

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

L/6102
17 December 1986
Limited Distribution

CARIBCAN

Decision of 28 November 1986¹

Taking note of the request of the Government of Canada for a waiver from its obligations under paragraph 1 of Article 1 of the General Agreement, with respect to the establishment of duty-free treatment to imports of eligible products into Canada from beneficiary Commonwealth Caribbean countries, from 15 June 1986, as provided in Section 24 of the "Customs Tariff, R.S., c.C-41", in accordance with the CARIBCAN initiative (hereinafter referred to as "CARIBCAN");

Bearing in mind the 1979 Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries;

Considering that the objective of granting preferential tariff treatment under CARIBCAN is to enhance the Commonwealth Caribbean's existing trade and export earnings and thereby promote economic development as well as to promote new investment opportunities and encourage enhanced economic integration and cooperation within the region;

Considering also that the duty-free treatment provided under CARIBCAN is designed to promote the expansion of trade and economic development of beneficiaries in a manner consistent with the objectives of the General Agreement and with the trade, financial and development needs of the beneficiaries and not to raise barriers or to create difficulties for the trade of other contracting parties;

Considering, moreover, that the duty-free treatment provided under CARIBCAN should not prejudice the interests of other contracting parties not benefitting from such treatment and that it is expected that the extension of such duty-free treatment will not cause a significant diversion of Canada's imports of products eligible for duty-free treatment under CARIBCAN originating in contracting parties who are not beneficiaries;

Having regard to the assurances that the Government of Canada does not envisage the introduction of any discriminatory non-tariff measure, in pursuance of CARIBCAN, which would adversely affect the trade of contracting parties who are not beneficiary countries;

¹The Decision was adopted by postal ballot. There were 52 votes in favour and none against.

Considering that the duty-free treatment provided under CARIBCAN by the Government of Canada shall not constitute an impediment to the reduction or elimination of tariffs and other restrictions to trade on a most-favoured-nation basis;

Considering, furthermore, that the duty-free treatment provided under CARIBCAN by the Government of Canada shall not adversely affect the maintenance, operation and improvement of the General Preferential Tariff (GPT) of Canada;

Noting, furthermore, the assurances given by the Government of Canada that it will, upon request, promptly enter into consultations with any interested contracting party on matters falling under the provisions of the General Agreement and related to the application of this Decision;

Having regard to the Guiding Principles to be followed in considering applications for waivers adopted on 1 November 1956;

The CONTRACTING PARTIES, acting pursuant to the provisions of paragraph 5 of Article XXV of the General Agreement,

Decide that:

1. Subject to the terms and conditions set out hereunder, the provisions of paragraph 1 of Article I of the General Agreement shall be waived, until 15 June 1998, only to the extent necessary to permit the Government of Canada to provide duty-free treatment to eligible imports of Commonwealth Caribbean countries benefitting from the provisions of CARIBCAN, without being required to extend the same duty-free treatment to like products of any other contracting party.
2. Such duty-free treatment shall be designed not to raise barriers or create undue difficulties for the trade of other contracting parties.
3. The Government of Canada shall promptly notify the CONTRACTING PARTIES of any changes in the legislation covered by this waiver and any trade-related measure taken under CARIBCAN, in particular any modifications in the status of eligible imports and the duty-free treatment thereof, and shall furnish them with all the information they may deem appropriate relating to such action. Pursuant to the provisions of paragraphs 5 and 6, the Canadian Government shall consult with regard to any modifications in the status of eligible products.
4. The Government of Canada agrees that the waiver is granted solely to provide duty-free treatment for imports from beneficiary Commonwealth Caribbean countries and provides no basis for establishing rights of access to its market on the basis of discriminatory non-tariff measures.

5. The Government of Canada will, upon request, promptly enter into consultations with any interested contracting party with respect to any difficulty or matter that may arise as a result of the implementation of the provisions of CARIBCAN covered by this waiver; where a contracting party considers that any benefit accruing to it under the General Agreement may be or is being impaired unduly as a result of such implementation, such consultations shall examine the possibility of action for a satisfactory adjustment of the matter.

6. Any contracting party which considers that the provisions of CARIBCAN are being applied inconsistently with this waiver or that any benefit accruing to it under the General Agreement may be or is being impaired unduly as a result of the implementation of CARIBCAN and that consultations have proved unsatisfactory, may bring the matter before the CONTRACTING PARTIES, which will examine it promptly and will formulate any recommendations that they judge appropriate.

7. The Government of Canada will submit to the CONTRACTING PARTIES an annual report on the implementation of the provisions of CARIBCAN covered by this waiver. The CONTRACTING PARTIES will, two years from the date when this waiver comes into force and, biennially thereafter, review its operation and consider if in the circumstances then prevailing any modifications to or termination of the provisions of the present waiver are required.

8. This waiver shall not preclude the right of affected contracting parties to have recourse to Articles XXII and XXIII of the General Agreement.