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# CARICOM Single Market & Economy (CSME) Free Movement of Goods Regime



In response to the universal effects of globalization and trade liberalization, Members of the Caribbean Community (CARICOM) embarked on a regime of strengthening their integration processes through the implementation of the CARICOM Single Market and Economy (CSME).

The CSME is an arrangement amongst CARICOM Members for the creation of a single enlarged economic space through the removal of restrictions resulting in the free movement of goods, services, persons, capital, technology and the right of CARICOM Nationals to establish businesses in any participating CARICOM Member State.

Not all CARICOM States are participating Members of the CSME and are therefore not entitled to the arrangements available under the various regimes. Participating Members of the CSME comprise:

- Antigua and Barbuda,
- Barbados,
- Belize,
- Dominica,
- Grenada,
- Guyana,
- Jamaica,
- St. Kitts and Nevis,
- St. Lucia,
- St. Vincent and the Grenadines,
- Suriname and
- Trinidad and Tobago.



The Revised Treaty of Chaguaramas (RTC) establishes the legal basis for the CSME to replace the original treaty establishing the Caribbean Community and the Common Market, signed in 1973. One key objective of the RTC, in accordance with Paragraph 2(a) of Article 78 is the **“full integration of the national markets of Member States of the Community into a single, unified and open market area”**.

## CSME Goods Regime

The CSME continues to be a work in progress, as extensive actions have been taken by participating Member States to establish the legal and institutional arrangements for a functioning Caribbean Single Market (CSM). It is also envisaged that Market arrangements should be supported, with a degree of harmonization of the economic and social policies agreed by Member States.



The CSME is built on five (5) core regimes. When fully operational, the CSME will see an open market without cross-border restrictions, facilitating the free movement of goods, labour, capital and services.

### **The five (5) Core Regimes under the CSME are as follows:**

- Free Movement of Goods
- Free Movement of Services
- Free Movement of Persons
- Right to Establishment
- Free Movement of Capital

### **Free Movement of Goods Regime**

Free movement of goods within the Caribbean has roots in the Caribbean Free Trade Association (CARIFTA) which was established in 1965. CARIFTA was intended to unite the economies of the region and create a joint presence on the international scene. Key among its mandates was the liberalization of trade which required the removal of tariffs and quotas on goods produced and traded within the area.



CARIFTA was essentially a free trade area, where Members agreed to eliminate all barriers to trade on goods produced within the trade area. However, recognizing the disparities among economies within the trade area, special rights were allotted to the least developed Member States within the region. These Members were allowed to maintain quotas on specific goods and provisions, and could impose duties on certain sensitive goods which were produced in the Least Developed Countries (LDCs) of the Region. The LDC Member States comprise Belize and the Members of the Organization of Eastern Caribbean States (OECS). CARIFTA was eventually replaced by the Caribbean Community (CARICOM) and the Common Market in 1974, coming out of the Treaty of Chaguaramas, that was signed a year earlier.

### **Members of the OECS comprise**

- Antigua and Barbuda,
- the Commonwealth of Dominica,
- Grenada,
- Montserrat,
- St. Kitts and Nevis,
- St. Lucia,
- St. Vincent and the Grenadines
- Anguilla and the British Virgin Islands

## CSME Goods Regime

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Though called a Common Market, in effect, the Treaty of Chaguaramas created a customs union, where in addition to eliminating the barriers to trade in goods, a common external trade policy was established amongst its Members. This Common External Tariff (CET), is simply a harmonized schedule of duties that would be applicable to goods produced outside the region, thus offering protection for goods produced within the region.

Under the CSME, Member States are required to remove all tariffs and quantitative restrictions applied to goods originating from other Member States, and implement a CET for goods originating outside Members territories, based on the agreed rules of origin established by the RTC. The Council for Trade and Economic Development (COTED), as authorized by the RTC, can alter or suspend the CET in respect of imports of products subject to such terms and conditions as it may decide. Each Member State is obliged to implement and maintain the CET in accordance with the schedule of rates, and follow the procedures for suspension or alterations as established by the COTED.



The List of Conditional Duties Exemptions is a list of goods and conditions for which duty exemptions can be granted by the respective National Competent Authority, subject to approval by the COTED. These goods when imported for the purposes stated in the List, that is, for use in Industry, Agriculture, Fisheries, Forestry and Mining and for other approved purposes, may be admitted into the importing State free from import duties, or at a rate lower than the rate set out in the schedule of rates.



Likewise, a List of Goods that are ineligible for duty exemption has also been approved by the COTED and comprise of goods which are produced in the Community in adequate supply to satisfy the demand of the Community. The CARICOM CET is WTO compliant and is based on the World Customs Organization (WCO)'s Harmonized Commodity Description and Coding System (HS).

## CSME Goods Regime

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As an additional support mechanism for the free movement of goods throughout the Community, agreed regional standards for the production of goods was established through the Caribbean Regional Organization for Standards and Quality (CROSQ), in February 2002. CROSQ primarily facilitates the free movement of goods through the harmonization of standards to protect the consumer and the environment whilst improving trade within the CSME and with third states (states that are not a part of the Community).



### The Functions of CROSQ include:

- promote the development and harmonization of standards, metrology, technical regulations and the mutual recognition of conformity assessment procedures covering goods and services produced or provided in the Community with the aim of facilitating trade and supporting the establishment of the CSME;
- encourage the mutual recognition of accreditation and certification systems which are based on internationally accepted criteria;
- facilitate the achievement of international competitiveness of regional goods and services by fostering a culture of quality in regional enterprises;
- support standards-infrastructure development at the national level;
- promote consumer welfare and safety;

- contribute to the preservation of the environment and conservation of the natural resources of the Community;
- provide guidance to Community Organs and Bodies regarding matters within its competence, including disputes settlement;
- promote and protect the interests of its Members and Associate Members in regional and international standardizing fora, including external negotiations;
- promote awareness of standards and standards-related matters amongst consumers, and in governments, commerce and industry.

The Bureau of Standards Jamaica is the national standards agency with responsibilities in the areas of :

- Standards Development
- Certification
- Inspection and Testing
- Calibration
- Metrology (science of measurement)

Jamaica is a party to the Revised Treaty of Chaguaramas, and as such, enacted legislation to bring the provisions of the RTC and the CSME Regime into full effect through its implementation into domestic law, which it began in January 2006.

The Ministry of Foreign Affairs and Foreign Trade is the national focal point for the CSME in Jamaica and administers all related matters.

# CSME Goods Regime

## Documents required by Customs to receive preferential access under the CSME Goods Regime:

- A **CARICOM Invoice (C23)** certifying the country of origin of the goods is to be produced to the Customs Agency;  
  
For exports from Jamaica the C23 must be certified by the Trade Board Limited, while for imports to Jamaica should be certified by the designated competent authority in the Member country of export.

- The **Certificate of Origin** should be submitted in original, prior to the arrival of the goods, in order to benefit from the preferential access accorded to participating Member States. The Certificate of Origin should be issued by the Competent Authority in the relevant CSME participating Member State .



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**Country Above Self**

*The International and Industry Liaison Unit is committed to raising the level of awareness on topics relating to the Caribbean Community, as well as issues concerning the wider topic of international trade, to both our internal and external stakeholders. Our monthly newsletter seeks to highlight global trade topics and their importance to Customs Administrations worldwide and specifically how they affect the Jamaica Customs Agency. As we realize our vision of becoming a modern Customs administration delivering excellent service, we recognize the importance of knowledge transfer in delivering our objectives and use this forum as our way of contributing to the vision of the JCA. The International Liaison Unit is located at the Myers Wharf head office and our officers are available to respond to your queries and clarify any points of concern.*

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