

written off over a five-year period, starting with 60 per cent in the first year and 10 per cent in each of the following four years.

Value-Added Tax. In 1990, the entire system of indirect taxation was restructured to accommodate adoption of a new broad-based value-added tax. Radical fiscal reform of the country's tax structure has begun, and the emphasis is now on shifting from a system of direct taxation to one that increases the indirect tax burden.

Trade Agreement

1. Trinidad and Tobago is a signatory to the Caribbean Common Market Agreement (CARICOM) which came into effect in 1973. The CARICOM agreement exempts goods originating in a member Caribbean country and having 50 per cent or more local content from customs duty.
2. CARIBCAN is a Canadian program that promotes commonwealth Caribbean trade, investment and industrial cooperation. It also provides commonwealth Caribbean and Canadian business people who wish to take advantage of Caribcan with information regarding requirements governing the importation of goods to Canada, with support for Canadian investment in the Commonwealth Caribbean, and with the names of associations and government agencies in Canada and in the Caribbean region that can assist in promoting trade, investment and industrial cooperation between Canada and the commonwealth Caribbean. Caribcan came into effect in June 1986. Its main feature is the unilateral extension by Canada of preferential duty-free access to the Canadian market for almost all imports from commonwealth Caribbean countries. In brief, Caribcan has created a new and more favourable environment for economic partnership.

Caribcan's basic objectives are to enhance the commonwealth Caribbean's existing trade and export earnings, to improve trade and economic development prospects in the region, to promote new investment opportunities, and encourage enhanced economic integration and cooperation within the region.

Canada has attached no time limit to Caribcan. However, since granting duty-free access to imports from the commonwealth Caribbean conflicts with Canadian obligations under the General Agreement on Trade and Tariffs (GATT), Canada had to obtain the approval of