

## OUTLINE OF THE MAJOR PROVISIONS OF

### CARIBCAN DUTY-FREE TRADE

Canadian foreign policy recognizes a "special relationship" between Canada and the Commonwealth Caribbean, stemming, in the first instance, from trade and commercial ties which pre-date Canada's Confederation and continued to the present day by joint membership in the Commonwealth, shared language, and similar democratic institutions. In recognition of this special relationship, Canada has responded positively to the request of the Commonwealth Caribbean to institute a package of trade, development assistance and double taxation measures to assist them in meeting their economic development goals. The cornerstone of CARIBCAN, as these measures are to be known, is the extension of preferential, one-way duty-free trade to countries of the Commonwealth Caribbean. The following outlines the overall provisions of duty-free trade under CARIBCAN.

1. By mid-1986, duty-free access to the Canadian market will be provided under CARIBCAN for 99.8 p.c. of current Commonwealth Caribbean imports. Imports from Anguilla, Antigua and Barbuda, Bahamas, Bermuda, Barbados, Belize, British Virgin Islands, Cayman Islands, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Christopher-Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, and the Turks and Caicos Islands will be eligible for preferential, duty-free treatment. The dutiable status of current imports from Commonwealth Caribbean countries and the projected dutiable status under CARIBCAN is attached as Annex A.
2. In addition, duty-free access will cover a wide range of goods which may not currently be exported from, or manufactured in, the Commonwealth Caribbean.
3. However, textiles, clothing, footwear, luggage, handbags, leather garments, lubricating oils and methanol will be subject to established rates of duty. Commonwealth Caribbean countries will continue to be eligible for preferential treatment for these products under the General Preferential Tariff or the British Preferential Tariff, where preferential rates exist.
4. In order to qualify for duty-free entry under CARIBCAN, goods must be certified as being, bona fide, the growth or manufacture of the Commonwealth Caribbean - that is, a minimum of 60 per cent of the ex-factory price of exported goods (which includes factory overhead and reasonable profits) must originate in any of the Commonwealth Caribbean countries or in Canada.
5. Canadian and Commonwealth Caribbean officials will be consulting on certain administrative and procedural details with a view to simplifying the customs requirements to the extent possible.