



## CARIBCAN

### *Decision of 9 May 2023<sup>1</sup>*

The General Council,

*Having regard* to paragraphs 3 and 4 of Article IX of the Marrakesh Agreement Establishing the World Trade Organization (hereinafter "WTO Agreement");

*Conducting* the function of the Ministerial Conference in the interval between meetings pursuant to paragraph 2 of Article IV of the WTO Agreement;

*Taking note* of the request of the Government of Canada for a renewal of the waiver from its obligations under paragraph 1 of Article I of the General Agreement<sup>2</sup> for provision of unilateral duty-free treatment for imports of eligible products originating in beneficiary Caribbean countries as provided for in Section 41 of the Customs Tariff, S.C., 1997 c. 36, in accordance with the CARIBCAN initiative (hereinafter referred to as "CARIBCAN"); such waiver having been initially granted by the CONTRACTING PARTIES of the GATT 1947 on 28 November 1986 for the period from 15 June 1986 until 31 December 1996, renewed by the General Council on 14 October 1996 for a period from 1 January 1997 until 31 December 2006, on 15 December 2006 for a period from 1 January 2007 until 31 December 2011, on 30 November 2011 for a period from 1 January 2012 until 31 December 2013, and on 28 July 2015 until 31 December 2023;

*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 to promote economic development as well as new investment opportunities and encourage enhanced economic integration and co-operation 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 GATT 1994 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 Members;

*Considering*, moreover, that the duty-free treatment provided under CARIBCAN should not prejudice the interests of other Members 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 Members 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 Members who are not beneficiary countries;

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<sup>1</sup> Adopted in accordance with the Decision-Making Procedures under Articles IX and XII of the WTO Agreement agreed by the General Council (WT/L/93).

<sup>2</sup> G/C/W/710.

*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 Members on matters falling under the provisions of the GATT 1994 and related to the applications of this Decision;

*Having regard* to the Guiding Principles to be followed in considering applications for waivers adopted on 1 November 1956, the Understanding in Respect of Waivers of Obligations under the General Agreement on Tariffs and Trade 1994, and paragraphs 3 and 4 of Article IX of the WTO Agreement;

*Decides*, in view of the exceptional circumstances set out above, that:

1. Subject to the terms and conditions set out hereunder, the provisions of paragraph 1 of Article I of the GATT 1994 shall be waived until 31 December 2033, to the extent necessary to permit the Government of Canada to provide duty-free treatment to eligible imports of Commonwealth Caribbean countries benefiting from the provision of CARIBCAN, without being required to extend the same duty-free treatment to like products of any other Member.
  2. Such duty-free treatment shall be designed not to raise barriers or create undue difficulties for the trade of other Members and provides no basis for establishing rights of access to the Canadian market on the basis of discriminatory non-tariff measures.
  3. The Government of Canada will submit to the General Council an annual report on the implementation of the trade-related provisions of CARIBCAN with a view to facilitating the annual review provided for in paragraph 4 of Article IX of the WTO Agreement. The Government of Canada shall promptly notify Members 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.
  4. The Government of Canada will, upon request, promptly enter into consultations with any interested Member with respect to any difficulty or matter that may arise as a result of implementation of the trade-related provisions of CARIBCAN; where a Member considers that any benefit accruing to it under the GATT 1994 may be or is being impaired unduly as a result of such implementation, such consultation shall examine the possibility of action for a satisfactory adjustment of the matter. This Decision does not affect Members' rights.
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