

**ABSTRACT****THE IMPACT OF TRADE LIBERALIZATION ON THE JAMAICAN  
WHITE POTATO INDUSTRY**

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This study focuses on the impact of government's trade liberalization policies on the local White potato industry, as well as the protection and performance of the subsector. Using the market level model for a single commodity, the hypothesis is confirmed that trade liberalization will impact adversely on the producers welfare resulting in a gain in consumers welfare and increase imports to satisfy local consumption. Using the effective rate of protection, the nominal rate of protection and the domestic resource cost the protection, performance and comparative advantage of the industry were examined.

It was confirmed that government's policies provided positive protection to the industry over the period 1970 to 1991. The hypothesis that Jamaica has a comparative advantage in the production of White potato has been refuted. With respect to the hypothesis which states that price, output and consumption levels of potato decrease under a free trade scenario, it is confirmed that this is so for price and output levels. However, this hypothesis is refuted in the case of the consumption levels.

It is recommended that the industry reduces its cost structure and increases the yield per hectare to become competitive.