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PRESS RELEASE

Alteration of Import Duties on Condensed Milk Imported into CARICOM

Belmopan. January 11, 2023.

The Government of Belize hereby informs the public and the business community that, as of January 1, 2023, the import duty on condensed milk imported into CARICOM from all non-CARICOM sources was increased to 30%. The recent policy change applies to all CARICOM countries that participate in the CARICOM Single Market, including Belize.

Under the Revised Treaty of Chaguaramas (RTC), which established the CSME, if a particular product (e.g. condensed milk) is being produced in a CARICOM state, then such producer is entitled to protection in the regional market through the CET – i.e. through the application of high protective rates of import duties. In cases where the production capacity can supply up to 75% of the annual total regional consumption of a particular product, then the Council for Trade and Economic Development (COTED), a primary organ of the Community, is empowered to ensure import duty protection by placing the commodity on the List of Commodities Ineligible for Conditional Duty Exemption. This is the standing trade policy under the RTC.

Jamaica has been producing condensed milk for some time and has recently increased production to meet the threshold of 75% of CARICOM's demand. It was in this context that Jamaica requested the full protection of the CET from the COTED. The COTED, approved the placement of condensed milk on the List of Ineligibles (that is, no government can grant import duty exemptions without prior authorization by the COTED), and an increase in the applicable rate of import duty to 30%. The COTED also agreed that the 30% rate of import duty should be implemented with effect from January 1, 2022, by all member states. Belize has delayed

implementation to coincide with introduction of the Revised CET based on the 2022 version of the Harmonized Commodity Description and Coding System, which is the basis of Belize's Customs Tariff Schedule. Therefore, the revised rate of 30% is now in force.

Stakeholders are reminded that Belize is obligated to apply the 30% import duty as a COTED decision, and also relies on this policy to ensure similar protection for its own products, in particular sugar and frozen concentrated orange and grapefruit juices, when exported to CARICOM states. Given Jamaica's ability to supply the CARICOM region with condensed milk on a duty-free basis, the effect on price is anticipated to be negligible.

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