoholic bev	5.5	1%	93%	05481	Manioc, arrowroot, salep, jerusalem ar	10.4	2%	94%						
05899	Fruit and nuts, prepared or preserve	4.4	1%	94%	05899	Fruit and nuts, prepared or preserve	7.5	2%	95%						
7929*	Parts of heading 792--, excl.tyres, e	1.3	0%	95%	09804	Sauces; mixed condiments and mixed s	2.0	0%	96%						
77883*	Elect.sound & visual signalling app	1.0	0%	95%	05798	Other fresh fruit	1.7	0%	96%						
89972	Brooms and brushes etc.of mat, bound	1.0	0%	95%	05459	Vegetables, fresh or chilled, n.e.s.	1.6	0%	97%						
1123	Beer made from malt (includ. ale, sto	0.9	0%	95%	04841	Bread, ships, biscuits & other ordina	1.2	0%	97%						
09804	Sauces; mixed condiments and mixed s	0.6	0%	96%	05797	Avocados, mangoes, guavas, fresh or dr	1.0	0%	97%						
0751	Pepper; pimento	0.6	0%	96%	04842	Pastry, biscuits, cakes and other fin	1.0	0%	97%						
0240	Cheese and curd	0.5	0%	96%	0360	Crustaceans and molluscs, fresh, chil	0.9	0%	97%						
29271	Cut flowers & buds for bouquets/orn	0.5	0%	96%	1123	Beer made from malt (includ.ale, sto	0.8	0%	98%						
05459	Vegetables, fresh or chilled, n.e.s.	0.5	0%	96%	05659	Veget.prepared/preserved otherwise	0.6	0%	98%						
04841	Bread, ships, biscuits & other ordina	0.5	0%	96%	07528	Thyme, saffron, bay leaves;other spic	0.6	0%	98%						
84412	Shirts, men's, of synthetic fibres	0.4	0%	96%	0751	Pepper; pimento	0.6	0%	98%						
04842	Pastry, biscuits, cakes and other fin	0.4	0%	97%	0343	Fish fillets, fresh or chilled	0.5	0%	98%						
8743*	Instr.non electrical, for measuring,	0.4	0%	97%	0240	Cheese and curd	0.5	0%	98%						
1221	Cigars and cheroots; cigarillos	0.3	0%	97%	11102	Lemonade, flavoured spa waters & fla	0.5	0%	98%						
87453*	Mach.& app.for testing hardness, str	0.3	0%	97%	09809	Food preparations, n.e.s.	0.4	0%	99%						
1223	Tobacco, manufactured (inc. smoking, c	0.3	0%	97%	05451	Onions, shallots, garlic, leeks & alli	0.4	0%	99%						
Top 20		356.9	97%		Top 20		420.5	99%							
Total		368.3			Total		426.2								

CARICOM		1990-1992			US\$		Acc	CARICOM		1999-2002			US\$		Acc
Code	Product	mn	Share	Share	mn	Share	Share	Code	Product	mn	Share	Share	mn	Share	Share
33451	Lubricating petrol.oils & other hea	16.1	8%	8%	09809	Food preparations, n.e.s.	13.5	9%	9%						
6251	Tyres, pneumatic, new, of a kind used	10.1	5%	13%	5114	Sulphon.nitrat./nitrosat.derivativ.	9.3	6%	15%						
09809	Food preparations, n.e.s.	9.4	5%	17%	8931	Art.for the conveyance or packing o	5.9	4%	19%						
0730	Chocolate & other food preptns. con	6.2	3%	20%	11249	Spirits and distilled alcoholic bev	5.7	4%	23%						
54179	Medicaments containing other substa	6.1	3%	23%	0240	Cheese and curd	5.4	4%	27%						
6252	Tyres, pneumat., new, of a kind used o	6.0	3%	26%	53342	Other paints & enamels; varnishes &	3.7	3%	29%						
3343	Gas oils	5.6	3%	29%	52319	Other sulphates (including alums)and	3.2	2%	31%						
11249	Spirits and distilled alcoholic bev	5.3	3%	31%	5542	Organic surface-active agents, n.e.s	3.2	2%	34%						
7731	Insulated, elect. wire, cable, bars, str	5.1	2%	34%	09805	Soups and broths, in liquid, solid or	2.9	2%	35%						
69603*	Razors and razor blades	4.8	2%	36%	33451	Lubricating petrol. oils & other hea	2.8	2%	37%						
5541	Soap; organic surface-active product	4.7	2%	38%	0142	Sausages & the like, of meat, meat of	2.5	2%	39%						
85102	Footwear with outer soles of leathe	4.6	2%	41%	04842	Pastry, biscuits, cakes and other fin	2.5	2%	41%						
89399	Other articles, n.e.s. of mat. of div.	4.5	2%	43%	0730	Chocolate & other food preptns. con	2.5	2%	42%						
1123	Beer made from malt (includ. ale, sto	4.3	2%	45%	1122	Other fermented beverages n.e.s (ci	2.4	2%	44%						
5542	Organic surface-active agents, n.e.s	4.3	2%	47%	7731	Insulated, elect. wire, cable, bars, str	2.4	2%	46%						
0240	Cheese and curd	4.0	2%	49%	89399	Other articles, n.e.s. of mat. of div.	2.3	2%	47%						
8931	Art. for the conveyance or packing o	3.4	2%	50%	54179	Medicaments containing other substa	2.2	1%	49%						
66511	Carboys, bottles, jars, pots, tubular c	3.0	1%	52%	89211*	Printed books, booklets, brochures, le	1.9	1%	50%						
52319	Other sulphates (including alums) and	3.0	1%	53%	09804	Sauces; mixed condiments and mixed s	1.9	1%	51%						
0142	Sausages & the like, of meat, meat of	3.0	1%	55%	5514	Mixtures of two or more odoriferous	1.6	1%	52%						
Top 20		113.6	55%		Top 20		77.8	52%							
Total		207.3			Total		148.7								

Note: \* identifies Re-exports.

TABLE 7 (continued)

LA	1990-1992	US\$		Acc	LA	1999-2002	US\$		Acc
Code	Product	mn	Share	Share	Code	Product	mn	Share	Share
28732	Alumina (aluminium oxide)	27.1	48%	48%	11249	Spirits and distilled alcoholic bev	22.9	40%	40%
71311*	Internal combustion piston engines	6.7	12%	60%	52256	Aluminium hydroxide	4.7	8%	49%
7144*	Reaction engines	6.0	11%	70%	52319	Other sulphates (including alums) and	3.0	5%	54%
11249	Spirits and distilled alcoholic bev	3.0	5%	76%	27323	Gypsum and anhydrite	2.8	5%	59%
7929*	Parts of heading 792--, excl. tyres, e	2.9	5%	81%	59229	Prepared glues, n.e.s.	2.5	4%	63%
71319*	Parts of aircraft engines of 713.11	2.0	4%	84%	1221	Cigars and cheroots; cigarillos	2.5	4%	68%
54179	Medicaments containing other substa	1.1	2%	86%	8931*	Art. for the conveyance or packing o	1.7	3%	71%
52319	Other sulphates (including alums)and	1.0	2%	88%	5114	Sulphon. nitrat. /nitrosat. derivativ.	1.6	3%	74%
08122	Bran, sharps & other residues of oth	0.8	1%	89%	3343	Gas oils	1.4	2%	76%
33451	Lubricating petrol. oils & other hea	0.7	1%	91%	5839	Other polymerization and copolimeri	1.3	2%	78%
3344	Fuel oils, n.e.s.	0.6	1%	92%	74522*	Mach. for cleaning, filling, closing e	0.8	1%	80%
69979	Other articles of iron or steel	0.6	1%	93%	6351*	Wooden packing cases, boxes, crates, d	0.7	1%	81%
27323	Gypsum and anhydrite	0.5	1%	93%	72439*	Sewing mach. needles, furn. for sewin	0.6	1%	82%
3343	Gas oils	0.3	0%	94%	28732	Alumina (aluminium oxide)	0.6	1%	83%
62599	Tyres, n.e.s., tyre cases, interchang.	0.2	0%	94%	08122	Bran, sharps & other residues of oth	0.4	1%	84%
6252	Tyres, pneumat., new, of a kind used o	0.2	0%	95%	66589	Other articles of glass, n.e.s.	0.4	1%	85%
54172	Medicaments contain. hormones but no	0.2	0%	95%	07111	Coffee, not roasted; coffee husks and	0.4	1%	85%
0360	Crustaceans and molluscs, fresh, chil	0.2	0%	95%	89281	Paper and paperboard labels	0.3	1%	86%
69241	Casks, drums, boxes of sheet or plate	0.2	0%	96%	0240	Cheese and curd	0.3	1%	86%
6351	Wooden packing cases, boxes, crates, d	0.2	0%	96%	89399*	Other articles, n.e.s. of mat. of div.	0.3	1%	87%
Top 20		54.4	96%		Top 20		49.3	87%	
Total		56.7			Total		56.8		

EU	1990-1992	US\$		Acc	EU	1999-2002	US\$		Acc
Code	Product	mn	Share	Share	Code	Product	mn	Share	Share
28732	Alumina (aluminium oxide)	488.5	49%	49%	28732	Alumina (aluminium oxide)	709.9	64%	64%
0611	Sugars, beet and cane, raw, solid	216.9	22%	71%	0611	Sugars, beet and cane, raw, solid	219.4	20%	84%
0573	Bananas, fresh or dried	120.2	12%	83%	0573	Bananas, fresh or dried	70.3	6%	91%
7923*	Aircraft not exceeding an unladen w	65.2	7%	89%	11249	Spirits and distilled alcoholic bev	27.1	2%	93%
11249	Spirits and distilled alcoholic bev	20.4	2%	91%	0751	Pepper; pimento	8.2	1%	94%
0721	Cocoa beans, whole or broken, raw or	7.6	1%	92%	05481	Manioc, arrowroot, salep, jerusalem ar	7.4	1%	94%
05481	Manioc, arrowroot, salep, jerusalem ar	7.0	1%	93%	05899	Fruit and nuts, prepared or preserve	5.1	0%	95%
0751	Pepper; pimento	6.8	1%	94%	7849*	Other parts & accessories of motor	4.9	0%	95%
05899	Fruit and nuts, prepared or preserve	6.4	1%	94%	05711	Oranges, fresh or dried	3.9	0%	96%
05711	Oranges, fresh or dried	5.1	1%	95%	7129*	Parts of the power units of 712.6-	3.9	0%	96%
07111	Coffee, not roasted; coffee husks and	5.0	1%	95%	07111	Coffee, not roasted; coffee husks and	3.8	0%	96%
7144*	Reaction engines	4.7	0%	96%	1123	Beer made from malt (includ. ale, sto	2.4	0%	97%
5514	Mixtures of two or more odoriferous	3.1	0%	96%	0343	Fish fillets, fresh or chilled	2.3	0%	97%
05797	Avocados, mangoes, guavas, fresh or dr	2.4	0%	96%	0341	Fish, fresh(live/dead)or chilled, exc	2.2	0%	97%
05712	Mandarins, clementines & citrus hybr	2.3	0%	96%	0721	Cocoa beans, whole or broken, raw or	2.0	0%	97%
1123	Beer made from malt (includ. ale, sto	2.1	0%	97%	09804	Sauces; mixed condiments and mixed s	2.0	0%	97%
7924*	Aircraft exceeding an unladen weigh	2.0	0%	97%	71311*	Internal combustion piston engines	1.9	0%	98%
05798	Other fresh fruit	1.9	0%	97%	7929*	Parts of heading 792--, excl. tyres, e	1.9	0%	98%
05852	Grapefruit juice	1.9	0%	97%	11102	Lemonade, flavoured spa waters & fla	1.7	0%	98%
7929*	Parts of heading 792--, excl. tyres, e	1.6	0%	97%	05797	Avocados, mangoes, guavas, fresh or dr	1.7	0%	98%
Top 20		971.0	97%		Top 20		1,082	98%	
Total		997.3			Total		1,103		

Note: \* identifies Re-exports.

Source: IDB Integration & Regional Programs Department using UN-COMTRADE.

**TABLE 8**  
**JAMAICA: INTERNATIONAL COMPETITIVENESS OF EXPORTS, 1997-2002**

Memo item:

(1) Total number of product groups exported during the period 1997-2002: 169.

(2) Total number of CHAMPIONS: 55, representing 11% of total exports.

Total number of ACHIEVERS IN ADVERSITY: 29, representing 60% of total exports.

Total number of UNDERACHIEVERS: 56, representing 21% of total exports.

Total number of DECLINING SECTORS: 29, representing 8% of total exports.

Code	Product Description	JAM EX Share	World Trade	Category
		AAGR 1997-2002	Growth 1997-2002	
<b>Food and Live Animals</b>				
001	Live animals chiefly for food	-6.2%	0.5%	Underachiever
011	Meat, edible meat offals, fresh, chi	32.3%	0.9%	Champion
014	Meat & edib. offals, prep./pres., fish	16.9%	4.0%	Champion
022	Milk and cream	361.1%	-1.7%	Achiever in Adversity
023	Butter	100.0%	-4.5%	Achiever in Adversity
024	Cheese and curd	5.6%	1.6%	Champion
034	Fish, fresh (live or dead), chilled o	-25.5%	1.8%	Underachiever
035	Fish, dried, salted or in brine ; smo	19.6%	0.1%	Champion
036	Crustaceans and molluscs, fresh, chil	-14.1%	0.7%	Underachiever
037	Fish, crustaceans and molluscs, prepa	28.8%	2.2%	Champion
042	Rice	100.0%	-3.9%	Achiever in Adversity
044	Maize (corn), unmilled	-100.0%	-1.4%	Declining Sector
045	Cereals, unmilled (no wheat, rice, ba	100.0%	-1.4%	Achiever in Adversity
046	Meal and flour of wheat and flour o	346.0%	-11.2%	Achiever in Adversity
047	Other cereal meals and flours	10.6%	1.0%	Champion
048	Cereal prepar. & preps. of flour of	4.3%	4.1%	Champion
054	Vegetab., fresh, chilled, frozen/pres.	-1.4%	2.6%	Underachiever
056	Vegetab., roots & tubers, prepared/pr	-20.4%	1.2%	Underachiever
057	Fruit & nuts (not includ. oil nuts),	-14.7%	0.6%	Underachiever
058	Fruit, preserved, and fruit preparati	12.5%	1.3%	Champion
061	Sugar and honey	-7.9%	-4.1%	Declining Sector
062	Sugar confectionery and other sugar	-11.9%	2.4%	Underachiever
071	Coffee and coffee substitutes	13.5%	-13.0%	Achiever in Adversity
072	Cocoa	-11.6%	2.8%	Underachiever
073	Chocolate & other food preptns. con	-1.6%	2.4%	Underachiever
074	Tea and mate	100.0%	-0.6%	Achiever in Adversity
075	Spices	1.0%	0.8%	Champion
081	Feed. stuff for animals (not incl. un	35.8%	-1.6%	Achiever in Adversity
091	Margarine and shortening	100.0%	0.0%	Achiever in Adversity
098	Edible products and preparations n.	1.5%	3.5%	Champion

TABLE 8 (continued)

Code	Product Description	JAM EX Share	World Trade	Category
		AAGR 1997-2002	Growth 1997-2002	
<b>Beverages and Tobacco</b>				
111	Non alcoholic beverages, n.e.s.	12.9%	8.8%	Champion
112	Alcoholic beverages	3.5%	3.0%	Champion
121	Tobacco, unmanufactured; tobacco ref	-34.4%	-2.9%	Declining Sector
122	Tobacco manufactured	-49.2%	0.3%	Underachiever
<b>Crude Materials except Fuels</b>				
211	Hides and skins (except furskins),	20.2%	-2.8%	Achiever in Adversity
222	Oil seeds and oleaginous fruit, whol	100.0%	-1.1%	Achiever in Adversity
247	Other wood in the rough or roughly	-100.0%	-3.0%	Declining Sector
248	Wood, simply worked, and railway slee	23.4%	-2.5%	Achiever in Adversity
251	Pulp and waste paper	-24.5%	1.1%	Underachiever
263	Cotton	36.6%	-12.2%	Achiever in Adversity
267	Other man-made fibres suitabl. for s	-100.0%	-0.9%	Declining Sector
269	Old clothing and other old textile	-3.3%	1.1%	Underachiever
273	Stone, sand and gravel	-24.7%	-0.7%	Declining Sector
278	Other crude minerals	23.6%	-1.7%	Achiever in Adversity
282	Waste and scrap metal of iron or st	-24.1%	1.5%	Underachiever
287	Ores and concentrates of base metal	1.5%	-1.2%	Achiever in Adversity
288	Non-ferrous base metal waste and sc	1.3%	-2.2%	Achiever in Adversity
291	Crude animal materials, n.e.s.	-100.0%	-2.7%	Declining Sector
292	Crude vegetable materials, n.e.s.	-18.0%	0.5%	Underachiever
<b>Mineral Fuels</b>				
334	Petroleum products, refined	45.9%	4.5%	Champion
335	Residual petroleum products, nes. & r	-17.2%	3.8%	Underachiever
<b>Animal and Vegetable Oils</b>				
411	Animal oils and fats	100.0%	-3.4%	Achiever in Adversity
423	Fixed vegetable oils, soft, crude, ref	38.3%	-3.7%	Achiever in Adversity
424	Other fixed vegetable oils, fluid or	10.1%	1.0%	Champion
431	Animal & vegetable oils and fats, pr	100.0%	1.4%	Champion
<b>Chemicals</b>				
511	Hydrocarbons nes, & their halogen.&	22.7%	2.6%	Champion
512	Alcohols, phenols, phenol-alcohols, &	36.2%	0.0%	Champion
516	Other organic chemicals	-50.0%	1.7%	Underachiever
522	Inorganic chemical elements, oxides	-27.5%	-0.7%	Declining Sector
523	Other inorganic chemicals	7.9%	-0.5%	Achiever in Adversity
531	Synth. org. dyestuffs, etc. nat. indigo	-4.3%	-4.8%	Declining Sector
533	Pigments, paints, varnishes & related	1.7%	3.2%	Champion
541	Medicinal and pharmaceutical produc	-8.4%	15.1%	Underachiever
551	Essential oils, perfume and flavour	-18.4%	4.8%	Underachiever

**TABLE 8 (continued)**

Code	Product Description	JAM EX Share	World Trade	Category
		AAGR 1997-2002	Growth 1997-2002	
<b>Chemicals (continued)</b>				
553	Perfumery, cosmetics and toilet prep	-13.3%	6.5%	Underachiever
554	Soap, cleansing and polishing prepar	-13.7%	4.8%	Underachiever
562	Fertilizers, manufactured	100.0%	-2.2%	Achiever in Adversity
582	Condensation, polycondensation & pol	-29.5%	2.6%	Underachiever
583	Polymerization and copolymerization	73.8%	2.2%	Champion
591	Disinfectants, insecticides, fungicid	12.6%	-0.3%	Achiever in Adversity
592	Starches, inulin & wheat gluten; albu	5.1%	1.7%	Champion
598	Miscellaneous chemical products, n. e	15.0%	3.7%	Champion
<b>Manufactures</b>				
611	Leather	-76.1%	1.1%	Underachiever
612	Manufactures of leather/of composit	-100.0%	-1.4%	Declining Sector
621	Materials of rubber (e.g., pastes, pla	-100.0%	3.0%	Underachiever
625	Rubber tyres, tyre cases, etc. for whe	-49.6%	1.8%	Underachiever
628	Articles of rubber, n.e.s.	3.4%	3.8%	Champion
634	Veneers, plywood, improved or reconst	-5.4%	-1.6%	Declining Sector
635	Wood manufactures, n.e.s.	24.6%	3.4%	Champion
641	Paper and paperboard	-4.9%	1.2%	Underachiever
642	Paper and paperboard, cut to size or	-4.8%	4.2%	Underachiever
652	Cotton fabrics, woven	44.4%	-0.1%	Achiever in Adversity
653	Fabrics, woven, of man-made fibres	-1.4%	-4.7%	Declining Sector
656	Tulle, lace, embroidery, ribbons, & oth	10.9%	2.1%	Champion
657	Special textile fabrics and related	-11.0%	1.2%	Underachiever
658	Made-up articles, wholly/chiefly of	-30.1%	6.2%	Underachiever
659	Floor coverings, etc.	-36.7%	-2.7%	Declining Sector
661	Lime, cement, and fabricated construc	-29.2%	0.0%	Underachiever
662	Clay construct. materials & refracto	122.7%	0.4%	Champion
663	Mineral manufactures, n.e.s	34.8%	1.6%	Champion
664	Glass	10.6%	4.0%	Champion
665	Glassware	-25.5%	1.8%	Underachiever
666	Pottery	-8.4%	-1.4%	Declining Sector
672	Ingots and other primary forms, of i	-100.0%	-1.3%	Declining Sector
673	Iron and steel bars, rods, angles, sha	27.4%	-1.9%	Achiever in Adversity
674	Universals, plates and sheets, of iro	100.0%	-0.7%	Achiever in Adversity
678	Tubes, pipes and fittings, of iron or	100.0%	-1.0%	Achiever in Adversity
679	Iron & steel castings, forgings & st	100.0%	2.1%	Champion
682	Copper	-2.1%	-2.6%	Declining Sector
684	Aluminium	-46.7%	1.3%	Underachiever
686	Zinc	-100.0%	-6.2%	Declining Sector

**TABLE 8 (continued)**

Code	Product Description	JAM EX Share	World Trade	Category
		AAGR 1997-2002	Growth 1997-2002	
<b>Manufactures (continued)</b>				
687	Tin	-3.1%	-3.3%	Declining Sector
691	Structures & parts of struc.; iron, s	0.5%	1.8%	Champion
692	Metal containers for storage and tr	-0.4%	0.4%	Underachiever
693	Wire products and fencing grills	100.0%	-1.0%	Achiever in Adversity
694	Nails, screws, nuts, bolts etc. of iron	-8.3%	2.5%	Underachiever
695	Tools for use in hand or in machine	166.6%	0.8%	Champion
696	Cutlery	-7.1%	3.5%	Underachiever
697	Household equipment of base metal, n	-14.6%	4.8%	Underachiever
699	Manufactures of base metal, n.e.s.	-11.6%	3.5%	Underachiever
<b>Machine and Transport Equipment</b>				
713	Internal combustion piston engines	14.3%	4.3%	Champion
716	Rotating electric plant and parts	-100.0%	4.5%	Underachiever
723	Civil engineering & contractors pla	-100.0%	-0.2%	Declining Sector
724	Textile & leather machinery and par	-14.3%	-3.9%	Declining Sector
725	Paper & pulp mill mach., mach for ma	100.0%	-5.9%	Achiever in Adversity
726	Printing & bookbinding mach. and par	-100.0%	-2.3%	Declining Sector
727	Food processing machines and parts	-100.0%	-3.8%	Declining Sector
728	Mach.& equipment specialized for pa	-57.2%	-1.7%	Declining Sector
737	Metal working machinery and parts	-16.6%	-6.1%	Declining Sector
741	Heating & cooling equipment and par	-47.6%	-0.5%	Declining Sector
742	Pumps for liquids, liq. elevators and	100.0%	1.4%	Champion
743	Pumps & compressors, fans & blowers,	49.4%	3.8%	Champion
744	Mechanical handling equip. and parts	-30.5%	-0.5%	Declining Sector
745	Other non-electrical mach. tools, app	100.0%	0.7%	Champion
749	Non-electric parts and accessories	-53.6%	2.1%	Underachiever
751	Office machines	-100.0%	-6.4%	Declining Sector
752	Automatic data processing machines	17.8%	2.7%	Champion
759	Parts of and accessories suitable f	100.0%	3.7%	Champion
761	Television receivers	100.0%	9.4%	Champion
762	Radio-broadcast receivers	100.0%	0.1%	Champion
763	Gramophones, dictating, sound recorde	-58.5%	9.9%	Underachiever
764	Telecommunications equipment and pa	48.9%	6.5%	Champion
771	Electric power machinery and parts	100.0%	1.3%	Champion
772	Elect. app. such as switches, relays, f	0.2%	3.2%	Champion
773	Equipment for distributing electric	-11.5%	2.0%	Underachiever
775	Household type, elect.& non-electric	52.3%	4.5%	Champion
776	Thermionic, cold & photo-cathode val	100.0%	3.8%	Champion



**TABLE 8 (continued)**

Code	Product Description	JAM EX Share	World Trade	Category
		AAGR 1997-2002	Growth 1997-2002	
<b>Machine and Transport Equipment (continued)</b>				
778	Electrical machinery and apparatus,	28.3%	2.8%	Champion
784	Parts & accessories of 722--, 781--,	32.1%	4.2%	Champion
785	Motorcycles, motor scooters, invalid	100.0%	2.5%	Champion
786	Trailers & other vehicles, not motor	100.0%	4.1%	Champion
792	Aircraft & associated equipment and	100.0%	5.0%	Champion
793	Ships, boats and floating structures	-100.0%	1.3%	Underachiever
<b>Miscellaneous Manufactures</b>				
812	Sanitary, plumbing, heating, lighting	5.3%	4.8%	Champion
821	Furniture and parts thereof	-22.5%	7.4%	Underachiever
831	Travel goods, handbags, brief-cases, p	52.2%	1.9%	Champion
842	Outer garments, men's, of textile fab	-13.7%	0.0%	Declining Sector
843	Outer garments, women's, of textile f	-20.9%	3.2%	Underachiever
844	Under garments of textile fabrics	13.7%	-0.6%	Achiever in Adversity
845	Outer garments and other articles, k	-27.8%	3.8%	Underachiever
846	Under garments, knitted or crocheted	-49.2%	3.9%	Underachiever
847	Clothing accessories of textile fab	-48.9%	2.9%	Underachiever
848	Art.of apparel & clothing accessori	-18.1%	3.0%	Underachiever
851	Footwear	-19.3%	0.8%	Underachiever
872	Medical instruments and appliances	-100.0%	7.8%	Underachiever
874	Measuring, checking, analysing instru	63.9%	2.8%	Champion
881	Photographic apparatus and equipmen	-30.1%	0.6%	Underachiever
882	Photographic & cinematographic supp	-29.2%	-2.0%	Declining Sector
884	Optical goods, n.e.s.	100.0%	4.8%	Champion
885	Watches and clocks	224.1%	-1.6%	Achiever in Adversity
892	Printed matter	-15.3%	1.1%	Underachiever
893	Articles of materials described in	7.1%	4.6%	Champion
894	Baby carriages, toys, games and sport	-15.1%	2.8%	Underachiever
895	Office and stationery supplies, n.e.	-43.9%	1.6%	Underachiever
896	Works of art, collectors pieces & an	-31.3%	5.5%	Underachiever
897	Jewellery, goldsmiths and other art.	92.0%	3.7%	Champion
898	Musical instruments, parts and acces	-3.3%	1.3%	Underachiever
899	Other miscellaneous manufactured ar	-25.9%	6.6%	Underachiever
<b>Commodities (not elsewhere specified)</b>				
951	Armoured fighting vehicles, arms of	100.0%	1.3%	Champion

Source: IDB Integration and Regional Programs Department using UN-COMTRADE, at SITC Rev 2, 3-digit level of aggregation.

**TABLE 9**  
**JAMAICA: GLOBAL RCA VS. USA, LA AND EU**  
1990-1993 to 1999-2002

USA		Share	RCA	RCA	Movement
Code	Product Description	1999-2002	1990-1993	1999-2002	90-93 to 99-02
287	Ores and concentrates of base metal	43.6%	287.0	577.1	Increase
512	Alcohols, phenols, phenol-alcohols,&	7.6%	0.4	70.8	Increase
122	Tobacco manufactured	1.6%	20.4	69.9	Increase
846	Under garments, knitted or crocheted	22.9%	51.9	38.2	Decrease
075	Spices	0.5%	7.8	15.8	Increase
098	Edible products and preparations n.	1.5%	6.3	11.7	Increase
551	Essential oils, perfume and flavour	0.4%	7.0	10.6	Increase
273	Stone, sand and gravel	0.3%	6.8	8.6	Increase
054	Vegetab., fresh, chilled, frozen/pres.	2.6%	7.0	7.5	No Change
061	Sugar and honey	0.4%	14.3	7.2	Decrease
024	Cheese and curd	0.5%	0.9	6.6	Increase
048	Cereal prepar. & preps. of flour of	1.2%	4.8	6.2	Increase
058	Fruit, preserved, and fruit preparati	0.8%	1.7	5.9	Increase
112	Alcoholic beverages	3.9%	3.5	5.8	Increase
036	Crustaceans and molluscs, fresh, chil	1.6%	3.0	5.2	Increase
522	Inorganic chemical elements, oxides	1.1%	2.2	5.0	Increase
057	Fruit & nuts (not includ. oil nuts),	1.4%	1.5	4.7	Increase
111	Non alcoholic beverages, n.e.s.	0.3%	1.6	4.5	Increase
074	Tea and mate	0.0%	0.1	4.1	Increase
844	Under garments of textile fabrics	0.9%	4.1	3.2	Decrease
071	Coffee and coffee substitutes	0.6%	1.5	2.9	Increase
288	Non-ferrous base metal waste and sc	0.2%	1.9	2.5	Increase
211	Hides and skins (except furskins),	0.0%	0.3	2.3	Increase
842	Outer garments, men's, of textile fab	1.2%	3.1	2.0	Decrease
334	Petroleum products, refined	2.1%	0.4	1.7	Increase
847	Clothing accessories of textile fab	0.1%	4.1	1.1	Decrease
282	Waste and scrap metal of iron or st	0.0%	5.4	1.0	Decrease
656	Tulle, lace, embroidery, ribbons, & oth	0.0%	0.0	1.0	Increase
<b>Share of Exports with RCA &gt; 1</b>		<b>97.6%</b>			

EU - 15		Share	RCA	RCA	Movement
Code	Product Description	1999-2002	1990-1993	1999-2002	90-93 to 99-02
287	Ores and concentrates of base metal	65.4%	208.1	336.4	Increase
061	Sugar and honey	20.2%	124.4	149.0	Increase
075	Spices	0.8%	29.0	29.2	No Change
057	Fruit & nuts (not includ. oil nuts),	7.3%	18.4	12.9	Decrease
112	Alcoholic beverages	2.8%	3.9	4.3	Increase
072	Cocoa	0.2%	8.7	2.2	Decrease
058	Fruit,preserved,and fruit preparati	0.6%	3.0	2.0	Decrease
071	Coffee and coffee substitutes	0.4%	1.8	1.8	No Change
054	Vegetab.,fresh,chilled,frozen/pres.	0.7%	1.1	1.6	Increase
111	Non alcoholic beverages,n.e.s.	0.2%	0.1	1.3	Increase
098	Edible products and preparations n.	0.3%	0.3	1.3	Increase
034	Fish,fresh (live or dead),chilled o	0.4%	0.3	1.2	Increase
<b>Share of Exports with RCA &gt; 1</b>		<b>99.2%</b>			

**TABLE 9 (continued)**

Latin America		Share	RCA	RCA	Movement
Code	Product Description	1999-2002	1990-1993	1999-2002	90-93 to 99-02
273	Stone, sand and gravel	5.6%	65.4	173.1	Increase
112	Alcoholic beverages	44.8%	27.0	136.8	Increase
122	Tobacco manufactured	4.8%	0.0	52.4	Increase
522	Inorganic chemical elements, oxides	9.4%	2.3	36.5	Increase
592	Starches, inulin & wheat gluten; albu	5.0%	0.0	24.9	Increase
121	Tobacco, unmanufactured; tobacco ref	1.7%	5.6	17.3	Increase
523	Other inorganic chemicals	6.0%	5.3	16.7	Increase
071	Coffee and coffee substitutes	0.7%	0.0	13.7	Increase
036	Crustaceans and molluscs, fresh, chil	0.4%	11.1	12.6	Increase
665	Glassware	1.0%	0.2	7.0	Increase
024	Cheese and curd	0.6%	0.3	6.6	Increase
511	Hydrocarbons nes,& their halogen.&	3.1%	0.0	6.0	Increase
287	Ores and concentrates of base metal	1.1%	151.4	4.7	Decrease
046	Meal and flour of wheat and flour o	0.2%	0.1	4.6	Increase
553	Perfumery, cosmetics and toilet prep	2.1%	0.1	3.9	Increase
692	Metal containers for storage and tr	0.5%	2.1	3.8	Increase
081	Feed. stuff for animals (not incl. un	1.1%	6.0	2.3	Decrease
075	Spices	0.1%	1.0	2.1	Increase
074	Tea and mate	0.0%	0.0	1.8	Increase
292	Crude vegetable materials, n.e.s.	0.3%	0.0	1.8	Increase
893	Articles of materials described in	3.3%	0.0	1.7	Increase
634	Veneers, plywood, improved or reconst	0.2%	0.0	1.3	Increase
583	Polymerization and copolymerization	2.5%	0.0	1.3	Increase
334	Petroleum products, refined	2.7%	1.9	1.0	Decrease
<b>Share of Exports with RCA &gt; 1</b>		<b>97.2%</b>			

Notes: Products aggregated at the SITC Rev. 2, 3-digit level. Products are ranked in descending order by RCA 1999-2002.

Source: IDB Integration & Regional Programs Department using UN-COMTRADE.

**TABLE 10**  
**JAMAICA: INTRA-REGIONAL RCA VS. CARICOM, 1990-1993 TO 1999-2002**

	CARICOM	Share	RCA	RCA	Movement
Code	Product Description	1999-2002	1990-1993	1999-2002	90-93 to 99-02
687	Tin	0.1%	4.7	25.2	Increase
121	Tobacco, unmanufactured; tobacco ref	0.1%	3.5	24.5	Increase
511	Hydrocarbons nes, & their halogen.	7.4%	2.9	24.5	Increase
024	Cheese and curd	4.2%	6.6	24.1	Increase
072	Cocoa	1.2%	7.0	23.3	Increase
523	Other inorganic chemicals	2.8%	6.6	20.2	Increase
737	Metal working machinery and parts	0.3%	6.7	19.5	Increase
211	Hides and skins (except furskins),	0.0%	1.6	17.2	Increase
551	Essential oils, perfume and flavour	1.4%	5.4	16.5	Increase
851	Footwear	1.3%	5.6	15.2	Increase
011	Meat, edible meat offals, fresh, chi	0.6%	0.5	14.8	Increase
612	Manufactures of leather/of composit	0.0%	2.6	12.7	Increase
074	Tea and mate	0.4%	1.9	11.1	Increase
611	Leather	0.0%	6.7	10.0	Increase
699	Manufactures of base metal, n.e.s.	1.3%	2.6	9.4	Increase
037	Fish, crustaceans and molluscs, prepa	0.1%	1.4	8.9	Increase
592	Starches, inulin & wheat gluten; albu	1.1%	3.0	8.1	Increase
664	Glass	0.2%	1.8	7.6	Increase
012	Meat & edible offals, salted, in brin	0.0%	1.6	6.2	Increase
625	Rubber tyres, tyre cases, etc. for whe	0.0%	5.8	6.2	No Change
098	Edible products and preparations n.	13.9%	2.6	6.1	Increase
847	Clothing accessories of textile fab	0.1%	0.0	5.9	Increase
848	Art. of apparel & clothing accessori	0.2%	0.7	5.8	Increase
073	Chocolate & other food preptns. con	1.9%	3.6	5.5	Increase
273	Stone, sand and gravel	1.0%	3.1	5.4	Increase
025	Eggs and yolks, fresh, dried or other	0.0%	0.0	5.3	Increase
553	Perfumery, cosmetics and toilet prep	5.4%	3.7	4.9	Increase
771	Electric power machinery and parts	0.0%	2.1	4.6	Increase
516	Other organic chemicals	0.0%	0.9	4.4	Increase
278	Other crude minerals	0.8%	4.9	4.3	Decrease
773	Equipment for distributing electric	1.9%	3.2	4.3	Increase
251	Pulp and waste paper	0.0%	0.0	4.1	Increase
522	Inorganic chemical elements, oxides	0.4%	1.6	3.9	Increase
666	Pottery	0.0%	3.3	3.8	Increase
014	Meat & edib. offals, prep./pres., fish	2.0%	2.2	3.7	Increase
071	Coffee and coffee substitutes	0.3%	0.9	3.6	Increase
292	Crude vegetable materials, n.e.s.	0.1%	1.3	3.4	Increase
724	Textile & leather machinery and par	0.0%	0.0	3.3	Increase

**TABLE 10** (continued)

CARICOM		Share	RCA	RCA	Movement
Code	Product Description	1999-2002	1990-1993	1999-2002	90-93 to 99-02
846	Under garments, knitted or crocheted	0.9%	1.0	3.3	Increase
899	Other miscellaneous manufactured ar	0.8%	2.7	3.3	Increase
075	Spices	0.3%	0.1	3.2	Increase
775	Household type, elect. & non-electric	0.0%	0.0	3.1	Increase
684	Aluminium	0.1%	5.6	2.9	Decrease
112	Alcoholic beverages	8.0%	1.6	2.9	Increase
022	Milk and cream	1.0%	1.8	2.7	Increase
598	Miscellaneous chemical products, n.e	0.7%	0.8	2.7	Increase
533	Pigments, paints, varnishes & related	3.3%	0.9	2.7	Increase
893	Articles of materials described in	5.3%	1.7	2.6	Increase
682	Copper	0.0%	0.0	2.5	Increase
697	Household equipment of base metal,n	0.3%	1.0	2.4	Increase
048	Cereal prepar. & preps. of flour of	8.4%	1.0	2.4	Increase
812	Sanitary, plumbing, heating, lighting	0.3%	0.4	1.9	Increase
057	Fruit & nuts(not includ. oil nuts),	1.1%	1.7	1.8	No Change
541	Medicinal and pharmaceutical produc	0.9%	2.3	1.5	Decrease
663	Mineral manufactures, n.e.s	0.3%	0.1	1.4	Increase
843	Outer garments, women's, of textile f	0.4%	0.6	1.4	Increase
898	Musical instruments, parts and acces	0.0%	2.1	1.3	Decrease
821	Furniture and parts thereof	1.0%	2.3	1.1	Decrease
058	Fruit, preserved, and fruit preparati	1.8%	1.0	1.1	Increase
763	Gramophones, dictating, sound recorde	0.0%	0.0	1.1	Increase
842	Outer garments, men's, of textile fab	0.2%	0.4	1.1	Increase
<b>Share of Exports with RCA &gt; 1</b>		<b>85.6%</b>			

Notes: Products aggregated at the SITC Rev. 2, 3-digit level. Products are ranked in descending order by RCA 1999-2002.

Source: IDB Integration & Regional Programs Department using UN-COMTRADE.

**TABLE 11**  
**JAMAICA: GLOBAL AND INTRA-REGIONAL RCA BY DESTINATION**  
1990-1993 to 1999-2002

World	Global				Intra-Regional
	CARICOM	United States	Latin America	EU	CARICOM
<b>Increase in RCA</b>					<b>Increase in RCA</b>
16	33	21	21	7	54
(024, 036, 048, 054, 058, 061, 071, 075, 098, 111, 112, 122, 273, 287, 512, 522)	(014, 022, 024, 046, 048, 057, 071, 074, 075, 098, 111, 112, 122, 273, 278, 511, 523, 533, 551, 592, 598, 611, 612, 642, 663, 664, 687, 692, 737, 812, 843, 844, 848)	(024, 036, 048, 057, 058, 071, 074, 075, 098, 111, 112, 122, 211, 273, 287, 288, 334, 512, 522, 551, 656)	(024, 036, 046, 071, 074, 075, 112, 121, 122, 273, 292, 511, 522, 523, 553, 583, 592, 634, 665, 692, 893)	(034, 054, 061, 098, 111, 112, 287)	(011, 012, 014, 022, 024, 025, 037, 048, 058, 071, 072, 073, 074, 075, 098, 112, 121, 211, 251, 273, 292, 511, 516, 522, 523, 533, 551, 553, 592, 598, 611, 612, 663, 664, 666, 682, 687, 697, 699, 724, 737, 763, 771, 773, 775, 812, 842, 843, 846, 847, 848, 851, 893, 899)
<b>No Change</b>					<b>No Change</b>
0	8	1	0	2	2
	(058,553,591,691, 699,773,893,899)	-54		-71,075	-57,625
<b>Decrease in RCA</b>					<b>Decrease in RCA</b>
5	8	6	3	3	5
(057, 072, 551, 844, 846)	(062, 072, 073, 554, 665, 697, 821, 851)	(061, 282, 842, 844, 846, 847)	-81, 287, 334	-57, 058, 072	-278, 541, 684, 821, 898
<b>Others (no RCA)</b>					<b>Others (no RCA)</b>
177	122	152	95	114	110
of which (9)*	-16	-8	-7	-1	-19

Notes: \* These products had an RCA>1 in the early period (1990-1993) but lost it later on (1999-2002). In our analysis, we define an "increase" in RCA as >10 percent growth in the RCA indicator, a "decrease" as >10 percent decrease, and "no change" as no more than +/- 10 percent movement. See Annex II, Table 8 for product descriptions.

Source: IDB Integration and Regional Programs Department using UN-COMTRADE.

**TABLE 12**  
**JAMAICA: SERVICES EXPORTS BY AREA**  
1990-2002

<b>(US\$ mn)</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
Transportation	176	124	132	143	216	251	223	254	276	300	329	351	369
Passenger	118	89	96	99	127	130	126	159	183	206	244	262	273
Freight	14	9	5	5	13	4	1	6	7	8	7	7	7
Others	44	26	30	38	75	117	96	89	86	86	78	82	89
Travel	751	774	864	945	970	1,069	1,092	1,131	1,197	1,280	1,333	1,232	1,209
Commercial	48	52	65	123	266	248	259	287	270	369	327	288	310
Insurance	14	11	9	10	22	11	6	6	6	6	12	12	15
Financial	...	...	...	...	4	6	7	9	9	11	13	16	22
Telecom	...	...	...	...	167	173	190	212	185	275	209	168	178
Other	35	41	56	114	73	58	55	60	70	77	93	92	95
Government	51	42	44	50	28	30	28	27	28	29	38	30	31
<b>Total Services</b>	<b>1,027</b>	<b>992</b>	<b>1,104</b>	<b>1,261</b>	<b>1,480</b>	<b>1,598</b>	<b>1,602</b>	<b>1,699</b>	<b>1,770</b>	<b>1,978</b>	<b>2,026</b>	<b>1,901</b>	<b>1,920</b>

<b>Shares (%)</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>90-01</b>	<b>90-95</b>	<b>96-01</b>
Transportation	17	13	12	11	15	16	14	15	16	15	16	18	19	15.0	13.9	15.8
Passenger	67	72	73	70	59	52	56	62	66	69	74	75	74	66.3	63.3	68.0
Freight	8	7	4	4	6	1	0	2	3	3	2	2	2	3.1	4.9	2.1
Others	25	21	23	27	35	47	43	35	31	29	24	23	24	30.6	31.8	29.9
Travel	73	78	78	75	66	67	68	67	68	65	66	65	63	68.5	72.0	66.2
Commercial	5	5	6	10	18	16	16	17	15	19	16	15	16	14.1	10.8	16.4
Insurance	28	21	14	8	8	5	2	2	2	2	4	4	5	4.8	9.5	2.7
Financial	...	...	...	...	2	2	3	3	3	3	4	5	7	2.8	...	3.6
Telecom	...	...	...	...	63	70	74	74	68	74	64	58	57	60.7	...	68.9
Other	72	79	86	92	27	23	21	21	26	21	28	32	30	31.7	...	24.9
Government	5	4	4	4	2	2	2	2	2	1	2	2	2	2.3	3.3	1.6
<b>Total Services</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<b>Growth (%)</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>90-01</b>	<b>90-95</b>	<b>96-01</b>
Transportation	...	-29	6	8	51	16	-11	14	9	9	9	7	5	6.5	7.4	9.4
Passenger	...	-24	8	3	28	2	-3	26	15	13	18	7	4	7.5	2.0	15.8
Freight	...	-35	-40	-2	153	-73	-69	473	14	7	-16	6	0	-6.2	-23.7	44.4
Others	...	-41	13	28	99	56	-18	-7	-3	0	-9	5	9	5.8	21.5	-3.2
Travel	...	3	12	9	3	10	2	4	6	7	4	-8	-2	4.6	7.3	2.4
Commercial	...	7	25	90	115	-7	4	11	-6	37	-11	-12	8	17.6	38.7	2.2
Insurance	...	-19	-17	8	121	-48	-43	-6	-2	8	89	-2	29	-1.2	-3.6	13.2
Financial	...	...	...	...	...	30	16	32	7	23	12	25	42	...	...	19.4
Telecom	...	...	...	...	...	4	10	12	-13	49	-24	-20	6	...	...	-2.4
Other	...	18	37	103	-36	-20	-5	8	17	9	21	-1	3	...	...	10.8
Government	...	-18	4	13	-43	7	-9	-2	1	6	29	-21	5	-4.8	-9.9	1.4
<b>Total Services</b>	<b>...</b>	<b>-3</b>	<b>11</b>	<b>14</b>	<b>17</b>	<b>8</b>	<b>0</b>	<b>6</b>	<b>4</b>	<b>12</b>	<b>2</b>	<b>-6</b>	<b>1</b>	<b>5.8</b>	<b>9.3</b>	<b>3.5</b>

<b>Memorandum:</b>													
<b>Services Exports</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
as % of GDP	22.4	24.2	31.2	27.8	32.5	29.7	26.5	24.5	24.6	27.5	27.3	25.1	24.4
as % of Exports	46.3	45.3	49.7	53.3	48.9	47.1	48.2	50.0	52.3	56.9	56.4	56.6	59.5

Source: IDB Integration & Regional Programs Department using IMF-BOPS, WTO [2003] and BOJ [2003].

**TABLE 13**  
**JAMAICA: VISITOR ARRIVALS**  
1995-2003

Number of Persons										AAGR (%)		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	95-00	00-02	02-03
<b>Military</b>	373	0	0	0	2,532	1,464	1,075	807	0	...	...	...
<b>Cruise</b>	605,178	658,178	711,699	673,690	764,341	907,611	840,337	865,419	1,132,308	8.4	-2.4	30.8
<b>Stopover</b>	1,147,001	1,162,449	1,192,194	1,225,287	1,248,397	1,322,690	1,276,516	1,266,366	1,350,284	2.9	-2.2	6.6
<i>of which,</i>												
US	657,521	686,386	721,222	752,400	789,262	863,026	849,454	859,347	904,666	5.6	-0.2	5.3
Canada	96,327	91,677	88,208	100,071	91,075	97,891	101,984	89,570	87,908	0.3	-4.3	-1.9
Europe	190,702	203,089	204,457	208,141	204,031	192,484	174,902	173,412	211,011	0.2	-5.1	21.7
Non-Res Jamaican	128,055	109,352	106,795	97,004	101,262	103,379	89,520	87,283	88,176	-4.2	-8.1	1.0
Others	74,396	71,945	71,512	67,671	62,767	65,910	60,656	56,754	58,523	-2.4	-7.2	3.1
<b>Total</b>	1,752,552	1,820,627	1,903,893	1,898,977	2,015,270	2,231,765	2,117,928	2,132,592	2,482,592	5.0	-2.2	16.4

Shares (%)												
	1995	1996	1997	1998	1999	2000	2001	2002	2003	95-03	95-99	99-03
<b>Military</b>	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.1
<b>Cruise</b>	34.5	36.2	37.4	35.5	37.9	40.7	39.7	40.6	45.6	39.0	36.3	41.1
<b>Stopover</b>	65.4	63.8	62.6	64.5	61.9	59.3	60.3	59.4	54.4	61.0	63.6	58.9
<i>of which,</i>												
US	57.3	59.0	60.5	61.4	63.2	65.2	66.5	67.9	67.0	63.3	60.4	66.0
Canada	8.4	7.9	7.4	8.2	7.3	7.4	8.0	7.1	6.5	7.5	7.8	7.2
Europe	16.6	17.5	17.1	17.0	16.3	14.6	13.7	13.7	15.6	15.7	16.9	14.8
Non-Res Jamaican	11.2	9.4	9.0	7.9	8.1	7.8	7.0	6.9	6.5	8.1	9.1	7.3
Others	6.5	6.2	6.0	5.5	5.0	5.0	4.8	4.5	4.3	5.3	5.8	4.7

Note: AAGR is average annual growth rate.

Source: IDB Integration and Regional Programs Department using Bank of Jamaica data.





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