

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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PROPOSAL BY TRINIDAD AND TOBAGO

The following communication, dated 11 October 1990, has been received from the Permanent Mission of Trinidad and Tobago.

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1. As a member of the Caribbean Community and Common Market (CARICOM), Trinidad and Tobago shares a common régime of customs tariffs with its Caricom partners. Caricom has just completed a review of its Common External Tariff (CET) and is in the process of further harmonizing it. The overall effect of the exercise will be to simplify the tariff structure and reduce tariff levels.
 2. It will be appreciated that Trinidad and Tobago's membership obligations require that any tariff reductions which it may negotiate in the Uruguay Round would have to subsequently be ratified by the appropriate Caricom body.
 3. The Government of Trinidad and Tobago has embarked upon a structural adjustment programme which, like other programmes of this type, should make the economy more open and competitive. The programme envisages significant changes in the import régime, in particular the dismantling of the negative list and the import licensing system. This will be accomplished in two stages, at the end of 1990 and the end of 1991.
 4. The first stage envisages the replacement of the negative list affecting the non-oil manufacturing sector (with the exception of flour and animal feeds which are products of the state trading company and whose profits are used by Government to cross subsidize small farmers) by tariff based protection. US\$150 million worth of items (in terms of 1986 import value) have so far been removed from the negative list and it is estimated that by the end of 1990 items representing 40 per cent of the manufacturing base in the non-oil sector will have been removed.

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5. The second stage of trade reform will address tariff reform over the medium-term based upon the following principles:

- (i) the achievement of a maximum rate of import charges (i.e. tariffs, stamp duties and any other taxes and charges that discriminate against imports) equivalent to the Caricom Common External Tariff (CET);
- (ii) annual adjustments in protection rates over the three to five year period ending in 1994;
- (iii) reduction in the dispersion of effective protection rates;
- (iv) reduction in the number of tariff bands;
- (v) keeping exemptions from import duties to a minimum.

6. Particular note should be taken of Trinidad and Tobago's commitment to give priority to removing import restrictions on steel; it is expected that this removal will have taken place by the end of this year.

7. In addition, on 1 January 1991, the new Caricom CET will come into effect and Trinidad and Tobago will implement the HS Commodity Classification System, adjusting consumption taxes to minimize the effect of any upward movement in tariff rates that may result. Moreover, Customs Valuation Law and practice based on the Tokyo Round Customs Valuation Code will be adopted as a further contribution to liberalizing trade.

8. Trinidad and Tobago considers that the above package of significant liberalization measures should be considered as Trinidad and Tobago's contribution to the market access negotiations, particularly in light of paragraph 2(c) of the Ministerial Decisions on Tariffs and the recognition that developing countries would not be required to make contributions inconsistent with their development, financial and trade needs.