**NOTICE FROM JAMAICA CUSTOMS**

Blue Power Group Ltd. has been advised by Jamaica Customs that, based on a ruling from the World Customs Organization, bath and laundry soaps produced by the company from palm-oil based noodles do not meet Community Origin requirements and are, therefore, ineligible to receive preferential treatment under the Revised Treaty of Chaguaramas.

The company’s exports to CARICOM countries will, therefore, attract the duty rate which is charged to soap imports from outside the region (40% in most CARICOM countries). Local supplies and exports to non-CARICOM countries like the USA and the UK are not affected by this ruling.

Approximately 20% of the company’s sales go to CARICOM countries and the application of the duty may make it uneconomical for the importing countries to buy from Blue Power. Jamaica Customs is aware of the importance of the industry to Jamaica and has offered to negotiate with the other CARICOM countries which are affected to have the rules changed to restore the preferential treatment for regional manufacturers within CARICOM countries. However, this may take time. The rule is expected to apply to all manufacturing countries using similar raw materials as Blue Power and means that imports of soap from regional countries (using the same manufacturing process) will face the same tariff barrier.

In the meantime, Blue Power Group Ltd. will take steps to increase its sales in the domestic and non-CARICOM markets while continuing to lobby for a change in the rules.

Dhiru Tanna

Chairman

December 4, 2019