

# **Final Strategy & Project Report**

## **Assessment of Framework and Opportunities for Enhancing Export Trade between Guyana/Suriname and Brasil**

EDF# 1307-005



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Strategic Report: “Assessment of framework and opportunities for enhancing export trade between Guyana, Suriname and Brasil” (Confidential). All errors are the author’s responsibility.

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## EXECUTIVE SUMMARY<sup>1</sup>

1. This report details an immediate (i.e. within two(2) years) set of actions that are geared at addressing the underwhelming performance of Guyana and Suriname based firms in the markets of the Troika (Guyana, Suriname and Brasil are jointly referred to as The Troika). The report details actions that may be feasible for the client to pursue, and others which are more clearly the responsibility of the Governments of Guyana and Suriname.
2. Guyana and Suriname are not adequately exploiting trade opportunities either between themselves, or with Brasil. The Partial Scope Agreements (PSAs) between Brasil and both CARICOM Troika members are not having the desired impact for a number of reasons. The PSAs do not cover most of Guyana and Suriname’s most competitive products. If the 5<sup>th</sup> additional protocol of the Brasil-Guyana PSA is approved, many of Guyana’s key products under this trade assessment, would be covered. Additionally, the elements of the PSA which cover trade regulations, and the operation of the Administrative Committee (AC), appear to have remained untested by the end users. Major infrastructural deficiencies still remain in areas including energy cost and availability and road infrastructure. In a survey administered in this trade assessment, the main obstacles to trade development in the Troika amongst the respondents were lack of trade financing; inadequate access to trade information; and inadequate business matchmaking from the Governments of Guyana and Suriname.
3. There were very few areas of intersection between Brasil’s import demand and the export supply of Guyana and Suriname. The areas of advantage for both Guyana and Suriname are not aligned with Brasil’s top import sectors. Brasil-based firms possess tremendous export capacity in most of the top import sectors for Guyana and Suriname.
4. Additionally, none of CARICOM’s top exports to Brasil in 2012 were covered in the Guyana PSA. Even if the 5<sup>th</sup> additional protocol was approved, the only major CARICOM export to Brasil (in 2012) covered was ethanol. This implies that there are currently limited business possibilities for the other CARICOM Member States to invest in Guyana to benefit from the duty preferences in the PSA with Brasil.
5. Based on market visits and other desk research, the strategic window is perceived as the Olympic Games and the World Cup during 2014 and 2016. It is further felt that the 2014–2016 period can be explored as a market entry period, after which target sector firms can consolidate their positions and seek to grow market share.
6. In a nutshell the proposed goal of the Troika Trade Assessment Plan (T-TAP) is to generate US\$13.5mn in export sales in the following merchandise/goods sectors to the other Troika markets by 2018:
  1. for Guyana
    - i. Sauces and preparations (included in 5<sup>th</sup> protocol)
    - ii. Rum and tafia (already covered in PSA)
    - iii. Pasta (covered in additional 5<sup>th</sup> protocol)

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<sup>1</sup> The Author acknowledges the outstanding support of the following persons: Amb. A. E. Stone Roofe; Amb. Richard Bernal; Ms. Uchenna Gibson; and Ms. Tanya Brown.

- iv. Carton boxes (not covered in PSA or additional 5<sup>th</sup> protocol)
  - v. Medicaments
  - vi. Chewing gum
- 2. for Suriname
  - i. Waters including mineral and aerated, containing sugar or sweetening matter or flavoured (not covered in PSA)
  - ii. Toilet paper (not covered in PSA)
  - iii. Tableware and kitchenware of plastics (not covered in PSA)
  - iv. Beer made from malt (not covered in PSA)
  - v. Disinfectants
  - vi. Mixtures of juices
- 7. It is estimated that Guyana will be in a better position to benefit from the T-TAP based on the geographical access to the Brazilian market and the wider coverage of the PSA. Guyana's target export sales to the Troika market is US\$8.4mn, with Suriname's target export sales US\$5.1mn. Furthermore, if Brasil approves the fifth protocol of the Guyana Brasil PSA, then Guyana based exports of sauces and pasta would be provided duty free treatment in the Brazilian market. Suriname's export targets will moreso be met in the Guyana market than in Brasil. All of Suriname's targeted exports (in the T-TAP) are subject to the Most Favored Nation (MFN) tariffs into Brasil which add significantly to the cost of exporting these items.
- 8. It is recommended that The Client pursue the following elements of a Troika Trade Assessment Plan (T-TAP) within the next 18 months:
  - 1. Planning a T-TAP validation conference for December 2013 inviting the Caribbean Development Bank(CDB), CARICOM Secretariat; Inter American Development Bank (IADB) (including Compete Caribbean); Brasil Development Bank (BNDES); The Brazilian Agricultural Research Corporation (EMBRAPA); APEX Brasil, the Suriname Business Forum (SBF) and the Guyana Private Sector Commission (PSC) to discuss and endorse the T-TAP;
  - 2. establishing a T-TAP Task Force<sup>2</sup> which could be a sub-committee of the Caribbean Export Development Agency (CEDA) Board<sup>3</sup> to immediately pursue the following actions:
    - i. expediting the Market Intelligence and quick response system currently being developed;
    - ii. incorporating the food related T-TAP target sectors (namely sauces; rum; pasta; aerated beverages and beer) into the Caribbean Kitchens programme;
    - iii. assisting in the establishment of a trade desk in the PSC and the SBF to serve as an information and matchmaking centre for firms interested in Troika trade. Both PSOs (i.e. PSC and SBF) will be expected to fund the operational expenses;
    - iv. engaging the CARICOM Regional Organisation for Standards and Quality (CROSQ) concerning *inter alia* digitisation and translation

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<sup>2</sup> Inviting the APEX Brasil and SEBRAE to be part of the T-TAP task Force until 2016.

<sup>3</sup> Schedule 1, item 6 para 17 of the Agreement establishing the Caribbean Export Development Agency indicates that "The Board may from time to time invite representatives from other regional or extra-regional entities as observers to its meetings. These observers shall not have the right to vote."

- (from Portuguese to English and vice versa) of Technical regulations (including labelling rules) in the Troika markets, particularly those impacting the target sectors.
- v. promoting Investment opportunities in the Caribbean Association of Investment promotion Agencies (CAIPA) brochure (through REDIBERO) and exploring where CARICOM firms have interest in opportunities in Brasil. APEX Brasil has indicated an interest in Hydropower and other large scale infrastructure projects;
  - vi. Engaging COPA Airlines ltd to assess willingness to engage in Journalism “fam trips” to Troika members, focussing on the possibilities in the target sectors.
  - vii. Engaging:
    - A business matchmaking consultant (with business experience in Brasil) in both Guyana and Suriname (estimated at US\$100,000)
      - a. to identify forty (40) export ready firms in the target sectors
      - b. connect the export ready firms to qualified distributors for their products in the troika Market;
      - c. to prepare a market development plan for these export ready firms including where appropriate participation in select trade shows/fairs in the Troika markets
      - d. encourage the establishment of a virtual sharing system through Twitter so that firms can share their experiences in the export market quickly;
    - A customs consultant (estimated at US\$75,000) to:
      - a. advise the Governments of Guyana and Suriname on a customs cooperation agreement amongst the Troika markets, including a simplified customs process for the target sectors (similar to the RTU with Brasil and Paraguay);
      - b. examine registration procedures in Brasil (specifically the SISCOMEX<sup>4</sup>; REI<sup>5</sup>; CUIT (i.e. the national tax Identification number); ANVISA<sup>6</sup>; REMESSA<sup>7</sup> and SECEX<sup>8</sup>).
  - viii. The establishment of a trade desk in the Suriname Business Forum and the Private Sector Commission (Guyana) to provide training for export ready firms; trade and market intelligence; and trade show support (including subsidising airfare and accommodation for export ready firms) (estimated at US\$175,000<sup>9</sup>)
  - ix. Initiating a desk exchange programme amongst the SEBRAE; CEDA; the Private Sector Commission and the Suriname Business Forum (with the Suriname Chamber of Commerce as an alternate) (self funded);

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<sup>4</sup> The Brasil integrated foreign trade system

<sup>5</sup> Registry of exporters and Importers

<sup>6</sup> The Brazilian Health surveillance Agency

<sup>7</sup> the system for Computerized Control of Expedited Shipments

<sup>8</sup> The Brazilian secretariat of Foreign trade

<sup>9</sup> The CEDA could consider this trade assessment study as a part of its contribution to the trade desk through providing market intelligence.

- x. Publicising the results of the T-TAP research through *inter alia* the various CEDA newsletters and the National Trade Information Network (N-TIN) program;
  - xi. Engaging the CARICOM Customs Committee to examine differences in customs fees and procedures and the business impact on trade in Guyana and Suriname
  - xii. Encouraging the negotiation of Customs cooperation agreements between Brasil and Guyana and Suriname to improve harmonisation of customs laws and procedures (including land transportation)
  - xiii. Examining a simplified customs clearance structure for Micro-companies (with annual revenues of US\$55,300) in Suriname and Guyana similar to the RTU system for Paraguay<sup>10</sup>, even if just for the 2014 to 2016 period to facilitate world Cup and Olympic Games trade.
3. Encourage a call for proposal (for the 40 firms trained by the business matchmaking consultant in the target sectors) through Caribbean Export for trade promotion events including trade shows in Brasil. Some of the trade shows below could provide a business development platform for exporters from Guyana and Suriname.

TRADE SHOW	DATE
SUFRAMA International Trade Fair (Manaus)	November 27-30
REDIBERO Conference	December 2013
Airport Brasil	December 3-8, 2013
Trade and Investment Conference	June 2014
Bio Brasil Fair/bioFach America latina (organic foods show) (Sao Paulo)	June 2014
Guy Expo (Guyana)	October 2014

Source: [www.tsn.com](http://www.tsn.com). Accessed July 30, 2013

4. Implement the risk mitigation strategy proposed in paragraph 384 (page 86)
9. The Governments of Guyana and Suriname are encouraged to:
    1. negotiate a trade and investment promotion MOU amongst ApexBrasil, SEBRAE; SUFRAMA; GoInvest; The Investment Development Corporation of Suriname (IDCS) and the Suriname Business Forum;
    2. call for meetings of the AC for both Partial Scope Agreements (PSAs) to urgently review the operation of those agreements. These meetings could be held on the margin of the December CARICOM-Brasil proposed summit.

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<sup>10</sup> In February 2012, Brasil implemented a unified taxation regime (RTU) allowing for the simplified customs clearance of certain goods imported from Paraguay by Brazilian microcompanies (with annual revenues up to R\$120,000) and transported by authorized vehicles and drivers. The RTU allows the importation of certain goods coming from Paraguay, by land, through the border of Ciudad Del Este/Foz do Iguaçu, through the unified payment of the taxes and federal contributions under the single rate of 25% besides the ICMS, with the simplified customs shipping. The list of products admitted in the RTU regime contemplates basically the goods in electronic industry, IT, telecommunications and household appliances. May only qualify to perform importation under the RTU regime micro-enterprise (enterprise with annual gross revenue up to R\$ 360.000,0) and the individual micro-entrepreneur – MEI (with annual gross revenue up to R\$ 60.000,00), who opted for the Simples Nacional. Most of the firms interviewed in Guyana and Suriname fell into the size of micro-companies.

3. engage transportation firms such as the Canawaima Ferry Inc and Laparkan Ltd, to assess the best options to support the key sectors of the T-TAP
  4. review infrastructure studies including the IADB Lethem-Linden road; Hydro Power studies and other such studies and assess an immediate prioritisation of these projects for the development of a Medium term action plan that would be circulated to the CEDA;
  5. Develop a medium term plan to address the regulatory hurdles identified in section 5.4 regulatory framework assessment specifically:
    - a. In Guyana: Lack of trade financing mechanisms; and weak Intellectual Property Rights (IPR) frameworks
    - b. In Suriname: No Generic Competition Law; and The perception of onerous price controls.
10. It is proposed that no new structures be established to manage the T-TAP. It is suggested that a T-TAP task force be established with a non renewable lifetime of 18 months.
11. It is also proposed that the T-TAP Task Force be a sub-committee of the CEDA Board, and receive a clear mandate from both the Governments of Guyana and Suriname to coordinate the market development initiative in the 18 months of its life, and then hand over the Task force to a Bi National mechanism, similar to that which exists amongst Guyana, Suriname and Venezuela.
12. The financing of the implementation of the strategy could be explored through
1. Earmarking a segment of the Brazilian inflows in the CDB towards<sup>11</sup>;
    - i. trade financing initiatives (such as a line of credit)
    - ii. trade capacity building initiatives ([see paragraph 351](#))
  2. Linking the T-TAP with the work of the Compete Caribbean growth Forum and the Business Climate Reform Programmes which are active in both Troika Members;
  3. Based on the level of funding (see paragraph 358) granted to APEX Brasil, that agency could also be targeted to fund some elements of the action programme.
13. This assessment did not provide enough information on which a services development initiative could be designed. Additionally, there is the view that the services development elements would be medium to long term in nature which were outside of the scope of the T-TAP<sup>12</sup>. There however were determinations of the services possibilities in the Troika ([see section 4.2 Services trade](#)).

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<sup>11</sup> The CDB indicates that the BNDES has just been making the capital commitment towards becoming a member of the Bank. Suriname is not a member of the CDB, and as such, Guyana is the only eligible member that could receive any funding from the CDB.

<sup>12</sup> Both Guyana and Suriname have anemic Services coalitions which present a tremendous coordination issue for the CEDA in interfacing with the various heterogeneous services cohorts.



## 1.0 INTRODUCTION

14. This Strategic Report is in compliance with Caribbean Export Development Agency (hereafter referred to as “The Client”) contract number EDF1307-005.
15. The consultant is contracted to conduct an “assessment of the opportunities for increased trade and investment between Guyana and Suriname, as well as increased trade and investment between Guyana/Suriname and Brasil and the development of a strategy and plan of action to take advantage of the opportunities identified.”<sup>13</sup>
16. In justifying the need for this project, the TOR notes that

*“ All CARIFORUM States have identified the need for diversifying their export markets away from the traditional centres of Europe and North America. Latin America (in particular South and Central America) has been identified as one which holds potential for CARIFORUM in terms of both expanding trade and diversifying target markets. To that end, the geo-strategic location of Guyana and Suriname on the South American continent with contiguous borders to Brasil is an important one. However, and despite both countries sharing borders with Brasil, the data shows that trade between these countries and Brasil has historically been very limited and under-developed, and largely comprised of relatively few export products mostly of a primary nature. With the emergence of Brasil as an economic power within the Western Hemisphere and its growing importance globally as a trading partner, Caribbean Export, being the region’s export development agency, is therefore interested in examining the opportunities that the Guyana/Suriname-Brasil nexus can play in increasing the volume of trade among the troika and by extension expanding CARIFORUM export trade diversification of export markets.”*

17. This report therefore contains information on the following activities:
  1. Reviewing trade agreements (see section 5.0 Trade agreement review) between Guyana/Suriname and Brasil, both partial scope and fully fledged trading agreements and highlight the key market access opportunities included (see section 6.1.1 Key sectors);
  2. Assessing the trade , legal and regulatory framework currently in place amongst the troika (see sections 3.0 Economic scanning and 5.4 regulatory framework assessment) and making recommendations for improving those as necessary (see section 6.2 t-tap implementation summary) ;
  3. Initiating consultations with key public and private sector representatives to capture some of the challenges related to the development of export trade amongst the troika (see section 2.4 consultations);
  4. Initiating an assessment of the institutional relationships amongst the trade support institutions in the troika (see section 6.2.1 Project Management/Key Institutional relationships); and
  5. Development of a draft strategy to effectively enhance export trade amongst the troika including:

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<sup>13</sup> Consultancy- Trade assessment: “Assessment of Framework and Opportunities for Enhancing Export Trade between Guyana/Suriname and Brasil”. Caribbean Export Development Agency. <http://www.carib-export.com/2013/06/consultancy-trade-assessment/>. Access date June 19, 2013.

- i. An action plan for achieving growth in trade (see section 6.2 t-tap implementation summary)
- ii. Identification of the key sectors which could achieve export growth in trade with Brasil (see section 6.1.1 Key sectors)
- iii. Identification of key institutional relationships between trade support institutions (TSIs) (see section 6.2.1 Project Management/Key Institutional relationships)
- iv. Identification of external and technical support programs to be accessed in implementing this action plan. (see 6.2.2 Financing and technical support)

18. *In navigating this report, a number of hyperlinks can be employed. These hyperlinks are underlined for easy reference and take you to the referred points of the report. You can also use the hyperlinks for “Back to Table of Contents” in italics at the end of each section to return to the “Table of Contents” and navigate to sections of interest from there.*

## 1.1 IMPORTANT ASSUMPTIONS

19. A number of important assumptions are made by the terms of reference with some supporting analysis in section 1.3 of said document. These important assumptions were interrogated in the execution of this project and include:
1. CARIFORUM States need to diversify markets (see 4.1.1 Diversification of trade);
  2. Guyana and Suriname under-exploiting their strategic location with Brasil (see section 4.1.2 Exploitation of Opportunities);
20. The Consultant also interprets the mandate of this project to include trade in services opportunities and the research and consultations have also explored these possibilities with limited success (see section 4.2 Services trade).

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## 2.0 METHODS

21. Analysis was conducted on market concentration and product concentration for Guyana and Suriname using the Herfindahl-Hirshman Index.
22. The Balassa Index of revealed comparative advantage (RCA) was used to identify the goods and services industries in which both Guyana and Suriname have what economists believe is the best chance of global success through specialisation. The Grubel-Lloyd index will also be utilised to identify the degree of specialisation (intra-industry trade-IIT) in the merchandise export trade performance of Guyana and Suriname. The IIT is deemed as an important measure of the success an industry is achieving in carving out a specialised good or service that can compete globally.
23. The Consultant engaged stakeholders through skype/video conference sessions as well as face-face interactions through in market visits.
24. The consultant engaged in market visits starting with Brasil (September 15-18), then Guyana (September 18-21) and then Suriname (September 21-25). The Caribbean Export Development Agency (CEDA) sent a senior Technical Professional to the Brasil Market visit, and an Executive Manager to the CARICOM Market visits.
25. The client assisted with appointments to administer interviews and host focus groups.

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## 2.1 DATA COLLECTION INSTRUMENTS

26. A hybrid of survey instruments as well as focus groups were employed to capture information on the trading experience and services gaps in the trade support network in each market of the troika. (see appendix for details)

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## 2.2 SAMPLING METHODOLOGY

27. The consultant utilised a convenient sampling method.
28. Convenience sampling refers to the non probability process by which a scientist gathers statistical data from the population. This form of selection is done based on the ease of gaining the statistical data. Rather than gathering a more accurate array of data from the population, the researcher simply gathers data from available subjects. This form of data collection works for some areas of study, but researcher bias may result in inaccurate data. As such, a sampling size is not targeted.
29. The Consultant has initiated contact with major associations and industry groups, and through those associations and groups, to host trade focus groups with their membership who have experience or interest in trading with Brasil. There is no

guarantee of random sampling here, and as such, no attempts will be made to extrapolate general inferences about the trade development motivations of the private sector in Guyana, Suriname or Brasil.

30. The consultant attempted to poll the general membership of the Guyana Manufacturers and Services Association, the Suriname Business Forum and the Brazilian Service of Assistance to Micro and Small Enterprises (SEBRAE) utilising the survey instrument in the appendix. Up to the closing date for submission of questionnaires, 8 survey questionnaires were received from Guyana through Go-Invest. No survey responses were received from Suriname, but various field meetings were held with various Suriname-based businesses. The SEBRAE refused to participate in the survey.

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## 2.3 SURVEY RESULTS

31. The respondents were all from Guyana and were facilitated by the Go-Invest.
32. The respondents were mainly employing 10-50 workers and generating between US\$50,000-500,000 in sales annually. Most of the respondents were exporters to Suriname.
33. The main factors impacting the decision to export included access to:
1. market information
  2. trade financing
  3. matchmaking support
34. Respondents were generally unaware of most of the trade support institutions in the Trade support network, outside of their own national institutions. The respondents ranked the trade support institutions that they interacted with as a little above 2 out of 5 for the level of service provided. Respondents generally saw the provision of trade development services as the government’s job, and are not willing to pay for these services.
35. All persons polled support the establishment of a quick response mechanism to address their trade concerns in the Troika markets.

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## 2.4 CONSULTATIONS

36. Initial consultations took place between August to October of 2013 and the schedule of in market consultations are attached in the appendix. After the initial consultations the Client organised a 1 day validation consultation in Paramaribo, Suriname February 28, 2014, to receive further feedback from stakeholders. There was attendance from the three Troika members and the feedback has been incorporated in this report.

37. Based on the consultations to date, there are varying views about what the goal of this project should be. There was general pessimism from the private sector about the relevance of this project particularly against the background of past initiatives to penetrate other Troika markets which have ended in failure for various reasons including mainly underdeveloped infrastructure and contradictory business procedures in the importing and exporting markets.
38. One view emphasises Guyana and Suriname being the new growth troika for CARICOM as South America gains global buoyancy. These constituents are quite positive about the ability to exploit these positive strategic factors (i.e. strengths).
39. The other view converges on the strong possibilities in the lucrative Brazilian market. However, there is little confidence in the Guyana and Suriname private sector's ability to actually exploit these strengths.
40. There was a view that Guyana and Suriname would stand a better chance of success in Brasil as part of a CARICOM market penetration strategy, which would provide broader linkage possibilities and institutional capacity particularly concerning trade financing and export promotion. There were also strong views that CARICOM involvement could dilute the impact on Guyana and Suriname of a programme to promote greater penetration of the Brazilian market.
41. Some persons interviewed indicated that Suriname was a very informal economy with a very low price point for many consumables. There were concerns expressed with the following issues in Suriname's market:
  1. Suriname's announcement of pre-shipment inspections
  2. Difficulty to access regulatory information (specifically labelling standards and food safety standards) and the seemingly ad hoc nature of regulatory information. In one instance, the respondent indicated an example of the price controls in Suriname which were allegedly applicable to products such as toilet paper; peanut butter
  3. The low adherence to quality standards which influences the price point of many items;
42. It was alleged that there were several items that were subject to the parallel trade with Brasil and Guyana including:
  - i. Clay tiles;
  - ii. Coffee;
  - iii. Detergents
  - iv. Consumables
  - v. Motor vehicles
43. There was a view that Suriname was placing priority on penetrating the Guyanese market based on the easier access through the CARICOM treaty, relative to Brasil. Additionally, it was felt that where Suriname exporters would explore other CARICOM markets before seeking to intensify efforts to penetrate the Brazilian market.
44. CARICOM Respondents in Brasil indicated that the Brazilian market was significant. These respondents observed that various CARICOM Member States are currently attempting market penetration strategies. The Jamaican Investment and Trade Promotion Agency, JAMPRO was part of a Jamaican delegation in June 2013

to Brasilia, Sao Paulo and Rio De Janeiro. Another Jamaican mission to Brasil was planned for October to promote Brazilian, and Argentinean investment in the Logistics Hub mega project on Goat Island (Jamaica). There are also plans for a Jamaican conference on Brasil November 22-23, 2013, spearheaded by the Jamaican embassy of Brasilia, and JAMPRO.

45. At the time of the in-market visit in August, a delegation from Barbados was in Brasil. The Suriname authorities did not indicate any market missions planned to Brasil in the near future. As per section 3.4 (caricom-Brasil relations) an increasing number of embassies are being established mainly in The Federal District (Brasilia).
46. Some of the respondents in Brasil indicated that although Brasil is a market with a large growing middle class with a growing import taste, there were many challenges including:
  1. major Non-Tariff Measures in the market particularly standards;
  2. complicated trade documentation processes in Brasil;
  3. industrial action in trade related sectors including the banking sector and customs;
  4. expensive and unclear taxation;
  5. slow and outdated business processes in Brasil.
  6. slow political decision making process which impacts business laws/trade agreements<sup>14</sup>.
47. One view of the respondents is that the markets such as Roraima, Amapa, Manaus and Bahia proffer the best chance of success for Guyana and Suriname for a number of reasons. Guyana and Brasil trade was alleged to be concentrated in Roraima and the Amazonia states. There is the belief that these states perceive themselves as a distinct market than the provinces in the south. The cost of transportation of goods from Santos to these northern Brasil markets is extremely prohibitive and may provide an opportunity for land transportation of Brazilian goods through Guyana and through Suriname if a number of conditions are met
  1. bridges for crossings at the Corantine (Guyana crossing) and Marowijne (French Guiana crossing) rivers;
  2. the Linden to Lethem road is completed<sup>15</sup>
  3. harmonisation of customs procedures between Guyana and Suriname and Customs cooperation between both countries and Brasil
48. It was also felt that the trade arrangements with Europe provide a significant advantage for Guyana and Suriname as the negotiations between Mercusor and the EU seem to have slowed down. Therefore, Brasil could utilise Guyana and Suriname to access the European Market, as well as CARICOM firms utilising these Troika markets to access the UNASOR market.
49. In some instances, respondents indicated that it was necessary to have a CARICOM approach towards penetrating Brasil as a Troika approach centred on Guyana and

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<sup>14</sup> Brasil politically consists of 9 parties, and political decision making is hard.

<sup>15</sup> It was also reported that UNASOR was contemplating a road project to connect the continent, and Guyana and Suriname stand to improve land transport accessibility to Brasil.

Suriname was deemed inadequate to handle the volumes of trade as well as the costs of market entry.

50. A respondent's view was that based on a market visit to Amapa and Belem in July 2013, there was a market for specialty Caribbean products such as
1. Rum
  2. Rice<sup>16</sup>
  3. Coconut products (including from the Coronie area of Suriname)
  4. Cassava Chips;
  5. Pepper sauces;
  6. Fish/seafood products;
  7. Value added forestry products;
  8. Ginger beer; and
  9. Javanese food products
51. Other products of interest included energy products such as petroleum and LNG as well as ammonia and fertilizers. There were also suggestions that the Brazilian Agricultural research Corporation (EMPRAPA) be contacted to assist in promoting mechanised Sugar production, as well as value added banana products.
52. However, it was alleged that Surinamese firms who attempted to establish a distribution centre in Amapa, faced challenges with company registration. Additionally, there was a view that Brazilian products (such as canned pineapples and orange juice) could be exported to CARICOM for use in the hotel sector. The CARICOM Troika markets could provide distribution and logistics for these Brazilian products into the CARICOM tourism sector.
53. There was a view that the supply side constraints were too restricting to provide consistent supply to Brasil from Suriname. It is believed that Suriname's priority was exporting traditional products such as rice and bananas to the European market. Interviewees believed that apart from the traditional export motive to European markets, there are few export ready firms that can exploit new opportunities to the troika markets. Additionally, the respondents asserted that the trade logistics are challenging to penetrate Brasil.
54. The respondents believe that there is a growing brewed products and alcoholic beverages market in Sao Paulo; Rio de Janeiro and Brasilia that CARICOM firms can seek to exploit.
55. One view on tourism indicated that Brasil's tourism spending was US\$20bn and where the tourism expenditure from Northern markets was declining in the respondent's view, it is useful to exploit southern tourism markets such as Brasil.
56. One respondent's view was that the Inter American Development Bank (IADB) and the Brazilian Development Bank (BNDES) should be targeted to fund a Brazilian market entry proposal to develop one (1) industry of importance to Suriname. It was felt that there was a need for a joint Suriname and Brazilian Company who would be

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<sup>16</sup> It was alleged that rice prices in Brasil were too low to make it a viable export product under current conditions. The Venezuela market was seen as more lucrative.

able to approach the BNDES Bank for funding. There was a view that the project proposal should include:

1. familiarisation visits for the media/press into Both Suriname and Brasil.
  2. studies on trade possibilities
  3. tourism development
  4. bio fuels development<sup>17</sup>
57. There was a view that labour laws were strict in Brasil giving unions significant power and contributing to frequent industrial action. Factory establishment was seen as significantly difficult. Large CARICOM transnationals were alleged to be examining the Brazilian market and were facing dense bureaucratic hurdles.
58. Politically, the CARICOM respondents seem to converge on a perceived reduced importance of the CARICOM region to Brasil relative to their African interests. In august 2013, Brasil decided to pardon \$870 million in debt of 12 African countries -- including four that are ruled by authoritarian governments: the Democratic Republic of Congo, Sudan, Gabon and Equatorial Guinea.
59. An interviewee indicated that COPA airlines sponsored 8 Brazilian journalists to Jamaica in August as part of a familiarisation visit, and there were possibilities for other such missions.
60. There is a common view that Brasil's main interest in the CARIFORUM-EU Economic Partnership Agreement (EPA) is through investments in the Dominican Republic, and not necessarily through the other CARIFORUM Markets.
61. It was also explained that there were growing numbers of CARICOM students in Brasil studying medicine, architecture and Business Management mainly in Sao Paulo. Respondents indicated that the Cave Hill Campus of the University of the West Indies (UWI) has been spearheading missions to Brasil. There was not much information on whether the University of Guyana or the Anton de Kom College was involved in educational cooperation programmes in Brasil up to the time of this T-TAP study.
62. An interviewee remarked that the Brazilian authorities have expressed concerns about market access to CARICOM for products of interest specifically beef; coffee and rum. It was alleged that CARICOM Member States have very opaque health and safety requirements, and many requirements which makes compliance costly.
63. There was convergence around the deliverables of this troika assessment including the provision of information that:
1. provides deeper knowledge of Brazilian Non tariff Measures;
  2. promotes matchmaking and greater business linkages amongst troika businesses
  3. facilitates a political decision to see Brasil as a critical export market<sup>18</sup>

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<sup>17</sup> Bio fuels are a priority area for Suriname and Brasil.



64. There is the perception by the Surinamese respondents that Suriname has a competence in bottling and canning and superior power supply and Port facilities relative to Guyana and should be the fulcrum of the T-TAP.
65. Respondents interviewed indicated that the Partial Scope Agreement(PSA) between Guyana and Brasil covers a wide range of products. Rum, a significant export interest from Guyana is reported to be added to the 5<sup>th</sup> additional protocol. It is unsure when the 5<sup>th</sup> additional protocol will be approved. The Government of Guyana has requested a meeting of the administrative Commission which has allegedly not yet been confirmed.
66. A respondent indicated that Brazilian investors are pulling out of Argentina and exploring more business friendly economies. The view being that CARICOM economies can position themselves to attract Brazilian investments.
67. It was also reported that Brazilian airports and Ports are being privatised, which could provide opportunities for some CARICOM enterprises in related industries (e.g. catering). Additionally, there were reports of possibilities to bid on energy contracts from Petrobras, where Brasil is considered as on the verge of being the largest energy producer in the world based on energy deposits discovered in areas including the Santos Basin.
68. It was indicated that Guyana's main technical cooperation activities with Brasil included:
  1. A Pilot project for ethanol
  2. A dry rice project in the savannah to produce rice for Hinterland communities in Guyana
  3. Cane and rice bio fuels market including bagasse
69. The respondents remarked that Guyana has long entertained both an Industrial and commercial zones and there was a view concerning the strong commercial possibilities of such an economic zone in Lethem as an area to attract investments from Brasil as well as CARICOM Investments from larger transnationals.
70. It was also indicated that there were possibilities for Eco-Tourism which remain underexplored.
71. It was explained that The Government of Guyana was engaged in discussions with Brazilian airline TAM. It was also discussed that Guyana was in discussions with the Government of Chile concerning flights with Chilean airline LAN, who are a part owners of TAM airlines.
72. It was reported that the Superintendência da Zona Franca de Manaus (SUFRAMA) is focussed on developing trade between Roraima, Amazonas (Manaus) and Amapa with Guyana and Suriname. The SUFRAMA manages a special economic zone in the North of Brasil and it was reported that this agency is a critical agency for

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<sup>18</sup> It is alleged that in the CARICOM-Brasil summit in December that Trade issues will receive scant regard, and the view is that the results of the Troika assessment should be shopped politically to promote greater importance of these issues in the summit.

engagement in the T-TAP. Respondents from Brasil further indicated that efficiency seeking investments to CARICOM are currently a politically sensitive issue, however, there are private sector elements that are very interested in such possibilities.

73. There is a general view that in terms of logistics and trade costs, trade between northern and southern Brasil is similar to importing from outside Brasil. It was reported that there were not many air transport lines from Sao Paulo to the Northern provinces. In terms of Shipping lines from Santos, respondents indicated that this option is costly and road transportation takes 4-6 days.
74. The respondents from Apex Brasil did not know much about CARICOM, including the Caribbean Export development Agency. Apex Brasil were not aware of the SBF or GO-Invest. It was also suggested that CARICOM Investment Promotion Agencies (IPAs) and the CEDA explore membership of the REDIBERO network of IPAs<sup>19</sup>.
75. Apex Brasil indicated that they have an office in Cuba based on the need to establish linkages with that market before it eventually re-opens to global business. It was reported that Apex Brasil is interested in Construction and furniture in Cuba.
76. Consultations revealed that the Brazilian Machinery Builders Association (ABIMAQ) could be a useful partner for training in industrial and agricultural machinery training and retrofitting. It was alleged that Senegal has received technical training on agricultural equipment servicing from ABIMAQ.
77. There were also reports of a Joint SEBRAE and Guyana Manufacturers and Services Association (GMSA) project in 2009. This project resulted in a three point action plan including:
  1. Tourism/Culture
    - i. Establishing the basis for the integration of tourism for joint tourism marketing of the Amazon region with Linden through the world Cup and the Olympic Games
    - ii. Visiting most of the major tourism destinations in Guyana and Brasil
  2. Agribusiness
    - i. Partnering in the production of tilapia, honey, sugar cane and pepper sauces
  3. Logistics
    - i. Deepening transshipment routes between Guyana and Northern Brasil

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<sup>19</sup> The Latin American Network of Trade Promotion Organizations Foreign REDIBERO, created in Madrid on June 17, 1999, was established as a roving conference for deepening relations of member organizations, the discussion of technical issues of common interest and exchange experiences and successful trade promotion tools. REDIBERO has an annual presidency, voluntary and rotating. The member organization that holds the presidency is responsible for convening and organizing the plenary session of the Web, which is done once a year. Since late 2007, has the valuable REDIBERO technical, financial and operational Integration and Trade Sector of the Inter-American Development Bank.

78. The SEBRAE project envisaged two experts, one Brazilian expert, and a Guyanese project officer who would coordinate the attendance to the Amazonia International Fair (FIAM) and the Amazontech.
79. Guyana's in market representatives indicated that their trade priorities included Brasil but more so, Venezuela, based on the petro Caribe arrangement. Go-Invest indicates that there is a relationship established with the SEBRAE, however there are very few joint projects that are being executed at this time.
80. The Government of Guyana indicated that there are three mega projects that are the main focus namely:
1. Mazaruni Hydro Power Plant;
  2. Lethem-Linden Highway, including 30 bridges and a parallel railway for cargo;
  3. Deep water Port in Berbice
81. It was also revealed that an Industrial Zone as well as a commercial zone and a transport terminal was planned for Lethem<sup>20</sup>. However, with the establishment of the Bon Fim and Roraima Free zones, this plan is not currently seen as viable.
82. The Guyana Private Sector Commission indicated that they have hired a consultant to do their own investigation on the CARICOM trade possibilities as well as the possibilities with trading with Brasil through the PSA.
83. The PSC indicated that the main challenges trading with Brasil are currently:
1. The non ratification of the 5<sup>th</sup> additional protocol of the Guyana-Brasil PSA;
  2. Significant Informal trade between Brasil and Guyana
  3. Onerous Brazilian labelling requirements;
  4. Language barriers (particularly pertaining to technical correspondences
  5. Inadequate business matchmaking services
  6. Visa requirements to travel to Brasil
  7. Restrictions with the Takutu bridge where commercial vehicles can only travel from Brasil to Guyana and not vice versa. Additionally, Guyanese commercial trucks have to offload cargo into Brazilian trucks for transport into Brasil;
84. The PSC stakeholders did not see the logic of the Berbice port project, but instead favoured the Demerara Harbour as a better option for deep sea harbour facilities. The view from Suriname respondents however indicated that the Nickerie Port was already established as a modern port with capabilities above that of the ports in Guyana.

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<sup>20</sup> The Boa Vista and Bonfim Free Trade Areas in the state of Roraima were set up in 2008. They were established with the aim of promoting the development of the border regions in the far north of the state and increasing bilateral relations with neighboring countries, especially Venezuela and Guyana, in keeping with the policy of Latin American integration. As well as offering tax incentives for the installation of industries that use raw materials from the Western Amazon, these FLAs have also further boosted the trend for tourism business in the state.

85. The PSC also was supportive of a Guyana-Brasil trade desk to provide market intelligence as well as business matchmaking services. The PSC was of the view that the trade missions that SEBRAE organises were expensive and have not yielded the matchmaking results anticipated.
86. It was reported that there were various Suriname investments in Guyana in the mining supply industry; fisheries processing; butcher franchise; insurance and soap production.
87. Some participants encouraged greater focus on UNASOR as a market for CARICOM exports which could be facilitated through Suriname and Guyana.
88. There is a view expressed that with Suriname re-examining a major hydropower plant, there will be the need to begin exploring business ventures that can be customers. It was indicated that there is a mega power project being designed in Suriname that is geared towards selling excess power to Northern Brasil.
89. One view was that Suriname's trade capacity was very limited. It is alleged that in some cases, it takes up to 4 months to load a 40 foot container for export of food products.
90. One respondent shared plans to establish a land transportation service between Guyana and Suriname. It was explained that the Canawaima ferry was not a suitable commercial service as trucks have to leave their warehouses/factories too early to make the times for the ferry service.
91. In Suriname there was a view that the government is not regulating the gold mining sector effectively, but instead is restricting business activity. The view alleges that the government has restricted 90% of the miners to mine legally, and as such has indirectly fostered illegal gold mining. In Suriname it is felt that the Government of Guyana is more supportive of gold mining, including providing incentives for vehicles and other fiscal benefits for gold miners registered to the gold board.
92. It was felt that more trade between Guyana and Suriname could be promoted where taxation matters are harmonised including port fees and other internal charges.
93. Some respondents indicated that Suriname is actively courting investors for pineapples; acai and other exotic fruits. There was also a plan for a Paranám freezone in Suriname for processing fruits. However, no timelines were provided.
94. In the validation consultations held in February of 2014,
  1. It was explained that Suriname signed a Memorandum of Understanding (MOU) with Amapá at the end of 2013. This MOU addressed cooperation in trade; economic integration; and tourism.
  2. The CGM-CMA reported that the North Brasil feeder was now operational. This line goes through Martinique (Fort de France); Trinidad & Tobago (Port of Spain) and then to Santana; Pecém; Itaqui; Belém and Vila do Conde. The shipping line provides a 12 day connection not targeted at perishables. The representative indicated that 10 containers have been shipped in the last 6 months, making this an expensive line to promote. However, the cost of the line will decrease as trade increases.

3. It was also reported that there would soon be announcements of new Hydropower cooperation between Guyana and Northern Brasil apart from the Amaila falls project;
4. The Governments of Suriname and Guyana, along with their private sector representatives endorsed the T-TAP report, with the Government of Brasil endorsing the report in principle, subject to their recommendations being incorporated;

## 2.5 PROJECT CHALLENGES

95. There were various project challenges including:

1. Project timing: the project was executed during the summer break when many officials in the Troika were Unavailable
2. Coordination: There were various market coordination constraints which impacted on the T-TAPs success. On occasion, the consultant found it difficult to engage strategic partners based on previous arrangements which crowded out this effort.
3. Private sector apathy: Most stakeholders indicated that this initiative was not new, and there was little credibility in the effort. Persons were generally not supportive based on their past experiences with similar projects. It was felt that there were already enough studies on Brasil, but there was a general lack of public sector commitment to follow through on agreed tasks. It was indicated that private sector projects such as the GMSA-SEBRAE initiative were on the “slow burner” based on the inability to conclude on the 5<sup>th</sup> additional protocol, amongst other public sector hurdles.
4. Lack of awareness of the CEDA: Each engagement had to introduce the stakeholders to the CEDA as most persons were unaware of the Agency and its work. This proved to have a significant opportunity time cost in the market visits. Some participants (even CARICOM enterprises) did not want to engage with the consultant, even with a formal endorsement letter from the CEDA.

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### 3.0 ECONOMIC SCANNING

#### 3.1 BRASIL

96. The Brazilian economy recorded a strong performance during most of the 2007-12 period, with real GDP growth averaging 3.6% a year, albeit with important fluctuations. Growth benefitted from strong domestic demand and favourable external conditions, including vigorous demand and high international prices for Brazilian commodities, which boosted the country's terms of trade.
97. Growth was supported by sound macroeconomic policies, focused on achieving a primary fiscal surplus and strict inflation targets, and a floating exchange rate regime, which contributed to consolidate macroeconomic stability. Helped by an appreciating currency, and despite strong domestic demand growth, inflation has been kept under control, generally within the band of fluctuation allowed by the inflation-targeting policy. Sustained economic growth over almost a decade and active income policies have allowed Brasil to make important progress towards reducing poverty and income inequality, while employment figures have improved.
98. Since the second half of 2011, however, growth has decelerated significantly and the average real growth rate for 2012 was just 0.9%. This loss of dynamism may be partly attributed to the appreciation of the Brazilian real and the global economic slowdown, but it also reflects long-standing structural problems affecting the Brazilian economy's competitiveness such as inadequate infrastructure, insufficient access to credit, and a very high tax burden. To address these problems, the Government has adopted measures aimed at removing infrastructure bottlenecks, expanding concessions and private-public sector partnerships, and reducing the tax burden on certain manufacturing industries. However, to support sectors affected by a loss of competitiveness, the Government has also taken some measures that have a restrictive impact on trade, including increasing tariffs temporarily, and using preferential margins for domestic goods and services in government procurement, and has increased export credits. The authorities have also taken measures to increase the availability of credit and the low level of financial intermediation. In mid-2011 the Central Bank lowered the policy interest rate (SELIC) to record low levels by Brazilian standards. On the fiscal side, the Government was able to provide stimulus while maintaining a primary surplus throughout the review period.
99. The period 2007-2012 was particularly dynamic for Brasil's foreign trade. Exports increased at an average rate of 8.6% between 2007 and 2012, reflecting strong external demand for its commodities. Mining and agricultural exports accounted for most of this growth, increasing at annual averages of 15.4% and 12.3%, respectively. Exports of manufactured products increased at an annual average rate of only 1.8%, and their share in overall merchandise exports decreased significantly, from 46.6% in 2007 to 33.8% in 2012. The share of primary products increased from 50.1% to 62.7%, due in particular to the strong performance of mining commodities.
100. Import growth outpaced exports during the period under review, expanding at an annual rate of 13.1% between 2007 and 2012 and causing the trade surplus to shrink. Brasil's trade deficit in the manufacturing sector increased sharply, with

imports of manufactured products growing at an average annual rate of 16.2% during the period, and accounting for 73.1% of total imports in 2012. Brasil's structural deficit in the services trade balance also widened during the 2007 to 2012 period, largely on account of higher payments for leasing capital equipment, travel, and transportation. After years of consecutive surpluses, Brasil's current account plunged into a deficit in 2008; the deficit has persisted, and was around 2.4% of GDP in 2012. However, large capital inflows, especially foreign direct investment (FDI), have more than offset the current account deficit. In mid-2012, Brasil was the world's sixth largest recipient of FDI.

101. The 2007 to 2012 period was marked by a strengthening of Brazilian trade ties with Asia, in particular with China. Nevertheless, the European Union remained Brasil's major trade partner, as both an export destination and a source of imports.

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### 3.1.1 TRADE AND INVESTMENT POLICY FRAMEWORK

102. The Plano Brasil Major enunciates and develops a number of industrial, technological, and foreign trade policies to underpin its development objectives.
103. One of Brasil's policy aims is to strengthen regional economic integration. Brasil is a founding member of the Southern Common Market (MERCOSUR), and as such it has subscribed to preferential trade agreements with the Plurinational State of Bolivia, Chile, Colombia, Cuba, Ecuador, Mexico, Peru, and the Bolivarian Republic of Venezuela. Together with its MERCOSUR partners, Brasil also has preferential trade agreements currently in force with India and Israel, and three further agreements pending entry into force. Additionally, it has bilateral preferential agreements under LAIA with Guyana and Suriname. The European Union and MERCOSUR have re-launched negotiations in order to create a Bi-regional Free Trade Agreement.
104. Foreign investors in Brasil receive the same legal treatment as local investors in most economic sectors, following Constitutional amendments passed in 1995, which prohibit all forms of discrimination not explicitly foreseen in the law. However, foreign investment is restricted in health, mass media, and telecommunications, aerospace industry, rural property, maritime and air transport. The Federal Government seeks to promote private investment, particularly in transport infrastructure, energy, aeronautics, and other technology-intensive sectors, in order to overcome production bottlenecks, spur competitiveness, and uphold economic growth.

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### 3.1.2 TRADE POLICY BY MEASURE

105. Brasil took further steps to simplify and modernize its customs procedures. Import declarations are processed according to a risk-assessment method that provides for four channels. Over 85% of all import declarations are processed through the green channel. This percentage has increased since the last Review of Brasil.
106. Brasil's 2012 applied MFN customs tariff is entirely ad valorem, with rates ranging from zero to 55%. The simple average MFN tariff applied in 2012 was

11.7%, up from 11.5% in 2008. Some 8% of tariff lines were duty free in 2012, about the same percentage as in 2008. The average applied tariff for the manufacturing sector is 12%, higher than for agriculture. Brasil bound its entire tariff during the Uruguay Round at rates between 0% and 55% for agricultural products (WTO definition), and from 0% to 35% for non-agricultural products. Besides customs tariffs, imports are subject to a number of internal taxes. The application of these taxes varies depending on the product type, the competent sub-federal authority, and the importer's tax regime status, thus rendering Brasil's tax system complex.

107. Commercial imports must be registered in Brasil's Integrated Foreign Trade System (SISCOMEX), while importers must register in the Registry of Exporters and Importers (REI) maintained by the Secretariat of Foreign Trade (SECEX) at the Ministry of Development, Industry and Foreign Trade (MDIC). Inscription in the REI is free of charge and is done automatically, through the tax number (CUIT), at the time of the first transaction in SISCOMEX. Although it may not be revoked, the inscription may be suspended for up to 2 years as a sanction for import-related fraud. Import transactions with payment terms exceeding 360 days are subject to registration with the Central Bank; transfers abroad as payment for imports are only permitted if the respective import declaration is registered in SISCOMEX with planned payment details (cobertura cambial).
108. All services and intangible transactions between Brazilian and foreign residents must be registered in the Integrated System of Trade in Foreign Services, Intangible Assets and Other Operations (SISCOSERV), which became operational on 1 August 2012. This applies to the Brazilian party (resident) involved in the transaction; exemptions may be granted for transactions valued at less than US\$20,000 per month, if undertaken by natural persons, as well as for legal entities under the Simplified Tax Regime and individual micro-entrepreneurs.
109. SISCOMEX operations may be performed by a customs broker or directly by the importer; prior accreditation (habilitação) from the Secretariat of Federal Revenue of Brasil (RFB) is required in both cases, except for goods declared with a simplified import declaration (see below). The accreditation is free of charge and is valid indefinitely. Depending on the applicant's estimated financial capacity, accreditations may be limited (c.i.f. value of imports capped at US\$150,000 per semester) or unlimited; certain legal entities are eligible for an express accreditation, freeing them from financial capacity evaluation. Effective October 2012, estimates of financial capacity (valid for 6 months) are based on the applicant's tax payments or employee-related social security contributions, whichever is greater, over the previous five years. According to the authorities, the import cap has a risk-mitigation purpose; importers may apply for an unlimited accreditation, provided that they are able to demonstrate their actual financial capacity. No fees are charged for the accreditation. Individuals may only import goods in quantities that non-commercial practices would justify; SECEX is competent to determine on a case-by-case basis what constitutes a commercial practice.
110. Customs brokers may import goods on behalf of third parties only after the actual acquirer of the goods (e.g. legal representative of the purchasing company) has been accredited to use SISCOMEX and has designated his representative (customs broker). Customs brokers must be registered in the Customs Register; they are free to operate throughout Brasil's customs territory and to set the fees for their services independently. Only Brazilian citizens may act as customs brokers in Brasil.



There are no restrictions to competition among brokers. A digital certificate, issued by an accredited certification authority is needed to access SISCOMEX and SISCOSEV. As of August 2012, the SISCOMEX may be accessed via the Internet, as an alternative to the traditional dedicated network.

111. Clearance of commercial imports is based on an import declaration (ID); the requisite supporting documentation must be produced only if the import declaration has been selected for documentary or physical examination. The dutiable value of all imports is the sum of the purchase cost and all expenses incurred for insurance and freight up to the point of entry into Brasil.
112. Eligibility for preferential tariff treatment must be attested by a certificate of origin for each shipment of the merchandise in question. Certain goods imported directly from abroad, such as animals, plants, flammables, and goods transported by land, river/lake, or in bulk, may be declared prior to their arrival; as from July 2009, prior authorization from the relevant customs clearance unit is no longer required. Brasil has also put in place a mechanism for the provision of advance rulings on tariff classification; the rulings' duration of validity is not limited.
113. Importers are responsible for all customs formalities and duties. Import duties are payable upon registration of the ID in the SISCOMEX and the amount due is withdrawn automatically from a registered bank account. Should there be a need to delay the final determination of their customs value, imported goods may be released under a guarantee. Each ID registered in SISCOMEX is subject to a fee of R\$185; additional fees, ranging from R\$29.5 (first two items) to R\$2.95 (item 51 and beyond), are payable for each item listed on the ID.
114. Import declarations are processed according to a risk assessment method that provides for four channels: green (automatic clearance), yellow (document inspection), red (document and physical inspection), and grey (document, physical and fraud-related inspection).
115. According to the authorities, import insurance is not compulsory. Importers may arrange to use their customs broker's account for that purpose.
116. The Ministry of Agriculture, Livestock and Food Supply (MAPA), through its Secretariat of Agricultural Protection (SDA), is responsible for the protection of animal and plant health. The SDA is vested with authority to control the sanitary and phytosanitary (SPS) aspects of production and international trade of all livestock, fruits, vegetables, grains, plants, veterinary drugs, pesticides, and their components; it also registers and inspects products and activities that use genetically modified organisms, on behalf of the National Technical Commission on Biotechnology (CTNBio), which issues the relevant authorizations. The Ministry of Fisheries and Aquaculture (MPA) is responsible for aquatic animal health; its General Coordination Office for Aquatic Animal Health (CGSAP) carries out sanitary controls to protect the natural and reproduction environments in Brasil, including on imports of fish and aquatic animals and their reproductive materials. The Brazilian Health Surveillance Agency (ANVISA), an autonomous entity linked to the Ministry of Health under a management contract, is in charge of controlling the production and marketing of products and services subject to sanitary surveillance for the protection of human health. ANVISA is responsible for, inter

alia, approving the importation of food products and performing sanitary inspections at the points of entry into Brasil.

117. Brasil's enquiry points comprise: MAPA's Secretariat for International Relations of Agribusiness, ANVISA's Office of International Affairs (formerly the Assistance Unit for International Issues), and MPA's CGSAP. The Ministry of Foreign Relations is Brasil's notification authority for SPS matters. As a general rule, proposed SPS measures are published in Brasil's Official Journal and notified to the WTO; 362 regular and 3 emergency notifications were submitted to the WTO between January 2009 and January 2013. Brasil's continues to show a predominance of comment periods of less than 60 days (85% of the 362 regular notifications); also, limited use is made of provisions for a six-month period between the measure's publication and its entry into force. According to the authorities, comments from interested parties have generally been taken into consideration even after the stipulated deadlines.
118. Brasil is a member of the Codex Alimentarius Commission, the World Organisation for Animal Health (OIE), and the International Plant Protection Convention (IPPC), and a party to the Convention on Biological Diversity. At the sub-regional level, Brasil participates in relevant technical work within MERCOSUR, in the Southern Cone Plant Health Committee (COSAVE), and in the Standing Veterinary Committee of the South Cone (CVP). Its bilateral initiatives on SPS issues include the negotiation of memoranda of understanding and/or cooperation agreements with various countries, and the establishment of Consultative Committees on Agriculture (CCAs) as a means of ensuring regular exchanges on relevant topics. Brasil accepts phytosanitary and zoosanitary certificates issued by official sanitary services in countries that follow the guidelines of Codex, IPPC, OIE, and other international scientific organizations.
119. In 2012, MAPA implemented a computerized system (SIGVIG) for the management of agricultural products and inputs transiting through Brasil; SIGVIG is not interconnected with SISCOMEX .
120. The importation of any product subject to SPS controls requires a non-automatic licence; ANVISA and SDA issue licences in their respective areas of competence directly through SISCOMEX. Additional requirements, such as prior authorization of each shipment to Brasil and inscription in a register, apply to some products; some of the relevant procedures may not yet be performed electronically. As at 18 January 2013, imports classifiable under 3,275 eight-digit tariff lines were subject to SDA controls, which could involve the intervention of up to three technical departments; procedures requiring, inter alia, SDA authorization prior to shipment or arrival at Brasil's borders applied to 2,675 of these lines. A consolidated list of the products controlled by ANVISA upon importation is available online. Importers of controlled foodstuffs, cosmetics, and pharmaceutical products must obtain an authorization from ANVISA and a licence from a state or municipal sanitary authority; the licence serves as an authorization from the National Sanitary Surveillance System and is valid throughout Brasil. Inscription in ANVISA's sanitary register is also a prerequisite for importation of some of these products; the remaining product categories regulated by ANVISA require a written notification by the prospective importer.

121. The statutory time-frame for the registration of new products with ANVISA is 60 days. Subsequent imports of products in ANVISA's sanitary register, regardless of the importer, must also be notified to the agency.
122. Plants and plant products commercialized in Brasil, including imports, must comply with quality-related characteristics (e.g. size, purity, and maturity) laid out in the Brazilian classification system, whenever a specific standard to that effect is in place. The importation of seeds for commercial purposes is strictly limited to the species and varieties contained in the National Register of Plant Varieties (RNC) maintained by MAPA. The conformity of imports is verified at the border, either by MAPA or by accredited private companies.
123. The requirements laid out by MAPA for importation of products of animal origin into Brasil include:
  1. recognition of the sanitary inspection systems in the exporting country as equivalent to Brasil's;
  2. accreditation of the exporting establishments; and
  3. approval of the products and their labels.
124. The requirements for importation of aquatic animals and reproductive material include:
  1. recognition of the aquatic animal health system (natural or reproduction environments) in the exporting country as equivalent to Brasil's; and
  2. when deemed necessary, import risk analysis. All imports of animal products and their sub-products must be inspected at the port of entry.
125. In principle, physical inspections are performed on 1% of the lot comprising all packages classifiable under the same tariff line, with a minimum of two and a maximum of ten packages. For products in bulk, five samples are collected separately for inspection; different rules apply for containers. Samples from the packages that were physically inspected may also be used for laboratory testing; testing requirements are product-specific and do not follow a general rule.
126. Testing should be carried out at MAPA laboratories; when necessary, laboratories officially accredited by MAPA may also be used. Testing costs are paid by the owner of the products.
127. Establishments that produce, import, or export fertilizers, as well as the products themselves, must be registered with MAPA. The Ministry also maintains a register of pesticides (AGROFIT), which incorporates relevant information from the Ministries of Health and Environment.
128. Brasil prohibits imports, exports, and the domestic commercialization of hormonal substances with anabolic characteristics, unless intended for therapeutic and research use. The use of substances with anabolic hormonal properties for the purpose of promoting growth and weight in bovines and poultry destined for slaughter is banned; imports of hormone-treated meat are also prohibited.
129. Brasil has also increased the number of goods subject to compulsory certification and taken steps to strengthen conformity assessment upon importation. A register of goods requiring conformity assessment, containing 1,829 products, was created in 2011. In April 2012, the RFB and the National Institute of Metrology, Quality and

Technology (INMETRO) signed a technical cooperation agreement aimed at reinforcing the control of imported goods' compliance with Brazilian technical regulations. The agreement stipulates that the RFB may call upon INMETRO to perform conformity assessments during customs clearance of imports; the two entities will also collaborate to better assess the value of imports and improve the selection mechanism for physical inspections.

130. A simplified import declaration (SID) may be used for certain shipments whose value does not exceed US\$3,000 and for some non-commercial imports. The SID may be processed through SISCOMEX or submitted in hard copy to the relevant customs unit; submission is free of charge.
131. Airborne expedited shipments (documents and goods whose value does not exceed US\$3,000) transported by door-to-door delivery companies require a DIRE express shipment declaration (Declaração de Importação de Remessas Expressas), which must be registered in the system for Computerized Control of Expedited Shipments (REMESSA). The courier company, rather than the importer, is responsible for customs procedures. Commercial imports declared with a DIRE are subject to a Simplified Tax Regime (Regime de Tributação Simplificada) and are taxed at 60% of their customs value, regardless of the tariff line under which they are classified; books, newspapers, and magazines are tax-exempt.
132. In February 2012, Brasil implemented a unified taxation regime (RTU) allowing for the simplified customs clearance of certain goods imported from Paraguay by Brazilian microcompanies (with annual revenues up to R\$120,000) and transported by authorized vehicles and drivers.
133. Eligible goods include: samples with no commercial value; books and publications imported for non-commercial purposes; goods (valued up to US\$500) and prescription medicines imported by an individual for non-commercial purposes; temporarily admitted vehicles of foreign residents; imports by diplomatic missions; human organs and tissues for transplantation; domestic animals imported for non-commercial purposes; donations and goods admitted temporarily for humanitarian aid purposes; goods of a cultural nature; goods (valued up to US\$500) imported by a public administration entity; and goods returned to Brasil.
134. The 2013 World Bank Doing Business survey reports that the overall time to import merchandise into Brasil (17 days) has not changed over the past three years, after having decreased from 19 days in 2009 to 16 days in 2010. However, the corresponding cost per container was estimated to have almost doubled over 2009-13, reaching US\$2,275.21. According to the authorities, the average time for customs clearance was 41 hours in 2011 and 53.5 hours in 2012; the increase is partly attributable to Brasil's congested sea ports, and strikes by public sector workers. In 2012, 87.8% of goods cleared through customs went through the green channel, 7.1% through the yellow channel, and 5.1% through the red channel; less than 0.1% of the goods went through the grey channel.
135. Brasil has customs cooperation agreements with Angola, Argentina, Bolivia, Cape Verde, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, East Timor, Ecuador, El Salvador, Guinea-Bissau, Haiti, Honduras, Mexico, Mozambique, Nicaragua, Panama, Paraguay, Peru, Portugal, São Tomé and Príncipe, Spain, Uruguay, the United States, and Venezuela. Additionally, Brasil has

bilateral agreements on customs issues with France, India, Israel, the Netherlands, Russia, South Africa, the United Kingdom, and the United States of America.

136. The authorities affirm that Brasil does not use minimum or reference prices to determine the customs value of imported goods.
137. Brasil enacted legal provisions establishing non-preferential rules of origin in December 2011. To be considered as originating, products must be wholly obtained or have undergone substantial transformation (becoming classifiable under a different four-digit tariff heading) in the declared country of origin. Verifications of non-preferential origin are carried out by the SECEX at the import licensing stage, as well as by the RFB during customs clearance and post-clearance audits. False declarations of origin may trigger rejection of an import licence application and refusal to grant such licences for similar goods traced to the same exporter. At the point of entry, non-originating goods are liable to a fine of 30% of their c.i.f. value; those subject to a thresholds of R\$18,000 (1st and 2nd) and R\$37,000 (3rd and 4th) also apply.
138. Brasil applies preferential rules of origin in the context of its trade agreements. Not all of these agreements have been notified to the WTO. Brasil's preferential agreements with Andean countries have rules for cross-cumulation.
139. Most changes made to MERCOSUR rules of origin during the review period were adjustments for new versions of the Harmonized System. In general, MERCOSUR origin is conferred on products that: (i) are wholly obtained or produced in MERCOSUR; (ii) have become classifiable under a different four-digit tariff heading; or (iii) have minimum regional content of 60% of their f.o.b. value. Specific rules apply to, inter alia, foodstuffs, pharmaceuticals, textiles, steel, telecommunications, and informatics products. MERCOSUR rules of origin may be applied to all intra-MERCOSUR trade up to 31 December 2016.
140. LAIA agreements also stipulate general and specific rules of origin. Under general LAIA rules, origin is conferred to products that either: (i) are wholly obtained or produced in the territory of one of the signatory parties; (ii) have become classifiable under a different tariff heading; or (iii) contain third-country inputs whose c.i.f. value does not exceed 50% (60% for relatively less developed countries) of the f.o.b. value of the final product.
141. In Brasil, certificates of compliance with preferential rules of origin are issued by private institutions accredited by the SECEX. As from 30 November 2011, all such institutions must have a computerized system for processing documentation online, in compliance with the parameters established by LAIA's Digital Certification of Origin Project (COD).
142. In March 2013, some 57 entities had SECEX authorization to issue certificates of origin. Certificates of origin for imports are valid for 180 days, and must be issued within 60 days of issuance of the commercial invoice in the case of LAIA and MERCOSUR countries. The request for a certificate of origin must be accompanied by the commercial invoice and a declaration by the producer. Brasil is working with its LAIA partners towards establishing an electronic interface linking customs declarations with certificates of origin.

### 3.1.3 TARGET MARKETS IN BRASIL

143. It is suggested that based on the sentiments in the field, as well as the strength of the niche possibilities in the target sectors, the major markets for the T-TAP are Boa Vista(BV); Manaus; Bahia; Sao Paulo(SP) and Rio de Janeiro(RJ). BV is the largest Northern Market in Brasil, and Manaus is the centre of an industrial plan through SUFRAMA to improve the free zones competitiveness and transform it into an Industrial District for the Southern continent. Bahia is seen as a market with significant affinity to the Caribbean, and is perceived as the base for the African Brazilian population.
144. Boa Vista and Manaus were seen as middle term markets in a 2003 GMC Northern Brasil study. The study was not very optimistic on the near term possibilities, but seemed to suggest that these northern markets were opportunities for Guyana based on their inaccessibility to the rest of the country. The report suggested that Guyana intensify road and other infrastructural projects and target greater business matchmaking opportunities in Belem, BV and Manaus. It is now suggested that Belem is not a strong opportunity for the T-TAP as this market is now seen as too competitive for small niche exporters in the T-TAP and the infrastructural improvements has improved access into this market for the rest of Brasil.
145. SP and RJ are difficult markets to crack based on the self sufficiency of the Brazilian private sector in those economies, and the dense red tape. However these markets cannot be ignored as they are the fulcrum of a significant public sector investment programme for infrastructure improvements associated with the FIFA World Cup in 2014, and the IOC Olympic Games in 2016.
146. The multiplier effects estimated by a study by Ernst and Young puts the total economic impact at US\$120bn. President Dilma also announced an additional US\$66bn infrastructure spend in Brasil for the next 15 years to further infrastructure developments in the economy. The bulk of these CAPEX outlays will be targeted at SP and RJ, with Manaus also figuring strongly in the improvements. It is therefore suggested that the T-TAP explore the markets which could benefit from the Investment injections as well as the major northern markets. These strategic windows are closing fast as Brasil intensifies plans to enhance road connectivity, and air connectivity, thus reducing the strategic advantage that Guyana and less so, Suriname seem to possess.

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## 3.2 GUYANA

147. According to the Bank of Guyana Annual Report, the Guyanese economy continued to experience positive economic growth; benefiting from high commodity prices, recorded a 4.8 percent growth following the 5.4 percent in 2011. This propitious performance was due to favourable output in all the major sectors – services, mining, agriculture and manufacturing. There were minor contractions in the sugar, forestry, diamond and public sector construction sub-sectors. The inflation rate increased by 3.5 percent mainly on account of rising food prices.

148. The overall balance of payments improved to a surplus of US\$12.4 million from a deficit of US\$15.0 million in 2011. This development is explained by a larger capital account surplus which offset a higher current account deficit. The current account deficit was due to an enlarged services deficit caused by a sharp growth in non-factor services. The capital account surplus was due to higher inflows to the non-financial public sector and level of foreign direct investment. The overall surplus contributed to an increase in the Bank of Guyana's gross foreign reserves to US\$862.2 million or 4.0 months of import cover<sup>21</sup>.

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### 3.2.1 TRADE AND INVESTMENT POLICY FRAMEWORK

149. According to the WTO Trade Policy Review, Guyana still faces significant challenges in participating in the WTO, as a result of its non-resident status (i.e. Guyana does not have a standing delegate in Geneva to represent views in the various WTO fora), and a number of notifications to the WTO are outstanding.
150. Guyana has never invoked the dispute settlement provisions of the GATT or WTO, nor have any complaints been brought against it in these fora. Preferences and special and differential treatment are among Guyana's key priorities in the DDA negotiations. Assistance to develop Guyana's economic infrastructure, in particular its transport infrastructure has been identified as the main target for aid for trade support.
151. Guyana's trade policy vis-à-vis third countries is largely defined within the context of its membership in CARICOM, and its free trade agreements with third countries. Currently, the most significant developments have been the creation of the CARICOM Single Market and Economy and the signature of the Economic Partnership Agreement (EPA) between the EC and CARIFORUM. The EPA is a wide-ranging asymmetrically reciprocal agreement replacing the non-reciprocal preference scheme previously granted by the EC.
152. Guyana considers foreign investment to be crucial to the development and diversification of its economy. Accordingly, Guyana enacted an Investment Act in 2004 to provide for more transparency and legal predictability in its investment regime. This Act gives MFN and national treatment to investors in all sectors with the caveat that the Minister of Finance may exclude sectors from private investment subject to affirmative resolution of the National Assembly; however, this has not yet happened in practice. There is also a national treatment exception in the area of mining.

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### 3.2.2 TRADE POLICY BY MEASURE

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<sup>21</sup> Bank of Guyana 2012 annual report.

153. Customs clearance still involves numerous steps and typically takes between five and seven days, which suggests that there is large scope for improving customs procedures. The transaction value is used as the basis for customs valuation for around 70% of import transactions.
154. Guyana applies the CARICOM Common External Tariff, with exceptions. Guyana only uses ad valorem tariffs and does not apply tariff quotas. The overall simple average applied MFN tariff in 2008 was 12.0%, marginally down from 2003. The average MFN tariff in 2012 was 11%.
155. Agricultural products attract a significantly higher average tariff (22.5%), than non-agricultural products (10%). Guyana would increase the predictability of its tariff regime by reducing its bound tariffs, which average 58.2%.
156. One of the most significant recent developments has been a major reform of Guyana's taxation system. A value added tax (VAT) was introduced in 2007 at a general rate of 16%, replacing six taxes previously levied. Some locally produced goods, but not the equivalent imported products, are zero-rated under the VAT, as are certain imports of raw materials that are incorporated into products subsequently exported. At the same time, excise taxes were introduced on a few products. Guyana continues to levy an environmental tax on non-returnable beverage containers, which it applies only on imports.
157. Import licensing requirements apply to a large number of extra-CARICOM imported products; non-automatic licensing applies to rice and sugar. Guyana does not have domestic legislation with respect to antidumping and countervailing measures or safeguards. Neither has Guyana ever adopted any contingency measures.
158. There appear to be only a handful of technical regulations in force in Guyana. Before 2005, Guyana had not made any notifications to the WTO, however since then it has notified 20 technical regulations. Greater transparency in Guyana's SPS regime would be of benefit both to Guyana and its trading partners. Guyana has not notified any SPS measures to the WTO. Most SPS measures are contained in regulations that are largely inaccessible; moreover, many predate the creation of the WTO and have not been revised. Legislative reform efforts are under way, but this is an area in which the authorities indicated that greater technical assistance is needed, given human resource constraints.
159. Concerns have been expressed by the authorities themselves that export procedures are too cumbersome. Licences must be obtained to export a wide range of products and all exports must be examined prior to shipping, with the aim of preventing narcotics trafficking. While Guyana may apply an export tax at a general rate of 1.5%, the rationale for collecting this tax is questionable in view of the limited revenue collected due to a wide range of exemptions.
160. A variety of fiscal measures are in place to assist exporters, including an allowance involving deductions from income tax conditional on the export of non-traditional products. There is no government institution in Guyana providing export finance, insurance services or export guarantees.



161. Since 2005, measures have been taken to improve Guyana's business environment and reduce unnecessary red tape to start a business, but challenges remain. In 2006, Guyana adopted a competition law that represents a potentially important step towards enhancing competition, particularly given the oligopolistic nature of some sectors in the economy. However, the full implementation of the law remains a challenge, including making the Competition Commission operational.
162. Two state-owned companies have exclusive rights to import and export sugar and gold, respectively. Guyana has not submitted any notification regarding state trading enterprises within the meaning of Article XVII of the GATT 1994.
163. The Government of Guyana provides very little assistance to businesses through concessional loans and grants. Support mainly takes the form of fiscal incentives granted under various laws to a relatively large number of activities. The Minister has discretion, subject to the specific provisions of the law, to grant corporate income tax holidays to a wide range of sectors. Because of this, and given Guyana's fragile fiscal situation, it would be important to estimate the revenue forgone and publish these estimates.
164. A new Procurement Act and implementing regulations have been adopted. The Act covers procurement at the national, ministerial, government agency, and regional levels, but not that of public corporations and other state bodies. It contains mandatory open tendering and various provisions for transparency and accountability in procurement processes, which represents an improvement over the previous legislation.
165. Preferences are granted to domestic goods and supplies and to small businesses. At Guyana's previous Review in 2003 WTO Members urged Guyana to amend its intellectual property legislation, most of which dates back to the colonial period, in order to implement the provisions of the TRIPS Agreement. The only development to date has been the adoption of a new law on geographical indications. The authorities indicated that Guyana is committed to uphold its international commitments pertaining to intellectual property rights. Reform efforts may be given additional impetus by EPA commitments.
166. The Guyana Revenue Authority (GRA) is responsible for administering customs procedures in Guyana. All importers must be registered and obtain a tax identification number (TIN) from the Guyana Revenue Authority's Customs and Trade Administration department. Importers may import individually or through a customs broker. The following documents are always required when imports are presented at Customs: the customs declaration; invoice; bill of lading; packing list, and certificate of origin. Other documents such as import licences, permits, sanitary certificates, and certificates of title and registration (in the case of motor cars) may be required depending on the good imported.
167. There are several steps involved in the import process. As of December 2007, these procedures were not applied to imports of personal and household effects or non-commercial items of a c.i.f. value of between US\$200 and US\$500. For these low-value imports a simplified system involving the submission of a Simplified Customs Declaration (SCD) was introduced.

168. A Permit for Immediate Delivery Form may be obtained to expedite the speedy clearance of imports of perishable goods, upon payment of a financial bond. Guyana installed the Total Revenue Integrated Processing System for customs management in January 2007, replacing Asycuda Version 2. The authorities expect the new system to expedite customs processing, inter alia, through its enhanced capability to detect false declarations, and thereby also expedite the processing of valid ones. The new system incorporates the necessary technology for the GRA to receive customs declarations electronically in advance of importation, however, this had not yet been operationalized (March 2009).
169. As reported by the authorities, customs clearance typically takes five to seven days. They note that on a regular basis import documents are not properly completed, thus causing delays. They also report that efforts are being made to reduce clearance times through internal reorganization and training.
170. Disputes regarding the rate or amount of duty payable on imports may be submitted to the Customs Tariff Tribunal. As at September 2007, the latest date for which information was available, five cases had been brought to the Tribunal: two cases were withdrawn by the appellant, in one case, the Tribunal decided in favour of the appellant, and in another case, in favour of the GRA; the fifth case was still pending. Importers dissatisfied with the Tribunal's decision may appeal to the Full Court of the High Court whose decision is final.
171. Guyana has notified the WTO that it does not have any laws or regulations on preshipment inspection. Guyana is a member of the World Customs Organization.
172. Guyana has not submitted its legislation under Article 22 of the Agreement, nor has it replied to the Checklist of Issues. Guyana has reserved its right to use certain special and differential treatment provisions of the Customs Valuation Agreement, as set out in Annex III(3) and (4) to the Agreement. Customs valuation rules are included in Article 23 and Schedule V of the Customs Act (Cap.2:01). The Act specifies that the transaction value, plus costs of transport, loading and handling and insurance, should be the customs value of imported goods. The authorities indicate that this is used in around 71% of cases, which would appear to reflect significant problems with underinvoicing.
173. In cases of doubt, the GRA may require further information, and may use other methods of valuation, in the order prescribed by the WTO Agreement on Customs Valuation. Where the Commissioner-General of the GRA determines that the transaction value may not be used, importers may request a written explanation of the grounds for such a decision. The importer may make representations to the Commissioner-General on the matter, which must be taken into account. Goods subject to investigations are deposited in a state warehouse and may not be delivered to the importer until freight, landing, and storage charges have been paid.
174. The Customs Act prohibits the use of minimum prices for customs valuation, as well as the other prohibitions listed in Article 7 of the Customs Valuation Agreement. Guyana applies the Committee on Customs Valuation Decision on the "Treatment of Interest Charges in the Customs Value of Imported Goods".

175. Importers are required to pay the customs duty determined by the GRA in order to clear goods through customs. Importers who wish to dispute customs value decisions may appeal to the Customs Tariff Tribunal.
176. The authorities note that the new Total Revenue Integrated Processing System has a built in risk profiling system to identify potentially fraudulent invoices. At the time of Guyana's previous review, the authorities had reported that large amounts of revenue were lost through various malpractices by importers, including false documentation, under-invoicing and under-valuation of imports, and collusion. Items routinely under-invoiced included motor vehicles, clothing, and food.
177. A table of exchange rates, approved by the Minister of Finance, is submitted to the Commissioner-General of the GRA on a monthly basis for customs valuation purposes.
178. Guyana makes minimal use of technical regulations, altogether there are 20 in force all of which have been notified to the WTO. The authorities indicate that the Guyana National Bureau of Standards (GNBS), has sole responsibility for developing national standards in Guyana, and coordinates inputs from various stakeholders in this regard. Where other agencies have standard-setting responsibilities, they must obtain GNBS approval. Cabinet approval is required for national standards to become technical regulations (referred to as "compulsory standards" in Guyana's legislation).
179. All technical regulations have been notified to the WTO by the GNBS. However, there is no information that Guyana has notified to the WTO its measures to ensure the implementation and administration of the TBT Agreement, nor has it notified its enquiry point.
180. Guyana does not have any agreements with third countries concerning technical regulations, standards, or conformity assessment procedures, with the exception of CROSQ.
181. Standards. As at March 2009, Guyana had 434 voluntary standards in place, up from 235 in 2003. Standards are formulated in a GNBS technical committee with the input of stakeholders. As noted by the authorities, a "committee draft" is finalized and there follows a three-month period for public consultations and comments, with proposed standards being made available on the GNBS website. In the absence of comments, the committee draft is forwarded to the National Standards Council (GNBS's decision-making body) for approval. If comments are received, then the draft is sent back to the technical committee for review. In July 1997 GNBS accepted the Code of Good Practice for the Preparation, Adoption and Application of Standards.
182. Article 30 of the Investment Act requires investors to comply with the standards of the Guyana National Bureau of Standards Act with respect to the importation of products and investment equipment and in their outputs. The authorities confirm that only compliance with technical regulations is compulsory; standards may be adopted on a voluntary basis.
183. A GNBS technical committee may recommend to the Minister of Tourism, Industry and Commerce that standards become technical regulations. The

authorities indicate that all proposed technical regulations, including those deemed not to affect trade or that are based on international standards, are notified to the WTO. Cabinet approval is required for standards to be declared as compulsory and technical regulations are published in the Official Gazette.

184. All but one of Guyana's technical regulations are national standards that have been made mandatory; one, relating to rice (specification, sampling, tests and analysis) has been adopted from CROSQ processes. Guyana has 20 technical regulations in force, all of which were notified to the WTO. Most represent technical regulations that have been operational for some time, hence in the respective notifications Members were not provided an opportunity to comment before their entry into force. Guyana's three most recent notifications have provided a two month comment period. Twelve technical regulations relate to the labelling of commodities; others regulate new pneumatic tyres for highway commercial vehicles and passenger vehicles, and the grading, sampling, and determination of the quality of rice. The Regulations (No. 10, 1977) under the Food and Drugs Act contain labelling standards for certain products. The authorities indicate that Guyana's technical regulations set minimum standards, and products that meet these or higher requirements.
185. The authorities note that verification of a product's compliance with technical regulations, is undertaken mainly through inspections, particularly for labelling requirements. With respect to imports, a documentary check is coordinated by the Guyana Revenue Authority, and for domestically produced products, inspections are undertaken by standards inspectors. A National Committee on Conformity Assessment, established in 2002, comprises inspection, certification, and testing agencies that meet on a quarterly basis. The Committee reviews and may make recommendations on agencies' conformity assessment activities. In some cases, where facilities are not available domestically, testing is undertaken overseas.
186. The National Standards Council may request importers to provide a certificate of examination and compliance with technical regulations issued by a laboratory in the country where the commodity is manufactured. In such circumstances, the GNBS will be in direct contact with the laboratory. The authorities indicate that there have been some instances when certificates have been rejected; for example when the certificate provided has not been in English and in cases of non-compliance with the technical regulation.
187. In 2002 CARICOM governments signed an Agreement Establishing the CARICOM Regional Organization for Standards and Quality (CROSQ); the CROSQ became operational in 2003. In 2005, Guyana enacted the CARICOM Regional Organisation for Standards and Quality Act to give the agreement the force of law in Guyana. The CROSQ succeeds the Caribbean Common Market Standards Council. It is, inter alia, mandated to establish and harmonize standards and technical regulations within CARICOM, and to promote the mutual recognition of conformity assessment procedures covering goods and services produced or provided in CARICOM as well as the accreditation and certification system based on internationally accepted criteria. CARICOM Members may propose community standards and technical regulations. These are drafted by special committees within the CROSQ, and forwarded to the Council of the CROSQ for adoption. Participation in committee work is open to all interested parties. The Council comprises the executive heads of the respective national standards bodies. Standards and technical

regulations adopted by the CROSQ are then recommended to COTED for approval; thereafter CARICOM governments may adopt the necessary legal and administrative arrangements to give effect to COTED decisions within their jurisdictions<sup>22</sup>.

188. The authorities indicated their interest in receiving technical and financial assistance in order to develop their capacity in the technical regulations and standards area, which in their view is important for the development of Guyana's economy.
189. Guyana has not notified any SPS measures to the WTO. Most SPS measures are contained in the implementing regulations of relevant acts, which are largely inaccessible; many SPS measures pre-date the creation of the WTO and have not been revised, and there is no procedure for removing measures that are no longer relevant. In addition, regulations are mainly available only in hard copy form in Guyana. Greater transparency in this area would benefit both Guyana and its trading partners, however, the authorities require greater technical assistance given human resource constraints. The authorities indicated that legislative reform efforts are under way in the context of the IDB-funded Agricultural Diversification Programme, and that it is currently their practice to follow international standards in the preparation of SPS measures. The authorities indicated that greater technical assistance is needed, given human resource constraints.
190. The Plant Health Services Unit (phytosanitary measures), and the Animal Health Services Unit (sanitary measures), both of which fall under the Ministry of Agriculture, are responsible for liaising with the respective international standards setting organizations in the formulation of SPS measures. The Ministry of Health has responsibility for issues relating to human health. Guyana is a member of the Codex Alimentarius Commission, the Office International des Epizooties, and the International Plant Protection Convention.
191. Guyana's appointed national notification authority is the Plant Health Services, within the Ministry of Agriculture, and its enquiry points are the Plant Health Services and the Chief Crops and Livestock Officer (Plant and Animal Health Services), both within the Ministry of Agriculture.
192. Guyana has protocol agreements with Barbados, St. Lucia, and Antigua and Barbuda to allow for trade in fresh fruit and vegetables under stated conditions. Similar agreements are being developed with Grenada and Trinidad and Tobago. In addition, it has a protocol agreement with Grenada with respect to trade in beef.
193. According to the authorities, risk assessments are always undertaken by the Ministry of Agriculture, before imports of new commodities or from new sources, and follow guidance given by international standard setting bodies. The authorities noted that around six risk assessments have been conducted since 2003. Commenting on the low number of risk assessments, they noted that Guyana is self-

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<sup>22</sup> Not all Member States automatically adopt regional standards into their national legislation. Member States sometimes adopt standards on the basis of the importance to their trade needs hence not all CARICOM standards become national standards. Guyana and Suriname have not currently ratified the CROSQ Agreement.

sufficient in most commodities and that imported items generally come from countries with which Guyana has had long-standing trade ties.

194. Guyana main SPS-related laws are: the Animals Movement and Disease Prevention Act (No. 14, 2003); the Food and Drugs Act (Cap. 34:03), and the Plant Protection Act (Cap. 68:03). In addition, the main law that governs import licensing is the Trade Act.

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### 3.3 SURINAME

195. Suriname has a small open economy which has seen both trade and GDP increase each year over the six years to 2012, as total GDP and GNI per capita nearly doubled to US\$5,173 million and US\$9,321 respectively. The country has large mineral reserves and the economy is dominated by the production and export of gold, bauxite/alumina, and fuel, which together make up over 90% of exports.
196. Government policy for development generally, including trade and sectoral policies, is set out in the Ontwikkelingsplan, 2012-2016, which is the most recent in a series of development plans, and emphasises economic diversification and export growth as crucial for development and reducing risk from external shocks to the economy.
197. Monetary policy in Suriname is focused on maintaining the exchange rate against the dollar, which, since a 20% devaluation in January 2011, has been set at SRD 3.25 to 3.35 to the U.S. dollar. With a large proportion of bank deposits and loans in U.S. dollars the Central Bank has increased reserve requirements for foreign currency deposits in order to improve prudential requirements. Although the Government has had a fiscal surplus for most of the past few years, the revenue base is quite narrow with 30% of revenue coming from the gold, bauxite, and oil sectors exposing it to fluctuations in international prices for these commodities.
198. Trade is important to the economy with imports and exports the equivalent to 100% of GDP. Suriname has a surplus on trade in goods that is greater than the deficit in trade in services. Since 2007, exports of goods have increased considerably, and the structure has changed somewhat as gold has replaced bauxite/alumina as the main export while exports of fuels have also increased in importance. Although minor in terms of total exports, the growth in exports of bananas and rice kept pace with the general growth in trade. Imports are more broadly based than exports, although petroleum oils (mostly refined products not produced in Suriname) make up a quarter of imports and machinery and electrical equipment another fifth.
199. In terms of the destination of exports, over the period 2007-11 exports to Europe have shrunk from nearly half to about one quarter of total exports while exports to the Middle East increased from almost zero to a quarter. The sources of imports have not changed to the same extent as the destination of exports, although the share of imports from the United States and the EU declined while that of Trinidad and Tobago increased.

200. Suriname is the only Dutch-speaking member of CARICOM and one of the few members that is not an island State. Suriname has adopted the CARICOM common external tariff, with a few exceptions as provided for under the Revised Treaty of Chaguaramas, and is party to the Community's international agreements, including its regional-trade agreements and the CARIFORUM-EU Economic Partnership Agreement.

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### 3.3.1 TRADE AND INVESTMENT POLICY FRAMEWORK

201. In a number of areas related to trade and investment, the legal framework would benefit from being updated, including the Investment Law of 2001, and a general customs act could update and consolidate existing legislation on customs administration, some of which dates from 1908. The authorities intend to prepare new legislation, and they are modifying customs procedures in other ways, such as through the adoption of ASYCUDA ++ as a customs data system.
202. Another area where the existing legal framework could be improved is intellectual property as much of the existing legislation dates from 1912 and 1913. A new intellectual property act was prepared in 2001 but was not passed by the National Assembly. Furthermore, in some cases, such as contingency measures and competition policy, there is no specific legislation. Certain aspects of these issues are covered under other laws but they would benefit from comprehensive dedicated legislation, and from institutional reform to support and enforce the laws.
203. Reforms have been implemented, in some areas. For example, the Suriname Standards Bureau was established in 2007 under a law introduced in 2006, and a number of national standards have been established, and CARICOM standards adopted. Although the legislation on SPS has seen little change, a programme to improve the food control system has been started and other changes are envisaged.
204. Suriname has considerable potential to increase agriculture production and there has been some foreign investment in palm oil and forestry production. After minerals, bananas and rice are Suriname's main exports, and production and trade of both products increase considerably over the six years to 2012. The state-owned banana producer, SBBS, recovered from a collapse in production in 2000 to reach record levels of production by 2011. With the exception of bananas, most agricultural production is on small farms and faces a number of constraints, including poor infrastructure, inadequate research and development, and poor plant and animal health services. In addition, the outdated land tenure system acts as a disincentive to investment and restricts producers' access to credit. Government policy is focused on improving infrastructure, extension services, and research and development.
205. Production of minerals, oil refining, and alumina production are very important to the economy. In the oil sector, the state-owned Staatsolie is a vertically integrated enterprise covering exploration to extraction, refining, export, and domestic retailing for petroleum products. It also produces electricity for the state-owned electricity company, Energiebedrijven Suriname. Staatsolie has the sole right to explore for and exploit all hydrocarbons in Suriname, although it may do so through joint ventures with foreign oil companies.

206. Bauxite production and alumina refining have been in decline in the past few years as current resources are being exhausted, although there are plans to open new mines in different areas. Bauxite is refined in Paranam using electricity from the Afobaka hydroelectric plant, which was built and is operated by Suralco. In addition to providing electricity for refining alumina, it also provides electricity to Energiebedrijven Suriname.
207. The gold sector is divided between the Rosebel Gold Mine and a large number of small producers who are effectively untaxed and unregulated despite official efforts to organize them. All gold from the Rosebel Gold Mine is exported for final refining in Canada, with a royalty of 2.25% reserved for the State of Suriname. Although the small producers bring some benefits to the country and the economy, the production methods used can lead to environmental degradation while not being very efficient in extracting gold.
208. Of the nine banks operating in Suriname, the State wholly owns three, has a majority stake in one, and a minority stake in another. The three wholly-owned banks were established to provide financial services to specific sectors and/or to address social objectives. The Central Bank's supervision of the sector was enhanced in 2011 by the Banking and Credit System Supervision Act. Suriname was affected by the collapse of the CL Financial Group in Trinidad and Tobago in 2009 which made the insurance company CLICO-Suriname insolvent and led to its operations being taken over by Self Reliance Insurance, which is 40% state-owned.
209. Most imports of goods into Suriname arrive at Nieuwe Haven in Paramaribo, which has been operated by a private company since 2010. The state-owned N.V. Havenbeheer Suriname, which is legally responsible for operating the port (along with Nieuw Nickerie) now acts as a developer, supervisor, and regulator. Investments in the port facilities have considerably reduced the time needed for ports and terminal handling.
210. Suriname has enjoyed several years of economic growth, supported by strong prices for its main exports. However, its growth and prosperity, along with Government revenues, are based on a narrow range of products. The authorities are aware of the need to diversify, and successive national plans have identified various sectors for development as well as the challenges facing the economy. In some areas the necessary legislation has not been implemented even though, in some cases, it has been prepared and submitted to the National Assembly. Furthermore, passing new laws would only be a first step towards reform, as implementing legislation and institutional reform would be required to apply the law. At the same time, Suriname seems to have considerable potential for further economic growth, not only in minerals but also as a regional gateway for goods and less so services.
211. As an indication of Suriname's growth potential, a list of recent major foreign direct investments in Suriname follows:
- i. IAMGold will be expanding its Rosebel Gold Mine. Total investment is approximately US\$800 million.
  - ii. Murphy Oil and Kosmos Energy will be conducting exploration activities off Suriname's shore in the oil sector. Total investment is approximately US\$150 million.
  - iii. Once an agreement has been reached, Surgold, the joint venture between Alcoa and Newmont Mining Co., will commence preparations for developing



- the Nassau Area for set-up of a gold refining industrial complex. The company has invested approximately US\$100 million in exploration activities to date.
  - iv. The government is negotiating with Alcoa over the establishment of a new bauxite mine in the Nassau Area.
  - v. Staatsolie has signed an agreement worth US\$550 million with Italian Company Saipem for construction of the oil refinery.
  - vi. The GOS is currently negotiating with Indian firm Food Fats Fertilizer Hyderabad for the establishment of a palm oil company in Suriname. The project is worth an estimated US\$200 million.
  - vii. Chinese firm China Zhong Heng Tai has expressed interest in establishing a palm oil company in Suriname's eastern Marowijne District.
  - viii. Dubai-based Kaloti Jewelry Group has signed an agreement with the GOS to establish a government-owned mint in 2012. The Mint will process the gold to a purity of 99.9 percent.
  - ix. United Arab Emirates-based DP World is finalizing the acquisition of a 51 percent stake in two port operating companies in Suriname.
  - x. Dubai-based metals and mining company Gulf Pacific has expressed interest in investing up to US\$2 billion in Suriname's extractive industries.
  - xi. Hong Kong-based Greenheart Group Ltd. plans to invest in two giant saw mills in Suriname's interior.
212. All economic agents wishing to import goods for commercial purposes must be registered with the Chamber of Commerce and Industry of Suriname (KKF). To register, an importer must submit two passport photos, a birth certificate, and a declaration of Surinamese nationality, or permanent residency permit in the case of foreign importers. Importers must also obtain a registration number from the Customs and Excise Department (CED), for which they must submit a copy of their registration with the KKF and their tax identification number issued by the Directorate of Taxes.
213. The authorities indicated that a new PSI programme will be launched as of April 2013<sup>23</sup>. There are indications that the pre-shipment inspections are being reviewed.

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<sup>23</sup> Businesses seeking to export goods to Suriname must meet the PSI conditions set down in the Regulation issued by the Ministry of Finance on June 17, 2013. The Government of Suriname has introduced a PSI program for all consignments to be shipped to Suriname. The Government (through SGS Logistics Ltd) inspects the goods and relevant documentation to enable the proper identification of cargo prior to shipment with regard to quality, quantity and import eligibility in addition to valuation and customs classification. How does the PSI process work? Not all goods destined for Suriname will be subject to physical inspection but they must all submit an Import Verification Request (IVR). Step 1 – All goods destined for the country must apply to the SGS Suriname office for an IVR. Based on delivery of the IVR and supporting documentation the SGS officers will determine the intervention level. Goods that are excluded from the PSI program will be issued with a Confirmation of Satisfactory Documentary Verification and Exemption from PSI (CDV&E). All other imports must follow the next step. Step 2 – Goods subject to PSI. The exporter must submit a Request for Detailed Information (RDI) and supporting documentation. On successful completion of the physical inspection and based on submitted final documents, the exporter and importer will be issued with a Clean Report of Findings (CRF). For payment between importer and exporter through letter of credit, a security label will be issued to exporter, in addition to the CRF. Unsuccessful applications will receive a Discrepancy Report (DR) notifying them of the reason(s) that a CRF could not be issued. (retrieved from [hT-](#)

214. Under the Ministry in charge of finance, the CED is responsible for customs procedures, including levying duties and other charges. The core customs procedures for inspection and administration of goods, in international trade, are vested in the Shipping Act of 1908. However, numerous customs-related issues, including procedures, and duty and tax collection on international trade, are found in several separate pieces of legislation.
215. Efforts are under way to promote border agency cooperation in Suriname. As an example, there is an informal cooperation framework, through quarterly meetings, between the Department of Import-Export and Foreign Exchange Control (IUD), the CED, customs brokers, the Ministry of Agriculture, Livestock and Fisheries (LVV), shipping agencies, and the Ministry in charge of health.
216. Since 2007, Surinamese customs offices have been equipped with the version 2.7 of the Automated System for Customs Data (ASYCUDA). The involvement of a customs broker, for carrying out customs procedures, is optional in Suriname. A training certificate issued by the KKF is required to become a professional customs broker.
217. To clear goods through Customs, importers have been required to fill in the international trade transaction form for goods and services (IT form), and the single administrative document (ED form). The IT form specifies the method of transport and the total amount of payment for the imported goods.
218. The importer must submit one copy of the IT to the Central Bank for statistical and foreign exchange purposes. In addition, three copies of the IT form are submitted to the CED, together with the single administrative document (ED form), the commercial invoice, bill of lading or airway bill, and the packing list. There is no mechanism for electronic submission of customs documentation. Importers must have the ED form stamped at the Ministry of Trade and Industry in Paramaribo before submitting it to the CED.
219. Goods that enter Suriname under CARICOM's free-trade regime must be accompanied by a certificate of origin and a CARICOM invoice. The decision to conduct a physical inspection of the merchandise is based on criteria including the amount of the customs duties and the previous experience of the CED with the importing company. The authorities have indicated that some 4.5% of total imports were inspected during the review period.
220. The authorities also indicated that goods normally clear Customs within three days. However, Suriname has not undertaken any administrative step to assess average release and clearance times.

221. Pursuant to the Customs Duty Act, decisions by customs officials may be appealed, initially level to the Head of the CED and then to the Director of Taxes. If still unsatisfied, importers may appeal to the national courts. According to the authorities, the CED dealt with 54 disputes of which four were taken to national courts.
222. Suriname is not a member of the World Customs Organization.
223. Customs valuation: In principle, Suriname's legislation on customs valuation is contained in the Tariff Import Duties Law. The legislation is based on the Agreement on Implementation of Article VII of the GATT 1994 (Customs Valuation Agreement).
224. However, in order to mitigate cases of under-valuation, the CED uses reference prices based on the prices of past shipments of identical or similar good. The customs authorities have indicated that apparent under-valuation of imports had been a regular occurrence. In order to mitigate under-invoicing with respect to imported cars, cigarettes, and alcoholic beverages, specific duties are currently applied.
225. The Tariff Import Duties Law explicitly prohibits the use of minimum values to determine customs value.
226. In addition to tariffs, all goods imported to Suriname are subject, on the basis of their c.i.f value, to a consent fee of 1.5%; and a statistical fee of 0.5% on all imports, except bauxite, for which the fee is 2%.
227. Standards and technical regulations: New developments have occurred in Suriname's standards/technical regulations setting framework. The act establishing the Suriname Standards Bureau (SSB) was adopted and the SSB was brought into operation in 2007 as the national agency responsible for administering and developing standards and technical regulations. In addition, SSB is the national authority for certification of goods and accepted processes, for metrology, and for accreditation of laboratories and testing facilities. It is also responsible for promoting the use of international and regional standards, including technical regulations.
228. In principle, under the SSB, the National Standards Information Centre (Nationaal Standaarden Informatie Centrum, NSIC) is the national information point for standards and technical regulations. As such, it is responsible for providing information on national, regional, and international standards and technical regulations. The NSIC keeps an inventory of standards and technical regulations in force in Suriname.
229. In general, international standards serve as the basis for Suriname's national standards. As of March 2013, standards existed on food hygienic; hazard analysis and critical control point (HACCP); quality management systems; environmental management systems; medical laboratories; conformity assessment; general requirements for the competence of testing and calibration laboratories; food safety management systems; general requirements for bodies operating product certification systems; and occupational health and safety management systems specification.

230. In addition, Suriname has adopted CARICOM's technical regulations for brewery products, the poultry industry, labelling of tobacco products, rum, and rice. The Ministry of agriculture is in charge of the inspection process.
231. The Ministry of Trade and Industry is the notification authority. The Standards Act of 2004 is the main source of regulation for standardization, conformity assessment, and certification in Suriname. The development of standards takes about 14 months and goes through 10 different stages. Any interested individual or organization may submit a proposal to initiate the development of a national standard or technical regulation. The process is undertaken once the relevance of the proposed regulation is established, following investigation by a technical committee. In general, the committees consist of academics, producers, and consumer representatives. Other organizations involved in the development of standards and technical regulations are the Agricultural Health and Food Safety Unit (AHFSU), the Fish Inspection Institute (VKI), the Environment Hygienic Service (Milieu Hygienische Dienst), and the National Institute for Environment and Development (NIMOS), which is concerned with environmental legislation and regulation for protection of the environment.
232. In developing standards and technical regulations, a draft document is published in local newspapers, as well as on the SSB's website, allowing for comments from the public within 60 days. The comments are reviewed by the technical committee and the draft may be adjusted.
233. The final draft is presented by SSB to the Ministry of Trade and Industry. In the case of a technical regulation, the Ministry of Trade and Industry presents the final draft to the council of ministers for adoption. As the final step, the standard or technical regulation is published in the Official Journal (Staatsblad).
234. Suriname is a member of the CARICOM Regional Organization for Standards and Quality (CROSQ), the International Telecommunication Union, Codex Alimentarius Commission, the ISO, the Caribbean metrology institute (CARIME), and the Inter-American Metrology System.
235. Sanitary and phytosanitary measures: Sanitary and phytosanitary issues are regulated by the Plant Protection Ordinance of 1965, the Animal Disease Regulation of 1954, the Fish Inspection Law of 2000, the Meat Regulation of 1961, the Pesticide Act, 1972 (last amended in 2005), and the Sowing-Seed Law, 2005. In early 2004, the Plant Protection Ordinance was being updated and a draft law regulating trade in livestock and seeds was under review. A number of new regulations, related to animal health, are being drafted, including the Animal Health Act and the Animal Development Act. In addition, a National Food Law is being developed.
236. Under the Ministry in charge of Agriculture, Animal Husbandry, and Fisheries, the Agricultural Health and Food Safety Unit (AHFSU) develops and harmonizes national standards in line with regulations and standards from the Codex Alimentarius, the International Plant Protection Convention (IPPC), and the World Organization for Animal Health (OIE). It has established a Surveillance and Monitoring System for Animal and Plant Pests and Disease.

237. A National Codex Committee established in 2004 is not yet fully operational. The food safety management framework remains poor in Suriname. In 2007, under a technical assistance programme provided by the FAO, the Ministry of Agriculture, Livestock and Fisheries, in cooperation with the Ministry of Health, started a programme to strengthen the food control system. The project was aimed at improving local food safety and increasing exports. It was expected to create a collaborative framework between, inter alia, the Plant Quarantine Unit, the Department of Veterinary Inspection, the Fish Inspection Institute and their laboratories, the Department of Environmental Inspection, and the Central Laboratory of the Agency for Public Health (BOG) of the Ministry in charge of Health.
238. During the inspection process, samples are taken by the inspectors of the Ministry of Agriculture, Livestock and Fisheries and tested at the Central Laboratory. If the importer is not satisfied with the results, a second test may be run in accredited laboratories in the Netherlands or in Trinidad and Tobago. Suriname does not have any accredited laboratories.
239. Under the Plant Protection Ordinance of 1965, an import application form and a phytosanitary import permit are required for imports of plants and plant products. Applications are processed by the Plant Quarantine Unit, which conducts a pest risk analysis. A phytosanitary permit of a recognized authority in the exporting country is also required. All imports of agricultural products should be notified to the Plant Quarantine Unit, as inspection is mandatory.
240. The Ministry of Health has a public health laboratory that deals with chemistry, entomology, microbiology, and parasitology. The Ministry of Agriculture, Animal Husbandry and Fisheries maintains laboratories for fruit fly, nematology, entomology, mycology, and bacteriology, a palm research station, and a fisheries laboratory for food inspection. Private-sector laboratories also exist. Public laboratories focus mostly on sampling, control, and, to a lesser extent, laboratory analysis.
241. The Fish Inspection Unit (VKI) began operating in 2007. It was established to implement the Fish Inspection Law of 2000. The VKI determines quality standards for all fishery products and is responsible for inspection and control to ensure the quality of fishery products for import and export. The VKI has established a surveillance and monitoring system for biotoxins and contaminants in fishery products; a residue monitoring plan for aquaculture products in compliance with EU regulation; a surveillance and monitoring system for hygiene in processing plants; freshness tests; inspection of the hygiene situation on fishing vessels, processing plants, landing sites, and aquaculture farms, and inspection of the quality of processing water and the fisheries products; registration and recognition of landing sites; processing plants and aquaculture farms; issuance of inspection and health certificates; and a surveillance and monitoring system for smoked fishery products.
242. The Permanent Secretary of the Ministry in charge of Agriculture, Animal Husbandry, and Fisheries serves as Suriname's national notification authority.
243. Suriname is a party to the Cartagena Protocol on Biosafety to the Convention of Biological Diversity (since 2008). In 2004, the Ministry of Labour, Technological Development and Environment issued a report on setting up a national biosafety

framework for Suriname. It describes a systematic procedure for handling imports and exports of GMOs. It also provides a framework for GMO-related risk analysis, for imports, exports, and locally produced GMOs. In this regard, a biosafety law (bioveiligheidswet) was to be adopted within three years after adoption of the biosafety framework.

244. Suriname is a member of the Codex Alimentarius, the World Organization for Animal Health, and the International Plant Protection Convention (Convention of 1991).

#### 3.4 CARICOM-BRASIL RELATIONS

245. The Ministers of Foreign Affairs of MERCOSUR and the Minister of Trade and Industry of Trinidad and Tobago, Mr. Kenneth Valley, on behalf of CARICOM, gathered in the city of Belo Horizonte, on December 16th 2004, during the meeting of the XXVII Ordinary Summit of the MERCOSUR Council, aiming at continuing political and economic talks between the two groups .

246. The Ministers acknowledged the initiatives taken, especially the exploratory mission of MERCOSUR to Port of Spain in November 2004, when the establishment of a working group between the two blocs was discussed. Considering the interest in enhancing the economic and commercial relations between MERCOSUR and CARICOM, the Ministers proposed the following work program comprising actions and meetings on the first semester of 2005, with a view to launch a negotiating process of a Free Trade Agreement.

247. MERCOSUR -CARICOM Working Program was agreed with a First Meeting scheduled for February 2005 to facilitate an exchange of information on the following items:

- Tariff structure;
- Legislation on sanitary and phytosanitary measures;
- Technical rules and regulations;
- Trade data concerning the period 2000-2004
- Free Trade and Preferential Trade Agreements with third Parties as well as rules applied to intra-regional trade;
- Identification of the objectives of each Party.

248. In recent years Brasil has made notable efforts to maintain good relations with the countries in the Latin America and Caribbean region and to broaden its presence and influence in both sub-regions. Brasil has given high priority to expanding relations with its South American neighbours and is a founding member of the Amazon Pact, the Latin American Integration Association (ALADI), MERCOSUR and the South American Community of Nations, now UNASUR. Brasil is also a member of the Rio Group which also includes five CARICOM Member States namely, Belize, Guyana, Haiti, Jamaica and Suriname, and is a signatory to the Treaty of Amazonian Cooperation to which Guyana and Suriname are also signatories.

249. Brasil has been assiduously forging partnerships and strategic alliances within and outside the Region (Africa, Asia and the Middle East) through its economic

diplomacy and has been positioning itself in the Caribbean in what appears to be part of its broader strategy of increased internationalization. Brasil has also been expanding its economic and diplomatic presence in the Caribbean and now has a Diplomatic presence in all of the CARICOM Member States.

250. At the hemispheric level, Brasil was the initiator of the Summit of Latin America and the Caribbean on Integration and Development (CALC) process, convening the first CALC Summit in Salvador, Bahia, Brasil, on 16-17 December 2008. It was the first time that all Latin American and Caribbean countries had met among themselves without the presence of the United States and Canada.
251. Brasil initiated the CALC process with the objective of providing a space for Heads of State and Government of Latin America and the Caribbean to dialogue on creating greater synergy among the existing regional and sub-regional economic, trade and cooperation mechanisms, with a focus on development. The CALC initiative is unique in that it is the only hemispheric forum which does not include the United States and Canada.
252. The Heads of State and Government of Brasil and the Caribbean Community (CARICOM) met in the city of Brasilia on April 26, 2010 for the First Brasil-CARICOM Summit.
253. Other relevant meetings include the First and Second Latin America-Caribbean Summits on Integration and Development (CALC) in Salvador de Bahia in December 2008 and in Cancun, Mexico in February 2010. The Heads of State and Government reiterated the commitments made in Cancun to the establishment of the Community of Latin American and Caribbean States.
254. The Heads of State and Government recognised that the major earthquake that struck Haiti on January 12, 2010, required that the major portion of humanitarian aid to the Caribbean be directed to that country. In this regard, the urgency of implementing cooperation projects aimed at the country's economic, social, infrastructural and institutional recovery. To this effect, Brasil has channelled the largest amount ever directed at an action of this nature and will execute joint projects with CARICOM toward Haiti's reconstruction.
255. Encouraged by the auspicious development of relations among their countries, the convergence of their positions, many, on most issues pertaining to today's international reality, this First Summit addressed particularly, cooperation projects at all levels of their relationship, and agreed to inter alia the following:
- To applaud the President of Brasil's determination to establish resident Brazilian Embassies in all CARICOM countries and to accredit the Ambassador of Brasil in Guyana as Brasil's Ambassador to CARICOM, and the Ambassador of Brasil to Saint Lucia to the Organisation of Eastern Caribbean States.
  - To welcome also the recent opening, by the Government of Barbados, of a resident Embassy in Brasilia and the stated intention of the Government of Jamaica to establish an Embassy in Brasilia.

- To note that 9.0 percent of international technical cooperation currently extended by the Government of Brasil is channelled to the Caribbean region and to commit themselves to increasing and intensifying such cooperation under new Agreements and Memoranda of Understanding.
- To note the continuously increasing number of Caribbean students at higher education institutions in Brasil and to intensify efforts to promote the further growth of this exchange. In this regard, they lauded the signing at this Summit, of Educational Cooperation Agreements between Brasil and Antigua and Barbuda, Belize, Dominica, Grenada, Saint Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines and Suriname. They noted with satisfaction, the advanced stage of negotiations of similar agreements between Brasil and The Bahamas. These Agreements will facilitate, among other things, the linguistic qualification of the candidates participating in this educational exchange.
- To recognise the importance of developing cultural exchanges to strengthen closer relationships between their peoples. In this regard, the Heads of State and Government lauded the signing at this Summit, of Cultural Cooperation Agreements between Brasil and Barbados, Belize, Dominica, Grenada, Saint Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines and Suriname. They also noted with satisfaction, the advanced stage of negotiations of similar agreements between Brasil and The Bahamas.
- To further note the signature, during the Summit, of a Memorandum of Understanding between Guyana and Brasil in the area of phytosanitary security for products of vegetal origin. This Memorandum builds on a number of cooperation Agreements already in existence between Brasil and Guyana, in the field of Agriculture.
- To maximise cooperation in the field of agricultural, livestock and aquaculture research and in the implementation of joint agricultural projects.
- To promote the establishment of an agricultural cooperation committee under the existing CARICOM-Brasil agreements.
- To intensify relations in the field of research on and development of renewable and non-renewable sources of energy and energy-saving methods. In this regard, they agree to organise a Brazilian Mission to CARICOM on a date to be proposed by the CARICOM Secretariat, to explore possibilities for institutional and entrepreneurial cooperation in this area.
- To recognise the importance of tourism to Brasil and CARICOM. In this regard, to look forward to the early conclusion of the draft Memorandum of Understanding on Cooperation in Tourism, tabled by Brasil and aimed at identifying forms of cooperation between Brasil and CARICOM.
- To commend the decision of the Government of Brasil to become a non-borrowing member of the Caribbean Development Bank (CDB). To note with satisfaction that the process of Brasil's membership which also involves



a contribution to CDB's Special Development Fund, is at the final stages of consideration by the Brazilian National Congress. Brasil's membership of the Bank will greatly facilitate closer commercial and entrepreneurial collaboration between Brasil and CARICOM Member States.

- To recognise the importance of the need for financial support for initiatives geared toward development cooperation. In this context, the Heads of State and Government agree to hold a preliminary technical meeting between Brasil's National Economic Development Bank (BNDES) and the Central Banks in CARICOM, with the participation of the CDB, the Caribbean Association of Indigenous Banks (CAIB) and the Association of Development Banks of the Eastern Caribbean (ADBEC), in 2011.
- To note with satisfaction, a more than tenfold increase in trade between Brasil and CARICOM in the last six years. They stress, nevertheless, the great imbalance in this trade flow and agree on the need to find ways of reducing it, exploring also enhancement of trade in services. In this connection, they agree on the importance of mounting a CARICOM trade mission to Brasil. Both sides commit to cooperate closely in the preparations for this mission, the dates for which will be proposed by CARICOM. Brasil also expresses its willingness to prepare a specific study on "How to Export from the Caribbean to Brasil," based on an exchange of information with the CARICOM Secretariat.
- To welcome the initiative of Brasil to organize a mission from the Brazilian Agency for Export Promotion (APEX) to CARICOM, given the importance of intensifying bilateral trade on a small and medium scale. APEX will engage in preliminary consultations with similar regional export promotion institutions in CARICOM, including the Caribbean Export Development Agency and the Caribbean Association of Industry and Commerce (CAIC).
- To stimulate and enhance Brasil's participation in trade and industrial fairs in CARICOM Member States as well as representation of CARICOM Member States and relevant agencies in similar fairs in Brasil.
- To reiterate and underscore the importance of MERCOSUR-CARICOM relations in the process of Latin American-Caribbean integration. In this respect, they agree to hold as soon as possible, in 2010, the meeting called for under the Joint MERCOSUR-CARICOM Declaration adopted in Salvador de Bahia, on December 17, 2008, for resumption of technical activities between the two organizations.
- To acknowledge, with satisfaction, the signing at this Summit, of additional Agreements on the Waiver of Visas on Diplomatic, Official, and Service Passports between Brasil and Antigua and Barbuda, The Bahamas, Dominica, Saint Lucia, St. Kitts and Nevis and St. Vincent and the Grenadines which will then encompass Brasil and all CARICOM Member States.

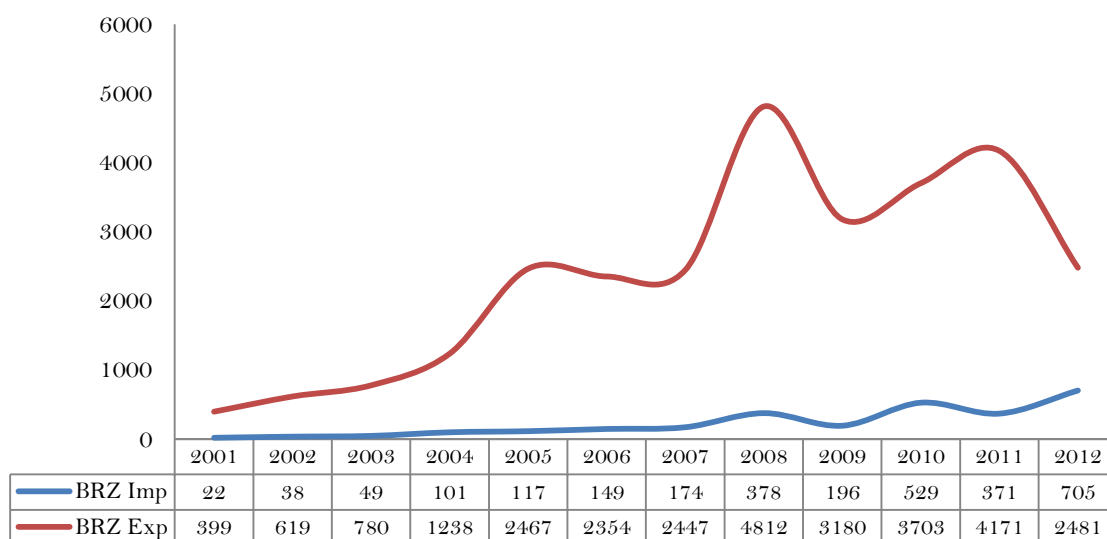
256. However, amidst all these pronouncements, trade continues to be even more lopsidedly in favour of Brasil.

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### 3.5 CARICOM-BRASIL TRADE PERFORMANCE

257. CARICOM based firms generated US\$705mn in sales to Brasil in 2012 compared to US\$22 mn in 2001. This outturn represented a 37% average annual growth rate (bilaterally weighted growth rate of 5%). However, firms based in Brasil generated US\$4.2bn in exports in CARICOM’s markets in 2011 compared to US\$399mn in 2001. This outturn represented a 27% average annual growth rate (bilaterally weighted growth rate of 23%). The trade deficit between Brasil and CARICOM has deteriorated from US\$377mn in 2001 to US\$1.7bn in 2012.

**Figure 1 CARICOM-Brasil merchandise trade performance(US\$’000**



Source: TradeMAP retrieved November 1, 2013

258. CARICOM’s top exporter to Brasil was Trinidad and Tobago. Other top exporters in 2011 were The Bahamas; Saint Kitts and Nevis; Jamaica and Barbados. Suriname ranks as the 7<sup>th</sup> highest CARICOM exporter to Brasil, with Guyana only barely outperforming Dominica; Antigua and Barbuda and Grenada in the Brazilian market.

259. Brasil’s main imports from CARICOM were:
1. Liquified natural gas
  2. Anhydrous ammonia
  3. Methanol
  4. Hot rolled bars/rods of iron/steel
  5. Aluminium oxide
  6. Portland cement
  7. Undenatured ethyl alcohol
  8. Melamine
  9. Other essential oils
  10. Kaolin and other kaolinic clays, whether or not calcined

260. All of these items were not covered by either PSA from Guyana or Suriname. If the 5<sup>th</sup> additional protocol is approved, then Undenatured ethyl alcohol would be covered by Guyana’s PSA. Therefore, the troika would not be able to market their trade agreements to the rest of CARICOM as being relevant to the current trade pattern.

261. Brasil’s main exports to CARICOM in 2012 were:

1. Crude Petroleum oils
2. Iron ores
3. Undenatured ethyl alcohol
4. Tiles, cubes and glazed ceramics
5. Bovine meats
6. Fowls (gallus domesticus) frozen
7. Plywood
8. Paper and paperboard
9. Prefabricated buildings
10. Raw cane sugar

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## 4.0 TRADE PERFORMANCE

### 4.1 MERCHANDISE TRADE

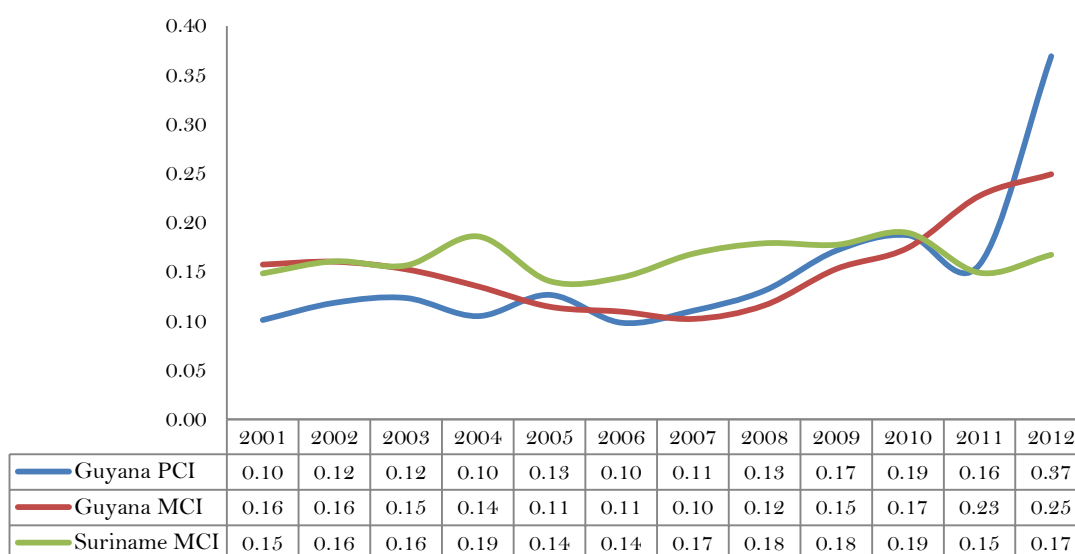
262. This assessment will now explore trade performance amongst the Troika. This assessment will also explore assumptions made in the crafting of this TOR:

1. CARIFORUM States need to diversify markets;
2. Guyana and Suriname have underexploited their strategic location with Brasil;

#### 4.1.1 DIVERSIFICATION OF TRADE

263. One popular measure of market concentration is the Herfindahl-Hirschman index (HHI). Based on the practice of the US Department of Justice<sup>24</sup>, if the HHI is between 0 and 0.15, then diversification is observed. Between 0.15 and 0.25 implies moderate concentration, and above 0.25 generally implies high concentration (i.e. heavy dependence on a few markets/products).

Figure 2: Trade Concentration



Source: Authors calculations using mirror data from tradeMAP retrieved august 6, 2013

264. The figure above shows the market concentration index (MCI) and the product concentration index for Guyana and Suriname.

265. Suriname’s PCI showed product diversification in 2001 with an index of 0.15 and product diversification was maintained up to 2012 with only seemingly marginal increases to 0.17. There was insufficient information to calculate the PCI for Suriname over the long term, but the PCI in 2012, was 19.3, which showed moderate product concentration.

<sup>24</sup> See <http://www.justice.gov/atr/public/guidelines/hmg-2010.html#5c> retrieved August 14, 2013.

266. Guyana's PCI showed seemingly significant changes between 2001 and 2012. Whereas the PCI showed diversification in 2001, after 2010, there was a reversal showing product concentration. In terms of market diversification, Guyana showed diversification again up to 2010 where market concentration was observed.

267. The basic conclusion being that Guyana's merchandise export markets were more concentrated than their export products and Guyana's markets were also more concentrated than Suriname's export markets.

268. Additionally, Guyana's exporters were narrowing their export base both in terms of products and markets serviced. Suriname's export base was broader in terms of markets serviced as Suriname was moderately concentrated.

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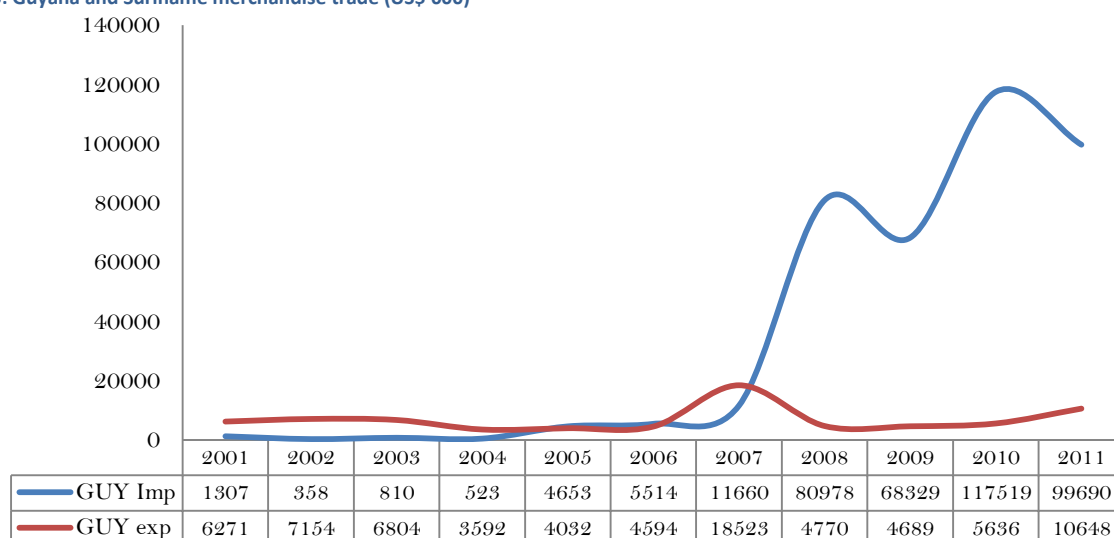
#### 4.1.2 EXPLOITATION OF OPPORTUNITIES

269. Guyana was a US\$1.7bn merchandise import market in 2011, with Suriname a US\$1.6bn import market in 2011.

270. Guyana and Suriname have not exploited the merchandise trade opportunities between themselves in a balanced manner. Suriname clearly has reversed the trade deficit observed in 2001 to become the dominant trading partner between both CARICOM Member States by 2011.

271. Suriname-based exporters expanded their merchandise export sales by over 48% annually to Guyana, whilst Guyana-based exporters expanded their merchandise export sales to Suriname by 5.4% annually between 2001 and 2011.

Figure 3: Guyana and Suriname merchandise trade (US\$'000)



Source: TradeMAP retrieved august 12, 2013

272. Guyana's main merchandise exports to Suriname in 2011 included<sup>25</sup>

<sup>25</sup> Only focussing on those Harmonised tariff system sub-headings in excess of US\$80,000 in exports.

- i. Raw sugar cane (HS 170111)
- ii. Carton boxes (HS 481910)
- iii. Portland cement (HS 252329)
- iv. Coal/rock cutters (HS 843039)
- v. Parts of metal rolling mills and rolls (HS 845590)
- vi. Pasta not elsewhere specified –not elsewhere specified (nes) (HS 190230)
- vii. Sugar confectionery nes (including white chocolate), not containing cocoa (HS 170490)
- viii. Medicaments nes, in dosage (HS 300490)
- ix. Vodka (HS 220840);
- x. Wheat or meslin flour (HS 110100)
- xi. Prefabricated buildings (HS 940600)
- xii. Panels, 1 outer ply coniferous wood nes (HS 441299)
- xiii. Chewing gum containing sugar, except medicinal (HS 170410)
- xiv. Rice husked (brown) (HS 100620); and
- xv. Urea, whether or not in aqueous solution in packages weighing more than 10 kg (HS 310210).

273. Suriname’s main merchandise export sectors to Guyana in 2011 included<sup>26</sup>:

- i. Other petroleum oils and preparations (HS 271019)
- ii. Waters including minerals and aerated beverages, containing sugar or sweetening matter or flavoured (HS 220210)
- iii. Non-alcoholic beverages nes, excluding fruit/vegetable juices of heading 2009 (Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter) (HS 220290)
- iv. Soya-bean oil and its fractions, refined but not chemically modified (HS 150790)
- v. Parts of balloons, dirigles, and spacecraft nes (HS 880390)
- vi. Cocoa powder, containing added sugar or other sweetening matter (HS 180610)
- vii. Drill pipe, seamless, of a kind used in drilling for oil or gas, of iron or steel (HS 730423)
- viii. Palm oil and its fractions refined but not chemically modified (HS 151190)
- ix. Rice, semi-milled or wholly milled, whether or not polished or glazed (HS 100630)
- x. Prefabricated buildings (HS 940600)
- xi. Fowls (gallus domesticus), cuts and offal frozen (HS 020714)
- xii. Boring or sinking machinery nes, self propelled (HS 843041)
- xiii. Toilet paper (HS 481810)
- xiv. Ground nuts shelled, whether or not broken, not roasted or otherwise cooked (HS 120220)
- xv. Sacks and bags (including cones) of plastic nes (HS 392329)
- xvi. Whiskies (HS 220830)
- xvii. Vodka (HS 220860)
- xviii. Coffee preparations based on extract/essence/concentrate (HS 210112)
- xix. Ice and snow and potable waters nes not containing sugar or sweeteners nor flavoured (HS 220190)

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<sup>26</sup> Only focussing on those Harmonised tariff system sub-headings in excess of US\$400,000 in exports.

- xx. Sweet corn prepared or preserved, other than by vinegar or acetic acid, not frozen (HS 200580)
- xxi. Toilet soap and preparations, shaped; papers and non wovens impregnated with soap toilet use (HS 3401110)
- xxii. Tableware and kitchenware of plastics (HS 392410)
- xxiii. Tomatoes nes, prepared or preserved other than by vinegar or acetic acid (HS 200290)
- xxiv. Coffee extracts, essences and concentrates (HS 210111); and
- xxv. Beer made from malt (HS 220390)

274. Guyana's most dynamic merchandise export sectors to Suriname between 2001 and 2011 included:

1. 210390- Sauces and preparations nes and mixed condiments and mixed seasonings (44.2% growth per annum between 2001 and 2011)
2. 220840- Rum and tafia (38%);
3. 170199- Refined sugar, in solid form, nes (38%);
4. 300490- Medicaments nes, in dosage (31%);
5. 481910- Cartons, boxes and cases, of corrugated paper or paperboard (20.9%)
6. 170111- Raw sugar, cane (8.6%)
7. 110100- Wheat or meslin flour (new export)
8. 170410- Chewing gum containing sugar, except medicinal (new export)
9. 170490- Sugar confectionery nes (includg white chocolate), not containing cocoa (new export)
10. 252329- Portland cement nes (new export)
11. 190230- Pasta nes (new export)

275. Products exported from Guyana to Suriname that could be deemed "in retreat" between 2001 and 2011 included:

1. 100620- Rice, husked (brown)
2. 330300- Perfumes and toilet waters
3. 392329- Sacks and bags (including cones) of plastics nes
4. 030613- Shrimps and prawns, frozen, in shell or not, including boiled in shell
5. 230990- Animal feed preparations nes
6. 251710- Pebbles, gravel, broken or crushed stone used for aggregates etc
7. 441214- Plywood, outer ply of non-conifer wood nes, ply <6mm
8. 761010- Doors, windows and their frames and thresholds for doors of aluminium

276. Suriname's most dynamic merchandise export sectors to Guyana (using mirror statistics) between 2001 and 2011 included:

1. 271019- Other petroleum oils and preparations (new export)
2. 220210- Waters incl mineral& aeratd, containg sugar o sweeteng matter o flavourd (new export)
3. 843143- Parts of boring or sinking machinery, whether or not self-propelled (new export)
4. 481810- Toilet paper (new export)
5. 843049- Boring or sinking machinery nes, not self-propelled (new export)
6. 392410- Tableware and kitchenware of plastics (new export)
7. 940600- Prefabricated buildings (new export)
8. 730629- Casing and tubing of a kind used in drilling for oil or gas, welded (new export)
9. 271490- Bitumen and asphalt; asphaltites and asphaltic rocks (new export)

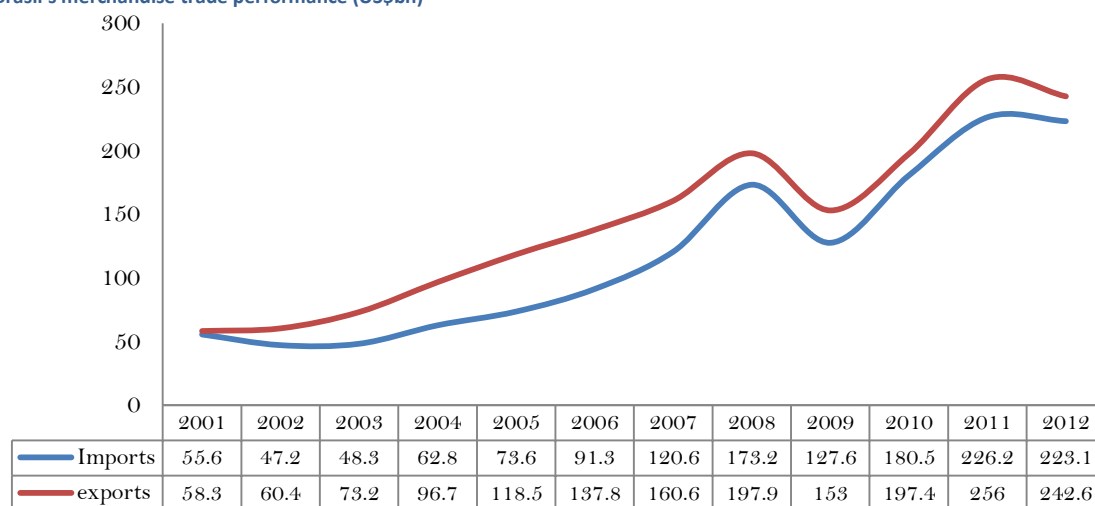
10. 845929- Drilling mches nes, for removing metal(new export)
11. 220190- Ice&snow&potable waters nes not cntg sugar or sweeteners nor flavoured(new export)
12. 220300- Beer made from malt(new export)
13. 630533- Sacks, bags, packing, of strip plastic material(new export)
14. 380894- Disinfectants(new export)
15. 230990- Animal feed preparations nes(new export)
16. 170199- Refined sugar, in solid form, nes(new export)
17. 200990- Mixtures of juices unfermentd&not spiritd whether o not sugard o sweet(new export)
18. 392329- Sacks and bags (including cones) of plastics nes(new export)
19. 392310- Boxes, cases, crates & similar articles of plastic (new export)

277. Products exported from Suriname to Guyana that could be deemed “in retreat” between 2001 and 2011 included:

1. 340290- Surface-active preparations, washing and cleaning preparations, nes
2. 730890- Structures&parts of structures,i/s (ex prefab bldgs of headg no.9406)

278. Brasil was a US\$223bn merchandise import market in 2012 quadrupling the import expenditure observed in 2001. The Brazilian goods import market was the 22<sup>nd</sup> largest import market in 2012. Simultaneously, Brazilian-based exporters generated export revenues of US\$243bn in 2012. Brasil has maintained a merchandise trade surplus between 2001 and 2012.

Figure 4: Brasil’s merchandise trade performance (US\$bn)



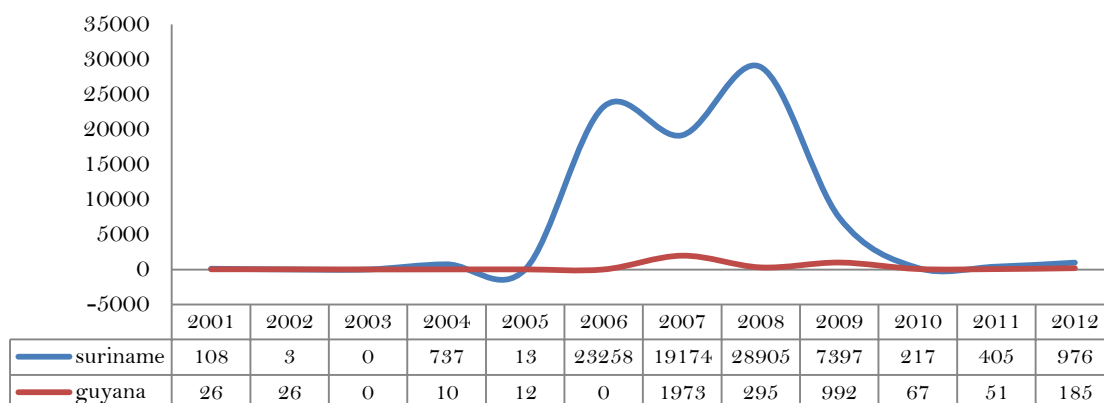
Source: TradeMAP retrieved August 17, 2013

279. Brasil’s top 10 merchandise imports in 2012 were:
- i. 270900- Petroleum oils and oils obtained from bituminous minerals, crude
  - ii. 271019- Other petroleum oils and preparations
  - iii. 271012- Light petroleum oils and preparations
  - iv. 870323- Automobiles w reciprocating piston engine displacg > 1500 cc to 3000 cc
  - v. 310420- Potassium chloride, in packages weighing more than 10 kg
  - vi. 852990- Parts suitable for use solely/princip w the app of headings 85.25 to 85.28
  - vii. 271121- Natural gas in gaseous state



- viii. 300490- Medicaments nes, in dosage
  - ix. 847330- Parts&accessories of automatic data processg machines&units thereof
  - x. 270112- Bituminous coal, whether or not pulverised but not agglomerated
280. Brasil's most dynamic imports observed between 2001 and 2012 included:
- 1. 611529- Pantyhose and tights of textile materials, knitted or crocheted (new import)
  - 2. 690710- Tiles, cubes and sim <7 cm rect or not etc, unglazed ceramics (new import)
  - 3. 151311- Coconut (copra) oil crude (new import)
  - 4. 200912- Orange juice, unfermented, Brix value <= 20 at 20°C, whether or not co
  - 5. 060319- Fresh cut flowers and buds, of a kind suitable for bouquets or for orn
  - 6. 360500- Matches
  - 7. 380894- Disinfectants
  - 8. 252100- Limestone flux;limestone & other calcareous stone,for lime or cement (125% annually between 2001 and 2012)
  - 9. 480451- Paper,kraft,rolls or sheets,>/=225g/m2, unbleached, uncoated, nes (109.3%)
  - 10. 271320- Petroleum bitumen (101.7%)
  - 11. 160290- Meat, meat offal or blood, prepared or preserved, nes (67.6%)
  - 12. 220720- Ethyl alcohol and other spirits, denatured, of any strength (61.3%)
  - 13. 210112- Coffee preparations based on extract/essence/conc. (59.6%)
  - 14. 283322- Aluminium sulphate (58.9%)
  - 15. 151319- Coconut (copra) oil&its fractions refined but not chemically modified (53.6%)
281. Guyana and Suriname have both seemingly underexplored the potential in merchandise exports to Brasil between 2001 and 2012. In 2001, Guyanese-based exporters generated US\$26,000 in revenue, whilst Surinamese based exported generated US\$108,000 in revenue from Brasil. By 2012, Guyana's exports to Brasil increased to 185,000 (an annual average growth of 19.5%), whilst Suriname's merchandise exports increased to US\$976,000 (an annual average growth of 22.2%).
282. The unevenness is demonstrated in that for every US\$1 of formal exports generated by Guyanese based exporters to Brasil, Suriname based formal exporters generated over US\$4 to that market. By 2012 that ratio had actually increased to over 5:1 as Suriname's exports to the South American powerhouse spiked significantly in 2008 (see **Error! Reference source not found.** above). This spike was generated by formal exports from Suriname of aluminium oxide between 2006 and 2009 which have since normalised.
283. Brasil based exporters generated US\$34mn in Guyana's market and US\$62mn in Suriname's market in 2012, generating a trade surplus of roughly US\$100mn in Brasil's favour.

Figure 5: Guyana and Suriname merchandise exports to Brasil (US\$'000)



Source: TradeMAP retrieved august 12, 2013

284. Guyana's only merchandise exports to Brasil in 2011 were (these were also the most dynamic exports to Brasil) :

- i. Wheat or meslin flour (HS 110100)
- ii. Rum and tafia (HS 2208400)
- iii. Buses with a seating capacity of more than nine persons nes (HS 870290)
- iv. Pasta nes (HS 190230)
- v. Self adhesive plates, sheets, film etc, of plastic nes (HS 391990); and
- vi. Aircraft parts nes (HS 880330).

285. Brasil's main merchandise exports to Guyana in 2011 included<sup>27</sup>:

- i. Wheeled tractors new (HS 870190)
- ii. Tiles, cubes and glazed ceramics (HS 690890)
- iii. Parts of pumps for liquid whether or not fitted with a measuring device (HS 841391)
- iv. Shovels and excavators with a 360 revolving superstructure (HS 842952)
- v. Sausages and similar products of meat, meat offal/blood and food preparations based on these products (HS 160100)
- vi. Engines, diesel nes (HS 840890)
- vii. Front end shovel loaders (HS 842951)
- viii. Doors and their frames and thresholds, of wood (HS 441820)
- ix. Chain saws (HS 846781)
- x. Harvesting machinery nes (HS 843359)
- xi. Base stations of apparatus for the transmission or reception of voice (HS 851761)
- xii. Floating docks and vessels which perform special functions (HS 890590)
- xiii. Disc harrows (HS 843221)
- xiv. Refined sugar in solid form nes (HS 170199)
- xv. Footwear, outer soles/uppers of rubber or plastics, nes (HS 640299) and
- xvi. Soya bean oil and its fractions, refined but not chemically modified (HS 150790)

286. Suriname's only merchandise exports to Brasil in 2011 were (these were also the most dynamic exports to Brasil):

- i. Aluminium oxide nes (HS 281820)
- ii. Aluminium hydroxide (HS 281830) and

<sup>27</sup> Only focussing on those Harmonised tariff system sub-headings in excess of US\$500,000 in exports.

- iii. Full grains, unsplit and grains splits, in the wet state ‘including wet-blu (HS 4104110)

287. Brasil’s main merchandise exports to Suriname in 2011 included<sup>28</sup>:

- i. Parts of pumps for liquid whether or not fitted with a measurg device (HS 841391)
- ii. Fowls (gallus domesticus), whole, frozen (HS 020712)
- iii. Fowls (gallus domesticus), cuts & offal, frozen (HS 020714)
- iv. Refined sugar, in solid form, nes (HS 170199)
- v. Soya-bean oil and its fractions, refined but not chemically modified (150790)
- vi. Sausage&sim prod of meat,meat offal/blood&food prep basd on these prod (160100)
- vii. Coffee extracts, essences, concentrates 210111
- viii. Liquid dielectric transformers havg a power handl g capa 850421
- ix. Machines & mechanical appliances nes having individual functions 847989
- x. Bulldozers and angledozers, crawler type 842911
- xi. Tiles, cubes and sim nes, glazed ceramics 690890
- xii. Beer made from malt 220300
- xiii. Footwear of rubber or plastics,upper straps assembled to sole by plugs 640220
- xiv. Footwear, outer soles/uppers of rubber or plastics, nes 640299
- xv. Sawing machines for working wood/cork/ bone/hard rubber/plastics etc 846591
- xvi. Udenatrd ethyl alc <80% alc cont by vol&spirit,liqueur&spirit bev nes 220890
- xvii. Wheeled tractors nes 870190
- xviii. Cont-action elevators/conveyors for goods/mat nes 842839
- xix. Engines, diesel nes 840890
- xx. Food preparations nes 210690
- xxi. Bovine meat and meat offal nes,excluding livers, prepared or preserved 160250
- xxii. Tubes, pipes and hoses, rigid; of polypropylene 391722
- xxiii. Fowl (gallus domesticus) meat, prepared/preserved 160232
- xxiv. Parts of machines&mechanical appliances nes havg individual functions 847990
- xxv. Tubes,pipes and hoses nes,plastic,not reinforced etc,without fittings 391732
- xxvi. Tubes, pipes and hoses nes, plastic 391739; and
- xxvii. Bovine, live except pure-bred breeding 010290

288. Brasil’s most dynamic merchandise export sectors to Guyana between 2001 and 2012 included:

- 1. Wheeled tractors nes (new export)
- 2. Sausage&sim prod of meat,meat offal/blood&food prep basd on these prod (new export)
- 3. Doors and their frames and thresholds, of wood (new export)
- 4. Harvesting machinery nes (new export)
- 5. Base stations of apparatus for the transmission or reception of voice (new export)
- 6. Floating docks and vessels which perform special functions (new export)
- 7. Refined sugar, in solid form, nes (new export)

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<sup>28</sup> Only focussing on those Harmonised tariff system sub-headings in excess of US\$500,000 in exports.

8. Footwear, outer soles/uppers of rubber or plastics, nes (new export)
9. Clutches and shaft couplings (including universal joints) (20.5% growth annually)
10. Cotton yarn (o/t sewing thread) >/=85% by weight of cotton, put up (20.6%)
11. Wrenches, hand-operated, with nonadjustable jaws (20.8%)
12. Electrical switches for a voltage not exceeding 1,000 volts, nes (21.5%)
13. Footwear o/t sports, w outer soles of rubber/plastics & uppers of tex mat (21.6%)
14. Hand tools nes (22.1%)
15. Mattocks, picks, hoes and rakes (22.2%)
16. Pneumatic tire new of rubber f motor car incl station wagons & racg cars (65.1%)
17. Centrifugal pumps nes (54.1%)
18. Motor vehicle parts nes (45.3%)
19. Twine, cordage, ropes and cables, of other materials (43.2%)
20. Disc harrows (35.5%)
21. Tiles, cubes and sim nes, glazed ceramics (31%)
22. Gaskets, washers and other seals of vulcanised rubber (30%)
23. Parts of harvesting, threshing & other agricultural & mowing machinery (27.1%)
24. Parts of pumps for liquid whether or not fitted with a measurg device (23.4%)
25. Tubes, pipes and hoses nes, plastic (22.7%)
26. Cotton yarn (o/t sewing thread) >/=85% by weight of cotton, put up (20.6%)

289. Brasil's most dynamic merchandise export sectors to Suriname between 2001 and 2012 included:

1. Parts of pumps for liquid whether or not fitted with a measurg device (24.3%)
2. Fowls (gallus domesticus), whole, frozen (32.7%)
3. Fowls (gallus domesticus), cuts & offal, frozen (43.4%)
4. Refined sugar, in solid form, nes (new export)
5. Soya-bean oil and its fractions, refined but not chemically modified (59.9%)
6. Sausage & sim prod of meat, meat offal/blood & food prep basd on these prod (57.6%)
7. Liquid dielectric transformers havg a power handlg capa less than or equal to 650 kva (new export)
8. Machines & mechanical appliances nes having individual functions (new export)
9. Bulldozers and angledozer, crawler type (new export)
10. Tiles, cubes and sim nes, glazed ceramics (23.2%)
11. Beer made from malt (new export)
12. Sawing machines for working wood/cork/ bone/hard rubber/plastics etc (63.1%)
13. Undenatrd ethyl alc <80% alc cont by vol & spirit, liqueur & spirit bev nes (new export)
14. Wheeled tractors nes (new export)
15. Cont-action elevators/conveyors for goods/mat nes (new export)
16. Food preparations nes (35.3%)
17. Tubes, pipes and hoses, rigid; of polypropylene (27.5%)
18. Fowl (gallus domesticus) meat, prepared/preserved (new export)
19. Parts of machines & mechanical appliances nes havg individual functions (new export)

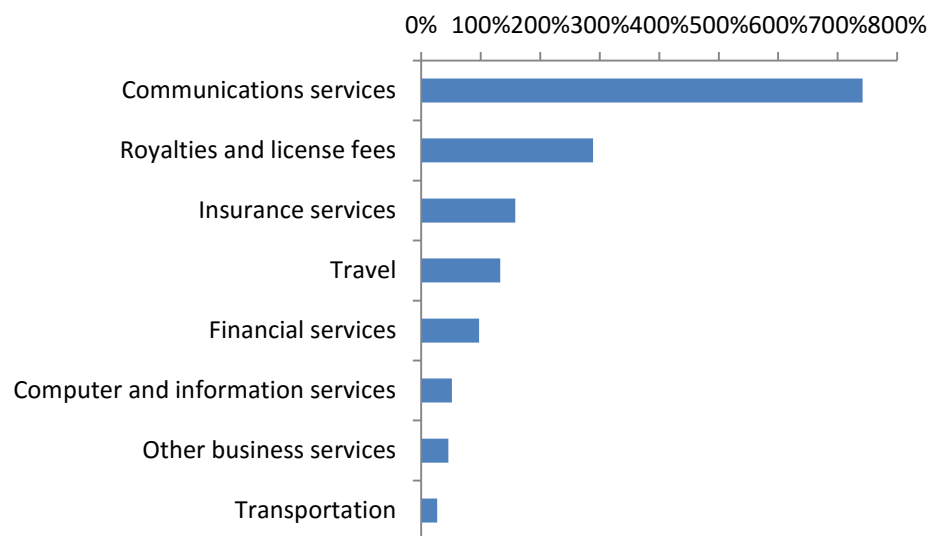
20. Tubes, pipes and hoses nes, plastic, not reinforced etc, without fittings (new export)
  21. Tubes, pipes and hoses nes, plastic (new export)
  22. Bovine, live except pure-bred breeding (new export)
290. Products exported from Suriname to Brasil that could be deemed “in retreat” between 2001 and 2012 included:
1. Petroleum coke, calcined
  2. Rice, semi-milled or wholly milled, whether or not polished or glazed (100630)
291. Products exported from Guyana to Brasil that could be deemed “in retreat” between 2001 and 2011 included:
1. Whole raw hides and skins of bovine "incl. buffalo" or equine animals (410150)
  2. Rice, semi-milled or wholly milled, whether or not polished or glazed (100630)
  3. Rice, husked (brown) (100620)
  4. Waste and scrap, of alloy steel, other than stainless (720429)

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## 4.2 SERVICES TRADE

292. Brasil has been a dynamic market for services exporters worldwide. In 2008, global service providers generated export sales of US\$47.1bn in the Brazilian market. By 2012, global service exporters generated sales of US\$81bn in the Brazilian market.
293. In 2012, the main service import sectors in Brasil included (using the Extended Balance of Payments (EBOPS) methodology):
1. Other personal travel
  2. Operational leasing services
  3. Sea transport-freight
  4. Architectural, engineering and other technical consultancy
  5. Sea transport- supporting, auxiliary and other sea transport services
  6. Computer services
  7. Air transport- passenger
  8. Royalties and licence fees; and
  9. Financial services.
294. In 2010, Guyana’s main services exports included:
1. Other personal services
  2. Other royalties and licence fees; and
  3. Telecommunications

**Figure 6: Guyana Revealed comparative advantage in 2010 services exports**

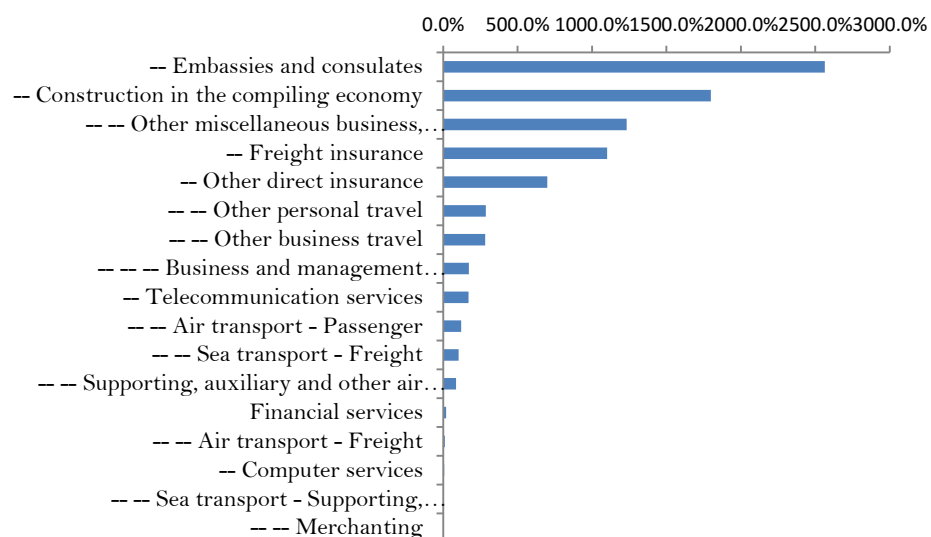


Source: Authors calculations from data on TradeMAP retrieved august 17, 2013

295. Guyana’s services sectors with the strongest level of comparative advantage in 2010 were communication services; royalties and licence fees; and insurance services.

296. Suriname’s main services export sectors in 2011 included:
1. Other miscellaneous business, professional and technical services
  2. Other personal travel; and
  3. Business and management consultancy, public relations services

Figure 7: Suriname Revealed comparative advantage in 2010 services exports



Source: Authors calculations from data on TradeMAP retrieved august 17, 2013

297. Suriname’s services sectors with the strongest level of comparative advantage in 2010 were embassies and consulates; construction; other miscellaneous business services; freight insurance; other direct insurance; and other personal travel services.

298. Based on the notifications in the WTO General Agreement on Trade in Services (GATS) reveals the following services opportunities with no restrictions on the establishment of a commercial presence in Brasil<sup>29</sup>:

1. Market research and public polling (CPC 864)
2. Management consulting (CPC 865)
3. Building cleaning (CPC 874)
4. Translation and interpretation services (excluding official translators)
5. Courier services
6. Wholesale trade services (excluding wholesale trade services of solid, liquid and gaseous fuels and related products)
7. Retailing services
8. Franchising
9. Auxiliary services-consultancy, actuarial and surveys
10. Hotels
11. Restaurants
12. Pipeline transport (excluding hydrocarbon products)
13. Cargo handling
14. Storage and warehousing
15. Voice telephone services
16. Packet-switched data transmission services
17. Circuit switched data transmission services
18. Telex services
19. Telegraph services
20. Facsimile services
21. Private leased circuit services
22. Electronic mail
23. Voice mail
24. Online information and database retrieval
25. Electronic data interchange
26. Enhanced value added facsimile services
27. Code and protocol conversion
28. Analog/digital cellular mobile-service (800 mhz/terrestrial systems)
29. Paging services
30. Satellite telecommunications transport service

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<sup>29</sup> The Brazilian WTO Schedule GATS/SC/13 stipulates that "foreign specialized technicians and highly qualified professionals may work under a temporary contract with legal entities whether of national or foreign capital established in Brasil. The pertinent contract must be approved by the Ministry of labour. Approval of contracts of specialized technicians and highly qualified professionals takes into account the compatibility of their qualifications with the area of business in which the company is engaged. The company must justify the need to contract such professionals and technicians available in Brasil.

Juridical persons must obey the proportionality of at least two Brazilians for three employees when engaged in the following activities listed in this offer: communications; land transportation; commercial stores in general; commercial offices; insurance; advertising; hotels and restaurants.

Managers and Directors appointed to affiliates of foreign companies established in Brasil will be granted access under the following conditions: designation to a position with full decision-making power; vacancy of such position; existence of associate link between the service provider in the Brazilian territory and its HQ abroad; proof by the service provider in Brasil that the manager or director is performing his duties after receiving the visa. Appointment of such managers or directors must be related to the provision of new technology, increase in productivity or the foreign company must have invested a minimum of US\$200,000 in Brasil"

299. Based on the notifications in the WTO General Agreement on Trade in Services (GATS) reveals the following services opportunities with no restrictions on the establishment of a commercial presence in Guyana<sup>30</sup>:

1. Legal services
2. Accounting, auditing and book keeping services
3. Engineering and architectural services
4. Medical and dental services
5. Acceptance of deposits and other repayable funds from the public
6. Lending of all types
7. Insurance services
8. Hotels and restaurants
9. Travel agents and tour operator services
10. Aircraft repair and maintenance
11. Computer (travel) reservation systems
12. Passenger transportation
13. Freight transportation
14. Supporting services for road transport services

300. Based on the notifications in the WTO General Agreement on Trade in Services (GATS) reveals the following services opportunities with no restrictions on the establishment of a commercial presence in Suriname<sup>31</sup>:

1. Hotels and restaurants
2. Travel agents and tour operator services
3. Computer (travel) reservation systems
4. Air transportation services
5. Aircraft repair and maintenance
6. Selling and marketing of air transport services
7. Mobile data services
8. Paging services
9. Trunked radio systems services (excluding phone patching)
10. Telecommunications equipment sales
11. Telecommunications equipment rental, maintenance, connection, repair and consulting services

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<sup>30</sup> There are no restrictions on services trade for senior managerial personnel and technical experts not available in the local labour market.

<sup>31</sup> There are no restrictions on services trade for senior managerial personnel and technical experts not available in the local labour market.



## 5.0 TRADE AGREEMENT REVIEW

### 5.1 BRASIL-GUYANA PARTIAL SCOPE AGREEMENT

301. The Partial Scope Agreement (PSA) between the Federative Republic of Brasil and the Cooperative Republic of Guyana was signed in Brasilia on June 27, 2001 and is still in effect today through a series of protocols which extends its duration from the original two (2) year time period.
302. On May 2012, The Federation of St. Kitts and Nevis acceded to this PSA largely based on the private sector in the electronics sector seeking to exploit commercial opportunities in Brasil.
303. Chapter 1 of the PSA indicates the objective being:
1. the fostering of bilateral trade flows
  2. cooperation on trade matters and
  3. increased private sector collaboration.
304. Chapter 2 (treatment of imports) of the PSA provides for the reduction/elimination in customs duties or any other charges that have a similar effect applied to a specific list of goods in annexes 1 and 2 of the agreement. Goods not on these annexes are not accorded duty preferences under this PSA.
305. Apart from duties and other similar charges the PSA prohibits the maintenance or adoption of new non-tariff measures or restrictions to trade in goods, except for a number of listed exceptions including those necessary to protect public morals; protect human, animal or plant life or health; relating to the importations or exportations of gold or silver; to secure compliance with laws or regulations which are not inconsistent with the provisions of the GATT, including those relating to customs enforcement, the enforcement of monopolies, the protection of patents, trademarks and copyrights, and the prevention of deceptive practices; relating to the products of prison labour; imposed for the protection of national treasures of artistic, historic or archaeological value; relating to the conservation of exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption.
306. The PSA also allows for the adoption of maintenance of new non tariff measures necessary for national security. Therefore, all new NTMs are prohibited except for those listed above.
307. The PSA provides for rules of origin requirements(i.e. the rules of production, harvesting, delivery (including transshipping) used to determine the country of origin of a produce) stipulated in annex 3 of the PSA. These rules of origin provisions include:
1. wholly obtained requirements;
  2. goods produced wholly from materials originating in either Brasil, Guyana or St. Kitts and Nevis;

3. substantial transformation (i.e. allowing the use of materials originating in third countries provided that those materials have undergone sufficient working or processing in the territories of either Guyana, Brasil or St. Kitts and Nevis.)
  4. operations of assemblies where the value of non originating materials (i.e. inputs not sourced from within Brasil, St. Kitts and Nevis or Guyana) must exceed 50% of the final value of the goods
  5. agreement for the establishment of product specific rules of origin requirements which will over-ride the requirements in a-d above and to review these requirements
  6. direct exporting between the Parties, except where
    - i. transit is justified for geographic reasons or considerations relative to transport requirements;
    - ii. goods were not commercialised in the transit country; and
    - iii. goods only undergo operations including unloading, manipulation, preservation/conservation in the transit country
  7. The issuance of a certificate of origin (valid for 180 days and recognised in both Portuguese and English) by either the governmental authority or an “officially authorised entity (public or private sector), but with the governmental authority responsible for verification.
308. Chapter 4 of the PSA provides for a safeguard provision which allows for temporary suspension (for 1 year renewable) or reduction of tariff preferences where an investigation by the competent authority reveals that increased quantities of goods threatens to cause, or has caused “serious injury to the domestic industry that produces like or directly competitive products”.
309. Chapter 5 of the PSA provides for dispute settlement provisions. These dispute settlement provisions mandate direct consultations (for up to 30 days from the notification of the dispute) between the parties on disputes that may arise in the implementation of the PSA. After 30 days from the dispute notification, the Parties must refer the issue to the administrative commission(AC). Chapter 5 also allows for the AC to establish expert groups to provide a “technical opinion”.
310. Chapter 6 of the PSA establishes an Administrative Commission to *inter alia*
1. ensure that the Parties comply with the provisions of the agreement;
  2. handle disputes
  3. review and evaluate the operation of the PSA; and
  4. any other issue that the Parties wish to include under its purview.
311. Chapter 7 of the PSA provides for accession to any member country of the Latin American Integration association (ALADI) or The Caribbean Community (CARICOM) by means of an additional protocol to this PSA that enters into force 30 days after deposit with the Secretary General of ALADI.
312. Other provisions of the PSA are withdrawal (termination); amendment; and a miscellaneous provision. The miscellaneous provision in Chapter 11 provides for Guyana’s exports to Brasil under the PSA (and arguably now also the exports of St. Kitts and Nevis) to be exempt from the application of a surcharge on freight under decree 2404.

313. This agreement does not cover trade in services.
314. There are 5 additional protocol that have been negotiated.
1. The first protocol basically involves Guyana retreating from a number of products that were covered in the original agreement and imposing duties on products including hams; rock lobster; coffee; cocoa powder; tobacco; sanitary towels; hydraulic brake fluid and select apparel items. Brasil also agreed to withdrawing tariff preferences from bananas; lemons; Papayas and watermelons amongst other items.
  2. The second protocol (signed November 17, 2003) basically clarifies article 6 and 8 of the PSA which addresses non tariff measures and restrictions and defines these restrictions to include administrative, financial, -foreign exchange or any other nature which creates an obstacle to trade.
  3. The third protocol was one of the protocols to extend the duration of the PSA until May 2008.
  4. The fourth protocol provides for indefinite duration of the PSA (subject to the termination clause).
  5. The fifth protocol, is the second substantive amendment of the PSA in terms of product coverage. This protocol includes many of the targeted items in the T-TAP including pasta; jams/jellies; fruit juices; medicaments; and pepper sauce. The 5<sup>th</sup> additional protocol has not yet been approved by Brasil.

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#### 5.1.1 HAS THIS PSA BEEN WORKING?

315. Based on the observations above (see 4.1 Merchandise trade), it appears that this PSA has not been utilised to its optimum by the Guyana based private sector. The more interesting question becomes, why. The following analysis will explore the hypothesis that the current PSA does not cover goods that Guyana has the best chance of global success in specialising in their export.
316. One of the first considerations concerns whether the PSA still covers goods with a revealed comparative advantage (RCA). Basic trade theory indicates that comparative advantage loosely exists where a country can produce a particular good or service at a lower opportunity cost (the cost of the foregone alternative, not absolute cost) than another. RCA is critical as trade theory posits that countries will become net exporters in goods that they possess a comparative advantage (Balassa 1965).
317. Without a technical explanation of the Balassa RCA, the main interpretive aid is that a country is estimated to have a comparative advantage where the Balassa Index is greater than 1 and a comparative disadvantage where that index is less than 1. The interpretation of the index is influenced by the existence of non tariff measures; hence the focus will be placed on those items with the strongest levels of RCA, in the presumption that those items would still be competitive even in the face of these NTMs.

**Figure 8: Guyana’s revealed Comparative advantage in 2012**



Source: Authors calculations from TradeMAP. Retrieved August 5, 2013.

318. The assessment explores Guyana’s top 50 merchandise exports at the 6 digit HS level to determine which of these products possess comparative advantage.

319. Based on this analysis, the following items possessed the strongest levels of revealed comparative advantage (i.e. over 100) in 2012 and could be considered as significant export opportunities for Guyana:

1. Wood (lumber) continuously shaped non-coniferous (hardwood) (HS tariff code 440920)
2. Aluminium ores and concentrates (260600)
3. Fish heads, tails and maws, smoked, dried, salted or in brine (030572)
4. Rum and tafia (in 700 and 750 ml) (220840)
5. Palm hearts nes,o/w prep o presvd,whether o not sugard,sweet o spiritd (200891)
6. Coconuts, excluding desiccated (080119)
7. Rice, husked (brown) (100620)
8. Tunas,albacore or longfinned,frozen,excl headg No 03.04,livers & roes(030341)
9. Fish fillets frozen (030420)
10. Shark fins, smoked, dried, salted or in brine (030571)
11. Rice, broken (100640)
12. Molasses nes (170390)

320. Other items that possessed moderate levels of RCA (i.e. between 3-99) included:

1. Raw cane sugar, not containing added flavouring or colouring matter (excl. 1701 (170114)
2. Other frozen shrimps and prawns (030617)
3. Fish nes, dried, whether or not salted but not smoked (030559)
4. Cereal bran, sharps and other residues nes, pelleted or not (230240)
5. Cane molasses (170310)
6. Lumber, tropical hardwood nes, sawn lengthwise >6mm (440729)
7. Gold in unwrought forms non-monetary;

321. These items were then cross referenced with the items covered in the PSA. Of the items with RCA including those listed above, only the following were covered by the PSA:

1. Wood (lumber) continuously shaped non-coniferous (hardwood) (HS tariff code 440920)
2. Aluminium ores and concentrates (260600)
3. Rum and tafia (220840)
4. Palm hearts nes,o/w prep o presvd,whether o not sugard,sweet o spiritd (canned only) (200891)
5. Rice, husked (brown) (quota 10,000 tons) (100620)
6. Rice, broken (quota 10,000 tons) (100640)
7. Lumber, tropical hardwood nes, sawn lengthwise >6mm (specifically greenheart; mora; others tongued grooved etc) (440729)
8. Shingles and shakes, of wood (441850)
9. Lumber, non-coniferous nes (440799)
10. Raw sugar, cane (quota of 10,000 tons) (170111)

322. Guyana possess a revealed comparative advantage in 44 of the top 50 exports in 2012. The PSA only covered 10 of those items. It is possible that comparative advantage has shifted into new areas since the negotiation of the PSA over 12 years ago. Main areas currently not benefitting from the PSA include seafood products; some sugar items (HS 170114); cereal bran; molasses; some logs and wood items; and apparel items. *So in response to the issue of the effectiveness of the PSA, there have been difficulties in utilising the provisions for the AC to review the agreement to cover appropriate items to reflect current RCA patterns*<sup>32</sup>.

323. Ricardo’s comparative advantage model states that countries with different comparative advantages engaging in trade will profitably benefit from it. The

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		RCA	Exports
RCA	Pearson Correlation	1	-.009
	Sig. (2-tailed)		.950
	N	49	49
Exports	Pearson Correlation	-.009	1
	Sig. (2-tailed)	.950	
	N	49	49

Based on the linear correlation (the spearman correlation coefficient of non parametric correlation also proved the same result) between The Balassa RCA index, and the export earnings of Guyana-based firms, there was a weak negative relationship observed that could not be attributable to factors beyond random elements of the data ( $p=0.95$ ). In short, even though it was observed that export sales decreased slightly with higher levels of RCA, this counterintuitive observation was not proof of a serious synchronised movement between RCA and export sales.

Heckscher-Ohlin model describes the basis of comparative advantage in terms of factor endowments. A country will export a commodity which utilizes its abundant factor and import a commodity which utilizes its scarce factor. Both types of trade models assume that goods traded are homogeneous, and that a country will therefore either only export goods within the same industry, or only import these goods, but not simultaneously export and import goods within the same industry. However, a large portion of the output of modern economies involves differentiated rather than homogeneous products of the same industry, that is intra-industry trade as opposed to inter-industry trade in completely different products. Therefore, conventional trade theories are deficient in this respect and cannot explain this type of emerging trade pattern (Kocyigit & Sen).

324. Instead of specialization in an entire industry or activity, that is, inter-industry specialization, intra-industry specialization involves a country specializing in a narrow range of products within a given industry. Another corollary of IIT theory is related to economies of scale, principally because IIT occurs when each country with economies of scale produces only a limited range of products within an industry. Thus, IIT represents a simultaneous movement towards specialization in separate differentiated goods and achieves economies of scale in production, and thereby leads to two-way trade in products similar enough to be grouped in the same industry. IIT with these features produces extra gains from international trade because it creates a larger market. As a consequence, this suggests that a country engaged in a narrower form of specialization can via IIT increase both productivity and the variety of goods available to domestic consumers<sup>33</sup>.

**Table 1: Guyana’s top exports in 2012 ranked by GLI of IIT**

Code	Product label	gli
'854140	Photosensitive semiconduct device,photovoltaic cells&light emit diodes (re-export)	90%
'441239	Plywood consisting solely of sheets of wood <= 6 mm thick (excl. of ba	89%
'190230	Pasta nes	83%
'220870	Liqueurs and cordials	81%
'240120	Tobacco, unmanufactured, partly or wholly stemmed or stripped	79%
'100510	Maize (corn) seed	78%
'151710	Margarine, excluding liquid margarine	77%
'870840	Transmissions for motor vehicles (re-export)	69%
'711590	Articles of precious metal or of metal clad with precious metal nes	66%
'903180	Measuring or checking instruments, appliances and machines, nes(re-export)	63%
'440710	Lumber, coniferous (softwood) 6 mm and thicker	62%
293629	Vitamins nes, and their derivatives, unmixed(re-export)	62%
'293690	Vitamin concentrates;intermixtures of vitamins/of provitamins/of conc(re-export)	61%
'841350	Reciprocating positive displacement pumps nes(re-export)	40%
'190219	Uncooked pasta, not stuffed or otherwise prepared, nes	37%
'841330	Fuel, lubricating or cooling medium pumps for int comb piston engines(re-export)	32%
'610463	Womens/girls trousers and shorts, of synthetic fibres, knitted(re-export)	31%
'220210	Waters incl mineral&aerated,containg sugar o sweeteng matter o flavourd	27%
'071320	Chickpeas, dried, shelled, whether or not skinned or split	26%
'890190	Cargo vessels nes&oth vessels for the transport of both persons&goods(re-export)	25%
'860900	Cargo containers designd to be carrid by one o more modes of transport(re-export)	24%
'999999	Commodities not elsewhere specified	22%
'843143	Parts of boring or sinking machinery, whether or not self-propelled(re-export)	21%
'210390	Sauces and preparations nes and mixed condiments and mixed seasonings	20%
'220890	Undenatrd ethyl alc <80% alc cont by vol&spirit,liqueur&spirit bev nes	19%

<sup>33</sup> Kocyigit and Sen.

Code	Product label	gli
'847990	Parts of machines&mechanical appliances nes havg individual functions(re-export)	17%
'441231	Plywood consisting solely of sheets of wood <= 6 mm thick, with at lea	16%
'890392	Motorboats, other than outboard motorboats(re-export)	16%
'100630	Rice, semi-milled or wholly milled, whether or not polished or glazed	14%
'442190	Wood articles nes	12%
'030571	Shark fins, smoked, dried, salted or in brine	12%
'230990	Animal feed preparations nes	10%

Source: Authors calculations using mirror data from tradeMAP retrieved august 7, 2013

325. Therefore, of Guyana’s top 50 export sectors in 2012, those above are deemed best able to benefit from greater trade integration based on their Intra industry trade orientation. There were a number of re-exports, which would not be the focus of any priority in the T-TAP as these would not represent significant value added economic activity, or meet the rules of origin for the PSA in any case<sup>34</sup>.

326. Of these items, only the following were granted duty free treatment into Brasil under the PSA:

1. 210390-Sauces and preparations nes and mixed condiments and mixed seasonings; and
2. 100630- rice, semi milled or wholly milled, whether or not polished or glazed

327. Hence, the PSA did not cover the products that showed high levels of Intra-Industry trade. Therefore, the PSA covers products with lower levels of productivity and innovation. The PSA is therefore not contributing to greater product differentiation and variety.

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## 5.2 BRASIL-SURINAME PARTIAL SCOPE AGREEMENT

328. The Partial Scope Economic Complementarity Agreement (PSA) between the Federal Republic of Brasil and the Republic of Suriname was signed the 21<sup>st</sup> April 2005.

329. The objective of this PSA is to promote tariff preferences for rice trade (article 1). Article 2 of the PSA provides for duty free imports of rice into Brasil from Suriname within a quota. There is no apparent duty free preference granted by Suriname.

330. This agreement was much narrower in scope than the PSA between Guyana and Brasil as only three rice items were covered. According to article 4 of the PSA, the following items are provided duty free import into Brasil within a 10,000 ton quota:

1. Rice with husk not polished (1006.10.92)
2. Broken rice not polished (1006.20.20)
3. Broken rice (1006.30.21)

<sup>34</sup> These re-exports do however signal the transshipment possibilities in a logistics hub, but services sectors were not adequately consulted in this assessment.

331. Article 6 of the agreement provides for phyto-sanitary measures which are in conformity with international practices.

332. The rules of origin and accession provisions are similar to the Guyana PSA.

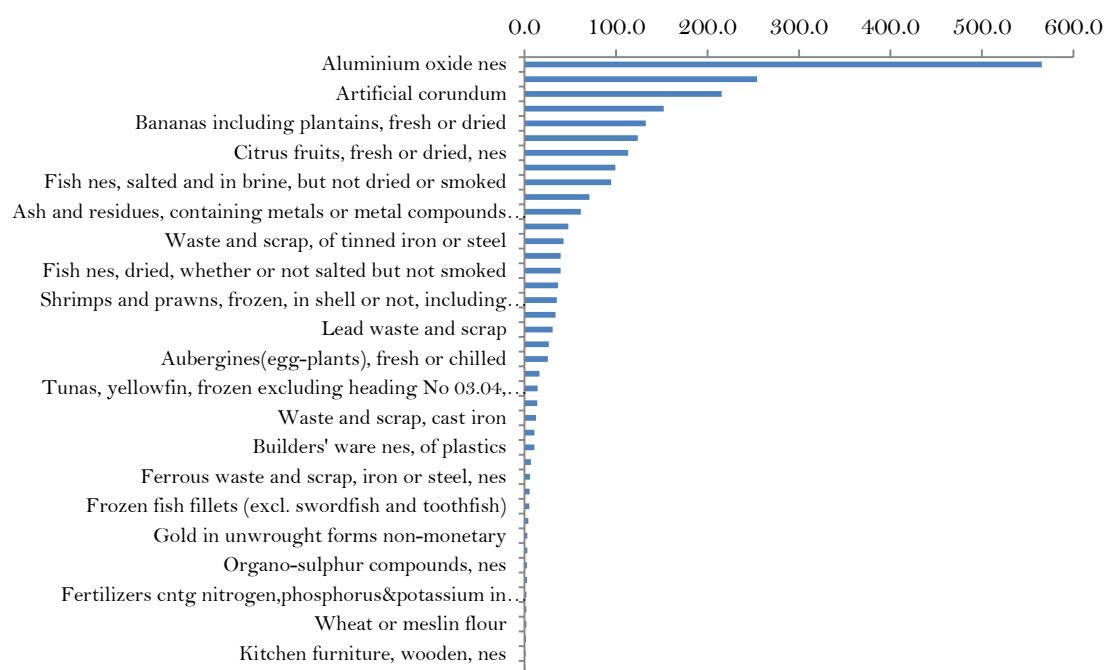
333. This agreement does not provide for trade in services.

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### 5.2.1 HAS THIS PSA BEEN WORKING?

334. The assessment explores Suriname’s top 50 merchandise exports at the 6 digit HS level to determine which of these products possess comparative advantage.

**Figure 9: Suriname’s revealed Comparative advantage in 2012**



Source: Authors calculations from TradeMAP. Retrieved August 5, 2013.

335. Based on this analysis, the following items possessed the strongest levels of revealed comparative advantage (i.e. over 100) in 2012 and could be considered as significant export opportunities for Suriname:

1. Aluminium oxide (281820)
2. Tunas, yellowfin, fresh or chilled (030232)
3. Artificial corundum (281810)
4. Rice husked (brown) (100620)
5. Bananas including plantains, fresh or chilled (080300)
6. Refractory bricks (690220)

336. Other items that possessed moderate levels of RCA (i.e. between 3-99) included:

1. Citrus fruits, fresh or dried (080590)
2. Logs, non-coniferous nes (440399)
3. Fish nes, salted and in brine, but not dried or smoked (030569)



4. Gold in oth semi-manufactd form n-monetary(inc gold platd w platinum) (710813)
  5. Ash and residues, containing metals or metal compounds (262099)
  6. Fish nes, fresh or chilled excl heading No 03.04, livers and roes (030269)
  7. Waste and scrap, of tinned iron or steel (720430)
  8. Frozen fish meat whether or not minced (excl. swordfish, toothfish ) (030499)
  9. Fish nes, dried, whether or not salted but not smoked (030559)
  10. Lumber, non-coniferous nes (440799)
  11. Shrimps and prawns, frozen, in shell or not, including boiled in shell (030613)
  12. Fish nes, frozen, excluding heading No 03.04, livers and roes (030379)
  13. Lead waste and scrap (780200)
  14. Lumber, tropical hardwood nes, sawn lengthwise >6mm (440729)
  15. Aubergines(egg-plants), fresh or chilled (070930)
  16. Vegetables, fresh or chilled nes (070990)
  17. Tunas, yellowfin, frozen excluding heading No 03.04, livers and roes (030342)
  18. Drill pipe, seamless, of a kind used in drilling for oil or gas (730423)
  19. Waste and scrap, cast iron (720410)
  20. Waste and scrap, of alloy steel, other than stainless (720429)
  21. Builders' ware nes, of plastics (392590)
  22. Rice, broken (100640)
  23. Ferrous waste and scrap, iron or steel, nes (720449)
  24. Logs, tropical hardwoods nes (440349)
  25. Frozen fish fillets (excl. swordfish and toothfish) (030429)
  26. Wood, incl. strips and friezes for parquet flooring, not assembled (440929)
337. These items were then cross referenced with the items covered in the PSA. Of the items with RCA including those listed above, only the following were covered by the PSA:
1. Rice husked (brown) (100620); and
  2. Rice, semi-milled or wholly milled, whether or not polished or glazed (100630)
338. Suriname possesses a revealed comparative advantage in 42 of the top 50 merchandise exports in 2012. The PSA only covered 2 of those items (see 337 above). As was the case for Guyana, it is also possible that comparative advantage has shifted into new areas since the negotiation of the rice only PSA over 8 years ago.

**Table 2: Suriname’s top exports in 2012 ranked by GLI of IIT**

Code	Product label	GLI
870840	<b>Transmissions for motor vehicles (re-export)</b>	<b>99%</b>
'640399	<b>Footwear, outer soles of rubber/plastics uppers of leather, nes</b>	<b>99%</b>
'940340	<b>Kitchen furniture, wooden, nes</b>	<b>94%</b>
'392590	<b>Builders' ware nes, of plastics</b>	<b>91%</b>
'860900	<b>Cargo containers designd to be carrid by one o more modes of transport(re-export)</b>	<b>69%</b>
110100	<b>Wheat or meslin flour</b>	<b>68%</b>
'310520	<b>Fertilizers cntg nitrogen,phosphorus&amp;potassium in packs weighg &lt; /=10kg</b>	<b>59%</b>
840820	<b>Engines, diesel, for the vehicles of Chapter 87(re-export)</b>	<b>55%</b>

Code	Product label	GLI
'100630	Rice, semi-milled or wholly milled, whether or not polished or glazed	46%
'901890	Instruments and appliances used in medical or veterinary sciences, nes(re-export)	34%
'999999	Commodities not elsewhere specified	32%
'730423	Drill pipe, seamless, of a kind used in drilling for oil or gas, of ir(re-export)	30%
'340220	Surface-active prep, washing & cleaning prep put up for retail sale	28%
'030559	Fish nes, dried, whether or not salted but not smoked	23%
'271019	Other petroleum oils and preparations	13%
'220300	Beer made from malt	12%

Source: Authors calculations using mirror data from tradeMAP retrieved august 6, 2013

339. Therefore, of Suriname’s top 50 export sectors in 2012, those above are deemed best able to benefit from international trade based on their Intra industry trade orientation. None of these items were covered by the Suriname- Brasil PSA<sup>35</sup>.

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## 5.3 REVIEW OF BRASIL’S TRADE AGREEMENTS

### 5.3.1 MERCOSUR

340. Brasil is a founding member of the Southern Common Market (MERCOSUR), together with Argentina, Paraguay, and Uruguay. In accordance with MERCOSUR document CMC/27-12, the Bolivarian Republic of Venezuela was ratified as a full member of MERCOSUR in 2012. As part of MERCOSUR, Brasil has preferential trade agreements (Economic Complementarity Agreements) with Chile, Bolivia, Mexico, Peru, Colombia, Ecuador, Venezuela, and Cuba. Currently, two further MERCOSUR agreements entered into force with India and Israel. In addition, Brasil has preferential agreements with Guyana and Suriname within the framework of the Latin American Integration Association. The scope of the different preferential agreements varies widely.

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		GLI	Export Sales
GLI	Pearson Correlation	1	.044
	Sig. (2-tailed)		.663
	N	101	101
Export Sales	Pearson Correlation	.044	1
	Sig. (2-tailed)	.663	

Additionally, there was a weak positive correlation observed between the GLI and the level of export sales. However, the relationship was not determined to be statistically significant ( $p=0.663$ ). In English, Suriname-based merchandise exporters were not really focussing their export sales in sectors where there was some potential to specialise trade within industries, and carve out globally competitive markets for themselves.

**Table 3: Comparison of Brasil Trade Agreements**

Agreement	Nomenclature	Number of lines	Average reduction (%)	Reduction range (%)	Preferential rates (%)	Number of lines subject to preferential to quota
AAP25TM38 Brazil/Guyana	HS96	127	100.0	100	100	8
ACE35 MERCOSUR/Chile	HS96	6,508	97.5	0-100	0, 17, 28, 30, 33, 34, 91, 100	52
ACE53 Brazil/Mexico	HS96	792	66.9	0-100	0, 20, 25, 30, 40, 45, 50, 60, 70, 75, 80, 100	8
ACE55 MERCOSUR/Mexico	HS02	244	100.0	100	100	12
ACE58 MERCOSUR/Peru	HS96	6,515	100.0	0-100	0, 100	
ACE36 MERCOSUR/Bolivia	HS96	6,524	98.4	30-100	30, 50, 100	2
ACE59 MERCOSUR/Colombia	HS96	6,524	93.0	0-100	0, 30, 40, 44, 50, 55, 60, 1, 63, 70, 72, 73, 77, 80, 81, 87, 88, 95, 100	39
ACE59 MERCOSUR/Venezuela	HS96	6,522	96.4	0-100	0, 50, 55, 61, 65, 66, 70, 77, 81, 83, 87, 90, 100	6
ACE59 MERCOSUR/Ecuador	HS96	6,524	97.6	0-100	0, 50, 55, 61, 69, 77, 81, 90, 100	171
ACE62 MERCOSUR/Cuba	HS02	2,132	96.8	33-100	33, 50, 60, 70, 75, 80, 90, 100	
ACE MERCOSUR/India	HS02	452	13.6	10-100	10, 20, 100	2
ACE MERCOSUR/Israel	HS02	9,423	55.0	30-100	30, 37.5, 75, 100	
AAP25TM41 Brazil/Suriname	HS02	3 (rice)	100.0	100	100	3

Source: Brasil Trade Policy review retrieved from [www.wto.org](http://www.wto.org) August 16, 2013

341. MERCOSUR is Brasil's main preferential agreement in terms of value of trade, comprising some 10% of its merchandise trade. The bloc was established in 1991 by the Treaty of Asuncion, and its institutional structure was defined in the 1994 Protocol of Ouro Preto. The Common Market Group (GMC) and the Council for the Common Market (CMC) are the main executive and decision-making bodies of MERCOSUR. The purpose of the CMC is to formulate policy and promote actions that help to configure the Common Market; it is composed of the Ministers of External Relations and Economy of the member countries. The GMC oversees the application of the Treaty of Asuncion, and its protocols and agreements, and it may make recommendations to the Council. Consequently, it is entitled to issue mandatory Resolutions that apply to all member countries. It is also in charge of negotiations with third countries, groups of countries, and international organizations. The Trade Commission is responsible for the application of common trade policy instruments.

342. MERCOSUR member states share a common external tariff (CET), which entered into force on 1 January 1995. Various exceptions have been allowed through Decisions by the CMC. All MERCOSUR member states are currently authorized to have an exception list, although there are different provisions for each country. Decision CMC 56/10 established the creation of an ad hoc group to examine the current CET structure and submit a proposal for the Common Market Group's consideration in 2014. Brasil is allowed to establish special tariffs for informatics and telecommunications goods (BIT) until the end of 2015 and for capital goods (BK) until the end of 2013. In the context of the global economic crisis, MERCOSUR member states were also authorized by Decision CMC 25/12 to increase their tariffs for up to 200 tariff lines until the end of 2014, within WTO bound rates.

343. The Agreement on the Elimination of Double Collection of CET and the Distribution of Customs Revenue in MERCOSUR, approved by Decision 54/04, grants local MERCOSUR status to imported products that conform to the Common Tariff Policy (PAC). Its implementation consists of three phases. The first phase entails granting 0% CET to all merchandise imported by a member country with 100% preferential tariffs under MERCOSUR agreements with third parties. The

second stage would cover the remaining goods. The third stage will require implementing a customs revenue distribution mechanism and the unification of customs systems in all member states.

344. Since 2010, MERCOSUR member states have been negotiating the implementation of these three phases, according to Decisions CMC 10/10 and 56/10. In the context of the global economic crisis, MERCOSUR member States were also authorized by Decision CMC 25/12 to increase their tariffs for up to 200 tariff lines until the end of 2014, within WTO bound rates.
345. The sugar and automotive sectors are the only exclusions to free circulation within MERCOSUR. There is no schedule for the inclusion of sugar in the free-trade-regime. Trade in the automotive sector between Brasil and MERCOSUR members is still largely regulated by bilateral agreements, which were recently renegotiated. The regional agreement on automotive policy ratified by member states in 2000 and 2001 did not enter fully in force as originally planned. In 2010, Decision CMC 56/10 called for the establishment of a working group to draft a new common automotive policy. At end 2012, the working group had not yet been convened.
346. Dispute settlement in MERCOSUR is regulated by the Protocol of Olivos, signed in February 2002 and in force since January 2004. Under the Protocol of Olivos, member states may choose to file disputes either within MERCOSUR or at the WTO. Upon agreement by the parties, the Common Market Group may provide mediation. Cases are handled by an Ad Hoc Court of Arbitration (TAHM) and/or by the Permanent Review Court (PRC), composed of five arbitrators.
347. Up to 2012, Brasil did not participate in any disputes within MERCOSUR. The 19th Additional Protocol of MERCOSUR modified by the 49th Additional Protocol establishes and regulates the application of safeguard measures on imports from third parties. It was ratified internally by Brasil, but is pending approval in other member states for entry into force. The Protocol of Montevideo on Trade in Services entered into force on 7 December 2005 between Argentina, Brasil, and Uruguay. It establishes a schedule for services liberalization within MERCOSUR, to be completed by December 2015. The Protocol on Government Procurement, negotiated in 2006, has not entered into force, and member states are currently committed to concluding its revision.

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### 5.3.2 PREFERENTIAL TRADE AGREEMENTS

348. Up to the time of the T-TAP study, two preferential trade agreements entered into force between MERCOSUR and extra-bloc partners: a partial-scope agreement with India, which was signed in January 2004 and entered in force in June 2009, and a free-trade agreement with Israel, which was signed in September 2007 and entered in force in September 2011.
349. Additionally, MERCOSUR has negotiated and signed a preferential agreement that has yet to enter into force with the Southern African Customs Union (SACU), as well as free-trade agreements with Egypt and the State of Palestine, which are likewise not yet in force). The Republic of Syria and MERCOSUR signed a

Framework Agreement to start formal negotiations to create a free-trade area in December 2010, which have not yet been initiated.

350. Brasil is also engaged in negotiations for Trade agreements with The Gulf Cooperation Council(GCC); Israel; Jordan; Morocco; Turkey; and The European Union.

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#### 5.4 REGULATORY FRAMEWORK ASSESSMENT

351. Based on a review of the business framework, the following seem the most important bottlenecks to trade development. However, many of these issues are very long term in nature and beyond the scope of the T-TAP, and this project will mainly focus on the TBT and SPS measures along with customs procedures. These measures may be explored in a T-TAP 2 programme in the medium term:

1. Trade financing: There is no government institution in Guyana providing export finance, insurance services or export guarantees. Exporters in some of the traditional sectors have their own financing mechanisms. For other sectors, export finance is available from private banks, which according to the authorities are cautious about taking risks in this regard. Financing is also available from the Institute of Private Enterprise Development, a private-sector organization.
2. Intellectual property framework in Guyana: The promotion of innovation based business including research and development is seemingly not a priority for the Government of Guyana. Most of Guyana's intellectual property laws date back to the colonial period. Legislative reform has been limited; the only concrete development being the adoption of a new law on geographical indications in 2005. A Copyright Bill, which was at a draft stage in 2003, has still not yet been enacted. In addition, financing and technical support from the IADB, which had been provided to strengthen the legal and institutional framework for intellectual and other property rights did not achieve a number of its intended objectives by the project's conclusion in 2006. These objectives included the enactment of new legislation, computerization and staffing of the Deeds Registry, and a reduction in the times associated with IPR registration. As noted by the authorities, assistance from WIPO has been provided to automate Guyana's intellectual property system; this has been completed, and the intention is to set up online access.
3. Competition policy in Suriname: Suriname does not have a generic competition law. However, the revised Treaty of Chaguaramas recognized the development of an effective competition regime (at both regional and national levels) as key to the smooth functioning of the CARICOM single market, and it set up the CARICOM Competition Commission, which is based in Suriname. The CARICOM Competition Commission (CCC) is charged with enforcement and the Caribbean Court of Justice serves as the appeal mechanism. In 2003, the CARICOM developed a model law on competition.

4. *Cumbersome export procedures in Guyana:* Concerns have been expressed by the authorities themselves that export procedures are too cumbersome. Licences must be obtained to export a wide range of products and all exports must be examined prior to shipping with the aim of preventing narcotics trafficking. While Guyana applies an export tax at a general rate of 1.5%, the rationale for collecting this tax is questionable in view of the limited revenue collected due to a wide range of exemptions. Export duties apply to all exported products, apart from "manufactured goods" and exempted items. Unless otherwise specified, a general rate of 1.5% is applied. Legislation leaves "manufactured goods" undefined for this purpose. Export duties are applied on the f.o.b. value of exports; rates are set out in the Customs Act. Since 2003 the only change to the items subject to export duties is the removal of shrimp; however, as noted in Guyana's previous review, this was, in practice waived by the Ministry of Finance at the time. It is also alleged by some exporters that a 8% service charge is applied by the KLM on their air freight charges, which further contributes to onerous export costs.
  
5. *High informal border trade in Lethem:* There are various anecdotal cases of illegal logging, mining, and trade in goods and services. In February 2006, the Guyana Forestry Commission and the Forest Products Association admits that "The GFC will never be able to come up with a complete, robust system to stop illegal trade in its entirety". This admission is followed by a number of allegations against exporters and furniture manufacturers which almost entirely negate the GFC claims from February 2006. In part this is because the GFC has failed to install and operate the timber tagging system as it was designed in 1999. An estimated 10,000 Brazilians are believed to be working illegally in southern Guyana near the country's borders with Brasil and Venezuela.
  
6. *Price controls in Suriname:* In principle, under the Law on Price Setting and Monitoring, SB 1996 No. 021, the Ministry of Trade and Industry is authorized to determine the maximum price or mark-up for any good or service sold in Suriname. Gasoline and cooking gas prices are currently regulated under this arrangement. A price control framework is in place, on an ad hoc basis, for a list of 44 products of primary necessity. The Ministry in charge of Trade may intervene to fix the price of any good on the list if it rises by over 15%. In addition, maximum permitted mark-ups range from 10% to 22% at wholesale and 15% to 35% at retail. Mark-ups are determined on the basis of factory cost for goods produced domestically, and on the c.i.f. value plus customs duties and other taxes for imports. Tariffs of public utilities are also regulated in Suriname. The Ministry of Natural Resources may be involved in setting power and water tariffs, while the Ministry of Transport, Communications and Tourism sets the tariffs for telephone services, public transport, and ferry fees. The authorities further explain that the price controls are justified on the grounds of food security.
  
7. Capacity on Technical Barriers to Trade (TBT) and Sanitary and Phyto-sanitary (SPS) measures: see paragraph 158 above



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#### 5.4.1 GUYANA TRADE PROMOTION CAPACITY

352. The Guyana Office of Investment (GO-Invest) has primary responsibility for export-promotion in Guyana. Its activities include: providing exporters with information on trade opportunities in overseas markets; helping exporters promote their products in national and international trade missions and exhibitions; collaborating with export organizations to help address trade problems; recommending measures to the Government to stimulate export trade; advising the Government on the formulation and implementation of national export policies; and collaborating with donors to identify and address the needs of private-sector firms in priority areas. The authorities indicate that they are working on developing an online service to provide information on trends and prices for exports. GO-Invest has 10 professional staff and a budget of G\$64 million.
353. Sector-specific export promotion activities are also undertaken by the New Guyana Marketing Corporation (New GMC) for non-traditional agricultural products, and the Forest Products Development and Marketing Council for forest products. Both provide services such as trade missions, market intelligence, advice on market opportunities, and other export-related services, such as assistance with labelling and packaging. The New GMC has six professional officers and a budget of G\$47 million. The Guyana Rice Development Board and the Guyana Gold Board are also involved in marketing activities.

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#### 5.4.2 SURINAME TRADE PROMOTION CAPACITY

354. The Suriname Chamber of Commerce and Industry, together with the Suriname's business associations continue to execute export promotion activities (trade fairs and exhibitions in foreign markets). There is no government-sponsored or operated export insurance, finance or guarantee programme in Suriname.
355. The Suriname Business Forum (SBF) is positioned as a central private sector body, but the KKF has direct responsibilities in trade registration, and company registration that make it a crucial institution in the trade support network. The SBF has 6 professional staff members and an undetermined budget.

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#### 5.4.3 BRASIL TRADE PROMOTION CAPACITY

356. The Brazilian Trade and Investment Promotion Agency (APEX-Brasil), created in 2003 as an autonomous social service supervised by the MDIC, is responsible for coordinating and implementing export promotion policies for Brazilian goods and services, for the internationalization of Brazilian companies, and for attracting foreign direct investment (FDI).
357. The agency's top management body, the Deliberative Council, comprises of representatives from the public sector (MDIC, Ministry of External Relations, CAMEX, and BNDES) and the private sector. APEX-Brasil is mandated to focus particularly on activities that may enhance exports of small and medium-size enterprises and create jobs, although it serves companies of all sizes. The agency's strategic objectives are to expand and diversify Brazilian exports, increasing their value added, foster the competitiveness of Brazilian companies by promoting their

insertion in the international economy, and to attract FDI. In order to achieve these goals, APEX-Brasil works to increase the participation of Brazilian companies in international value chains, adopts initiatives to foster innovation and design, and encourages business that use "socio biodiverse" resources. It also works to improve the positioning of Brazilian products worldwide and to attract investment projects that transfer innovative technologies to Brazilian companies. It provides services such as market intelligence, business capacity building, trade and image promotion, development of internationalization strategies, and other specific actions. Trade promotion activities include participation in trade missions, and international trade fairs, and visits of foreign buyers to Brasil.

358. APEX-Brasil works in partnership with private-sector associations representing manufacturing, commerce, and services sectors. Sectoral support projects are divided into six broad categories: food and beverages; fashion; machinery and equipment; technology and health care; housing and civil construction; and entertainment services. Support for export promotion is given through the cofinancing of projects for up to 85% of the total value. As of September 2012, APEX-Brasil supported some 12,400 Brazilian companies, which accounted for 15% of total exports, and were destined to 132 markets. During 2009-11, APEX-Brasil allocated R\$909.64 billion to trade and investment promotion activities and R\$129,831 million to operational expenses.
359. Banco do Brasil operates the BrasilWebTrade site to promote Brazilian export companies in foreign markets and facilitate contacts with importers. BrasilWebTrade provides online support to exporters, ranging from the initial contact with potential buyers up to the shipment of goods abroad, including information dissemination, filling in trade documents, payment facilities for the importer, and foreign exchange contracts. Beneficiaries are Brazilian companies of all sizes, with export operations of up to US\$50,000 per transaction, and exporting under the modality of simplified foreign exchange.
360. The Exporters Showcase (Vitrine do Exportador/VE) is a digital platform that utilizes SISCOMEX's data base to promote and disseminate information on Brazilian exports, which may be accessed by potential importers to search for Brazilian companies and products. The VE provides exporters with a virtual showcase service, allowing them to create their own web page, free of charge, to disseminate information on their firms and products.

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## 6.0 EXPORT DEVELOPMENT STRATEGY

### 6.1 STRATEGIC MANAGEMENT PLAN (“ROAD MAP”)

#### 6.1.1 KEY SECTORS

361. There were very few areas of intersection between Brasil’s import demand and the export supply of Guyana and Suriname. The areas of advantage for both Guyana and Suriname are not aligned with Brasil’s top import sectors; however, Brasil has export capacity in most of the top import sectors for Guyana and Suriname.

362. Based on market visits and other desk research, the strategic window is perceived as the Olympic Games and the World Cup during 2014 and 2016. It is further felt that the 2014-2016 period can be explored as a market entry period, after which target sector firms can consolidate their positions and seek to grow market share.

363. Target/Goal: In a nutshell the proposed goal of the Troika Trade Assessment Plan (T-TAP) is to generate US\$13.5mn in export sales in the following merchandise/goods sectors to the other Troika markets by 2018:

1. for Guyana <sup>36</sup>
  - i. Sauces and preparations (included in 5<sup>th</sup> protocol)
  - ii. Rum and tafia (already covered in PSA)
  - iii. Pasta (covered in additional 5<sup>th</sup> protocol)
  - iv. Carton boxes (not covered in PSA or additional 5<sup>th</sup> protocol)
  - v. Medicaments
  - vi. Chewing gum
2. for Suriname
  - i. waters including mineral and aerated, containing sugar or sweetening matter or flavoured
  - ii. toilet paper
  - iii. tableware and kitchenware of plastics
  - iv. beer made from malt
  - v. disinfectants
  - vi. mixtures of juices

364. It is estimated that Guyana will be in a better position to benefit from the T-TAP based on the geographical access to the Brazilian market and the wider coverage of the PSA. Guyana’s target export sales to the Troika market is US\$8.4mn, with Suriname’s target export sales US\$5.1mn the details are provided in the following paragraphs.

365. Sauces was a US\$24mn import market in Brasil, and a US\$3.3mn import market in Suriname in 2012. The Troika sauces market represents an almost US\$30mn

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<sup>36</sup> Opportunities to grow export sales to Brasil and Suriname were also observed for Wheat/meslin flour(110100); husked brown rice (100620) and Portland cement, however, these are sectors that are not directly promoted by the CEDA.

import market for Guyana-based firms. Guyana did not export sauces to the Troika in 2012, but between 2001 and 2011, this product group was very dynamic export to Suriname, signalling the existence of some level of import demand. Additionally, Guyana exhibits a moderate level of IIT (0.2) which signals the branding potential for a differentiated focus competitiveness strategy (which could be infused in the Caribbean kitchens programme of the CEDA). The T-TAP targets gaining 1% import market share by 2018, which would translate into US\$300,000 in export sales by 2018.

366. Rum and tafia was a small US\$1mn import market in Brasil, and a US\$0.6mn import market in Suriname in 2012. The Troika rum and tafia market represents an almost US\$2mn niche import market for Guyana based firms. Guyana did not export rum and tafia to the Troika in 2012, but between 2001 and 2011, this product group was a very dynamic export to Suriname, signalling the existence of some level of import demand. Additionally, Guyana possesses a revealed comparative advantage in this sector which indicates global export efficiency. The T-TAP targets gaining 15% import market share by 2018, which would translate into US\$240,000 in export sales by 2018. Brasil was a higher priced point rum/tafia market than The Netherlands and Mexico, and could be a lucrative niche market particularly in Bahia and Boa Vista. In 2012, Guyana based firms generated US\$28mn in rum and tafia sales mainly to the Netherlands, Mexico and The USA.
367. Pasta (HS 190230) was a small US\$3.5mn import market in Brasil, and a US\$0.8mn import market in Suriname in 2012. The Troika pasta market represents an almost US\$4.3mn import market for Guyana based firms. Guyana did not export pasta to the Troika in 2012, but increased global exports of this product from US\$161,000 in 2001 by more than 20 fold by 2011. Guyana exhibits a high level of IIT (0.83) which signals the strong branding potential for a differentiated focus competitiveness strategy (which could also be infused in the Caribbean kitchens programme of the CEDA). The T-TAP targets gaining 1% import market share by 2018, which would translate into US\$430,000 in export sales by 2018. Brasil's growth in imports of pasta dwarfs the growth rate in the USA between 2008 and 2012. In 2011, Guyana based firms generated US\$2.5mn in pasta mainly to the USA, Trinidad & Tobago and Barbados.
368. Carton boxes was a dynamic and large US\$43mn import market in Brasil, and a US\$0.7mn import market in Suriname in 2012. The Troika carton box market represents an almost US\$44mn import market for Guyana based firms. Guyana did not export carton boxes to the Troika in 2012. The T-TAP targets gaining 1% import market share by 2018, which would translate into US\$4.4mn in export sales by 2018. In 2011, Guyana carton box firms generated export sales of US\$1.6mn mainly from the Suriname and Trinidad & Tobago and the T-TAP would essentially be targeting a 25% increase of Guyana's exports by 2018. Brasil's growth in imports of carton boxes dwarfs the growth rate in Suriname and Trinidad & Tobago between 2008 and 2012.
369. Medicaments (HS 300490) was a dynamic and large US\$2.6bn import market in Brasil, and a US\$7mn import market in Suriname in 2012. The Troika medicaments market represents an almost US\$3bn import market for Guyana based firms. Guyana did not export medicaments to the Troika in 2012. The T-TAP targets gaining 0.1% import market share by 2018, which would translate into US\$2.7mn in export sales by 2018. In 2011, Guyana medicament firms generated export sales of

US\$1.7mn mainly from the Suriname and Trinidad & Tobago markets and the T-TAP would essentially be targeting a 10% annual average increase of Guyana's exports by 2018. Brasil's growth in imports of medicaments dwarfs the growth rate in Suriname and Trinidad & Tobago between 2008 and 2012.

370. Chewing gum was a dynamic and small US\$2mn import market in Brasil, and a US\$0.5mn import market in Suriname in 2012. The Troika chewing gum import market represents an almost US\$2.5mn import market for Guyana based firms. Guyana did not export chewing gum to the Troika in 2012. The T-TAP targets gaining 10% import market share by 2018, which would translate into US\$250,000 in export sales by 2018. In 2011, Guyana chewing gum firms generated export sales of US\$119,000 mainly from the Suriname and Antigua & Barbuda market and the T-TAP would essentially be targeting a 16% annual average increase of Guyana's exports by 2018. Brasil's growth in imports of chewing gum dwarfs the size and growth rate in Suriname and Antigua and Barbuda between 2008 and 2012.
371. Mineral/aerated waters was a small US\$0.4mn import market in Brasil, and a US\$17mn import market in Guyana in 2011. The Troika mineral/aerated waters market represents an over US\$18mn import market for Suriname based firms. Suriname based firms generated US\$14.5mn exporting to the Troika in 2011. The T-TAP targets gaining 10% import market share by 2018, which would translate into US\$1.8mn in new export sales by 2018.
372. Toilet paper was an import market of on average US\$6.6mn import market in Brasil between 2008 and 2010, and a US\$4.4mn import market in Guyana in 2011. The Troika toilet paper market represents an US\$11mn import market for Suriname based firms. Suriname based firms have not really tapped into this market with exports of US\$725,000 to Guyana in 2011 which translates to under 7% import share in the troika market. The T-TAP targets gaining 15% import market share by 2018, which would translate into US\$1.7mn in export sales by 2018.
373. Tableware and kitchenware of plastics was a dynamic and large US\$58mn import market in Brasil in 2012, and a US\$2.8mn import market in Guyana in 2011. The Troika tableware and kitchenware of plastic market represents an almost US\$61mn import market for Suriname based firms. Suriname based firms generated US\$436,000 in sales to Guyana in 2011, which represented 0.7% of the troika import market. The T-TAP targets gaining 1% import market share by 2018, which would translate into US\$600,000 in export sales by 2018.
374. Beer made from malt was a dynamic and large US\$45mn import market in Brasil in 2012, and a US\$10mn import market in Suriname in 2011. The Troika beer market represents a US\$55mn import market for Suriname based breweries. Parbo generated US\$401,000 in sales to Guyana in 2011, which represented 0.7% of the troika import market. The T-TAP targets gaining 1% import market share by 2018, which would translate into US\$550,000 in export sales by 2018.
375. Disinfectants (380894) was a dynamic and large US\$17mn import market in Brasil in 2012, and a US\$200,000 import market in Guyana in 2012. The Troika disinfectants market represents a US\$17mn import market for Suriname based firms. Suriname based disinfectant firms generated US\$291,000 in sales to Guyana, France and Barbados in 2011, which as equivalent to 2% of the troika import market. The T-

TAP targets gaining 1% import market share by 2018, which would translate into US\$170,000 in export sales by 2018.

376. Mixtures of juice (200990) was a small US\$3.8mn import market in Brasil in 2012, and a US\$716,000 import market in Guyana in 2011. The Troika mixtures of juice market represents an over US\$4.5mn niche import market for Suriname based juice exporters. These firms generated US\$143,000 in sales to Guyana and Switzerland in 2011, which represented 3.2% of the troika import market. The T-TAP targets gaining 5% import market share by 2018, which would translate into US\$225,000 in export sales by 2018.

377. Guyana and Suriname stand a chance of penetrating Brasil’s services import market in “other personal services” and “other personal travel”. However, more research would need to be done on these industries and it is not recommended that any immediate strategy focus on these areas in the T-TAP.

## 6.1.2 STRATEGY FORMULATION

378. The US\$120 bn multiplier effects of the world Cup and Olympics spending by the Government of Brasil, provides a major opportunity for Guyana and Suriname. There could be opportunities in the target sectors for Guyana and Suriname based on the level of merchandise import activity in Brasil. It is also believed that the perceived levels of parallel trade signals the strength of demand for products and services amongst the Troika with specific opportunities for Amapa, Lethem, Amazonia (inc Bon fim) and Boa Vista. Also based on the levels of competition in the Travel airlines industry there are possibilities for trade promotional initiatives through COPA, as they seek to establish their dominance in the Latin American space. However, major threats include the lack of coordination of CARICOM Member States in the Brazilian market; the discord amongst the customs and border agencies in the Troika markets; and the imposition of non preferential rules of origin requirements in Brasil. (see the External factor analysis summary below).

**Table 4: External Factor Analysis Summary (EFAS)**

<i>Factor</i>	<i>Rk</i>
Opportunities	
High Commodity prices in the Troika	5
Economic stability in Brasil	8
Low cost capital in Brasil (record low interest rates)	10
Attracting efficiency seeking investors based on dynamic exports from Brasil (investment by Dutch Investors in Brasil to establish investments in Suriname to target Europe through the EPA)	6
Growing demand for reliable land transport from Guyana and Suriname to Brasil	6
Dynamic imports in Brasil (Matchmaking opportunities with Brazilian importers)	2
Formalising commerce between border towns including Suriname and Amapa, Lethem and Roraima-Boa Vista	1
Increased current interest in Brasil by CARICOM Member states	
20% devaluation in Suriname exchange rate (signalling a real effective exchange rate depreciation)	7
Multiplier effects of US\$120bn spending for world Cup and Olympic Games	2
COPA Airlines seeking to dominate CARICOM and South American travel	3
Mega alternate power project possibilities in both Guyana and Suriname which could	12

<i>Factor</i>	<i>Rk</i>
sell excess supply to Northern Brasil.	
Partnership possibilities amongst the Troika to target the Middle East	13
Growing Chinese influence in Troika	4
Divestment of Suriname’s Insurance assets	9
Improved transparency in Guyana’s Government procurement market	11
Threats	
Rising tariffs in Brasil	5
Increasing preference for Local contracts in Brasil’s Government Procurement market	6
Growing Chinese influence in Brasil	7
EU-Mercosur Trade Agreement reducing efficiency seeking investments to the EU into Guyana and Suriname	8
Lack of coordination of the market penetration plans of various CARICOM Member States	1
Customs/Border agencies in the Troika completely out of sync	2
Brasil applying non preferential rules of origin (unsure whether customs authorities in Guyana and Brasil are certifying these documents <sup>37</sup> .)	3
CARICOM Losing Political and business importance in Brasil	4
Egypt and Southern African Customs Union FTAs introducing more trade competition	6
Brasil’s Health and mass media sectors not open to Investment’s from CARICOM	9

379. The large mineral and forest resources in both Guyana and Suriname provide some strategic strength for both member states. However main weaknesses include the lack of information on market regulations; scheduling of the ferry service for freight forwarders; and the inadequacy in the trade promotion capacity for business matchmaking in the troika (see Table 5: Internal Factor analysis Summary (IFAS).

Table 5: Internal Factor analysis Summary (IFAS)

<i>factor</i>	<i>Rk</i>
Strength	
Landlocked borders amongst the Troika	2
Large mineral reserves in Suriname and Guyana	1
Weaknesses (unforced errors)	
Inadequate infrastructure	12
Cumbersome trade procedures in Guyana	17
Inadequate utilisation of the International Road transport agreement to handle commercial freight challenges	13
Inadequate use of the PSAs that both Guyana and Suriname negotiated	14
Lack of knowledge of stakeholders in the Trade Support Network (TSN)	15
The non ratification of the 5th additional protocol of the Guyana-Brasil PSA;	4
Over-regulation of Suriname’s gold sector leading to greater illegal mining	19
Canawaima ferry time of operation not feasible for commercial freight forwarders	2
Non returnable tax on beverage containers by Guyana	11

<sup>37</sup> Rules of origin result from the Uruguay Round discussions (1986 to 1994) and are regulated under the WTO Rules of Origin Agreement. This agreement presents the basic guidelines that should be followed by the signatory countries in their domestic legislation in relation to the non-preferential rules of origin, as well as a work programme for the multilateral harmonisation of the rules. However, to date, no rules have been established within the ambit of the WTO, requiring each country or economic bloc to define its own rules of origin.

<i>factor</i>	<i>Rk</i>
Pre-shipment inspections in Suriname	10
No digital information on Guyana and Suriname's TBT and SPS regulations. Brasil's SPS and TBT regulations are not available online in English.	1
Suriname not passing the 2001 draft Intellectual property Bill	8
Lack of follow through on results of CARICOM-Brasil summit	9
Inadequate business matchmaking services	3
Language barriers (particularly pertaining to technical/business correspondences/labelling requirements)	3
Visa requirements to travel to Brasil	5
Restrictions with the Takutu bridge where commercial vehicles can only travel from Brasil to Guyana and not vice versa. Additionally, Guyanese commercial trucks have to offload cargo into Brazilian trucks for transport into Brasil;	7
Limited trade financing in Guyana	4
Inadequate SPS and TBT compliance capabilities in Guyana and Suriname	6
Lack of Free trade zones in Suriname	7
High informal trade in Lethem, Boa Vista and Suriname and Amapa	4

380. The cross referencing of the main strategic factors below in what is termed a TOWS matrix provides a tool for determining some strategies that may be proposed to develop trade in the troika. The TOWS matrix below provides a menu of strategies that can be explored.

Table 6: TOWS Matrix

	<i>Opportunity</i>	<i>Threat</i>
	<ul style="list-style-type: none"> <li>Dynamic imports in Brasil (Matchmaking opportunities with Brazilian importers)</li> <li>Formalising commerce between border towns including Suriname and Amapa, Lethem and Roraima-Boa Vista</li> <li>Multiplier effects of US\$120bn World Cup and Olympic Games spending in Brasil</li> </ul>	<ul style="list-style-type: none"> <li>Lack of coordination of the market penetration plans of various CARICOM Member States</li> <li>Customs/Border agencies in the Troika completely out of sync</li> <li>CARICOM Losing Political and business importance in Brasil</li> </ul>
<b>strength</b> <ul style="list-style-type: none"> <li>Landlocked borders amongst the Troika</li> </ul>	<ul style="list-style-type: none"> <li>Promoting greater matchmaking services through <ul style="list-style-type: none"> <li>trade desks in the SBF and PSC for target sectors in the T-TAP</li> <li>hiring a consultant to examine registration in Brasil (specifically the SISCOMEX; REI; CUIT; ANVISA; REMESSA and SECEX).</li> </ul> </li> <li>To promote greater familiarisation missions through COPA funding, as was done for the Jamaican government recently</li> <li>Target Caribbean Kitchens in T-TAP target markets of Manaus; Boa Vista; Bahia and Manaus (as well as CARICOM Troika markets)</li> <li>Encourage MOU between Go-Invest and SUFRAMA to promote greater formal business linkages for Guyanese based firms in the Bon Fir and Roraima Freezones</li> </ul>	<ul style="list-style-type: none"> <li>Encouraging Customs Mutual Cooperation agreements amongst Guyana, Suriname and Brasil.</li> <li>To re-engage the Brazilian Government through the CARICOM-Brasil summit, and then propose the T-TAP programme as a Pilot for deeper CARICOM-Brasil trade relations</li> <li>Examining a simplified customs clearance structure for Microcompanies in Suriname and Guyana similar to the RTU system for Paraguay, even if just for the 2014 to 2016 period to facilitate world Cup and Olympic Games trade.</li> </ul>
<b>weaknesses</b> <ul style="list-style-type: none"> <li>Canawaima ferry time of operation not feasible for commercial freight forwarders</li> <li>No digital information on Guyana and Suriname's TBT and SPS regulations. Brasil's SPS and TBT</li> </ul>	<ul style="list-style-type: none"> <li>Initiate discussions with the Canawaima Ferry Inc about options to current scheduling times for those firms in the target sectors.</li> <li>Promoting greater land transportation options for sectors.</li> <li>Establishing a trade desk with functions to translate trade regulations, as well as to provide matchmake assist in trade show preparation and attendance.</li> <li>Facilitating Twitter export information services at</li> </ul>	<ul style="list-style-type: none"> <li>Both Guyana and Suriname Terminate the PSAs with Brasil</li> </ul>

	<b>Opportunity</b>	<b>Threat</b>
	<ul style="list-style-type: none"> <li>• <i>Dynamic imports in Brasil (Matchmaking opportunities with Brazilian importers)</i></li> <li>• <i>Formalising commerce between border towns including Suriname and Amapa, Lethem and Roraima-Boa Vista</i></li> <li>• <i>Multiplier effects of US\$120bn World Cup and Olympic Games spending in Brasil</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Lack of coordination of the market penetration plans of various CARICOM Member States</i></li> <li>• <i>Customs/Border agencies in the Troika completely out of sync</i></li> <li>• <i>CARICOM Losing Political and business importance in Brasil</i></li> </ul>
regulations are not available online in English. <ul style="list-style-type: none"> <li>• Inadequate business matchmaking services</li> </ul>	firms in the T-TAP <ul style="list-style-type: none"> <li>• Encourage a cooperation agreement amongst CRC GNBS and SSB to prepare TBT checklists and acc companies in priority sectors</li> </ul>	

381. Currently, Guyana and Suriname stand a slim chance of penetrating the Brazilian market as the patterns of trade are totally out of sync, meaning that Guyana and Suriname have not shown an ability to meet demand in areas of interest to Brasil. Additionally, the trade support network is significantly underdeveloped in both markets to tackle a mammoth but densely regulated market such as Brasil.

382. To stand a chance of penetrating the Brazilian market issues including food safety standards; IPR legislation in Guyana; capacity constraints in Go invest; the Suriname Business Forum; parallel trading in border towns and infrastructural deficiencies have to be addressed. These issues were discussed earlier.

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## 6.2 T-TAP IMPLEMENTATION SUMMARY

383. The T-TAP will be implemented according to the Log frame analysis (LFA) below. The implementation of the T-TAP is forecast to depend on the following risk factors:

1. A political decision by Guyana and Suriname to prioritise Brasil trade and address infrastructure bottlenecks
2. Brasil fully enacts the 5th additional Protocol of the Guyana PSA
3. There is a coordinated market development strategy for Brasil strategy for all CARICOM Member States
4. The T-TAP will be approved by the CEDA Board and endorsed by other external stakeholders
5. There will be resources provided for the Customer satisfaction Survey

384. It is suggested that to mitigate these risks, that:



1. the T-TAP be discussed urgently by the CEDA board
2. The CARICOM Secretary General be approached about endorsing the T-TAP, particularly to
  - i. include on the CARICOM-Brasil Summit, an enhanced trade agenda which includes passage of the 5<sup>th</sup> additional protocol of the Guyana-Brasil PSA;
  - ii. to endorse the CEDA as the focal point for the CARICOM Brasil Market development strategy, piloted by the T-TAP for Guyana and Suriname
3. Compete Caribbean be approached to endorse the T-TAP as a business climate reform project for the target sectors.

Table 7: Logical Framework analysis

Overall objectives	Intervention Logic	Sources and means of verification	Assumptions
Assessment of the opportunities for increased trade and investment between Guyana and Suriname, as well as increased trade and investment between Guyana/Suriname and Brasil and the development of a strategy and plan of action to take advantage of the opportunities identified.	despite both countries [Suriname/Guyana] sharing borders with Brasil, the data shows that trade between these countries and Brasil has historically been very limited and underdeveloped, and largely comprised of relatively few export products..."- section 1.3 TOR	Trade data in tradeMAP.com and other sources including national statistical offices in Brasil, Guyana and Suriname. Services data reports from services coalitions and other services stakeholders	Indicated in sections 1.7 and 1.8 of TOR  Protests in Brasil will cease and do not impact project's execution.
Specific Objective	Indicators of achievement	Sources and means of verification	Assumptions
To promote export growth from Guyana and Suriname to Brasil	Increased merchandise sales	Data from the National authorities, as well as trade MAP	A political decision by Guyana and Suriname to prioritise Brasil trade and address infrastructure bottlenecks  Brasil signs the 5 <sup>th</sup> additional Protocol of the Guyana PSA  There is a coordinated Brasil strategy for all CARICOM Member States
Expected Results	Indicators of achievement	Sources and means of verification	Assumptions
generate US\$10mn in exports in select sectors by 2018	5 export ready firms in each sector selected for trade promotion and business matchmaking support	<ul style="list-style-type: none"> <li>Annual Customer satisfaction survey in Guyana and</li> </ul>	The T-TAP will be approved by the CEDA Board



		<p>Suriname</p> <ul style="list-style-type: none"> <li>• T-TAP evaluation assessment to be conducted in 2018</li> <li>• A T-TAP newsroom for communicating progress on implementation and challenges being faced (could also be a social media platform)</li> </ul>	<p>and endorsed by other external stakeholders</p> <p>There will be resources provided for the Customer satisfaction Survey and the T-TAP evaluation assessment</p>
ACTIVITIES			Deadline date
It is recommended that The Client pursue the following elements of a Troika Trade Assessment Plan (T-TAP) within the next 18 months:			
1. Planning a T-TAP validation conference for December 2013 inviting the Caribbean Development Bank(CDB), CARICOM Secretariat; Inter American Development Bank (IADB) (including Compete Caribbean); Brasil Development Bank (BNDES); The Brazilian Agricultural Research Corporation (EMBRAPA); APEX Brasil, the Suriname Business Forum (SBF) and the Guyana Private Sector Commission (PSC) to discuss and endorse the T-TAP;			December 2013
2. establishing a T-TAP Task Force <sup>38</sup> which could be a sub-committee of the Caribbean Export Development Agency (CEDA) Board <sup>39</sup> to immediately pursue the following actions:			December 2013
i. expediting the Market Intelligence and quick response system currently being developed;			Q1 2014
ii. incorporating the food related T-TAP target sectors (namely sauces; rum; pasta; aerated beverages and beer) into the Caribbean Kitchens programme;			Q1 2014
iii. assisting in the establishment of a trade desk in the PSC and the SBF to serve as an information and matchmaking centre for firms interested in Troika trade. Both PSOs (i.e. PSC and SBF) will be expected to fund the operational expenses;			Q2 2014
iv. engaging the CARICOM Regional Organisation for Standards and Quality (CROSQ) concerning <i>inter alia</i> digitisation and translation (from Portuguese to English and vice versa) of Technical regulations (including labelling rules) in the Troika markets, particularly those impacting the target sectors.			Q1 2014
v. promoting Investment opportunities in the Caribbean Association of Investment promotion Agencies (CAIPA) brochure (through REDIBERO) and exploring where CARICOM firms have interest in opportunities in Brasil. APEX Brasil has indicated an interest in Hydropower and other large scale infrastructure projects;			Q1 2014
vi. Engaging COPA Airlines ltd to assess willingness to engage in Journalism "fam trips" to Troika members, focussing on the possibilities in the target sectors.			Q1 2014
vii. Engaging the IADB Compete Caribbean Business Climate reform			Q1 2014

<sup>38</sup> Inviting the APEX Brasil and SEBRAE to be part of the T-TAP task Force until 2016.

<sup>39</sup> Schedule 1, item 6 para 17 of the Agreement establishing the Caribbean Export Development Agency indicates that "The Board may from time to time invite representatives from other regional or extra-regional entities as observers to its meetings. These observers shall not have the right to vote."

<p>programme to fund the following US\$350,000 18 month programme:</p> <ul style="list-style-type: none"> <li>- A business matchmaking consultant in both Guyana and Suriname (<i>estimated at US\$100,000</i>) <ul style="list-style-type: none"> <li>a. to identify forty (40) export ready firms in the target sectors</li> <li>b. connect the export ready firms to qualified distributors for their products in the troika Market;</li> <li>c. to prepare a market development plan for these export ready firms including where appropriate participation in select trade shows/fairs in the Troika markets</li> <li>d. encourage the establishment of a virtual sharing system through Twitter so that firms can share their experiences in the export market quickly;</li> </ul> </li> <li>- A customs consultant (<i>estimated at US\$75,000</i>) to: <ul style="list-style-type: none"> <li>a. advise the Governments of Guyana and Suriname on a customs cooperation agreement amongst the Troika markets, including a simplified customs process for the target sectors (similar to the RTU with Brasil and Paraguay);</li> <li>b. examine registration procedures in Brasil (specifically the SISCOMEX<sup>40</sup>; REI<sup>41</sup>; CUIT (i.e. the national tax Identification number); ANVISA<sup>42</sup>; REMESSA<sup>43</sup> and SECEX<sup>44</sup>).</li> </ul> </li> <li>- The establishment of a trade desk in the Suriname Business Forum and the Private Sector Commission (Guyana) to provide training for export ready firms<sup>45</sup>; trade and market intelligence; and trade show support (including subsidising airfare and accommodation for export ready firms) (<i>estimated at US\$175,000<sup>46</sup></i>)</li> </ul> <p>viii. Initiating a desk exchange programme amongst the SEBRAE; CEDA; the Private Sector Commission and the Suriname Business Forum (with the Suriname Chamber of Commerce as an alternate) (self funded);</p> <p>ix. Publicising the results of the T-TAP research through <i>inter alia</i> the various CEDA newsletters and the National Trade Information Network (N-TIN) program;</p> <p>x. Engaging the CARICOM Customs Committee to examine differences in customs fees and procedures and the business impact on trade in Guyana and Suriname</p> <p>xi. Encouraging the negotiation of Customs cooperation agreements between Brasil and Guyana and Suriname to improve harmonisation of customs laws and procedures (including land transportation)</p> <p>xii. Examining a simplified customs clearance structure for Micro-</p>	<p>Q1 2014</p> <p>December 2013</p> <p>(meeting date TBC)</p> <p>Q2 2014</p> <p>Q2 2014</p>
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<sup>40</sup> The Brasil integrated foreign trade system

<sup>41</sup> Registry of exporters and Importers

<sup>42</sup> The Brazilian Health surveillance Agency

<sup>43</sup> the system for Computerized Control of Expedited Shipments

<sup>44</sup> The Brazilian secretariat of Foreign trade

<sup>45</sup> Including virtual training for exporters in other Member States who are also interested in trading with brasil. These training sessions could be income earning for the focal points where other Member states see them as marketable.

<sup>46</sup> The CEDA could consider this trade assessment study as a part of its contribution to the trade desk through providing market intelligence.

<p>companies (with annual revenues of US\$55,300) in Suriname and Guyana similar to the RTU system for Paraguay<sup>47</sup>, even if just for the 2014 to 2016 period to facilitate world Cup and Olympic Games trade.</p> <p>4. Encourage the Governments of Guyana and Suriname to review infrastructure studies including the IADB Lethem-Linden road; Hydro Power studies and other such studies and assess an immediate prioritisation of these projects for the development of a Medium term action plan that would be circulated to the CEDA;</p> <p>5. Encourage a call for proposal (for the 40 firms trained by the business matchmaking consultant in the target sectors) through Caribbean Export for trade promotion events including trade shows in Brasil.</p>	<p>Q3 2014</p>
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#### 6.2.1 PROJECT MANAGEMENT/KEY INSTITUTIONAL RELATIONSHIPS

385. It is proposed that no new structures be established to manage the T-TAP. It is suggested that a T-TAP task force be established with a non renewable lifetime of 18 months.

386. It is also proposed that the T-TAP Task Force be a sub-committee of the CEDA, and receive a clear mandate from both the Governments of Guyana and Suriname to coordinate the market development initiative for them in the 18 months of its life, and then hand over the Task force to a Bi National mechanism, similar to that which exists amongst Guyana, Suriname and Venezuela.

387. The T-TAP requires closer coordination amongst the key institutions namely:

1. The CEDA
2. The Guyana PSC
3. The GO-Invest
4. The SBF
5. SUFRAMA
6. Apex Brasil; and
7. SEBRAE

388. There are a number of institutional challenges including

1. Lack of knowledge of the operations of each institution
2. Trade Support Institutions (TSIs) did not know each other nor did they participate in many trade shows in each other’s territory.
3. Lack of cross language experience in these TSI
4. Inadequate promotional budget in Guyana and Suriname for Brasil (or priority of Promotional budget in traditional markets)
5. Lack of dedicated officers to service troika penetration

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<sup>47</sup> In February 2012, Brasil implemented a unified taxation regime (RTU) allowing for the simplified customs clearance of certain goods imported from Paraguay by Brazilian microcompanies (with annual revenues up to R\$120,000) and transported by authorized vehicles and drivers. The RTU allows the importation of certain goods coming from Paraguay, by land, through the border of Ciudad Del Este/Foz do Iguacu, through the unified payment of the taxes and federal contributions under the single rate of 25% besides the ICMS, with the simplified customs shipping. The list of products admitted in the RTU regime contemplates basically the goods in electronic industry, IT, telecommunications and household appliances. May only qualify to perform importation under the RTU regime micro-enterprise (enterprise with annual gross revenue up to R\$ 360.000,0) and the individual micro-entrepreneur – MEI (with annual gross revenue up to R\$ 60.000,00), who opted for the Simples Nacional. Most of the firms interviewed in Guyana and Suriname fell into the size of micro-companies.

389. It is there suggested as per the Log frame, that a series of desk exchanges be facilitated with the participants of the desk exchanges given clear missions to determine and action market development plans for the target sectors.

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## 6.2.2 FINANCING AND TECHNICAL SUPPORT

390. The options for funding the US\$350,000 are mentioned above (see LFA above).
391. The financing of the implementation of the strategy could be explored through
- i. Earmarking a segment of the Brazilian inflows in the CDB towards<sup>48</sup>;
    - trade financing initiatives (such as a line of credit)
    - trade capacity building initiatives (see paragraph 351)
  - ii. Linking the T-Tap with the work of the Compete Caribbean growth Forum and the Business Climate Reform Programmes which are active in both Troika Members;
  - iii. Based on the level of funding (see paragraph 358) granted to APEX Brasil, that agency could also be targeted to fund some elements of the action programme.
392. The CEDA will engage in further research concerning sources of financing.

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<sup>48</sup> The CDB indicates that the BNDES has just been making the capital commitment towards becoming a member of the Bank. Suriname is not a member of the CDB, and as such, Guyana is the only eligible member that could receive any funding from the CDB.

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## ANNEXES

### BUSINESS STAKEHOLDER QUESTIONNAIRE (GUYANA)

393. ***What is this about?:*** The Caribbean Export Development Agency has commissioned a trade Assessment to determine

1. opportunities for increased trade and investment between Guyana and Suriname,
2. opportunities for increased trade and investment between Guyana/Suriname and Brasil; and
3. the development of a strategy and plan of action to take advantage of the opportunities identified.

394. ***Why is your input important?:***

1. Guyana based exporters generated US\$11mn in export sales to Suriname in 2012, whilst Suriname based exporters generated US\$100mn in exports to Guyana in 2012. Guyana has experienced a significant US\$90mn trade deficit with Suriname, in the past four years, showing a considerable loss of competitiveness in a very short time.
2. Guyana based exporters generated US\$185,000 in merchandise (i.e. goods) sales to Brasil in 2012 whilst, Suriname based exporters generated US\$976,000 in merchandise (i.e. goods) sales to Brasil in 2012
3. Both economies experienced severe contractions in export sales to Brasil between 2008 and 2012 (62% annual contraction for Suriname and 32% contraction for Guyana) whereas the rest of the world expanded export sales to Brasil of 11% annually over the same period. In short, Guyana and Suriname have both lost trade competitiveness in Brasil
4. Help us discover why, and design a plan to address some of your international trade concerns.

395. ***How will we capture your views?:***

1. Survey (below)
2. In market consultations in mid September

This survey should take about 15 minutes to complete. (BRZ= Brasil, GUY= Guyana, SUR= Suriname). Please submit the completed questionnaire to Mr. Lincoln Price (Consultant) [lincoln@profit-drive.com](mailto:lincoln@profit-drive.com) by September 26, 2013. For assistance with this questionnaire, please contact [lincoln@profit-drive.com](mailto:lincoln@profit-drive.com). All information is confidential.

1. Briefly describe your enterprise.			
a. Jobs	0-9	10-50	Over 50
b. Total Sales(US\$)	Under 50,000	50,000-500,000	Over 500,000
2. Do you export? <span style="color: red;">[if no thanks for your time, please end here]</span>	Yes	no	
3. Do you currently export to Brasil/ Suriname? <span style="color: red;">[if no go to question 4 then skip to question 8 and continue.]</span>	Yes	no	
4. What was the reason that you did not export to Brasil/Suriname?	Yes	no	
a. I could not find market information that could help me			
b. There was no trade financing available			
c. I was not able to sell at competitive prices			
d. the size of the customer's order was either too large/small for me			
e. transportation (freight, insurance etc) was not competitive (e.g. delivery time or cost)			

<p><b>This survey should take about 15 minutes to complete. (BRZ= Brasil, GUY= Guyana, SUR= Suriname). Please submit the completed questionnaire to Mr. Lincoln Price (Consultant) <a href="mailto:lincoln@profit-drive.com">lincoln@profit-drive.com</a> by September 26, 2013. For assistance with this questionnaire, please contact <a href="mailto:lincoln@profit-drive.com">lincoln@profit-drive.com</a>. All information is confidential.</b></p>					
<p>f. transportation lines were not able to accommodate my product (no refrigeration etc)</p> <p>g. other (please specify):_____</p>					
<p>5. How much export sales did you generate in 2012 in each market ? (US\$)</p> <ul style="list-style-type: none"> <li>less than 50,000 ;</li> <li>50,000-less than 500,000;</li> <li>500,000- less than 1mn;</li> <li>More than 1mn</li> </ul>		BRZ	SUR		
<p>6. What product(s)/service(s) do you trade with Brasil/ Suriname?</p> <p>Product/service (1):</p> <p>Product/service (2):</p> <p>Product/service (3):</p> <p>Product/service (4):</p> <p>Product/service (5):</p>					
<p>7. Did you experience any of the following trade measures?</p> <p>a. High Customs duties</p> <p>b. Onerous Rules of origin requirements (e.g. your raw materials must be made in Suriname/Brasil)</p> <p>c. Stringent Labelling requirements (e.g. placement restrictions and language)</p> <p>d. Stringent food safety requirements</p> <p>e. Price controls</p> <p>f. Behind the border charges (e.g. port fees, value added tariffs, environmental levy)</p> <p>g. Procedural obstacles (e.g. delays in clearing containers, security delays i.e. scanning, drugs searches)</p> <p>h. Distribution practices (e.g. non termination clauses)</p> <p>i. Consular invoicing</p> <p>j. Consistent Payment delays</p> <p>k. For services exporters</p> <p>    i. Temporary licensing</p> <p>    ii. Equivalency in professional accreditation</p> <p>Other( please specify):_____</p>		<p>yes</p> <p>SUR BRZ</p>		<p>no</p> <p>SUR BRZ</p>	
<p>8. Did you receive assistance from any of the following trade support agencies?</p> <ul style="list-style-type: none"> <li>The Go Invest</li> <li>The Guyana Manufacturers and Services Association(<a href="#">GMSA</a>)</li> <li>The Guyana Private Sector Commission</li> <li>The Suriname Chamber of Commerce (<a href="#">KKF</a>)</li> <li>The Suriname Business Forum</li> <li>The <a href="#">SEBRAE</a></li> <li>Apex Brasil</li> </ul>		yes		no	

<p><b>This survey should take about 15 minutes to complete. (BRZ= Brasil, GUY= Guyana, SUR= Suriname). Please submit the completed questionnaire to Mr. Lincoln Price (Consultant) <a href="mailto:lincoln@profit-drive.com">lincoln@profit-drive.com</a> by September 26, 2013. For assistance with this questionnaire, please contact <a href="mailto:lincoln@profit-drive.com">lincoln@profit-drive.com</a>. All information is confidential.</b></p>						
<ul style="list-style-type: none"> <li>The National services Coalition</li> <li>Other: Please specify _____</li> </ul>						
<p>9. How do you rank the service you received from the above agencies? 1= terrible 2= below average 3= average 4= above average 5= excellent</p> <ul style="list-style-type: none"> <li>The Go Invest</li> <li>The Guyana Manufacturers and Services Association(<a href="#">GMSA</a>)</li> <li>The Guyana Private Sector Commission</li> <li>The Suriname Chamber of Commerce (<a href="#">KKF</a>)</li> <li>The Suriname Business Forum</li> <li>The <a href="#">SABRAE</a></li> <li>Apex Brasil</li> <li>The National Services Coalition</li> <li>Other: Please specify _____</li> </ul>		1	2	3	4	5
<p>10. What service improvement(s) would you suggest?</p> <ul style="list-style-type: none"> <li>More Market intelligence</li> <li>Trade financing assistance</li> <li>Logistics assistance (e.g. shipping/air freight experts in the Trade Promotion Organisation)</li> <li>More business planning support</li> <li>More research and development support (example assistance in protection patents in export market)</li> <li>Services specialist in the trade promotion agency</li> <li>Other(please specify) _____</li> </ul>		yes		no		
<p>11. On a scale of 1 to 5, how prepared are you to pay for the service improvements you suggest in question 9? (1= I refuse to pay even a dollar, it's the Governments job, 5= completely prepared to pay): _____</p>						
<p>12. Do you have access to a mechanism to voice concerns about trade measures (including Non tariff measures, quotas, licensing requirements)? Yes no</p> <p>a. If you said no, are you interested in such a mechanism being established? Yes no</p>						

Include your telephone and email below if you want to be included in the trade consultations in Mid September.

Tel:

Email:

Thank you for your time.

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396. ***What is this about?:*** The Caribbean Export Development Agency has commissioned a trade Assessment to determine

1. opportunities for increased trade and investment between Guyana and Suriname,
2. opportunities for increased trade and investment between Guyana/Suriname and Brasil; and
3. the development of a strategy and plan of action to take advantage of the opportunities identified.

397. ***Why is your input important?:***

1. Guyana based exporters generated US\$11mn in export sales to Suriname in 2012, whilst Suriname based exporters generated US\$100mn in exports to Guyana in 2012. Guyana has experienced a significant US\$90mn trade deficit with Suriname, in the past four years, showing a considerable loss of competitiveness in a very short time.
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3. Both economies experienced severe contractions in export sales to Brasil between 2008 and 2012 (62% annual contraction for Suriname and 32% contraction for Guyana) whereas the rest of the world expanded export sales to Brasil of 11% annually over the same period. In short, Guyana and Suriname have both lost trade competitiveness in Brasil
4. Help us discover why, and design a plan to address some of your members/clients international trade concerns.

398. ***How will we capture your views?:***

1. Survey (below)
2. In market consultations in mid September

Please submit the completed questionnaire to [lincoln@profit-drive.com](mailto:lincoln@profit-drive.com) by September 26, 2013.  
(This survey should take 15 minutes to complete)

1. Please state your mission and vision statement below:
_____
_____
_____
2. What services do you provide?
<ul style="list-style-type: none"> <li>• Market Intelligence</li> <li>• Trade promotion</li> <li>• Investment promotion</li> <li>• Policy advocacy</li> <li>• Other (please specify)_____</li> </ul>
3. Describe the organisation’s structure (you may also attach your organogram if that is easier)
4. What share of your funding is from your services?
<ul style="list-style-type: none"> <li>• 0-5%</li> <li>• 6-20%</li> <li>• 20-50%</li> <li>• Greater than 51%</li> </ul>
5. Describe the level of funding the organisation dedicates towards trade promotion in LATIN America and The Caribbean
<ul style="list-style-type: none"> <li>○ 0-5% total promotional (i.e. non operational) budget</li> <li>○ 6-20% total promotional budget</li> <li>○ 20-50% total promotional budget</li> </ul>

6. Greater than 51% of total promotional budget
<p>7. What level of success have your promotional projects (e.g. trade shows, market studies, desk exchange) to Brasil had?</p> <ul style="list-style-type: none"> <li>• Haven’t had any projects in Brasil</li> <li>• Failure</li> <li>• Below expectations</li> <li>• Met expectations</li> <li>• Exceeded expectations</li> </ul> <p>Justify your answer:</p>
<p>8. What level of success have your promotional projects (e.g. trade shows, market studies, desk exchange) to Guyana had?</p> <ul style="list-style-type: none"> <li>• Haven’t had any projects in Guyana</li> <li>• Failure</li> <li>• Below expectations</li> <li>• Met expectations</li> <li>• Exceeded expectations</li> </ul> <p>Justify your answer:</p>
<p>9. Did your clients experience any of the following trade measures?</p> <p>b. High Customs duties Yes no</p> <p>c. Onerous Rules of origin requirements (e.g. your fabric must be made in Guyana) Yes no</p> <p>d. Stringent Labelling requirements (e.g. placement restrictions and language) Yes no</p> <p>e. Stringent food safety requirements Yes no</p> <p>f. Price controls Yes no</p> <p>g. Behind the border charges (e.g. port fees, value added tariffs, environmental levy) Yes no</p> <p>h. Procedural obstacles (e.g. delays in clearing containers, security delays i.e. scanning, drugs searches) Yes no</p> <p>i. Distribution practices (e.g. non termination clauses) Yes no</p> <p>j. Consular invoicing Yes no</p> <p>k. Consistent Payment delays Yes no</p> <p>l. For services exporters</p> <p>i. Temporary licensing Yes no</p> <p>ii. Equivalency in professional accreditation Yes no</p> <p>Other( please specify):_____</p>
<p>10. What level of interaction does your institution have with Trade Promotion agencies in Brasil, Guyana, or Suriname? 1 = none 2= minimal 3= high interaction</p> <ul style="list-style-type: none"> <li>• The Guyana Office of Investment (Go-Invest)</li> <li>• The Guyana Manufacturers and Services Association(<a href="#">GMSA</a>)</li> <li>• The Guyana Private Sector Commission</li> <li>• The Suriname Chamber of Commerce (<a href="#">KKF</a>)</li> <li>• The Suriname Business Forum</li> <li>• The <a href="#">SEBRAE</a></li> <li>• Apex Brasil</li> <li>• The National Services Coalition</li> <li>• Other: Please specify_____</li> </ul>
<p>11. Do you provide a mechanism for exporters to Latin America &amp; The Caribbean, (including Brasil), to voice concerns about trade measures (including Non tariff</p>

Strategic Report: “Assessment of framework and opportunities for enhancing export trade between Guyana, Suriname and Brasil” (Confidential). All errors are the author’s responsibility.

measures, quotas, licensing requirements)? If yes, describe the mechanism

Name of Institution:

Contact person:

Thank you for your time.

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Table 8: itinerary of Stakeholder consultations

Dates	Stakeholders	Venue	Contacts
<b>Brasilia, Brasil</b>			
Sept 16	2:00-3:00 Meeting with Amb.Marlon Mohamed Hoessein	SHIS QL 09 Conj. 08 Casa 24 71625-080 Lago Sul - Brasilia - DF Tel: 00(55 61) 3248-6706/3595 Fax:00(55 61) 3248-3791 E-mail private: <a href="mailto:mhoesein@yahoo.com">mhoesein@yahoo.com</a> E-mail: <a href="mailto:surinameemb@terra.com.br">surinameemb@terra.com.br</a>	Amb. Marlon Mohamed Hoessein
	4:15 pm -6:15 pm meeting with Jamaica Ambassadors	Embaixada da Jamaica SHIS QL 02, Conjunto 04 - Casa 02 Brasilia/DF - CEP: 71610-045 TEL: 55 (61) 2192-9774 FAX: 55 (61) 2192-9772 Email: <a href="mailto:jamaicanembassy.Brasil@gmail.com">jamaicanembassy.Brasil@gmail.com</a>	Amb. Alison Stone-Roofe
Sept 17	2:00-4:00 pm APEX Brasil meeting	Setor Bancário Norte, Quadra 02, Lote 11 Edifício Apex-Brasilia , Brasil – CEP 70.040-020 Telephone: +55 61 3426+0202 Fax: +55 61 3426-0263 <a href="mailto:investments@apexbrasil.com.br">investments@apexbrasil.com.br</a> <a href="http://www.apexbrasil.com.br">www.apexbrasil.com.br</a>	Ana Paula L. A. Repezza Institutional Affairs Manager Tel: +55 61 3426-0275 Fax: +55 61 3426-0363 <a href="http://www.apexbrasil.com.br">www.apexbrasil.com.br</a>  Ms. Felicia Vilela Investments Officer Investments Unit Tel: +55 61 34260732 Fax: +55 61 34260250 <a href="http://www.apexbrasil.com.br">www.apexbrasil.com.br</a>
	11:00-12:00 meeting with ambassador Udho	Guyanese Embassy in Brasilia, Brasil SHIS QI 5 conjunto 19 casa 24 Lago Sul 71.615-190 - Brasília - DF Brasil (+55) 61 3248 0874 (+55) 61 3248 0875	Amb. Merilyn Udho

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		embguyana@embguyana.org.br	
	10:00-11:00 am meeting with CNI	National Confederation of Industry CNI Brasilia	Mr Fabrizio Panzini Industry and Policies Specialist
<b>Georgetown, Guyana</b>			
Sept 19	9:00-10:00 am meeting with Guyana manufacturers association	<input type="checkbox"/> 157 Waterloo St., North Cummingsburg, Georgetown, Guyana <input type="checkbox"/> tel: 592-223-7405/6 <input type="checkbox"/> 592-225-5615 <input type="checkbox"/> gma_guyana@yahoo.co	[10:42:47 AM] Dhaneshwar Deonarane: sept 19 9-10 GMSA, 1030-1130 PSC
	10:30am-12:00pm meeting with Go-Invest	190 Camp and Church streets Georgetown Guyana Tel: 5922250658/ 5922270653/4	Ms. Uchenna Gibson
	2-3:30 pm Private Sector Commission	Guyana • 157 Waterloo St. Georgetown Guyana South America Tel:+592 225 0977   Fax:+592 225 0978   Email:office@psc.org.gy	Mr. Ramesh Dookhoo
Sept 20	2:00-4:30 pm meeting with Ministry of Foreign Affairs (TBC)	Cara Lodge Hotel Quamina street	Ms. Raj jagernauth Ministry of Foreign Affairs, 254 South Road & Shiv Chanderpaul Drive, Georgetown, Guyana South America. Tel : (592)226-1606/8, 225-6467 Fax: 225-9192 Email: <a href="mailto:minfor@guyana.net.gy">minfor@guyana.net.gy</a>
Sept 21	8:00 am Breakfast meeting with Amb. Nisho Kurban. Suriname Ambassador to Guyana	Duke Lodge Restaurant Duke street	
<b>Paramaribo, Suriname</b>			
Sept 23	9:00-11 am meeting with Suriname Business Forum	Suriname Business Forum Hendrikstraat 69 - 1st floor Paramaribo - Suriname Tel.: (+597) 499010 / Fax (+597) 499011 Email: <a href="mailto:info@surinamebusinessforum.org">info@surinamebusinessforum.org</a>	Drs. Inez Redjosentono MSc. Manager Research & Strategic Planning Suriname Business Development Center Executive Office of the Suriname Business Forum Hendrikstraat 69 – 1st Floor Phone 499010/ Fax 499011

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			Website: www.sbc.sr
	11:30-1:30 pm Chamber of Commerce and Industry of French Guiana Meeting with <i>Agence Francaise de Developpement</i> (AFD) office	French Embassy to Suriname and Guyana Henck Arronstraat (ex Gravenstraat) 5 - 7 P.O Box 2648 Paramaribo Suriname Tel: + 597 52 12 94 www. afd-guyane.org	Mr. Simon CLERC International Development Adviser for Suriname and Guyana Chamber of Commerce and Industry of French Guiana Acting Commercial Attaché Embassy of France in Suriname and Guyana Embassy of France - Dr J. F. Nassylaan 23 - PO Box 2648 - Paramaribo - Suriname T : 00597 475 222 M : 00597 822 0689 E : suriname@guyane.cci.fr
	2:30 pm-4:30 pm Meeting with Ministry of Trade.	Ministry of Trade & Industry of the Republic of Suriname Havenlaan Paramaribo South Suriname Tel: 597- 402-080 Fax: 597-402-602 Website: www.minhi.gov.sr Email: minhisur@yahoo.com	Mr. Dirk Eve.
	8:00pm -9:00pm meeting with Mr Egon Audhoe	Courtyard Marriott Hotel	Mr. Egon AUDhoe General manager Laparkan Airways
Sept 24	10:00-11 am Meeting at DAWSON ltd.	Van idsingastraat 68 474137 7133903	Mr. Fanel Dawson Mrs. Burleson
	11:30 -12:30 Meeting at CORPORATE COMMERCIAL INVESTMENT & DEVELOPMENT CORPORATION SURINAME (IDCS NV)	IDCS NV Brokopondolaan #97/ Paramaribo, Suriname South America Tel: + 597 49 43 74 Fax: + 597 49 43 87 E-mail: info@idcs.sr	

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	1:00-2:00pm meeting with Association of Agriculture products in Suriname (VEAPS) and owners of Unifood Suriname N.V.	marriott	Mr. Riekhath Sanchit and Mr. Umar Taus
	6:00-7:00pm GOPEX international	Marriott Hotel	Mr. Bhiesnoe Gopal
	7:30-8:30pm Sahara N.V.,	Marriott Hotel	Mr. Wierin Bishesar, Vice-President of a rice producer/exporter
	9:00-9:30 pm meeting with meat exporter	Marriott	
Sept 25	9:00-10:00am Meeting with CGM CMA	Havenlaan WEST Zwarte Peperloods	Mrs. Mervel Kotzebue
	11-12 pm meeting at the KKF	KKF Jaarbeurscomplex – Prof. W.J.A. Kernkampweg 37	Vice-President of the Suriname Chamber of Commerce & Industry (KKF), Mr. Anil Padarath
	1:00-2:00 pm meeting with METIMSUR (Suriname Furniture Cluster)	Gravesstraat 1-3, Ringweg Noord tel. 452790 / 8684888.	Mrs. Anushka Sewbalak, General Manager of Sewa Furniture and chair of METIMSUR (Suriname Furniture Cluster)
	2:30-3:30 pm Rudisa Group of Companies	Rudisa Holdingmaatschappij NV Office: +597-488081   Fax: +597-485629 Martin Luther Kingweg 8-9 Paramaribo, Suriname South America www.rudisa.net	Mrs. Warsha Torilal-Sardjoe, Vice-President of Rudisa Group of Companies
	6:00 - 7.00 pm Meeting with Gom Food Industries N.V.	Courtyard marriott	Mr. Kenneth van Gom - General Manager (marinides & sauces producer/ exporter)