



**IDENTIFICATION AND
ASSESSMENT OF THE
UNDERLYING REASONS
AFFECTING CARICOM'S TRADE
PERFORMANCE UNDER THE
EXISTING BILATERAL TRADE
AGREEMENTS WITH THE
DOMINICAN REPUBLIC, COSTA
RICA, COLOMBIA, CUBA AND
VENEZUELA**

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LIST OF ABBREVIATIONS

ALBA	Alianza Bolivariana para los Pueblos de Nuestra América	HS	Harmonised System
BBD	Barbados Dollar	IPR	Intellectual Property Rights
BTA(s)	Bilateral Trade Agreement(s)	ITC	International Trade Centre
BZD	Belize Dollar	JMD	Jamaican Dollar
CAD	Canadian Dollar	LCL	Less than Container Load
CAFTA	Central American Free Trade Area	LDCs	Less Developed Countries
CAIC	Caribbean Association of Industry and Commerce	MDCs	More Developed Countries
CARICOM	Caribbean Community	MFN	Most Favoured Nation
CDB	Caribbean Development Bank	NAFTA	North American Free Trade Area
CDF	Caribbean Development Fund	NTB	Non-Tariff Barrier
CIF	Cost, Insurance, Freight	NTM	Non-Tariff Measure
COP	Colombian Peso	OECS	Organisation of Eastern Caribbean States
COTED	Council for Trade and Economic Development	ROO	Rules of Origin
CRC	Costa Rican Colón	SEZ	Special Economic Zone
DOP	Dominican Republic Peso	SME	Small or Medium Sized Enterprise
DR	Dominican Republic	SPS	Sanitary or Phyto-Sanitary
ECCB	Eastern Caribbean Central Bank	SRD	Suriname Dollar
EDF	European Development Fund	TBT	Technical Barriers to Trade
EDU	Export Development Unit	TFO	Trade Facilitation Office
EPZ	Export Processing Zone	TRIPS	Trade Related Aspects of Intellectual Property Rights
EU	European Union	TTD	Trinidad and Tobago Dollar
FCOJ	Frozen Concentrate of Orange Juice	UN	United Nations
FDI	Foreign Direct Investment	US	United States
FOB	Free On Board	USD	United States Dollar
FTA	Free Trade Agreement/Area	USVI	United States Virgin Islands
FTZ	Free Trade Zone	WTO	World Trade Organisation
GATT	General Agreement on Tariffs and Trade	XCD	East Caribbean Dollar
GYD	Guyanese Dollar		

EXECUTIVE SUMMARY

1. The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (hereinafter jointly referred to as bilateral trade agreements, BTAs). As is common, the purpose of these BTAs pursued by CARICOM was twofold: on the one hand, to increase CARICOM exports to the partner countries, and on the other hand, to provide CARICOM consumers with a broader choice of imports (Annex G provides summaries of the five BTAs).
2. Despite these preferences, and the fact that other trade barriers between CARICOM and BTA partners were envisaged to be removed on a reciprocal basis, an analysis undertaken in 2010 by the CARICOM Secretariat (CARICOM Secretariat 2010) resulted in the assessment that CARICOM's trade performance under the BTAs had been disappointing. In response, the present study has been commissioned to provide further analysis of CARICOM's trade performance as well as to identify the underlying reasons for the weak performance and derive policy recommendations to address them.
3. The methodology applied for the preparation of this report consisted of a mixture of desk research and stakeholder consultations. First, an update and expansion of the trade performance analysis was undertaken, given that the period reviewed in the 2010 study ended in 2008. This analysis was mainly based on UN COMTRADE data, as complemented by data provided by CARICOM Member customs authorities in some cases. The statistical analysis provided the groundwork for the subsequent identification of reasons explaining CARICOM's trade performance. The assessment of explanatory factors was then largely based on stakeholder consultations (mostly through focus group meetings) undertaken among private sector and Government representatives from CARICOM Members and selected BTA partner countries (Costa Rica, Cuba, and the Dominican Republic). Policy recommendations have been derived from these consultations as well as further analysis.

CARICOM's trade performance under the BTAs – an update

4. The main findings of the CARICOM Secretariat's 2010 study of CARICOM's trade performance under the BTAs with Colombia, Costa Rica, Cuba, the Dominican Republic and Venezuela can be summarised as follows: First, bilateral trade volumes, in particular exports from CARICOM to the BTA partners have not markedly increased since the agreements were signed. Second, bilateral trade balances were largely negative for CARICOM. And thirdly, exports from CARICOM were highly concentrated on the MDCs, with little participation in exports by LDCs.
5. The statistical analysis undertaken in the present study (see chapter 2) by and large confirms the findings of the 2010 study. Firstly, while CARICOM's trade with (and exports to) BTA partners have increased most recently in absolute terms, the share in CARICOM's total exports has remained low (esp. if corrected for some peculiar exports). Conversely, the share of imports from some BTA partners has increased. Secondly, the concentration of exports to BTA partners among CARICOM members has remained high and, if anything, has increased further. With the exception of Belize's exports to the Dominican Republic no LDCs has managed to export consistently to the BTA partners. Conversely, the share of LDCs in total CARICOM imports from BTA partners is substantially larger than their share in exports and has further increased. Thirdly, with the exception of Trinidad and Tobago, most CARICOM Members have bilateral trade deficits with most of the BTA partners; and in most cases the deficits have been increasing over time. Regionally, CARICOM has trade deficits with all BTA partners except Cuba. Fourthly,

the pattern of products exported by CARICOM Members indicates that most exports are opportunistic in nature rather than strategic or guided by comparative advantage: consistent, continuous exports are rare, the variety of products exported is very high in comparison to trade volumes, and the composition of products exported to different BTA partners varies considerably.

Analysis of the factors underlying CARICOM's trade performance under the BTAs

6. In order to comprehensively capture the factors impacting on CARICOM's exports to BTA partners, three main types of issues are distinguished: Firstly, obstacles to ongoing trade including NTBs; secondly, challenges during initial entry into a BTA partner market; and thirdly, supply side constraints, i.e. factors which lead a business to take the corporate decision to not consider exporting to a BTA partner country, at least not on a strategic basis. A fourth category of factors are those which relate directly to the substance or implementation of the BTAs.

7. Regarding **obstacles to ongoing trade** (section 3.1), overall the number of reported barriers erected by BTA partner countries is limited: 50 cases were reported by all CARICOM stakeholders combined, and quite a few of those relate to the same rules and procedures (such as product registration in Costa Rica or Law 173 in the Dominican Republic). The low absolute number of reported complaints is consistent with findings from other studies, in particular two recent reviews undertaken by the ITC of NTM affecting trade in Jamaica and Trinidad and Tobago. While the absolute number of cases is small, this can partly be explained by the low level of trade. Nevertheless, a comparison of the incidence of NTM cases with the share that the BTA partners hold in exports shows that, with the exception of Venezuela, BTA partners are not disproportionately affected by NTMs.

8. In addition, with the exception of Venezuela few of the obstacles identified constitute absolute barriers to exports. In fact, in many cases, exporters have found ways to deal with them. Also, most cases would seem to be issues that could be relatively easily and quickly resolved if the appropriate channels of information and communication were in place, and were complemented with the political bilateral institutions (i.e., the Joint Councils/Commissions) to discuss and solve recurring problems at a strategic level.

9. A number of issues identified – such as Law 173 in the Dominican Republic or most of the issues related to exports to Venezuela – have been persistent and have been raised by exporters for years. At the same time, few of the country-specific issues constitute binding constraints to exports: in many cases, exporters have found ways to deal with them. However, there seems to be a recent tendency towards an increasingly excessive level of discretionary interpretation of FTA provisions by import administrations, which are apparently often triggered by requests of the competing domestic industry – this was reported both by exporters in CARICOM Members and in BTA partner countries. In other words, trade has become more difficult recently despite the agreements being in place, because of a perceived surge in protectionist behaviour by import administrations. This warrants a closer monitoring of trade under the agreements (as suggested and described in some more detail in the recommendations).

10. A final observation regarding ongoing trade with BTA partners is that not all such trade is affected by problems. One successful example of Surinamese exports to BTA partner countries is export of frozen fish to Colombia which have been consistent for the past five years (shipment of 10-20 containers per month). These are not affected by any major problems. However, the negotiation and administration of these exports is handled by the Suriname's exporter's partner in Panama. For the exporter, this means: documentation is provided in English, and payments are effected between the importer and the partner. This case is an example of an approach that has

been observed with most successful CARICOM exporters to BTA partners: they leave negotiations and logistics to partners – either the importers or partners in third countries (often in the United States), and often these entities are within the same group of companies (which eliminates issues of trust).

11. With regard to CARICOM companies' problems in relation to the **initial entry into a BTA partner market** (section 3.2), although most CARICOM countries provide some type of export promotion support, this in most cases is neither focused on BTA partner market nor considered to be sufficient in scope. At the same time, the level of support provided by different CARICOM Members varies widely, thereby contributing to further divergence in export performance across CARICOM. Specific findings related to export promotion services are:

- *Demand for BTA-specific export promotion services* has been limited, especially in LDCs. This arguably is primarily due to supply side constraints which exporters face in these countries but could also be, as has been argued by some stakeholders, the perceived lack of practical export promotion support. What could help to change the situation is a survey among exporters about which products they consider as exportable to the BTA partners, and what type of support they would need.
- Stakeholders (primarily exporters) in some countries stated that *access to export promotion support* is difficult: First, companies are required to pre-finance expenses. While some lack the financial capacity to do so, there is also the risk that reimbursement is withheld or only covers part of the eligible expenses. However, it would seem questionable that companies which are so cash strapped that they cannot pre-finance costs are export-ready: certain investments and sunk costs are a normal part of the business process with regard to the establishment of a new market, and export promotion institutions need to focus on those companies that will be able to become successful exporters – and sufficient working capital is one condition for that. However, it would alleviate the burden on exporters if trade finance was more readily available. This is not to say that weaker companies that are not yet export ready aren't worthy of support – but they are worthy of other types of support, which would rather fall into the category of overcoming supply side constraints.

Second, the application for and management of grants is considered as too administrative and bureaucratic. In particular, the administrative/procedural barriers to access Caribbean Export support were considered as high. While assistance in overcoming the administrative hurdles for accessing support is already being provided by Caribbean Export, in view of the reactions from stakeholders there might be a case for expanding it.

- With regard to the question of *whether the services provided meet the clients' requirements and expectations*, with the exception of Trinidad and Tobago the portfolio and scope of services in most CARICOM Members is fairly limited (e.g. the number of missions to BTA partners is very small) – also when compared to the level of activity undertaken by BTA partners. Furthermore, the level and depth of information available about the BTA target markets are considered to be too limited.
- *Strong relations with associations or representatives of importers in the BTA partner countries* are lacking. Exchange of information takes place on an ad hoc basis (such as in a Dominican Republic-CARICOM private sector meeting organised by Caribbean Export last year) but lacks continuity. It would appear that the lack of standing structures is both the result and a reason for the general limited level of trust between businesses in CARICOM and the BTA partners and could be overcome only with some official assistance.
- Another criterion to measure the usefulness of the support portfolio is whether it helps level the playing field for companies across CARICOM Members, and whether it does so efficiently. Judged by this criterion, support services appear to perform poorly – there is no *coherence of export promotion services across CARICOM countries*, and the level of support that exporters in different CARICOM Members can get from support bodies differs vastly: Countries with the least export experience also have the lowest level of support. However,

without promotion of the BTA partner countries as export markets the private sector in the LDCs will hardly consider them as (potential) markets. In addition, the limited resources are sometimes wasted on similar activities being undertaken by export promotion agencies in different CARICOM Members. The preparation of studies and research of the same markets is an example. Closer cooperation between export promotion bodies as well as wider dissemination of market research, studies and analyses not only at the national level but expanded to the CARICOM level would both increase outreach of support services help export promotion bodies resources. Wherever possible, services should be provided regionally rather than nationally. Caribbean Export is already streamlining its relations with national export promotion bodies in order to reduce duplication.

12. The effect of support to facilitate entry into BTA partner markets as provided by CARICOM Members is quite similar, although this is, overall much less developed – except Barbados and Trinidad and Tobago no CARICOM country provides structured assistance of this type, and even for those two countries it is limited to some of the BTA partners. With regard to exports to Cuba, the importance of the role of Trinidad and Tobago’s Trade Facilitation Office (TFO) in Havana – which provides services free of charge – was highlighted by stakeholders and is considered as a good practice. Its replication should be considered in the other BTA partner countries. In view of the relatively high costs associated, such TFOs should have a regional mandate to allow for the pooling of resources and also to generate a critical mass of demand for the services provided. In order to save costs, the conversion of the TFO in Havana into a CARICOM institution, as well as the expansion of the Caribbean Export office in Santo Domingo to also include market entry facilitation services could be considered.

13. Thirdly, the core problems underlying **supply side constraints that mitigate against CARICOM exports to BTA partners** (section 3.3) are the smallness of most CARICOM companies, exacerbated by the absence of local or regional value chains, and the established market and trade patterns which favour exports to traditional markets. The absence of local value chains and clusters also means that successful export performance of individual companies do not spill over to other firms, making it difficult to replicate successes.

14. Given the various constraints identified in the study, most CARICOM companies have a limited willingness to invest in production expansion and production upgrades which would be required to diversify into further markets beyond the established ones. Joint ventures and strategic alliances between manufacturers both intra-CARICOM and CARICOM-BTA partner would greatly enhance the capacity to supply larger markets. So far, such strategic alliances have not been created, partly as a result of the competitive, rather than collaborative, business culture in CARICOM countries. While the BTAs, at varying levels of detail, foresee cooperation towards joint investments, or facilitating investments, the corresponding provisions have not been followed up so far.

15. In view of the limitations identified, entry into the BTA partner markets will for most CARICOM Members’ companies generally be feasible only in niche markets. CARICOM Governments could assist by helping identify such niche markets as well as providing more information about the BTA partner markets in general. Furthermore, in order to ensure spill-overs and replicability of success, a sector or cluster approach should be used. At least in some CARICOM countries, a proposal made by stakeholders in Jamaica might also be helpful: It was recommended that the Government should assume a more active role in guiding the private sector, e.g. by organising high level meetings with business leaders and demanding more exports from the private sector. This should come as part of a general shift from designing policies to implementing policies.

16. Finally, a number of factors explaining CARICOM's trade performance under the BTAs must be attributed to the **bilateral trade agreements** themselves (section 3.4). The main factor in this regard is the divergence of interests within CARICOM. These diverging interests also cause problems for the further development of the BTAs. Another rather fundamental shortcoming of the BTAs is that their negotiation did not adequately involve the private sector and hence the provisions of the BTA do not necessarily reflect private sector interests. While this weakness could be addressed through further negotiation in the context of the Joint Council meetings as well as in the context of reviews of the agreements, neither of these two instruments has been used so far. Other issues identified are:

- BTAs have not yet been ratified by all CARICOM Members; in fact, the *status of ratification* appears to be rather limited still. However, information about ratifications or the application status of the agreements by the various parties is difficult to obtain. Also, knowledge about the ratification status by the other Party must be ensured, as the application of the agreement rests on the principle of reciprocity. During the consultations it became evident that CARICOM and BTA partners sometimes have different information about the application of the respective BTA by the other party. This is a major deficiency and should be corrected as a matter of urgency: it is inconceivable for trader to operate under a trade agreement if it is not known whether or not the agreement is actually being applied.
- An indicator for the *practical application of BTAs*, respectively their use by traders, is the number of certificates of origin issued by CARICOM Member's designated authorities. Unfortunately, only anecdotal information could be obtained in some countries. Based on this, it appears that most exports actually take place under MFN treatment rather than under the BTA rules, even when exports might be covered by the agreement.
- A number of *substantive provisions of the BTAs* were identified as obstacles for CARICOM exports to the partner countries (section 3.4.2). These include the insufficient coverage of goods, the concept and use of seasonal tariffs, and the limited overall scope of the agreements. However, one point to keep in mind in relation to these issues is that interests and, hence, views regarding substantive provisions of the BTAs across CARICOM Members vary widely.
- *Implementation of the BTAs* is mainly restricted to the tariff liberalisation aspects but largely lacking in terms of institutional arrangements and the non-core provisions of the agreements. Overall, stakeholders considered the lack of implementation or "giving life to the agreements" as one of the major weaknesses. For example, under each of the agreements, the main institutional instrument for the administration is the Joint Council (Joint Commission, in the case of the BTA with Cuba), which is scheduled to meet at least annually. However, in practice Joint Councils meet much more rarely, and especially so in recent years. The lack of Joint Council meetings deprives the Parties of discussing any issues related to the implementation of the agreements as well as further negotiations in a structured way. Given the fact that a number of issues exist both in ongoing trade as well as substantive issues, it is surprising that the Joint Council is not used as the instrument for discussion and negotiation. In response, some CARICOM Members are resorting to bilateral communication with BTA partners, which clearly is a second-best option as it takes place at the expense of transparency. Also, an agreement seems to be lacking among CARICOM Members about the conditions which must be met in order for the Joint Council to meet. Some stakeholders stated that for a Joint Council to meet that consensus must be achieved among all CARICOM Members on the necessity and date for such a meeting, which is often lacking. Other stakeholders, however, disagreed with this interpretation. This leads to the conclusion that either clear intra-CARICOM rules for the convening of Joint Council meetings are lacking or exist but are not well known among CARICOM Members. This situation needs to be addressed urgently either by developing the necessary rules to make the Joint Councils operational or by ensuring that CARICOM Members understand and interpret existing rules in the same way. In view of the issues identified in this study, meetings of all of the Joint Councils would be

called for during 2014.

Furthermore, exchange of information and communication between the CARICOM Secretariat, or CARICOM Members, and the BTA partners is limited and slow (several BTA partners complained about this). What is more, as in the case of the convening of Joint Council meetings there do not seem to be clearly identified communication channels between the Parties: while some communication takes place between partners and the CARICOM Secretariat, other communication takes place at the national levels. In response, clear rules for communication need to be established and followed, including appropriate communication channels, response times and mutual information exchange (see Recommendation 4 below).

17. While a quantified **weighting of the various factors** (section 3.5) is not possible, some observations in the data and information obtained during consultations do provide some pointers: Thus, the fact that Trinidad and Tobago has managed to benefit across (almost) all BTAs (while most if not all other CARICOM Members haven't) is a strong indicator that supply side constraints are more important than barriers erected on the import side (but the fact that it hasn't performed so well in relation to Venezuela points towards the importance of import-side NTB there). The high volatility of exports in product groups in most of the CARICOM members' exports points to the same fact: if demand side constraints (i.e. NTBs in the importing BTA partner) were the problem, then one would expect consistently subdued exports but not high exports in one year followed by zero exports, and again high exports years later, etc.

18. Nevertheless, the weighting of factors is more complex than this, because different categories of factors affect different CARICOM Members in different ways. For example, obstacles in ongoing trade are a problem primarily for Trinidad and Tobago, where supply side issues and initial market entry problems are of lesser importance. Conversely, supply side constraints are the key issue for OECS countries – exporters there rarely even reach the stage where they would be interested in entering BTA partner markets. Most of the other CARICOM Members' (potential) exporters fall into a middle group in which some supply side issues have been solved and companies are, in principle, ready for export to the BTAs, but face binding constraints in relation to initial market entry.

19. The **role of the agreements in overcoming the identified constraints** is as follows:

- Solving supply side constraints: As soft provisions of the agreements have not been implemented, they have not had any practical importance for overcoming most supply side constraints encountered by CARICOM businesses. However, the tariff preferences provided under the agreements are helpful – to the extent that they are actually applied – but are no game changers: the tariff preference accorded to CARICOM exporters by the BTAs is limited. Assuming that the BTAs would cover all goods (which they don't) the maximum tariff preference accorded is equal to the MFN duties levied by BTA partners on imports from other sources, which range from 4.1% (in Costa Rica) to 11.1% (in Venezuela), which is low when compared with the cost disadvantages mentioned by some exporters. In addition, most of the BTA partners have bilateral trade agreements with other partners (such as Costa Rica and the Dominican Republic with the United States), and therefore the CARICOM BTAs only serve to re-establish a level playing field on the target market. Tariff preferences under the BTAs can thus be seen as a necessary but by no means sufficient condition for enabling CARICOM companies to export to the BTA partners, at least for most exporters;
- Facilitating initial market entry: Facilitation of initial market entry would have been addressed under the agreements only in the form of soft provisions. As these have not been implemented, the agreements have not helped in overcoming obstacles in this respect;
- Reducing obstacles to ongoing trade/NTBs: The BTAs provide rules for the elimination of non-tariff barriers, at varying degrees of specificity. While quantitative restrictions and rules of origin are developed in detail in each of the agreements, other NTBs, such as SPS and

TBT issues, IPR issues, customs valuation etc. are typically only addressed in general terms. This could be considered a shortcoming of the agreements, but in fact the agreements have a built-in mechanism to further develop and specify rules on these issues, i.e. through the work of the standing/technical committees and expert groups foreseen to be established. What is more, the agreements provide for the institutional structures to solve problems arising under the agreements as well as further develop them. However, these institutions – neither the Joint Councils nor the technical committees – have been operationalised in a sustained and effective manner; and as a result, the role of the BTAs in reducing NTBs has been limited. Finally, one substantive shortcoming across the BTAs is that they constitute different rules (e.g. of origin), which increase compliance costs – against a background where costs of compliance with rules of origin are estimated to be equivalent to a 4-6% tariff, significant savings could be achieved if they were harmonised across trade agreements.

20. The main cause for their limited effectiveness is the lack of implementation and proper implementation would correct most of the major shortcomings. Of course, such implementation would require the political will of both CARICOM Members and BTA partners – and there is a real chance that this political will is lacking. Already, the regional approach towards BTAs has been undermined by an increasing lack of coherence within CARICOM in trade relations with third countries. In particular, the proliferation of bilateral partial scope agreements limits coherence. At the same time, during the consultations it was felt that most problems which CARICOM members face when exporting (and exporting to the BTA partners) are common problems, which would require a regional response rather than national responses.

Main recommendations

21. In order to address the identified problems, the study provides, in chapter 4, both suggestions to address specific obstacles encountered (in chapter 3 and annex C) as well as a number of main recommendations, distinguishing between those focussing on the implementation of the BTAs, the further development of the agreements, as well as measures which CARICOM could take unilaterally.

Recommendation 1. Ratify and Apply the Agreements: At present, ratification of the agreements by CARICOM Members is patchy. However, a precondition for the BTAs to have an impact on trade between CARICOM and the BTA partner countries is that they are ratified and applied by the partners. With reciprocal application of the agreements being the norm, CARICOM LDCs would not be benefitting from the preferential treatment under the agreements unless they have ratified them, while they are still being affected by the preference erosion resulting from the agreements' application by the CARICOM MDCs. The cost-benefit calculation of ratification for LDCs regarding the CARICOM-Costa Rica FTA might be different, given the Agreement's MFN clause. However, such calculation should be undertaken at the negotiating stage, not after the signature of the agreement, ratification of which would also seem to be required by international law. It is recommended that CARICOM Members ratify signed agreements as quickly as possible, unless there are specific and good reasons for not doing so.

Recommendation 2. Activate the Institutions foreseen under the BTAs: The Joint Councils/Commission are the key institutions for the administration, discussion and further development of the respective agreements between the Parties. Their efficient functioning is therefore essential for the success of the agreements. In effect, hardly any of the obstacles (primarily NTBs) identified in this study regarding ongoing trade between CARICOM and the BTA partners can be addressed at the root without a working Joint Council/Commission. However, the Joint Councils/Commission under the BTAs have not met as foreseen in the

agreements, and except for the Dominican Republic none has been held since 2006. Therefore, meetings of each of the Joint Councils should be scheduled to take place as soon as possible to discuss, at a minimum, the relevant obstacles to ongoing trade identified in this study.

Recommendation 3. Establish clear intra-CARICOM rules for the convocation of BTA institutions: The primary reason stated by stakeholders for the lack of recent Joint Council/Commission meetings was the lack of consensus among CARICOM Members. However, there do not appear to be clear rules and conditions within CARICOM that must be met for holding a Joint Council/ Commission meeting. CARICOM should establish clear rules for the CARICOM-internal conditions that must be met in order for CARICOM to request, or agree to a partner's request, for a Joint Council/Commission meeting. It is suggested that the CARICOM Secretariat develops draft rules. Given the important role that Joint Councils have to play for the implementation of BTAs, it is suggested that meetings can take place unless a CARICOM Member explicitly vetoes against one (including against the proposed date for a meeting).

Recommendation 4. Improve Communication: Lack of communication, unclear communication channels and long response times have been identified as major obstacles to the solution both of specific issues encountered in ongoing trade as well as the further development of the BTAs. In order to help address relevant issues for bilateral trade in the Joint Councils, an effective channelling of information from exporters to the Joint Council is required. Clear communication channels in relation to the BTAs should therefore be established at four levels:

- a) Communication between CARICOM exporters and their Government;
- b) Communication between CARICOM Members and the CARICOM Secretariat;
- c) Direct between CARICOM Member States and Partner States for technical issues (but informing the monitoring system see below);
- d) Between Partner States and the CARICOM Secretariat for general and strategic issues, in preparation of Joint Council meetings.

These communication channels should in particular ensure the flow of information from exporters to the CARICOM Secretariat/Joint Council, while general information to be provided by the institutions to the exporters is suggested to be provided primarily through a website (Recommendation 8) based on information recorded and saved in a monitoring system (Recommendation 5).

Recommendation 5. Monitor Implementation of Agreements and Enhance Transparency: In connection with better communication mechanisms (Recommendation 4), one institution within CARICOM would need to assume the role of an information broker or monitor, i.e. be aware of all issues being discussed at all levels and pass on relevant information to other concerned parties. This role would ideally be assumed by the CARICOM Secretariat. A BTA monitoring system within the CARICOM Secretariat should therefore be established. This would have responsibility for monitoring trade performance under the BTAs, identifying and synthesising strategic issues related to the BTAs, and collecting and maintaining a database of issues encountered by traders in trade under the agreements, and providing information relevant to the BTAs both to CARICOM Members and the interested public, through the publication of relevant studies and information (e.g. on a website; also see Recommendation 8). Ideally, the monitoring system would cover all trade agreements of CARICOM (i.e. include the EPA), as well as those of its Members.

Recommendation 6. Implement Non-core and Administrative Provisions of Agreements: Supply-side constraints as well as difficulties in initial entry into the BTA partner markets have been identified as major obstacles for CARICOM companies. While some of these obstacles are the result of fundamental economic constraints of some CARICOM Members and could hardly

be addressed through the agreements, all of the BTAs do include non-core or “soft” provisions to facilitate bilateral trade under the agreements – on issues like trade promotion, cooperation on transport, investment, finance, etc. However, these provisions have not been implemented; they have therefore not had any practical importance. In addition, most of the agreements contain administrative provisions regarding the further specification of provisions or negotiation of follow-up agreements in areas such as dispute resolution, contingent protection, technical regulations and standards, trade in services, investment issues etc., but few of these specifications have been addressed, notably as a result of the lack of Joint Council meetings. In the absence of further specification, some provisions have remained not applicable. As the consultations have shown, some issues – such as subsidies in BTA partner countries, rules of origin, including existing cumulation rules, and trade facilitation issues – would benefit from strengthened rules under the agreements. It is therefore suggested that key non-core and administrative provisions be put on the agendas of the first Joint Council meetings in order to discuss and mutually assess the degree of importance accorded to the various issues; thereafter, standing/technical committees or expert groups could be established/appointed to follow up on selected high-priority issues.

Recommendation 7. Adjust Scope of Agreements: With each of the BTAs having been negotiated more than a decade ago, their scope of coverage corresponds to the Parties’ economic interests of the past, which may have – and according to views expressed in consultation do have – changed in the meantime. This would call for a review of the scope of the agreements both in terms of goods coverage and in terms of overall coverage. Also, it has been noted that presently most of the BTAs are very traditional in the sense that they almost exclusively focus on goods issues, and there particularly on tariff issues. This constitutes a very partial and limited approach to trade matters, and hardly corresponds to the economic structure of several CARICOM Members. Indeed, one has to realise that most CARICOM Members’ supply-side constraints for manufacturing will be very difficult to overcome, and international competitiveness is unlikely to be achieved, except for some small niches. BTAs should take account of this by supporting those sectors which are or could be internationally competitive, which are mostly services sectors. It is therefore recommended that CARICOM prepare a consolidated update of offensive and defensive interests regarding coverage of goods under the various BTAs for subsequent discussion in the Joint Councils. In addition, an expansion of the agreements’ scope to also include or expand the treatment of services and investment issues, inter alia, i.e. to convert them into deep integration arrangements, would be useful. This would require prior study of the export potential of CARICOM services sectors to BTA partners and, following this, initial discussions at the Joint Council level.

Recommendation 8. Improve Information and Assistance for Exporters: Although most CARICOM countries provide some type of export promotion support, this in most cases is neither focused on BTA partner market nor considered to be sufficient in scope. At the same time, the level of support provided by different CARICOM Members varies widely, thereby contributing to further divergence in export performance across CARICOM. The effect of support provided by CARICOM Members to facilitate entry into BTA partner markets is quite similar, although this is, overall much less developed – except Barbados and Trinidad and Tobago no CARICOM country provides structured assistance of this type, and even for those two countries it is limited to some of the BTA partners. In order to address these shortcomings, a regionalisation of export promotion and market entry facilitation support bodies should be considered, and the Caribbean Export Development Agency’s role should be strengthened. With regard to market intelligence services, at a minimum closer coordination and better exchange/wider distribution of market information and analyses for CARICOM exporters would be desirable. With regard to market entry facilitation services, the establishment of an office in each of the BTA partners should be considered. In addition, an efficient way of distributing

information about import conditions applied by BTA partner countries, given the likely need for regular changes, could be one website maintained either by a CARICOM institution (the CARICOM Secretariat or Caribbean Export) or one of the Members' trade promotion bodies, to which all other Member trade support institutions could provide links. The website should be part of the monitoring system as proposed in Recommendation 5 above.

Recommendation 9. Address Supply Side Constraints: CARICOM should assist the business sector, both nationally and regionally, by helping identify niche markets as well as providing more information about the BTA partner markets in general. Furthermore, in order to ensure spill-overs and replicability of success, a sector or cluster approach should be used. Specific areas of further support to address supply side constraints related to exports would include – without prejudice to more general measures supporting the business sector, which are not within the scope of this study: Development of CARICOM-wide export credit and export credit guarantee schemes; Support in overcoming transportation issues; Facilitation of joint (CARICOM-BTA or intra-CARICOM) investments; and Provision of support for the innovation and differentiation of products to satisfy consumer preferences in BTA markets. In practical terms, a proposal made by stakeholders in Jamaica might also be helpful: It was recommended that the Government should assume a more active role in guiding the private sector, e.g. by organising high level meetings with business leaders and demanding more exports from the private sector. This should come as part of a general shift from designing policies to implementing policies.

Recommendation 10. Find Mechanism to Accommodate Diverging Interests of CARICOM Members: A key problem in relation to the BTAs and their implementation is that, depending on the specific situation of CARICOM Members – such as differences in competitiveness, economic structure etc. – they have fundamentally different foreign trade policy interests, except in the case of OECS Member States who pursue harmonization of foreign and external trade policies, and, accordingly, fundamentally different interests in the BTAs. While the consensus nature of CARICOM decision-making enables the conclusion of trade agreements, problems tend to arise in implementation – which is at the individual Member State level. This is particularly likely in cases where individual CARICOM Members face adjustment costs but expect few tangible benefits. This complex interaction between reaching trade agreements and implementing them was emphasized by stakeholders in some Member States and without doubt contributes to the limited level of ratification and implementation of the agreements. The differences in economic interests have also led to a proliferation of bilateral agreements between individual CARICOM Members and third countries based on the specific needs of the individual CARICOM Member. This has further complicated trade relations between CARICOM and the world and reduces the functioning of the CSME while still failing to accommodate the differences in interests among CARICOM Members. Obviously, this increases the difficulty of forging a seamless international trade framework for CSME alongside its internal market. In response to these issues, CARICOM Members should openly and rationally discuss their respective interests in the various BTAs, including the bilateral partial scope agreements which have been concluded or are being negotiated by individual Members. Such an open discussion is required to identify common ground and potential measures to accommodate persistent and insolvable areas of conflicts of interest.

Conclusion

22. The basic assumption for the recommendations has been that CARICOM and its Members have a genuine interest in the agreements – this first and foremost is a political decision. An alternative to the proposed way ahead of activating the agreements would be to leave them in the current state, essentially as a mechanism for preferential access to the BTA partner markets for

exporters of those CARICOM Members which have ratified the agreements, but without further ambition. This alternative is, however, not recommended, for two reasons. First, the non-application of negotiated and signed international agreements would both seem to be against principles of international law and have a damaging effect on the reputation of CARICOM and some CARICOM Members. Already now, some BTA partners expressed their disappointment in the way the agreements were applied by the CARICOM side. Secondly, while the impact of the recommended measures in terms of increasing exports is impossible to quantify, and in any case likely to be limited, they would still have a major effect on those (admittedly few) CARICOM exporters which have an interest in exporting to the BTA markets, and would help diversify CARICOM's export portfolio. Furthermore, the activation of the agreements would be a precondition for more intensive economic cooperation in other areas, such as services, and joint investments.

23. The key challenge to be overcome, it seems, is the divergence in interests between CARICOM Members which in turn are the result of the vast differences in economic structure. This will be a daunting yet essential task.

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (hereinafter jointly referred to as bilateral trade agreements, BTAs). As is common, the purpose of these BTAs pursued by CARICOM was twofold: on the one hand, to increase CARICOM exports to the partner countries, and on the other hand, to provide CARICOM consumers with a broader choice of imports.

The main features of the BTAs can be summarised as follows (see Annex G for a more detailed summary of the Agreements' provisions):

- The BTA with Venezuela is a non-reciprocal preferential arrangement in favour of CARICOM, i.e. Venezuelan exporters do not benefit from preferential access to the CARICOM market. On the other hand, preferential access for CARICOM exporters is restricted to certain product groups (for some of which Venezuela's tariffs were eliminated immediately, for others reduced gradually) while others (listed in Annex III of the Agreement), including coconut oil, white rice, broken rice or frozen orange juice, did not benefit from Venezuela's liberalisation;
- Under the BTA with Colombia, CARICOM was accorded non-reciprocal preferential access into the Colombian market on an agreed list of goods for a period of four years. In 1998, four CARICOM More Developed Countries (MDCs) – Barbados, Guyana, Jamaica and Trinidad and Tobago – granted reciprocal preferential market access to a negotiated list of Colombian exports, while CARICOM LDCs still benefit from preferential access to Colombia. All of CARICOM's main exports to Colombia are covered under the BTA;
- The CARICOM–Cuba Trade and Economic Co-operation Agreement provided for further negotiations between the Parties in 2001 to convert the partial scope Agreement to a Free Trade Agreement. Negotiations for the expansion of products subject to preferential treatment under the BTA commenced in 2006 but have not been concluded;
- The BTA with the Dominican Republic grants CARICOM LDCs non-reciprocal preferential market access to the Dominican Republic, while market access for MDCs is on a reciprocal basis;
- Finally, the BTA with Costa Rica provides for duty free treatment for all products except a list of products on which MFN treatment is maintained. As with the Dominican Republic, while market access for CARICOM MDCs is based on reciprocity, the CARICOM LDCs are not required to provide reciprocal preferential market access to Costa Rica.

In sum, therefore, all of the CARICOM LDCs benefit from non-reciprocal preferential market access to the BTA partner countries, while this is the case for MDCs only under the BTA with Venezuela.

Despite these preferences, and the fact that other trade barriers between CARICOM and BTA partners were envisaged to be removed on a reciprocal basis, an analysis undertaken in 2010 by the CARICOM Secretariat (CARICOM Secretariat 2010) resulted in the assessment that CARICOM's trade performance under the BTAs had been disappointing. In response, the present study has been commissioned to provide further analysis of CARICOM's trade performance as well as to identify the underlying reasons for the weak performance and derive policy recommendations to address them.

The methodology applied for the preparation of this report consisted of a mixture of desk research and stakeholder consultations. First, an update and expansion of the trade performance analysis was undertaken, given that period reviewed in the 2010 study ended in 2008. This

analysis was mainly based on UN COMTRADE data, as complemented by data provided by CARICOM Member customs authorities in some cases. The statistical analysis provided the groundwork for the subsequent identification of reasons explaining CARICOM's trade performance. The assessment of explanatory factors was then largely based on stakeholder consultations (mostly through focus group meetings) undertaken among private sector and Government representatives from CARICOM Members and selected BTA partner countries (Costa Rica, Cuba, and the Dominican Republic).¹ Policy recommendations have been derived from these consultations as well as further analysis.

This report summarises the findings, analysis and recommendations. It is structured as follows: Chapter 2 provides a brief summary description and analysis of CARICOM's trade with BTA partners, updating and expanding the findings of the 2010 CARICOM Secretariat study. Chapter 3 contains the analysis of the various identified reasons for CARICOM's trade performance in relation to BTA partners. It does so by distinguishing different types of obstacles to trade, both those emanating from the agreements and those which are independent from the agreements. Finally, chapter 4 presents the recommendations.

¹ Because of the very limited data available on non-tariff measures in CARICOM-BTA partner trade, a quantitative analysis – e.g., based on the methodologies suggested by Ferrantino (2010) or Fugazza (2013) – of the effect of NTMs on CARICOM's trade performance under the BTAs would not have been possible. In any case, the analysis presented in chapter 3 suggests that NTMs do not constitute a binding constraint for most of CARICOM's exports to BTA partners.

2 CARICOM'S TRADE WITH THE BTA PARTNERS PUT IN PERSPECTIVE

The main findings of the CARICOM Secretariat's 2010 study of CARICOM's trade performance under the BTAs with Colombia, Costa Rica, Cuba, the Dominican Republic and Venezuela can be summarised as follows:

1. Bilateral trade volumes, in particular exports from CARICOM to the BTA partners have not markedly increased since the agreements were signed;
2. Bilateral trade balances were largely negative for CARICOM; and
3. Exports from CARICOM were highly concentrated on the MDCs, with little participation in exports by LDCs.

This section provides an update of the findings as well as some further analysis of trade between CARICOM and the BTA partner countries. A more detailed analysis of bilateral trade flows is provided in annex F.

As mentioned in the introduction, the statistical analysis is mainly based on UN COMTRADE² data, as complemented by data provided by some CARICOM Member customs authorities. One problem encountered is the (sometimes extreme) inconsistency in trade data reported by exporters (CARICOM members) and importers (the BTA partners), which casts some doubt on the reliability of the statistics. While the analysis was initially based on import data (as is the common approach), it has been complemented, and in some instances replaced, by reported CARICOM export data. In any case, the source of the inconsistencies could not be identified, but it is likely that some problems exist with customs documentation, possibly in combination with the frequent transit and transshipment of CARICOM exports to BTA partner countries.

2.1 Level of trade

CARICOM's trade with the BTA partner countries has sharply increased since the mid 1990s (Table 1): total imports increased from USD 318 million to USD 2.1 billion most recently, and total exports from USD 198 million to USD 788 million. However, these figures are largely influenced by trade in petroleum products. If these are excluded, trade growth over the same period is more modest: imports increased from USD 145 million to USD 432 million, and exports from USD 119 million to USD 427 million. Furthermore, the growth in exports only occurred since the mid 2000s – in other words, to a large extent after the end of the period reviewed by the 2010 CARICOM study.

A second major observation relates to the vast differences in trade developments across the BTA partners: for example, while non-oil imports from Colombia, Costa Rica and the Dominican Republic have consistently grown over time, imports from Cuba have stagnated at a very low level, and those from Venezuela have remained at about USD 80 million per year from the mid-1990 to the mid 2000s, and then dropped sharply. Conversely, the development of CARICOM exports to BTA partners has been more uniform – largely stagnating until the mid 2000s and then picking up sharply.

² <http://comtrade.un.org/>

Table 1: CARICOM trade with BTA partners, 1995-2012 (current USD '000)

	Total trade				Non-oil trade			
	1995	2000	2005	2012	1995	2000	2005	2012
Imports from								
Colombia	28,323	299,211	421,407	729,004	26,832	49,287	109,336	167,200
Costa Rica	15,412	32,278	84,874	132,082	15,412	32,278	84,718	132,082
Cuba	6,837	24,017	69,885	4,097	2,259	4,343	5,244	4,097
Dominican Republic	18,207	18,060	47,335	126,467	18,095	17,917	47,093	111,870
Venezuela	248,792	862,479	635,044	1,153,956	82,320	79,126	83,477	16,514
All BTA partners	317,571	1,236,045	1,258,545	2,145,605	144,919	182,951	329,868	431,762
World	8,275,611	10,661,232	16,508,045	21,396,511	7,443,819	8,470,025	11,983,972	14,881,841
Exports to								
Colombia	62,456	21,162	152,556	290,528	30,707	21,162	47,526	71,188
Costa Rica	4,676	29,400	5,818	130,870	3,956	3,429	976	93,550
Cuba	22,285	32,127	19,070	28,509	13,816	13,595	18,431	28,367
Dominican Republic	59,648	120,228	130,767	147,161	27,850	35,713	40,877	74,823
Venezuela	49,113	40,501	32,707	190,672	42,934	40,497	16,609	159,447
All BTA partners	198,178	243,419	340,918	787,740	119,263	114,396	124,419	427,375
World	5,587,697	7,361,077	13,560,694	17,462,174	4,339,447	4,496,984	6,459,530	9,870,864

Notes: (1) Non oil trade is total trade less HS chapter 27 "Mineral fuels etc." (2) Due to missing data, values included for 1995 and 2012 are for different years for some CARICOM Members as follows: "1995": Jamaica 1996; Barbados and Guyana 1997; Antigua and Barbuda, and Montserrat 1999. "2012": St. Lucia 2008; Grenada 2009; Trinidad and Tobago 2010; Montserrat, St. Kitts and Nevis, and Suriname 2011.

Source: Author's calculations based on UN COMTRADE data for CARICOM Members.

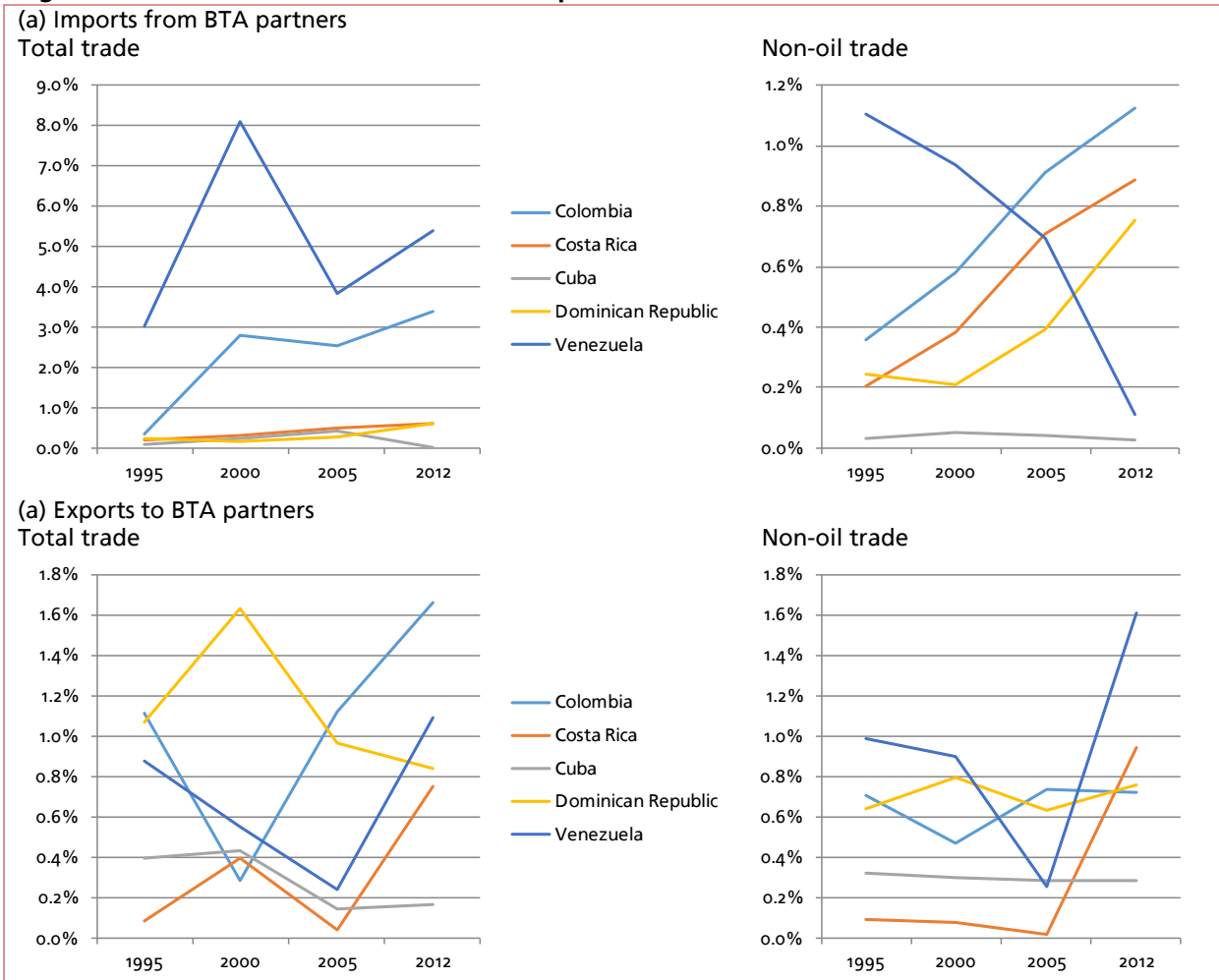
This performance could be indicative of an improved CARICOM trade performance (and possibly a good functioning) under the BTAs, especially since the mid 2000s. However, since CARICOM's trade with the world has followed a similar pattern as trade with BTA partners, it is useful to look at the share of trade with BTA partners in CARICOM's global trade. If the BTAs perform well, the relative importance of BTA countries as CARICOM trading partners should increase over time.

This is depicted in Figure 1. It shows, firstly, that – while Venezuela is an important source for CARICOM's mineral fuel imports, none of the BTA partners is a major import source or export destination for the CARICOM region as a whole: no BTA partner supplies more than 1.2% of CARICOM's imports, and no BTA partner accounts for more than 1.6% of CARICOM's exports. At the same time, Colombia, Costa Rica and the Dominican Republic strongly increased their relative strengths in the CARICOM market over the study period (mid 1990 to around 2012), while Venezuela's share fell drastically from 1.1% to 0.1%, and Cuba's remained negligible throughout the period. Nevertheless, it is difficult to derive a causal relationship between the BTAs and the development of imports from BTA partners: for Venezuela and Cuba, no such relationship could possibly be seen given the negative development of imports; for Colombia, the CARICOM MDC markets were liberalised in (or after) 1998, and for Costa Rica in (or after) 2004 – but imports from these two countries had expanded already before. Thus, only for the Dominican Republic the signing of the FTA and the increase in imports from the partner coincide, which could be an indication that the FTA indeed helped the Dominican Republic to enter the CARICOM market.

Compared to imports from BTA partners, CARICOM's export performance is less convincing: the share of exports to Colombia, Cuba and the Dominican Republic has remained more or less constant, indicating that CARICOM exporters did not benefit from the liberalised market access in these three partner countries. The share of CARICOM exports destined to Costa Rica and Venezuela decreased from the mid 1990s to the mid 2000s but since sharply increased. While this could not be explained by the BTA in the case of Venezuela (since it was signed in 1992), in the case of Costa Rica it does coincide with the entry into force of the FTA (in 2006). However, in reality the improved CARICOM export performance since 2005 in relation to these two

countries has little to do with the BTAs and in fact is the result of two very specific exports: sharply increased exports of steel from Trinidad and Tobago to Costa Rica (which in fact is intra-group trade in the Arcelor Mittal group), and sharply increased exports of rice from Guyana to Venezuela under the PetroCaribe agreement (which is under a Government-to-Government arrangement).

Figure 1: Share of CARICOM trade with BTA partners in CARICOM total trade



Notes: (1) Non oil trade is total trade less HS chapter 27 “Mineral fuels etc.” (2) Due to missing data, values included for 1995 and 2012 are for different years for some CARICOM Members as follows: “1995”: Jamaica 1996; Barbados and Guyana 1997; Antigua and Barbuda, and Montserrat 1999. “2012”: St. Lucia 2008; Grenada 2009; Trinidad and Tobago 2010; Montserrat, St. Kitts and Nevis, and Suriname 2011.

Source: Author’s calculations based on UN COMTRADE data for CARICOM Members.

In sum therefore, while the level of trade between CARICOM and the BTA partners has substantially increased over time, it has not done more so that CARICOM’s trade with the world, except for imports from Colombia, Costa Rica and the Dominican Republic. In other words, as a whole CARICOM exporters have not used, or benefitted from the BTAs, while exporters from the three partners mentioned have. At the same time, the share of CARICOM’s trade with the partner countries has remained limited.

2.2 Concentration of trade among CARICOM Members

The 2010 CARICOM study found that in the period between the signing of the BTAs until 2008 (the latest year for which data were available for the study), there was a very high concentration

of CARICOM exports to BTA partners – virtually all CARICOM exports were from the MDCs, and Trinidad & Tobago alone accounted for roughly 80% or more of exports in each case. However, the study included petroleum exports which could have distorted the picture.

As Table 2 shows, this is not the case: the concentration of non-oil CARICOM exports is as high: with the sole exception of the Dominican Republic in 2012, there are hardly any exports from CARICOM LDCs, and accordingly the share of MDCs accounts for close to 100%. What is more, if anything the share has increased since 2005 – although it has historically (at least since the mid 1990s) been substantially above 90%. With the exception of Venezuela (where Guyana accounts for more than 90% of exports, as a result of the rapid recent increase of rice exports under PetroCaribe, as mentioned above), Trinidad and Tobago is by far the largest exporter to any of the BTA partners, and has further increased its share since the mid 2000s in relation to exports to Colombia, Costa Rica and the Dominican Republic. The Dominican Republic is also the only country where LDCs, notably Belize, have managed to expand their share in exports.

Table 2: Share of CARICOM Members in non-oil exports to BTA partner countries, 2005 and ca. 2012

Exports	Colombia		Costa Rica		Cuba		Dominican Rep.		Venezuela	
	2005	2012	2005	2012	2005	2012	2005	2012	2005	2012
LDCs	0.3%	0.0%	6.4%	0.1%	0.3%	0.2%	0.9%	8.4%	1.4%	0.1%
Antigua and Barbuda	0.0%	0.0%	1.8%	0.0%	0.0%	0.0%	0.0%	1.9%	0.3%	0.0%
Belize	0.0%	0.0%	1.6%	0.0%	0.3%	0.0%	0.2%	5.8%	0.0%	0.0%
Dominica	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
Grenada	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%
Montserrat	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Saint Kitts and Nevis	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Saint Lucia	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.6%	0.8%	0.1%
St. Vincent and the Grenadines	0.0%	0.0%	2.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%
MDCs	99.7%	100.0%	93.6%	99.9%	99.7%	99.8%	99.1%	91.6%	98.6%	99.9%
Barbados	0.1%	0.3%	8.9%	0.1%	0.0%	0.4%	3.1%	2.7%	0.8%	0.2%
Guyana	4.0%	2.0%	0.0%	0.2%	6.0%	0.2%	2.1%	4.8%	6.5%	91.4%
Jamaica	1.6%	1.5%	20.6%	0.2%	7.7%	23.8%	11.6%	1.3%	1.1%	0.7%
Suriname	0.5%	0.7%	1.5%	0.0%	0.5%	0.5%	0.4%	0.2%	0.4%	1.5%
Trinidad and Tobago	93.6%	95.6%	62.6%	99.5%	85.6%	74.9%	81.9%	82.7%	89.8%	6.1%

Notes: Due to missing data, values included for “2012” are for different years for some CARICOM Members: St. Lucia 2008; Grenada 2009; Trinidad and Tobago 2010; Montserrat, St. Kitts and Nevis, and Suriname 2011.

Source: Author’s calculations based on UN COMTRADE data for CARICOM Members.

The findings of the 2010 study are thus corroborated and remain valid based on the latest trade data. At the same time, the finding that Trinidad and Tobago’s share in CARICOM exports to the BTA partners has increased would also seem to indicate that the BTAs cannot explain much of CARICOM’s export performance, and that the export performance is rather affected by supply-side factors: since all CARICOM Members would seem to face the same NTBs and procedures on the import side, these could not be responsible for differences in export performance across CARICOM Members. Importantly, however, and as discussed in section 3.4.1 below, at least some of the BTAs are not yet applied by BTA partners to all CARICOM Members. Specifically, Costa Rica does not yet apply the FTA to imports from Jamaica, which could potentially (at least in part) explain the drop of Jamaica’s share in exports to Costa Rica since 2005. (On the other hand, Cuba also does not apply the BTA to imports from Jamaica, and yet Jamaica’s share in CARICOM exports to Cuba has increased since 2005 – so this would seem to indicate that the BTA is largely irrelevant for CARICOM exports to Cuba).

Regarding imports from BTA partners, the “dominance” of MDCs is less pronounced, with MDCs accounting for around 80-90% of imports and LDCs for about 10-20% (Table 3). What is more, the LDC has increased since 2005 in all cases except Venezuela. This is particularly

surprising because LDCs have not liberalised access to their markets under any of the BTAs. In other words, although tariff protection has been maintained by the LDCs they have imported relatively more than the MDCs which have eliminated tariffs for goods originating in BTA partner countries. As above, this supports the conclusion that the BTAs have little effect on trade flows.

Table 3: Share of CARICOM Members in non-oil imports from BTA partner countries, 2005 and ca. 2012

	Colombia		Costa Rica		Cuba		Dominican Rep.		Venezuela	
	2005	2012	2005	2012	2005	2012	2005	2012	2005	2012
Imports										
LDCs	11.1%	12.7%	9.9%	11.4%	5.5%	10.7%	19.2%	20.1%	10.9%	6.9%
Antigua and Barbuda	1.2%	1.0%	0.3%	0.4%	1.0%	0.5%	5.3%	4.0%	1.5%	0.0%
Belize	0.6%	0.8%	5.6%	8.3%	1.2%	0.9%	0.1%	0.1%	0.2%	0.2%
Dominica	1.0%	2.5%	0.7%	0.3%	0.0%	0.0%	1.9%	3.2%	2.3%	0.1%
Grenada	1.2%	0.9%	0.9%	0.5%	1.7%	0.4%	1.2%	2.3%	3.2%	2.4%
Montserrat	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%
Saint Kitts and Nevis	0.2%	0.6%	0.3%	0.4%	0.2%	0.1%	2.4%	2.4%	0.2%	0.0%
Saint Lucia	4.9%	4.8%	1.4%	1.0%	1.2%	0.0%	5.7%	5.1%	3.0%	2.1%
St. Vincent and the Grenadines	2.2%	2.1%	0.7%	0.4%	0.1%	8.7%	2.5%	3.0%	0.4%	2.0%
MDCs	88.9%	87.3%	90.1%	88.6%	94.5%	89.3%	80.8%	79.9%	89.1%	93.1%
Barbados	4.9%	4.0%	7.7%	6.9%	8.2%	3.5%	8.5%	8.8%	2.2%	0.9%
Guyana	7.0%	6.3%	5.1%	7.1%	3.0%	0.6%	3.2%	12.9%	9.9%	3.7%
Jamaica	35.5%	32.6%	58.6%	43.1%	73.8%	32.6%	48.7%	30.3%	18.4%	5.1%
Suriname	10.5%	13.1%	0.7%	5.0%	0.7%	48.2%	2.8%	15.5%	4.4%	8.7%
Trinidad and Tobago	30.9%	31.2%	18.0%	26.5%	8.8%	4.3%	17.5%	12.5%	54.2%	74.8%

Notes: Due to missing data, values included for “2012” are for different years for some CARICOM Members: St. Lucia 2008; Grenada 2009; Trinidad and Tobago 2010; Montserrat, St. Kitts and Nevis, and Suriname 2011.

Source: Author’s calculations based on UN COMTRADE data for CARICOM Members.

Finally, the number of CARICOM companies exporting to BTA partners is very limited, leading to a high concentration of exports on a firm-level basis. Although no systematic information could be collected, during the consultations it was confirmed that in most CARICOM countries only few companies are exporting systematically, and of these a small minority – usually not more than five – export to BTA partners. Moreover, where such exports take place on a sustained basis, this is usually the result of other existing linkages between the company and the importer: either the companies belong to the same group or have a strategic alliance, including joint investors (Box 1).

Box 1: How intra-group trade determines CARICOM exports – examples from Trinidad and Tobago

By far the largest non-oil exports from Trinidad and Tobago to Costa Rica are in the iron & steel sector. These are exports within the Arcelor Mittal group: Trinidad exports inputs for the Costa Rica plant – although these products are, according to stakeholders consulted,³ excluded from the FTA and thus subjected to MFN duties, but these are low. Trade volumes have increased substantially over the past few years as a result of increasing demand for Costa Rica’s outputs on the domestic market and other Central American countries. For the steel company, exports to BTA constitute about 50% of total sales.

Likewise, the largest exporter of fertiliser, another important export of Trinidad and Tobago, is a subsidiary of a US company and not involved in export marketing and sales but only in the logistics of exporting. Also, the fact that it belongs to a US firm determines which export markets are served – e.g. exports to Cuba would not be possible because of the US embargo.

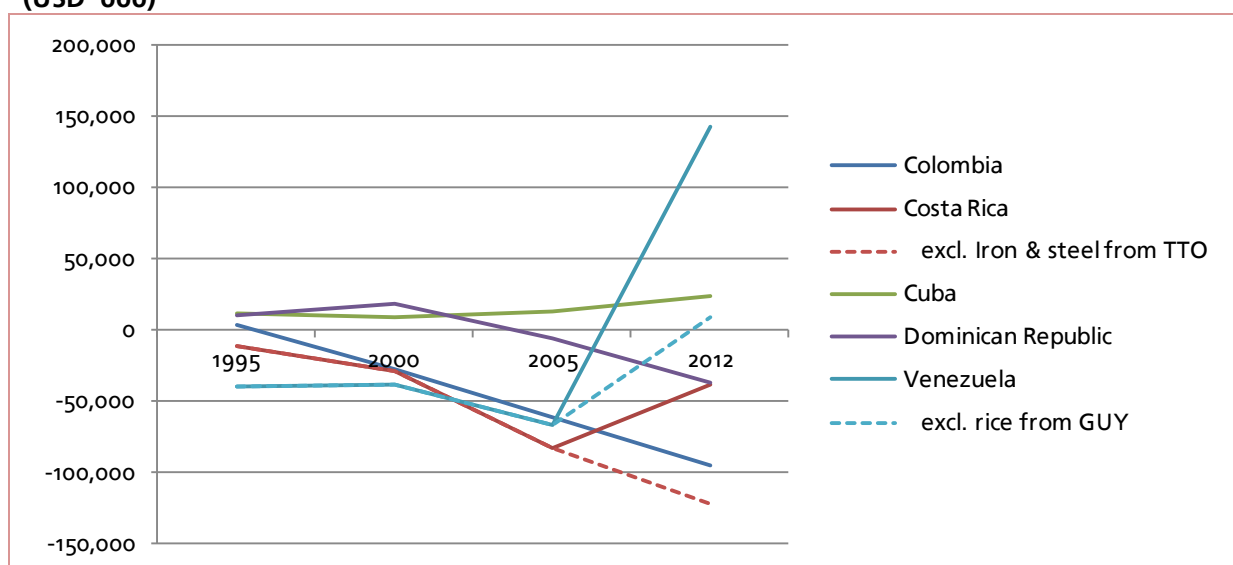
Another example is Venezuela. Exports from Trinidad and Tobago there currently hardly take place as the overall conditions there are considered to be too risky. An exception is exports of toilet paper, but this takes place only because the parent company of the Trinidadian exporter is a Venezuelan firm.

³ According to the FTA, chapter 72 is not excluded. Therefore, no import duties should be levied, unless production takes place in an EPZ/SEZ, which does not seem to be the case.

2.3 Bilateral trade balances

No common pattern of CARICOM's bilateral trade balances across BTA partners can be discerned (Figure 2). While the trade balance with Cuba has been consistently positive, trade with the other partner countries has tended to yield increasing CARICOM trade deficits. In particular, the trade balance with the Dominican Republic turned from a surplus until 2000 to a deficit since then; this turn roughly coincides with the signature of the FTA. For two partners, Costa Rica and Venezuela, CARICOM's performance seems to have improved substantially since 2005. However, as explained above, this is mainly due to the exports of rice from Guyana to Venezuela and steel from Trinidad and Tobago to Costa Rica. If these two particular exports are excluded, no change in the trend can be seen after 2005 in relation to Costa Rica, and the trade surplus with Venezuela in 2012 all but disappears (see the dotted lines in Figure 2).

Figure 2: CARICOM's bilateral non-oil trade balances with BTA partners, mid-1990s to ca. 2012 (USD '000)



Notes: (1) Non oil trade is total trade less HS chapter 27 "Mineral fuels etc." (2) Due to missing data, values included for 1995 and 2012 are for different years for some CARICOM Members as follows: "1995": Jamaica 1996; Barbados and Guyana 1997; Antigua and Barbuda, and Montserrat 1999. "2012": St. Lucia 2008; Grenada 2009; Trinidad and Tobago 2010; Montserrat, St. Kitts and Nevis, and Suriname 2011.

Source: Author's calculations based on UN COMTRADE data for CARICOM Members.

If the trade balance of CARICOM as a region is disaggregated by CARICOM Member, fundamental differences in performance across individual CARICOM Members are revealed (Table 4): With all BTA partners except Venezuela Trinidad and Tobago has a trade surplus while the vast majority of other CARICOM Members have trade deficits – the only notable exceptions being Jamaica in relation to Cuba and Belize in relation to the Dominican Republic (and the special case of Guyana in relation to Venezuela). Jamaica's trade deficits with Colombia, Costa Rica and the Dominican Republic stand out in absolute terms.

In sum, therefore, the findings of the 2010 CARICOM study are confirmed by more recent data; in addition, the uneven performance of CARICOM Members under an identical trade policy framework (i.e. the BTAs) indicates that CARICOM's trade performance is largely the result of factors outside of the Agreements (although Jamaica's situation in relation to the FTA with Costa Rica may also be part of the explanation).

Table 4: Bilateral non-oil trade balances of CARICOM Members with BTA partners, latest available (USD '000)

	Colombia	Costa Rica	Cuba	Dominican Rep.	Venezuela	World
Antigua and Barbuda	-1,639	-549	-12	-3,024	-1	-306,768
Barbados	-6,557	-9,098	-27	-7,819	168	-823,897
Belize	-1,261	-10,980	-35	4,286	-28	-487,913
Dominica	-4,183	-448	0	-3,572	-21	-127,210
Grenada	-1,547	-585	-18	-2,547	-392	-210,171
Guyana	-9,179	-9,204	42	-10,864	145,161	-334,560
Jamaica	-53,420	-56,745	5,408	-32,883	197	-2,870,929
Montserrat	0	0	0	-156	0	-20,590
Saint Kitts and Nevis	-932	-584	-5	-2,687	-1	-194,352
Saint Lucia	-8,035	-1,325	37	-5,221	-216	-352,903
St. Vincent and the Grenadines	-3,591	-584	-358	-3,315	-301	-245,691
Suriname	-21,483	-6,544	-1,823	-17,169	978	991,138
Trinidad and Tobago	15,815	58,112	21,061	47,926	-2,610	-27,129
CARICOM total	-96,012	-38,532	24,270	-37,046	142,934	-5,010,976

Notes: Latest available data are for 2012 except St. Lucia (2008); Grenada (2009); Trinidad and Tobago (2010); and Montserrat, St. Kitts and Nevis, and Suriname (2011).

Source: Author's calculations based on UN COMTRADE data for CARICOM Members.

2.4 Products exported by CARICOM

The range of products exported to the BTA partner countries since 2001 varies considerably across CARICOM Members and across partner country (Table 5). On average, CARICOM Members exported between 28 product groups (to Costa Rica) and 83 (to the Dominican Republic) to BTA partners, while the number of products exported to any BTA partner ranged from 1 (Montserrat) to 575 (Trinidad and Tobago). Also, for some CARICOM Members the variety of products exported to BTA partners is large, especially when compared with the limited value of exports to these countries: this applies especially to Trinidad and Tobago (which exports half as many products to the BTA partners as it exports globally), Jamaica (40%), Barbados (26%), Antigua and Barbuda (22%) and Suriname (20%).

Table 5: Number of product groups (HS 4 digit level) exported by CARICOM Members to BTA partners since 2001

	Colombia	Costa Rica	Cuba	Dominican Republic	Venezuela	All BTA partners	World	BTA partners/world
Antigua and Barbuda	12	38	62	125	10	161	730	22%
Barbados	77	67	97	163	95	277	1080	26%
Belize	6	24	10	13	30	66	575	11%
Dominica	1	4	2	14	22	40	568	7%
Grenada	15	2	2	17	15	47	702	7%
Guyana	3	5	6	13	11	29	301	10%
Jamaica	70	83	198	326	46	420	1059	40%
Montserrat	0	0	0	1	0	1	358	0%
St. Kitts and Nevis	0	4	9	27	2	36	598	6%
St. Lucia	6	8	10	33	18	62	827	7%
St. Vincent and the Grenadines	3	2	9	37	53	81	715	11%
Suriname	45	19	36	45	88	155	793	20%
Trinidad and Tobago	142	111	208	262	439	575	1154	50%
Simple average	29.2	28.2	49.9	82.8	63.8	150.0	727.7	21%

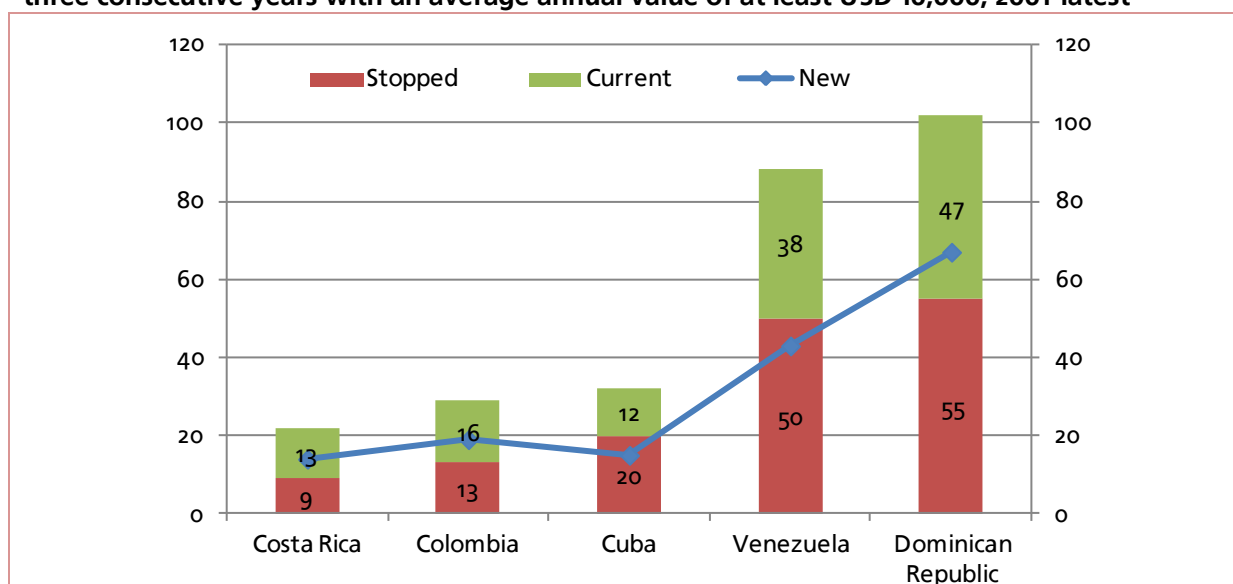
Source: Author's calculations based on UN COMTRADE data for CARICOM Members.

The large variety of products exported is a sign of limited specialisation of CARICOM exports to BTA partners. This lack of specialisation is also shown by the lack of consistency of product composition over time and across destination markets (see Table A-2 in annex E): the pattern of

key products exported is patchy with few exceptions, such as fertilizers and steel from Trinidad and Tobago, gypsum and aluminium hydroxide from Jamaica or wood from Guyana. CARICOM Members’ key exports are largely different across BTA partner countries, and the ones in the late 2000s are different from those ten years before.

The lack of consistent exports of products is also shown when analysing the number of products groups that have been exported over several consecutive years. Figure 3 shows the number of products which CARICOM Members exported to a BTA partner over at least three consecutive years since 2001. While over the whole period a total of 273 different product groups⁴ managed to be exported over at least three consecutive years, the number of product groups which ceased to be exported continuously (the red bar in the figure) is fairly large and indeed exceeds the number of new product groups which CARICOM Members managed to establish in BTA partner markets (the blue line) in Cuba and Venezuela – meaning that fewer different products are exported to these countries now than a decade before. For the other partner BTA countries the range of CARICOM products increased but only slightly.

Figure 3: Number of non-oil product groups exported from CARICOM Members over at least three consecutive years with an average annual value of at least USD 10,000, 2001-latest



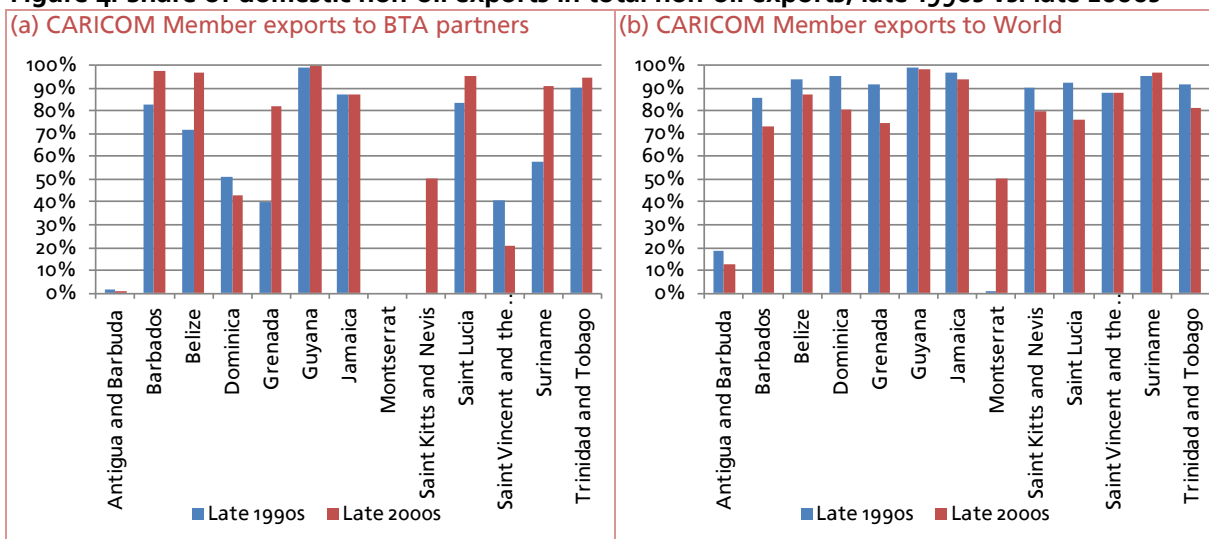
Note: A product group is defined as a HS heading (i.e. at the 4-digit level); HS chapter 27 has been excluded. “Stopped” refers to product groups which were no longer consistently exported from CARICOM during the period; “New” refers to product groups whose latest consecutive period of exports started after 2001; “Current” refers to product groups which have been exported for at least the three most recent years for which data are available.

Source: Author’s calculations based on Table A-1 in annex E.

A positive development can be noted with respect to the share of domestic exports (as opposed to re-exports) to BTA partners over time. As Figure 4a shows, this has increased for almost all CARICOM Members except Antigua and Barbuda, Dominica, and St. Vincent and the Grenadines, which is contrary to the trend in most CARICOM Members’ exports to the world (Figure 4b). This is a positive development as it shows that CARICOM’s exports to the BTA partner countries increasingly consist of domestically produced (agricultural or industrial) goods as opposed to goods which have been imported and are then re-exported. Re-exports mainly consist of machinery and transport equipment.

⁴ Counted at the HS 4 digit level, which has a total of about 1220 different headings.

Figure 4: Share of domestic non-oil exports in total non-oil exports, late 1990s vs. late 2000s



Note: Wherever possible averages of two years have been used. “Late 1990s”: Antigua and Barbuda, Belize, Dominica, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines: 1999-2000; Barbados: 1998-1999; Guyana, Suriname: 2000-2001; Montserrat: 2001-2002; Trinidad and Tobago: 1996-1997; “Late 2000s”: Antigua and Barbuda, Barbados, Guyana, Jamaica, St. Vincent and the Grenadines: 2011-2012; Belize: 2007 & 2011; Dominica: 2010 & 2012; Grenada: 2005-2006; Montserrat, Trinidad and Tobago: 2009-2010; St. Kitts and Nevis: 2010-2011; St. Lucia: 2007-2008; Suriname: 2009 & 2011.

Source: Author’s calculations based on UN COMTRADE data for CARICOM Members.

2.5 Impact of BTAs on CARICOM exports

In order to assess the level to which BTAs have had an impact on CARICOM’s exports to the partners, two simple analyses can be performed: The first one looks at the relative importance of exports to the partner country in CARICOM’s overall exports. This should increase over time, as exports become relatively cheaper on the destination market because of the removal of tariffs and NTBs. As has been shown in section 2.1 above, this is clearly not the case.

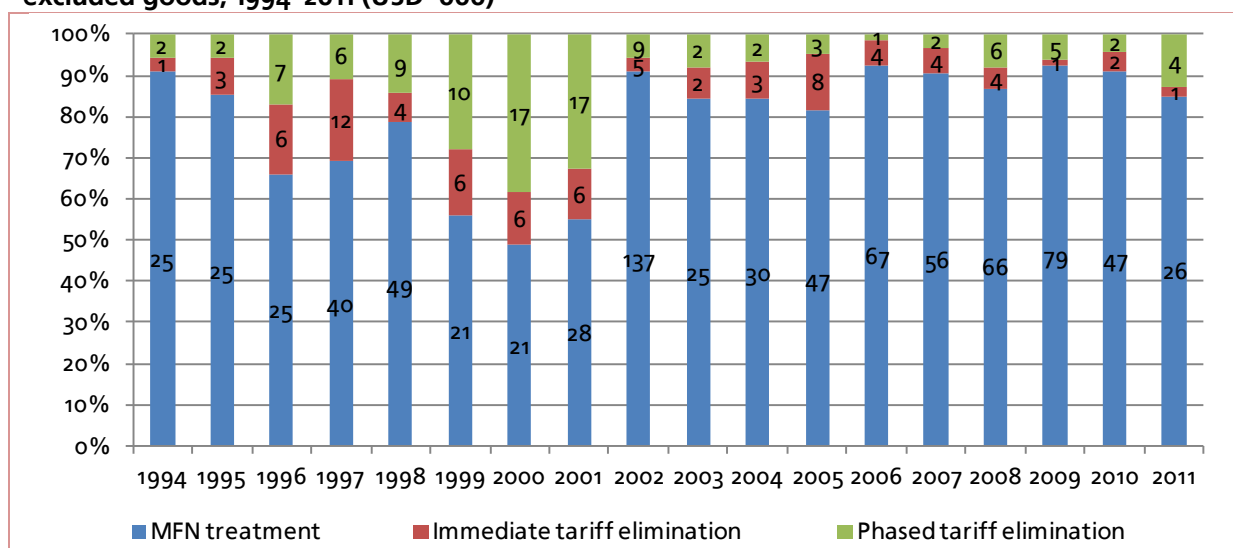
The second analysis compares the value of exports from CARICOM to the relevant partner of those products which are covered by the respective agreement with that of export products which are not covered by the agreement. If the agreement has an impact, the share of exports covered by the agreement should rise over time. This analysis needs to be done agreement by agreement.

Venezuela

Tariff liberalisation under the BTA with Venezuela does not appear to have shifted the composition of products exported from CARICOM to Venezuela (Figure 5): although the share of CARICOM products covered by the Agreement in total CARICOM exports to Venezuela initially increased, since 2002 consistently more than 80% of CARICOM’s exports to Venezuela (in value terms) were not covered by the Agreement and hence subject to the MFN duty upon importation into Venezuela.⁵

⁵ In addition, it should be noted that in this study the determination of goods’ coverage by the Agreement is purely based on the HS code. This overestimates the value of exports actually subject to tariff exemption, because even when a tariff line is exempted from import duties the actual eligibility for this preferential treatment also depends on additional conditions. E.g. exported goods must also comply with rules of origin (thereby excluding, e.g., re-exports), must not be used goods, not be produced in export processing zones, etc. In other words, the share of exports to

Figure 5: Non-oil imports by Venezuela from CARICOM – Goods covered by the agreement vs. excluded goods, 1994–2011 (USD '000)

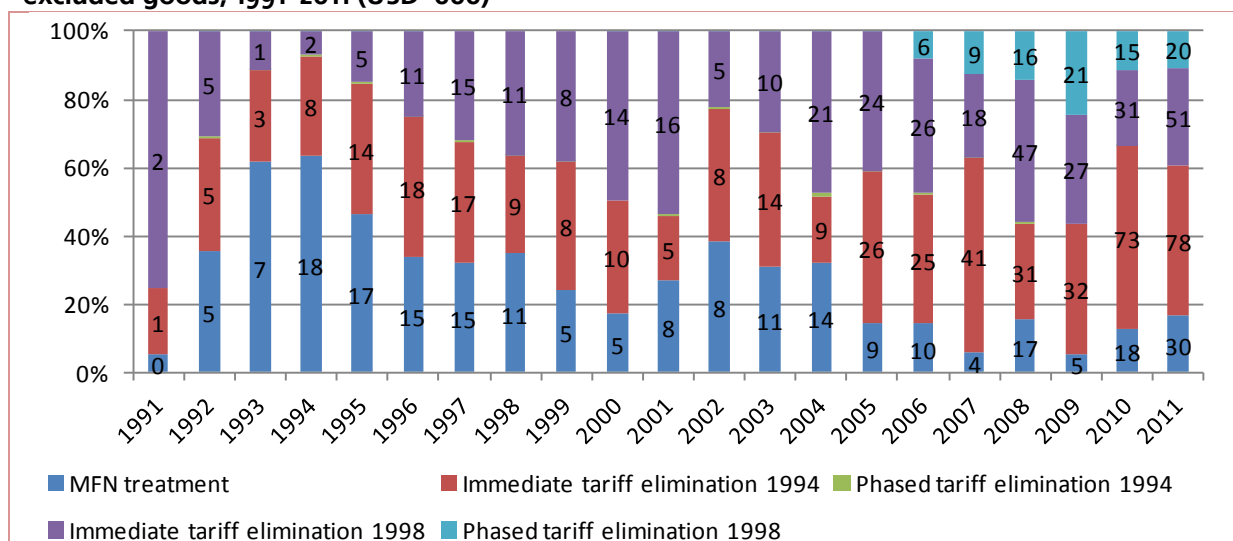


Source: Author's calculations based on UN COMTRADE import data for Venezuela.

Colombia

Tariff liberalisation under the BTA appears to have shifted the composition of products exported from CARICOM – at least some of its members – to Colombia (Figure 6): the share of CARICOM products not covered by the Agreement (and hence subject to the MFN duty upon import into Colombia) decreased from more than 63% in 1994 to 17% in 2000 before temporarily expanding again. Over the most recent five-year period (2007-2011) the average was a low 13%. However, it must be noted that this favourable picture is exclusively a result of the fact that Guyana's and Trinidad and Tobago's exports are vastly covered by the Agreement – all other CARICOM members primarily export goods to Colombia which are not covered by the agreement and are therefore subjected to MFN import duties.

Figure 6: Non-oil imports by Colombia from CARICOM – Goods covered by the agreement vs. excluded goods, 1991–2011 (USD '000)



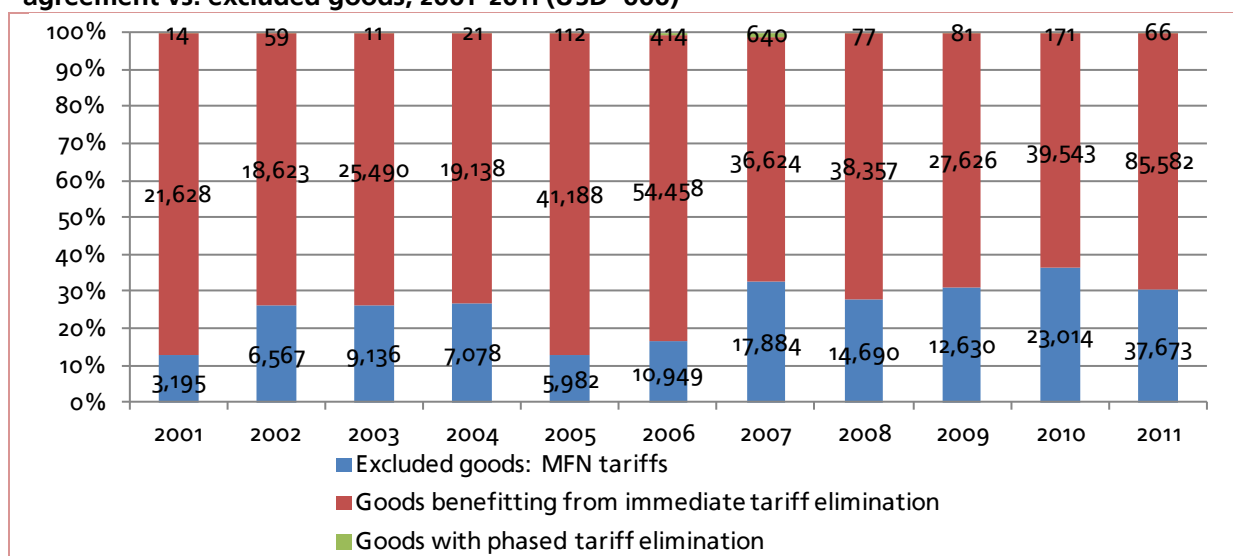
Source: Author's calculations based on UN COMTRADE import data for Colombia..

Venezuela (as to other BTA partners) actually subject to MFN import duties is likely to be higher than reported in this study.

Dominican Republic

Like the case of Venezuela, tariff liberalisation under the FTA with the Dominican Republic appears to not have had any major impact on the composition of products exported from CARICOM (Figure 7). In fact, the share of excluded goods, which are subject to the payment of MFN upon import into the Dominican Republic, increased, rather than decreased over time, from 13% in 2001 to 30% in 2011.

Figure 7: Non-oil imports by the Dominican Republic from CARICOM – Goods covered by the agreement vs. excluded goods, 2001–2011 (USD '000)

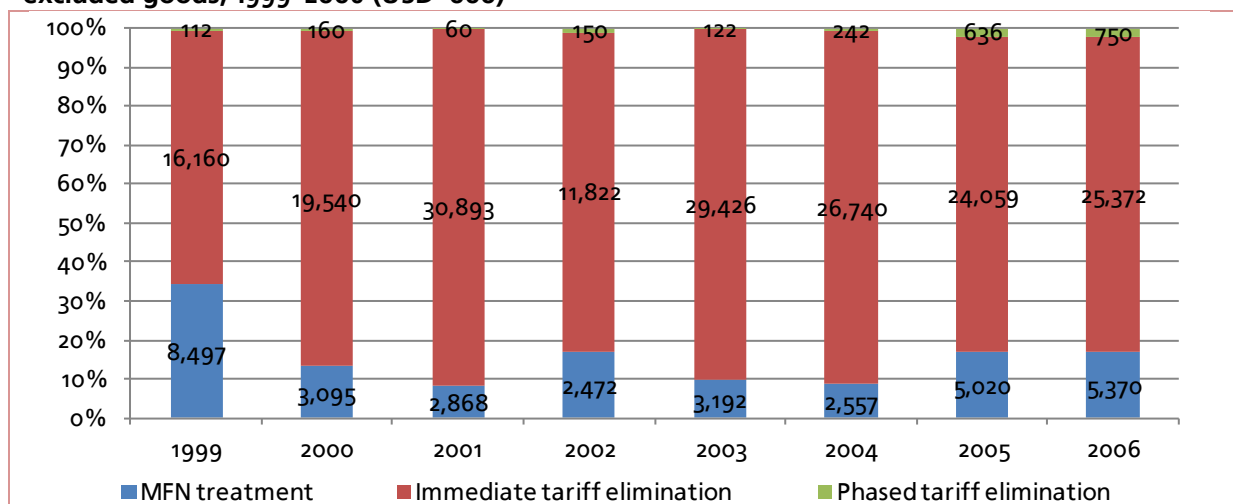


Source: Author's calculations based on UN COMTRADE import data for the Dominican Republic.

Cuba

For Cuba, it is difficult to assess if tariff liberalisation under the BTA has had an impact on the composition of products exported from CARICOM. Although the share of excluded goods in CARICOM's exports to Cuba that are subject to the payment of MFN upon import into Cuba declined from 1999 to 2000 (Figure 8), this decline took place before the Agreement was actually implemented, and the share remained relatively constant thereafter, oscillating between 9% and 17%.

Figure 8: Non-oil imports by Cuba from CARICOM – Goods covered by the agreement vs. excluded goods, 1999–2006 (USD '000)

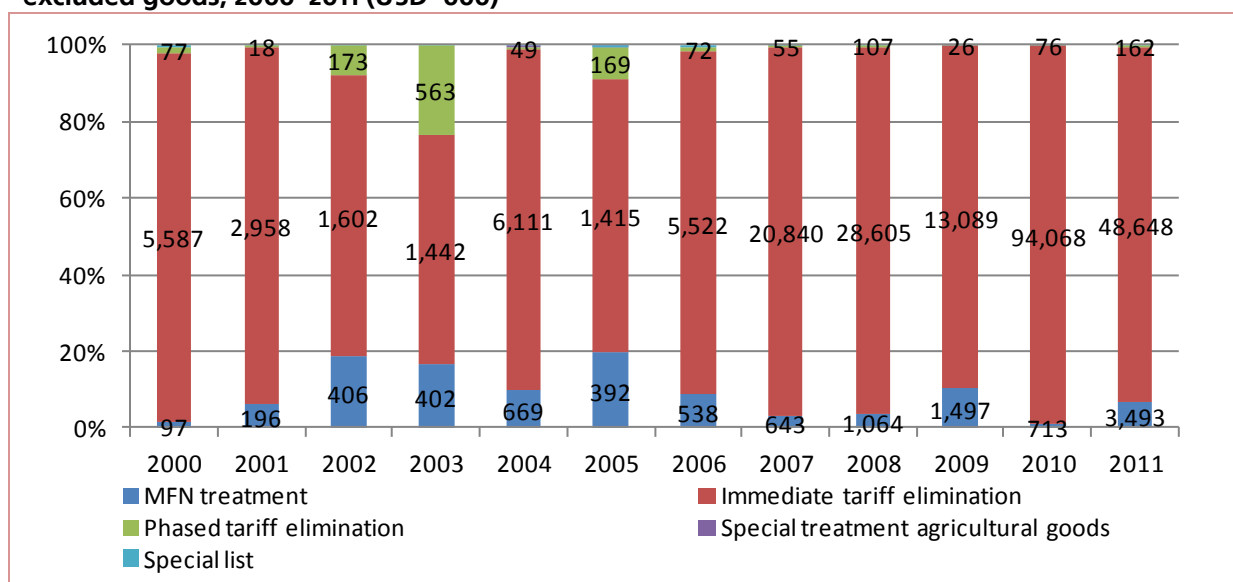


Source: Author's calculations based on UN COMTRADE import data for Cuba.

Costa Rica

Finally, tariff liberalisation under the FTA with Costa Rica appears to have shifted the composition of products exported from CARICOM to Costa Rica (Figure 9): the share of CARICOM products excluded from the agreement (and hence subject to the MFN duty upon import into Costa Rica) decreased from an average of 8.7% in the five years prior to the signing of the agreement to an average of 3.8% over the period 2005-2011.

Figure 9: Non-oil imports by Costa Rica from CARICOM – Goods covered by the agreement vs. excluded goods, 2000–2011 (USD '000)



Source: Author's calculations based on UN COMTRADE import data for Costa Rica.

Comparative summary

Based on the above analysis, of the five agreements two – the ones with Colombia (although it appears to be limited to only some CARICOM exporters) and Costa Rica – may have had an impact on the composition of export products, while no such effect could be identified for the agreements with Venezuela, the Dominican Republic and Cuba.⁶ Overall, therefore, the role of the BTAs in shaping the composition of CARICOM exports to BTA partners seems to be limited.

It is interesting to note, however, that the vast majority of CARICOM exports to Costa Rica (more than 90%), Colombia (more than 80%), Cuba (more than 80%), and the Dominican Republic (70%) is in products which are covered by the BTAs. Moreover, there is no difference in the effect on trade between the positive list approach applied in the partial scope agreements and the negative list approach used in the free trade agreements. The clear outlier is Venezuela – only 10-15% of CARICOM exports there are covered by the BTA.

2.6 Conclusion

To conclude the statistical analysis, the findings of the 2010 CARICOM study by and large are still valid. Firstly, while CARICOM's trade with (and exports to) BTA partners have increased

⁶ Note, however, that the positive finding of an effect is much weaker than the negative finding of no effect, as it is essentially based on the timing of observed changes. Responses from exporters asked if the BTAs' tariff concessions played a role for them varied widely.

most recently in absolute terms, the share in CARICOM's total exports has remained low (esp. if corrected for some peculiar exports). Conversely, the share of imports from some BTA partners has increased.

Second, the concentration of exports to BTA partners among CARICOM members has remained high and, if anything, has increased further. With the exception of Belize's exports to the Dominican Republic no LDCs has managed to export consistently to the BTA partners. Conversely, the share of LDCs in total CARICOM imports from BTA partners is substantially larger than their share in exports and has further increased – which is a puzzle in view of the fact that LDCs have not liberalised access to their markets to any of the BTA partners.

Thirdly, with the exception of Trinidad and Tobago, most CARICOM Members have bilateral trade deficits with most of the BTA partners; and in most cases the deficits have been increasing over time. Regionally, CARICOM has trade deficits with all BTA partners except Cuba.

Fourth, the pattern of products exported by CARICOM Members indicates that most exports are opportunistic in nature rather than strategic or guided by comparative advantage: consistent, continuous exports are rare, the variety of products exported is very high in comparison to trade volumes, and the composition of products exported to different BTA partners varies considerably.

The remainder of this report attempts to provide an explanation for this performance.

3 ANALYSIS OF FACTORS UNDERLYING CARICOM'S TRADE PERFORMANCE

Normally, the different obstacles to trade are classified into tariffs and non-tariff barriers (NTB); the latter ones are further disaggregated depending on the location where they exist, into NTB in the exporting country (i.e. the CARICOM member when analysing CARICOM's export performance), those in the importing country (the BTA partner country), and those that arise during transport and transit. However, such a classification of factors is only suitable when there is sufficient level of trade/exports – which is not the case for many CARICOM countries in relation to the BTA partners: If there are no exports from a CARICOM Member to a BTA partner, then obviously barriers affecting existing trade play no role, and the explanation for the lack of exports must lie elsewhere. Indeed, the consultations undertaken in the context of the study have shown that other factors which are not directly related to bilateral issues (or issues that emanate from the BTA partners) play an important role in explaining CARICOM's export performance.

In order to comprehensively capture the factors impacting on CARICOM's exports to BTA partners, three main types of issues are distinguished. From a business perspective, three types of barriers may inhibit exports from CARICOM to the BTA partner countries: First, if businesses are not aware of, not capable of, or not interested in exporting to BTA partners, they will not take the corporate decision to export there, and no exports will take place, except possibly some opportunistic shipments. This group of factors is summarised under the term “supply side constraints”. Second, even if a company has taken the strategic decision to enter one of the BTA markets, challenges during initial market entry may cause businesses to delay or abandon market entry. Third, ongoing trade encounters a plethora of practical challenges. These types of challenges include the NTB mentioned above.

Each of the sections in this chapter deals with one of the three issues, starting (section 3.1) with the obstacles that the most advanced companies face, i.e. CARICOM companies that are already exporting to BTA partners, followed by those that are envisaging initial entry into the BTA partner markets (section 3.2), and finally issues which prevent CARICOM companies from even considering entering the BTA partner markets (section 3.3). In addition, a number of problems have been identified related to the BTAs, their application, provisions and implementation. These are addressed in section 3.4. Finally, the last section attempts to assess the relative importance of the different types of obstacles for CARICOM exports to BTA partner countries (section 3.4.4).

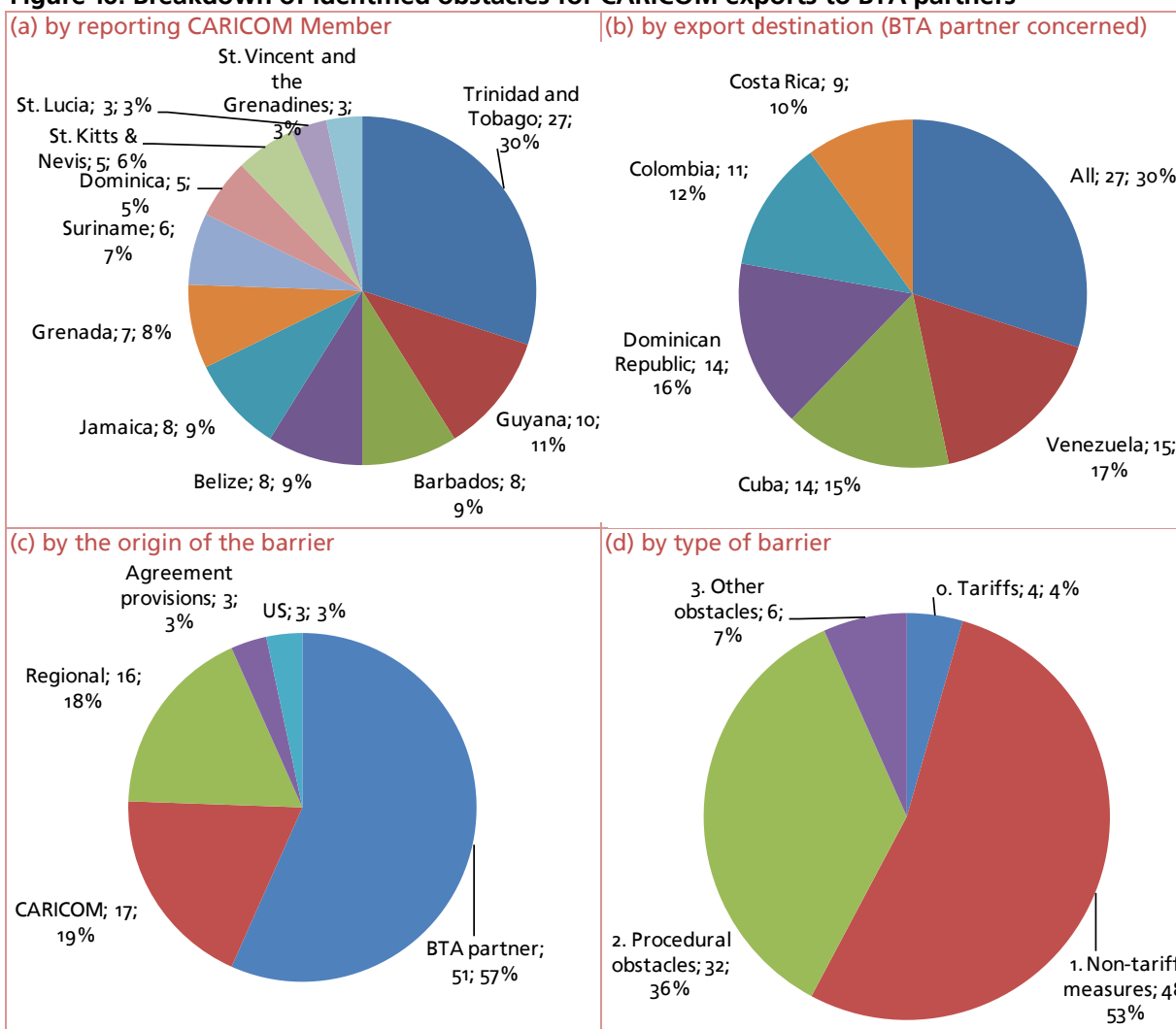
3.1 Issues regarding ongoing trade

Obstacles which CARICOM companies face when exporting to BTA partner countries were identified through consultations with exporters, private sector organisations and Government bodies, complemented by some literature research. The barriers were grouped, making use of international classifications, into four main types, tariffs, non-tariff barriers, administrative procedures, and other barriers; the detailed classification is provided in annex B.

Overall, 90 different cases of obstacles were identified. These are listed and described in annex C. In this section, we present an overview and discuss the main obstacles encountered with regard to each of the five BTA partners – annex C contains further cases, not all of which are addressed in the main body of this study.

Exporters in each CARICOM Member reported some type of barrier in trade with BTA partners (Figure 10a). Not surprisingly, given the dominance in exports from CARICOM to the partners, most cases (30% of the total) were reported by stakeholders from Trinidad and Tobago, followed by, other MDCs, i.e. Guyana (11%), Barbados and Jamaica (9%), as well as Belize (9%).

Figure 10: Breakdown of identified obstacles for CARICOM exports to BTA partners



Source: Author's calculations based on annex C.

In terms of the destination of exports affected by the obstacle (Figure 10b), most obstacles (30% of the total) affect exports to all BTA partners alike – they can therefore not be the result of import administration or specific provisions of the individual BTAs but are rather issues in transport and transit or issues arising in the exporting CARICOM Member. Among the individual BTA partners, most issues were identified regarding Venezuela (17%), followed by Cuba and the Dominican Republic (15%), Colombia (12%) and Costa Rica (10%). In other words, there is no vast difference among the BTA partners in the absolute number of problems reported. However, in relation to the level of exports, Venezuela⁷, Costa Rica⁸ and – to a slightly lesser extent – Cuba, are confronted with relatively more problems. Figure 11 depicts the value of exports from CARICOM to BTA partners per barrier reported (both all barriers regarding exports to a partner and those barriers for which the partner is responsible) – according to this,

⁷ Not considering rice from Guyana.

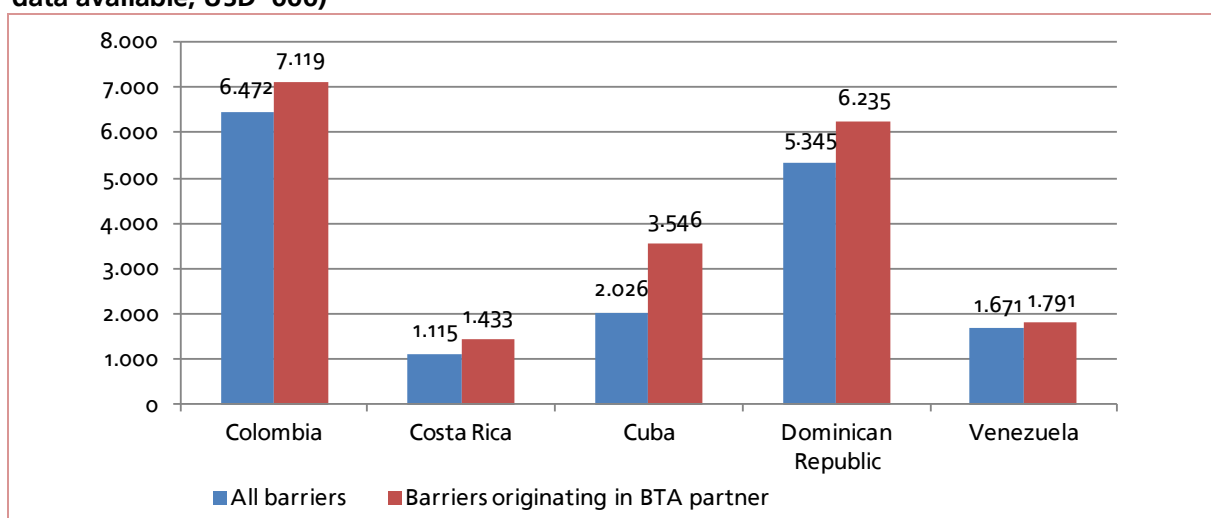
⁸ Not considering iron and steel from Trinidad and Tobago.

exports to Costa Rica and Venezuela are about five to six times as likely to be affected by an obstacle than exports to the Dominican Republic or Colombia, in value terms. This may lead to the conclusion that barriers in trade with these countries are one of the causes for the low level of CARICOM exports there – and it has indeed been mentioned by stakeholders that the problems in exporting to Venezuela are so severe that they constitute an absolute barrier to exporting there.

If a specific export destination is affected by a barrier, this does not necessarily mean that barrier also originates there – an example mentioned by stakeholders in several CARICOM countries are exports to Cuba which are affected by the US embargo. Figure 10c therefore identifies the origins of barriers and shows that more than half of all obstacles mentioned (57%) are the result of importing country policies, procedures or other factors. 19% of the obstacles are attributed to the CARICOM exporting countries themselves. Regional issues (such as the transport system) are responsible for 18% of the obstacles, while provisions in the BTA agreements (such as insufficient product coverage), as well as the United States (the embargo against Cuba) each constitute 3% of all cases.

Figure 10d shows the breakdown of barrier by type. Non-tariff measures (53% of all cases) and procedural obstacles (36%) constitute by far the most often mentioned barriers, while other obstacles, i.e. those which are not the result of Government policies or administration, and tariffs are relatively infrequent, constituting 7% and 4% of all identified cases, respectively.

Figure 11: Value of CARICOM exports to BTA partners per case of barrier identified (latest export data available, USD ‘000)



Note: Exports values used in the calculations are total non-oil exports from CARICOM, excluding rice from Guyana to Venezuela (USD 134 M in 2012) and iron and steel from Trinidad and Tobago to Costa Rica (USD 84 M in 2010). Source: Author's calculations based on annex C and UN COMTRADE reported exports by CARICOM Members.

3.1.1 Exports to Venezuela

Venezuela is the only BTA partner country for which the 2010 CARICOM study suggests some factors which may explain the limited dynamics of CARICOM exports. This is worthwhile to be quoted in detail:

“The data available suggest that the partial scope Agreement between CARICOM and Venezuela has neither succeeded in expanding regional exports to Venezuela nor improving bilateral trade in general. Among the reasons for the less than satisfactory performance under the Agreement are the existence of layers of Non Tariff Barriers (NTBs) in Venezuela, which have been reported by CARICOM exporters, and unavailability of transport from CARICOM countries to Venezuela. Moreover,

exchange control regulations in Venezuela have acted as a disincentive for exporters.” (CARICOM Secretariat 2010: 71)

As mentioned above, also in the consultations Venezuela was the BTA partner most often mentioned when exporters reported problems: 14 cases were identified where the obstacle was created by Venezuela, almost evenly split between NTMs (8) and procedural obstacles (6). The key issues mentioned are listed below.

Regulations on official foreign exchange allocation

The currency controls in place in Venezuela make payments unpredictable. Obtaining licenses from the institution in charge, CADIVI, is lengthy, non-transparent, difficult (and prone to corruption) so only large importers can afford it – this substantially reduces the market potential. In a number of cases, the failure of the importer to obtain foreign exchange prevented exports. For example, a Dominican exporter mentioned that exports of gravel failed to materialise as the importer was unable to get access to foreign hard currency. This had been requested from Venezuela’s government but could not be obtained in six months.

Potential remedy: While some exporters have found a workaround (by resorting to either requesting upfront payment or the provision of guarantees) a real solution to the problem would only be the removal of foreign exchange limitations in Venezuela. There is nothing that CARICOM could do, or that could be addressed through the BTA, to remove the obstacle.

Registration issues

Various issues were raised regarding product registration in Venezuela:

- Lack of transparency: Information about registration requirements is impossible to obtain;
- Length of time required for registration: while registration is valid for two years, it takes up to one year to collect and get approval of all documents required. In addition, the validity of some documents is restricted to e.g. 6 months which further complicates the approval process as the issuing of documents needs to be carefully coordinated – and slow and unpredictable response times by the Venezuelan authorities make this even more difficult;
- Some documents required for registration are not normally issued by CARICOM countries, which makes it difficult to comply with registration requirements. A case in point is the “certificate of free sale”. In one case, reported from Trinidad and Tobago, exportIT in the end provided the certificate, there is no institutional memory which means that if there are changes in staff the problem will occur again – Venezuela requires the submission of a new certificate in the renewal of the product registration);
- Each product variety and packaging size has to be registered separately, causing high costs;
- In addition to product registrations, for all shipments at least of certain goods, incl. food products, import licenses have to be obtained, which require 2-3 weeks to be issued and cost USD 100 – 500.

Potential remedy: Addressing the above issues at the root would require reviving the Agreement and activate the relevant standing committees to discuss the issues bilaterally at a technical level. In addition, contact points in Venezuela and CARICOM member authorities could be nominated to facilitate direct contact and solution to specific problems. Some issues, like the import licensing requirement, could be discussed by the Joint Council in order to determine if such import licensing could be waived under the Agreement. In the interim, the CARICOM Secretariat and Member authorities could provide clear guidance to CARICOM exporters about the registration requirements for each product type, and make sure that all required supporting documents are effectively issued. The most efficient way of doing so, given

the likely need for regular changes, could be one website maintained either by a CARICOM institution (the CARICOM Secretariat or Caribbean Export) or one of the Members' trade promotion bodies, to which all other Member trade support institutions could provide links (also see the general recommendation in section 4.3.1 below).

Market competition issues

Two types of obstacles in relation to fair competition on the Venezuelan market were mentioned. The first one relates to Venezuelan fuel subsidies. With such subsidies in place, exports from CARICOM of any products in which the cost of fuel constitutes a substantial cost factor (e.g. seafood) will be made impossible, as cost competitiveness cannot be achieved in the presence of the subsidy. Secondly, a number of exporters stated that they had not been paid by importers, and in the absence of efficient dispute settlement/ legal procedures had to write off their exports.

Potential remedy: The issue of fuel (and other) subsidies is hard to address, not only because procedures for anti-subsidy measures under the BTA were never developed, but also because such subsidies constitute a central policy of the Venezuelan government and would probably not be changed even if CARICOM resorted to anti-subsidy measures. However, the issue of lacking dispute settlement issues could be addressed by a variety of measures: First, under the BTA, by establishing strong dispute settlement procedures in line with BTA provisions (which would require the reviving of the BTA institutions; second, by private sector organisations, by engaging in trust-building business-to-business collaboration; and third, by the exporters themselves by exporting only against pre-payment.

Administrative obstacles

Arbitrary treatment by the import administration constitutes one of the most important obstacles according to CARICOM exporters consulted. Examples mentioned range from undue frequency and scrutiny of pre-shipment inspections to arbitrary seizure of shipments, preferential treatment of Venezuelan owned vessels, and frequent demand to pay bribes. Some stakeholders considered the level of obstacles for exporting to Venezuela so high that they effectively made exports virtually impossible. It was stated that

“exports to Venezuela have become virtually impossible as a result of the amount of bureaucracy at all stages, from product registration to import administration and payments. Market entry is only conceivable if a product is on the Venezuelan Government's ‘want list’, and only through direct government-to-government contact and negotiations.”

Potential remedy: Obviously, addressing the various administrative issues is difficult for the CARICOM side. However, the BTA provides for the instruments to do so, i.e. the Joint Council and the various committees that could be established. Thus, a first step would be to re-initiate discussions in the context of the BTA by holding a Joint Council meeting. A request by Venezuela for a meeting of the Joint Council was considered by the COTED in November 2013. However, it remains unclear to what extent such discussions would change the behaviour of customs officials, as this would seem to require a change in administrative culture which is difficult to bring about. Therefore, for the time being exports to Venezuela without the backing and active support of the exporting government will continue to be cumbersome.

3.1.2 Exports to Colombia

Given the level of trade with (and exports to) Colombia, relatively few obstacles to exports have been identified: of the 11 issues, the majority (6) are non-tariff measures, while the rest is evenly spread across tariffs, procedural obstacles and other obstacles.

Non-tariff measures related to alcoholic beverages

Three of the NTMs specifically relate to CARICOM exports of rum and other alcoholic beverages, and are quite technical in nature. Stakeholders stated, for example, that Colombia levied an excise tax for alcoholic beverages with an alcohol content of 35% or more, which affected exports of CARICOM rum (at 40% alcohol content) which compete with domestically produced alcoholic beverages of 35% alcohol content and less, thereby creating an uneven playing field. In addition, exports of alcoholic beverages are subjected to several licensing and permit requirements, some of which CARICOM exporters find difficult to meet. One example given was the requirement that the exporting country is required to be a member of the Hague convention [which one could not be established by the consultant], which Guyana currently is not – thereby preventing export of rum from Guyana to Colombia. The company reported that it had tried to find a solution for the issue for two years but by then the importer had lost interest.

Potential remedy: Solutions to these issues would have to be addressed on a case-by-case basis. For example, the excise tax issues would seem to warrant a discussion at the Joint Council, which would require the revitalisation of the BTA and its institutions. The level of import restrictions and requirements would best be discussed by a technical committee under the Agreement which would be best suited to determine whether the current requirements are justified on the ground of health and safety issues or whether they constitute undue barriers to exports from CARICOM under the Agreement.

Administrative burdens related to rules of origin

Two issues were mentioned in relation to rules of origin: Firstly, post shipment audits in Colombia may be undertaken up to one year after the transaction, thereby reducing legal certainty for exporters. Secondly, some complaints were voiced regarding an overly strict implementation of rules of origin. A specific case was related by an exporter from Grenada, according to whom the customs of Colombia asked that the origin certificate had to be provided on special security paper, and using a different template, as provided for in the BTA (it was then that the company learned about the existence of the BTA). The exporter then contacted the Chamber of Commerce and Ministry of Trade to sign and stamp the certificates (but could not provide them on the requested type of paper), and after two weeks the Colombian authorities finally accepted the certificate. By then, the exporter had to pay a fee of USD 3,000 to the warehouse for extended storage time. The exporter had also requested the CARICOM Secretariat to intervene but got no response. The company decided to stop exporting to Colombia after this experience.

Potential remedy: The long period for post-shipment inspections would seem to be an issue to be addressed, first, through a more frequent use of exporters of advance rulings – although the additional costs associated with such advance rulings would have to be considered. Second, the issue could be addressed bilaterally by a technical committee on rules of origin which could set more precise rules on timelines. The same would be applicable for the clarification on types of paper to be used for official documents to be submitted. On the other hand, the use of a wrong template for the certificate of origin points to several underlying reasons: first, the fact that each BTA comes with a different template for certificates of origin reduces clarity of trade rules for

exporters. Second, the level of knowledge about the BTAs among traders obviously could be improved.

An equally important problem highlighted by the above example is that the Colombian customs' behaviour would seem to have violated Art. 13 of the Rules of Origin under the CARICOM-Colombia BTA which stipulates that “in no case shall the Customs authorities [...] interrupt an import procedure” (the same provision is found in all BTAs). The case could have therefore been avoided if mechanisms were in place (a) for CARICOM exporters to report problems under the BTA and (b) for the CARICOM Secretariat or CARICOM member state authorities to quickly cooperate with Colombian authorities (again, the same would apply to other BTA partners). Furthermore, such problems should be registered and addressed, if recurring, under the Joint Council (requiring regular Joint Council meetings as foreseen in the Agreement).

Tariff issues

Tariff issues identified relate to the limited coverage of goods under the Agreement and were raised by producers whose goods were not covered. At a general level, the limited coverage of agricultural goods was mentioned by stakeholders in Guyana who stated that this lack of coverage implied that many potential export products of Guyana were not competitive on the Colombian market.

Potential remedy: The natural remedy would be to expand the product coverage of the Agreement. However, this would take time to be implemented: It would require, as a first step, agreement among CARICOM Members on a list of products to be presented to Colombia. Secondly, it would require a meeting of the Joint Council to negotiate and agree the list and extension of the product scope with the Colombian counterparts. Also, based on the principle of reciprocity, CARICOM – at least CARICOM MDCs – would also have to eliminate tariffs on some of their products imported from Colombia.

Market structure in Colombia

Some obstacles for exporters from CARICOM arise as a result of the geographic size and market structure in Colombia. Regarding the former, it was stated that the main market centres in Colombia are in the interior (Bogotá, Medellín etc.) which further increases transport costs and makes exports from CARICOM less competitive, and raises added security issues. Likewise, transport to the Pacific coast of Colombia is costly. In addition, these main market centres effectively constitute different regional markets with different conditions, which makes any market research and market penetration strategy costly, especially for foreign companies and given the language difference. Finally, Colombia's retail market is dominated by few retailers. Their buying power impedes imports from CARICOM as conditions for exporters are unattractive. In addition, there is a strong consumer preference for US products.

Potential remedy: CARICOM exporters have no option to change the identified obstacles. The only response could therefore consist in adaptation, i.e. focus on Caribbean coastal markets within Colombia, on niche markets, or – in response to the concentrated retail market – export in bulk for repackaging in Colombia (but at a lower margin).

3.1.3 Exports to the Dominican Republic

In terms of the volume of exports and the number of identified obstacles for CARICOM exports the Dominican Republic is comparable to Colombia. In total, 13 obstacles have been identified

of which 11 are caused by the Dominican Republic. Also, of the 13 issues, the majority (8) are non-tariff measures, three are procedural obstacles and two are related to tariffs. The main issues identified are described in the following paragraphs.

Distribution restrictions: Law 173

By far the most often mentioned obstacle for exporters is the requirement in the Dominican Republic, established by Law 173, that exporters have to sign exclusive distributorship agreements. If contracts with exclusive distributors are cancelled or terminated without just cause, Law 173 establishes that compensation payments are payable. A number of exporters gave examples of the consequences of Law 173: One exporter from Trinidad and Tobago, who had cancelled the distribution contract but refused to pay compensation since the cancellation was the distributor's fault, could not export to the Dominican Republic for the past four years.

Although the FTA provides that Law 173 is not applied if the parties agree on this, some stakeholders stated that most Dominican Republic firms are reluctant to do this. Other exporters, however, have made a more positive experience with the FTA's provision. For example, one company from Barbados that had stopped exporting because of problems with the exclusive distributor and the requirements of Law 173 is now re-entering the Dominican Republic, using the provision in the FTA that Law 173 is not applied when the exporter and importer explicitly agree on its non-applicability.

The negative experience of some exporters with Law 173 also deters other companies from starting to export to the Dominican Republic. The Law therefore has a deterring effect for new exporters from CARICOM. An example is Jamaica's Salada, which reportedly considered exporting to the Dominican Republic but decided against it because of Law 173.

In the view of the Government of the Dominican Republic, Law 173 is not an actual barrier to export, although it is conceded that it may sound deterring for foreign exporters which are considering exports to the Dominican Republic for the first time. The Government also pointed out that the FTA makes clear that the exclusive distributorship requirement can be waived if both the exporter and the distributor agree on it. This is therefore a matter of negotiations between the parties, and is actually applied in practice, as confirmed by some stakeholders in CARICOM Members, as described above.

Potential remedy: The problems related to Law 173 can be overcome in various ways. The farthest reaching solution would be for CARICOM to renegotiate the FTA and request the same treatment as under the CAFTA/DR-US FTA (which foresees the non-applicability of Law 173 for US exporters). This in fact has been on the agenda of previous Joint Council meetings but has not yet made any progress. Therefore, at least for the short- and medium term other options need to be pursued. The most obvious one is to apply the FTA provision more often, for which Caribbean Export can provide a model clause of contract, developed by NEX Consulting – although this depends on the negotiations and willingness of the distributor in the Dominican Republic. Other solutions that have been applied by CARICOM exporters include:

- the establishment of own distributors in the Dominican Republic;
- the establishment of clear and objectively measurable targets for distributors which would enable CARICOM exporters to terminate a contract with “just cause” if the distributor failed to meet the targets;
- the non-registration of distribution contracts with the Central Bank of the Dominican Republic by the DR distributor – as Law 173 only applies to contracts which are registered with the Central Bank. The above mentioned model clause of contract developed by NEX Consulting also includes a provision relating to the non-registration; and

- the avoidance of any communication/advertising etc. which would indicate that a Dominican Republican business partner is an exclusive distributor.

CARICOM export promotion bodies could collect and provide clear information about the ways to address Law 173 to (potential) CARICOM exporters to the Dominican Republic. In fact, various legal opinions have already been sought⁹, and the information which they have provided should be disseminated to CARICOM (potential) exporters. This includes wider dissemination of standard clauses already developed for inclusion in distribution contracts addressing Law 173.

Technical barriers to trade

One important case of technical barriers to trade has been reported by Jamaica, where one company has actively but unsuccessfully been seeking to export cement to the Dominican Republic since 2005. In this case, exports were not possible as a result of the refusal by the Dominican Republic's standards body to accept the certification issued by Jamaica's standards certification body concerning the quality of the product being exported. Efforts to resolve this matter through the development of a Memorandum of Understanding on Standards Recognition between the relevant authorities in both countries have borne little fruit to date.

Potential remedy: In view of the fact that bilateral attempts at solving the problem have not been successful to date the issue should be addressed by the Joint Council, or under the dispute resolution provisions foreseen under the FTA.

Administrative burdens

A number of administrative burdens related to documentation requirements were also mentioned. For example, one exporter stated that in addition to the commercial invoice, the customs authority in the Dominican Republic requires a consular invoice and 'legalization' of documents by the Embassy of the Republic of the Dominican Republic in Trinidad. In a similar vein, another exporter complained about the requirement to provide certified Spanish translations of the export documentation. Such requirements cause delays and increase the cost of exporting.

Potential remedy: These issues could be discussed by the Joint Council or technical committees in order to determine if documentation and certification requirements could be simplified or waived under the Agreement. In the meantime, measures to alleviate the cost of compliance to CARICOM exporters could include the following ones:

- Providing detailed information to exporters about the documentation and certification requirements through detailed and updated exporting guidelines – these would ideally be provided by a centralised CARICOM website (which could be hosted by Caribbean Export);
- Providing hands-on support to CARICOM exporters in meeting the requirements by establishing a Trade Facilitation Office in the Dominican Republic, or expanding the mandate of the Caribbean Export's office in Santo Domingo to this effect.

⁹ E.g., Jiménez Cruz Peña Abogados: Impact of Free Trade Agreements in the Application of Dominican Law 173, presented to the Caribbean Association of Industry and Commerce, Inc., 84th Meeting of the Board of Directors, April 2006; Jerome Lee (DunnCox Attorneys-at-Law): Trading with the Dominican Republic. Law 173 and Distribution Agreements, 26 July 2006.

Market competition issues

Finally, some cases were reported in which CARICOM exporters have been confronted with an uneven playing field on the Dominican Republic market, both because of Government and private sector actions in the Dominican Republic. With regard to the former, a rum producer from Grenada stated that subsidies for rum production in the Dominican Republic make it difficult to compete for CARICOM exporters of rum on the Dominican Republic market. In response, the Government of the Dominican Republic stated that subsidies are sometimes required to level the playing field with other producers. In the rum sector, these were necessary to be able to compete with Puerto Rico and US Virgin Islands (USVI), which subsidise their rum sector substantially more. The Government also stated that the Dominican Republic was cooperating with CARICOM partners to address the Puerto Rican and USVI subsidies problem.

With regard to trade restrictive private sector actions, stakeholders in Trinidad and Tobago reported that it has happened on various occasions that when exporters from Trinidad and Tobago engaged in initial steps for exporting to the Dominican Republic, companies there registered the exporters' brands in the Dominican Republic, thereby essentially preventing market access except under conditions set by the local owner of the trademarks.

Potential remedy: It would seem that relatively little could be done to prevent either of the reported issues. Regarding brand registration, the FTA only reaffirms the WTO rules on TRIPS, and the reported practice would seem to not violate the TRIPS Agreement. Therefore, CARICOM export promotion bodies should alert potential exporters – e.g. as part of export guides – to register their brands in the Dominican Republic early on in order to prevent trademark trolling (the same would apply to any foreign markets). Furthermore, if the issue was persistent, it could be discussed at the Joint Council with a view to strengthening the IPR provisions in the Agreement.

With regard to subsidies to domestic producers in the Dominican Republic, realistically no remedy is available. Theoretically, a dispute could be filed under the WTO Dispute Settlement Body, referring to the Agreement on Subsidies and Countervailing Measures. The FTA specifically only refers to export subsidies (Article X of Annex I) but not trade distorting domestic subsidies, and the FTA's dispute settlement mechanism (Article XV) has not been put in place.

3.1.4 Exports to Cuba

With 14 identified obstacles Cuba is one of the more difficult markets for CARICOM exporters; especially when taking into account the relatively low level of exports to Cuba. At the same time, more than any other BTA country exports to Cuba are affected by obstacles which are not generated by the importing country but rather by regional or third party constraints. Among the barriers resulting from import administration and other Cuban policies and procedures, most are the result of Cuba not being a market economy. The most important issues are described in the following paragraphs.

Transportation issues: the US embargo

An important example for third party constraints, mentioned by various stakeholders in several CARICOM countries (as well as in Cuba), is the US embargo on Cuba, which prevents vessels that have served Cuba from stopping at US ports. The US policy thus leads to problems regarding the availability and cost of transportation to Cuba which are additional to the already

grave limitations in the transportation system which affect exports from CARICOM to BTA partners in general (see section 3.1.6 below).

Potential remedy: The most obvious remedy would be the lifting of the US embargo; however, this is not something that CARICOM could influence. Other options are difficult to implement in the short run and costly. For example, strengthening the Cuban shipping lines, or creating a shipping line, e.g. through joint investment, which would not serve the United States are not only costly but would also rely on larger volumes of trade between CARICOM and Cuba. They are therefore likely to lack feasibility. Nevertheless, a first step towards such a solution would be to bilaterally discuss transportation issues at the Joint Commission.

Currency controls

Like in Venezuela, the currency controls in place in Cuba make payments slow and unpredictable. As a result, the common pattern of exports to Cuba is that they take place irregularly – whenever the required foreign exchange to pay for an export is available for the importer – but then in large shipments. This limits the potential of Cuba as a market for smaller CARICOM exporters. In addition, the limited availability of foreign exchange translates into payment terms of up to 360 days, which again increase the cost of exporting, putting smaller exporters with limited working capital at a disadvantage.

Potential remedy: There is nothing that CARICOM could do, or that could be addressed through the BTA, to remove the shortage of foreign exchange in Cuba. However, making available export credits (possibly at subsidised interest rates) would enable more (and smaller) companies to export to Cuba; this is discussed in more detail below. Another workaround which some exporters have found to deal with the problem is to export to Cuba on a barter trade basis – but again, this increases transaction costs substantially and would only appear to be a solution for larger, well organised companies.

Lack of trade finance

According to stakeholders, lack of trade finance is one of the key problems for trade with Cuba; according to Trinidad and Tobago's Trade Facilitation Office in Havana, **the** most important one. As mentioned above, export credits could help overcome the foreign exchange shortage in Cuba which substantially limits demand for goods from CARICOM. At present, export finance to Cuba is offered by Republic Bank (of Trinidad and Tobago) but at a high cost (10%), which makes it unattractive especially for small exporters. Another credit instrument to finance exports to Cuba is in place and functioning with Jamaica's EXIM Bank (CAD 12 M), and under discussion with Trinidad and Tobago's Eximbank (USD 10 M), but not operational. Stakeholders (both in Cuba and Jamaica) expressed their high level of satisfaction with the Jamaican credit line and highlighted its importance for Jamaican exports to Cuba. Indeed, it should be recalled that Jamaican exports to Cuba are a success story (both when compared to Jamaican exports to other BTA partners and when compared to other CARICOM Members' exports to Cuba), and EXIM Bank's credit line is certain to play a role in this.

Potential remedy: In view of the success of Jamaica's credit line for exports to Cuba, the example could be replicated, and/or expanded to cover all CARICOM exporters to Cuba. Thus, the export credit instrument at Trinidad and Tobago's Eximbank should be operationalised as quickly as possible, preferably as a CARICOM-wide instrument (alternatively, a CARICOM bank, e.g. CDB, could also consider the establishment of such an instrument). In order to enhance acceptance by the Cuban side a small window for exports from Cuba could possibly be included in the instrument.

Registration issues

Various issues were raised regarding registration of exporters as potential suppliers in Cuba:¹⁰

- The registration process is lengthy as normally various layers of government are involved – it may take several years (some companies needed three years).
- Documentation requirements are comprehensive, all documents must be submitted with a certified Spanish translation notarised by the respective Cuban embassy.
- Different buyers require separate registration, and requirements are not harmonised, so that exporters may have to provide different documents to different importers.
- In some cases, importers ask for documents, or information in documents, which is not available in CARICOM countries. An example mentioned was a request from the importer that a company from Trinidad and Tobago should provide its “social objectives” in the constituting documents – but such “social objectives” are not normally contemplated by corporate constituting documents in market economies.

In addition, the initial registration of an exporter with an importer is only the first step in market entry. Once registration is complete, the registered company is included in a long list of approved suppliers (the “lista de licitaciones”) but this does not necessarily mean that the company is also invited to actually submit offers for specific contract opportunities: for tenders, which normally take place twice a year, a shortlist of registered suppliers is created; the establishment of the shortlist is not transparent. In addition, many Cuban importers are not aware of the BTA and therefore do not grant any preference to CARICOM companies when establishing shortlists for tenders.

Potential remedy: With regard to the initial registration process, standardisation across importers as well as a clear definition of documentation requirements and procedures would be needed. While this is a task to be addressed by the Cuban side, CARICOM should discuss the issue with Cuban counterparts in the Joint Commission as a matter of urgency.

In addition, knowledge of the BTA among importers needs to be promoted in order to ensure that CARICOM companies are included in the tender process (“proceso de licitación”); this is a task that could jointly be implemented by the Cuban authorities and CARICOM export promotion bodies, including Caribbean Export and the Trinidad and Tobago Trade Facilitation Office.

3.1.5 Exports to Costa Rica

Although Costa Rica is the BTA partner for which the lowest number of obstacles for exports from CARICOM have been reported by stakeholders, in relation to the level of arm’s length exports (i.e. excluding exports of steel from Trinidad and Tobago) it is actually the most problematic of the five BTA partner markets. Of the nine obstacles reported, seven are the result of Costa Rican NTM and administrative practices – most of these were classified as administrative burdens.

¹⁰ However, some aspects of the registration process are not a problem, including the cost of registration (USD 60 for the first three years, USD 30 for renewal), and the definition of what constitutes a “product” to be registered, which is wide.

Product registration

Among the administrative burdens, issues related to product registration clearly stand out – they were reported by several stakeholders in various CARICOM Members. The issues raised were as follows:

- The cost of registration – according to different stakeholders, the cost is between USD 300 and USD 1,000 per registration – is prohibitive, especially for smaller exporters;
- Individual product varieties have to be registered separately (e.g. different flavours of confectionary products, sauces or mixtures of spices), adding further to the cost problem (as well administrative hassle);
- Registration is lengthy: for example, a producer of confectionary from Trinidad and Tobago stated they needed six months to register products (and they have not been able to enter the market in spite of the registration for four years);
- The information required for registration purposes – such as information about production processes or product ingredients – is exaggerated and considered business proprietary by some producers;
- Documentation and procedural requirements are excessive and difficult to comply with. For example, a “certificate of free sale” is required which is not normally issued by authorities in CARICOM Members. Likewise, notarisation is required in Costa Rica; and
- Product registration procedures lack transparency: there are different procedures according to the type of product and exporters do not know which procedures are applicable. In response exporTT contracted a legal firm in Costa Rica in order to cope with registration requirements for goods exported from Trinidad and Tobago.

Costa Rica’s view is that the purpose of product registrations is to prevent harm to human health, and that registration requirements are guided by this purpose. As a result, different procedures exist for different classes of products, e.g. agro-processed goods, cosmetics, chemicals, pharmaceuticals, depending on the potential harm that these could do to human health. Accordingly, registration procedures vary. Specifically, it was stated that:

- Except for pharmaceuticals, documentation requirements are limited. Pharmaceuticals also require clinical studies based on scientific standards.
- The normal time required for registration is between four to seven weeks. For pharmaceuticals, it can be six to eight months;
- Products with different ingredients require separate registrations – this would refer to different sauces, for example, or different flavours of confectionary;
- All documents must be submitted in Spanish. If translated in the country of origin by a certified translator they must also be legalised (the FTA foresees that no consular fees are applicable);
- The cost of registration per product is between USD 60 and USD 100, valid for three years. Renewal after registration is USD 30. The difference between this information and the cost estimates provided by CARICOM exporters could not be identified. Possibly, the latter includes cost of translation and service providers, while information provided by the Costa Rican authorities only refers to the official registration fees payable;
- In order to facilitate and speed up the registration process, registration is now in the process of being done online. The system for pharmaceuticals is in place, while the systems for the other groups are being added until early 2014. However, a representative in Costa Rica is still required for the electronic signature;
- In terms of transparency, all relevant laws and explanations of the various registration processes and requirements are provided on the Ministry of Health website at <http://www.ministeriodesalud.go.cr>.

- Registration requirements are the same across Central America. Therefore, obtaining the registration in Costa Rica paves the way for CARICOM exporters to also enter the other Central American markets.

Potential remedy: A three-pronged approach could be applied to alleviate exporters' burdens related to product registration in Costa Rica. Firstly, CARICOM export promotion bodies should prepare and provide clear, detailed and up-to-date hands-on guides to CARICOM exporters about the registration requirements, procedure and costs for each product type. Since registration applies to all CARICOM exporters of a given type of products alike, this clearly would be a task to be completed regionally – either by Caribbean Export or by one of the national trade promotion institutions but on behalf of all CARICOM Members, in order to avoid overlap. In order to keep the information up-to-date, providing the guide online is recommended.

Secondly, dedicated contact points in the relevant Costa Rican and CARICOM Member authorities should be nominated to facilitate direct bilateral contact and solutions to specific problems that arise in the registration process. In this context, it would be important for CARICOM exporters to formally inform their relevant government bodies of any problems arising so that they could be discussed bilaterally.

Thirdly, the relevant standing committees under the FTA should be activated to discuss the registration issue bilaterally, and to clarify, and possibly simplify, rules on documents to be provided for exports under the FTA, and in particular in the product registration process. In principle, the problem should be discussed by the joint technical committees foreseen under the FTA.

Distribution restrictions: Law 6209

Like the Dominican Republic, Costa Rica has a law in place aimed at protecting domestic distributors of imported goods, i.e. Law 6209 of 1978 on the Protection of Representatives of Foreign Enterprises (Ley de Protección al Representante de Casas Extranjeras). While this law – like Law 173 in the Dominican Republic – provided for exclusive distributorships and compensation payments in case of unjustified termination of contracts, key provisions of the law were reformed in 2007, and the most important restrictions for foreign companies repealed – notably the compulsory exclusivity provision.¹¹ Accordingly, none of the stakeholders consulted for this study complained about distribution restrictions in Costa Rica in recent times.

Market competition

As in the Dominican Republic, some CARICOM exporters stated that, subsidies in Costa Rica – in this case, for corrugated cardboard – put CARICOM producers at a disadvantage when trying to export there. However, due to the absence of provisions in the Agreement – Article III.13 only reaffirms the Parties' obligations under the WTO agreements – the exporter's allegation was never scrutinised, and no action was taken. The authorities in Costa Rica stated that all of Costa Rica's subsidies have been brought in line with WTO rules, including the Free Zone regimes. In any case, goods manufactured in free zones do not benefit from preferential access to the

¹¹ The reforms applied only to new distribution contracts signed after the entry into force of the reform, not retroactively. The latest version of the law is available, in Spanish, at http://www.pgr.go.cr/scij//Busqueda/Normativa/Normas/nrm_repartidor.asp?param1=NRTC&nValor1=1&nValor2=6003&nValor3=70597&strTipM=TC. Also see the information provided (in Spanish) by the Costa Rican Chamber of Importers, Distributors and Representatives, at <http://www.crecec.com/legislacionconsulta.html> (under "Representación de Casas Extranjeras"). For an analysis of the legal changes in English, see Purdie (2011).

CARICOM market under the Agreement (although there has been exchange with Guyana to include selected products produced in free zones).

Potential remedy: Without further information, no corrective action would seem required. However, the establishment of a reporting/complaint mechanism under which exporters would be encouraged to report subsidies and other barriers to CARICOM (possibly online) would help to identify and, if needed, discuss issues with the BTA partner.

Other administrative issues

A number of other administrative issues were mentioned by stakeholders in CARICOM although not confirmed by the Costa Rican authorities. These are:

- Allegedly, the issuance of an import permit in Costa Rica requires the submission of a bill of lading. If this was confirmed, it would obviously put exporters in very difficult situation, as no exporter would prepare and submit a bill of lading without being sure that the goods can be imported. However, it is not sure to what type of “import permit” the exporter was referring;
- Also, it was stated that contracts must be notified to the Central Bank in Costa Rica, which was considered an administrative hassle, raising costs and requiring extra time to comply.

Potential remedy: As in the case of subsidies, without further information and confirmation, no corrective action would seem required. The reporting/complaint mechanism suggested above would be helpful in this regard.

3.1.6 Exports to BTA Partners in General

In addition to the obstacles affecting CARICOM exports to particular BTA partners as described in the previous sections stakeholders also reported a number of issues which affect exports to all BTA partners (and often, CARICOM exports generally, regardless of the destination). In effect, these general obstacles were reported much more often than obstacles specific to individual BTA partners. Of the 28 general cases reported, 13 can be classified as regional problems: the vast majority of these concern transport issues. The remaining 15 cases are obstacles encountered in the exporting CARICOM country and mainly concern two categories of problems: trade finance and insurance; and TBT and SPS issues.

It should be noted that issues which affect CARICOM exports in general – such as delays in obtaining export permits, high customs service charges, prohibitions of import of inputs, etc. – are not included as these go beyond the scope of the study and they would merit a far more detailed analysis than can be provided here.¹²

3.1.6.1 *Transport issues*

Problems related to the availability and cost of transport to BTA partners were mentioned by stakeholders in each country visited (including the BTA partner countries), and concerned both maritime and air transport. Obviously, geographical factors play a role – for example in general transport to the Dominican Republic was less of an issue, while transport to Costa Rica from

¹² At least for Jamaica and Trinidad and Tobago the recent analyses of non-tariff measures undertaken by the ITC provide more information; see International Trade Centre (2013a, 2013b).

most CARICOM Members excluding Jamaica was reported as a major problem. However, most transport problems are general in nature and affect the whole region, in different degrees.¹³

Maritime transport

The main issues identified in relation to maritime transport relate to the lack of direct shipping lines, high cost of transport (discussed in more detail in section 3.3.2), deficiencies in quality and logistics, and the non-availability of affordable transport services for small shipments.

Direct transportation links with most BTA partners are missing and result in high costs.

Currently, most shipments are channelled via the United States. For example, all transportation from St. Kitts and Nevis has to go via Miami, and stakeholders mentioned that this monopoly position creates a dependence of St. Kitts and Nevis' exporters. In Guyana it was reported that any (formal) exports usually go via Trinidad and Tobago, even to neighbouring Venezuela. This drives up costs and transportation times. A case in point is wood exports to Cuba which used to be shipped on Cuban vessels; when the Cuban shipping line closed down this also led to the loss of Cuba as a market for wood exports – in particular so because of the US embargo. The negative consequences of the US embargo in Cuba for CARICOM-Cuba trade were also reported in other Member States. In general, the high cost of transport to BTA partners operates as a disincentive to exporting for CARICOM Members.

At the same time, there is no agreement among exporters about the importance of transportation issues as an obstacle for exports to BTA partners – a number of exporters (mainly of bulk exports) stated that transport services to BTA partners were not problematic. For example, exporters in Suriname stated that container vessels to Costa Rica and Venezuela had a fixed weekly schedule, took 10-12 days to arrive at the destination port (going via Jamaica), with costs comparable to those for shipping to Miami.

Deficiencies in quality and logistics. A number of cases were mentioned by stakeholders where goods were damaged because of broken cooling chains, and delays in Trinidad and Tobago during transit were also reported as a problem. Exports of edible fruit and other perishable goods suffer especially from the lack of high-quality maritime transport infrastructure. Examples mentioned were exports of live chicks which died during transport and fresh fruit which perished due to breaks in the cooling chain. However, other exporters stated that the quality of services provided (incl. refrigerated containers etc.) was satisfactory.

While there are mixed views among stakeholders on the scope of problems associated with transport to BTA partner in general, there is no doubt that transport issues are a serious impediment for small consignments, in particular **shipments of less than a full container load (LCL)**. This affects primarily small and medium sized exporters and essentially all exporters in the LDCs. The problems are that LCL services are:

- Hardly available – apparently there is just one shipping line providing this service for OECS exporters but not actively marketing it;
- Prone to quality problems – for example no possibility of fumigation or locking, leading to wastage and losses due to theft (in Grenada, several examples of nutmeg exports were mentioned);
- Expensive, with costs sometimes being prohibitive and thereby making small exports unfeasible.

¹³ An in-depth analysis of maritime transport problems facing the OECS countries which also provides numerous recommendations is GOPA Consultants (2010).

Potential remedies: The key problem for transport-related obstacles for exports to BTA partners appears to be the low volume of exports. As other studies have found (e.g. GOPA Consultants 2010), existing fleets suffer from under-utilisation, especially regarding exports (the ratios of export to import volumes are low across most CARICOM members; see section 3.3.2 below). Investments in expanding transport capacity are therefore not required. The most obvious response would therefore be to increase output, although this obviously is also the most difficult solution, keeping in mind the numerous supply side constraints summarised in section 3.3 below. Joint production patterns and/or increased production capacity, e.g. through investments from BTA partners or CARICOM MDCs would be required.

Another option could be for exporters to coordinate shipments in order to ship complete containers – efforts for this are already under way both in Trinidad and Tobago and the OECS countries. Such coordination would need to overcome various limiting factors, including potential incompatibility of goods being shipped together, differences in destinations, and the often reported lack of collaborative culture among CARICOM businesses. It will therefore require stronger cooperation on transport issues between the partners and within CARICOM.

Finally, there seems to be a lack of knowledge among exporters about available shipping lines – in a number of instances, some exporters met were not informed of all the transport options available. In response, better exchange of information among exporters, or provision of relevant information by the Chamber (or other private sector bodies) would seem to address this informational problem.

Air transport

Air transport is used for perishable goods as well as, sometimes, as an alternative for small shipments which are not feasible to be transported by vessel, due to the problems with LCL transport mentioned above. However, this is only possible for light-weight goods but not for high-weight products such as sauces sold in glass jars, due to the prohibitive costs. Also, given the small volumes traded by air, pure cargo flights would not be economical and are therefore not offered. On the other hand, air passenger transport, which could also be used for small cargos, is also hardly available to the BTA partners – direct connections are largely missing and in fact some direct connections (e.g. from Jamaica to Cuba) have been shut down. Reasonable air connections are only offered from Trinidad and Tobago, although even from there the only direct connection is Caribbean Airlines' flight to Caracas.

The problem of lacking direct connections is amplified by the fact that air transport logistics in the region are, in the view of exporters, unreliable. For example, exporters from Grenada stated that exports of spices via LIAT at one point suffered a two week delay because of LIAT's logistics problems.

Potential remedy: Improving air freight services would seem difficult. Already, air transport is subsidised in the region, and expanding subsidies would not seem a sustainable path to follow. As with maritime transport, any expansion of services or even the introduction of air cargo connections would require minimum export volumes. Currently these are focused on EU and US markets, which is unlikely to change given the lack of complementarity in fruit and vegetable production between CARICOM and the BTA partner countries.

3.1.6.2 Trade finance

In addition to the specific trade finance problems in relation to exports to Cuba described in section 3.1.4 above, the lack of export finance and insurance is a major problem for any CARICOM exporters anywhere except in Barbados, Jamaica and Trinidad and Tobago, all three of which offer both export credit (guarantees) and export credit insurance, through the export-import banks respectively the central bank.¹⁴ Examples mentioned in the other CARICOM Members were:

- In Belize, it was reported that lack of trade finance and export insurance impeded exports by small firms with limited financial capacity which could not pre-finance the cash needed to bridge the usual 90-100 days payment terms. Although Belize's Development Finance Corporation offers agricultural working capital loans its conditions do not extend to export finance;
- Likewise, stakeholders in Guyana and Suriname stated that lack of export finance affected especially new exporters which had to resort to other commercial bank loans with demanding collateral requirements. The lack of an export credit guarantee scheme, as well as of export insurance were particularly inhibiting;
- In the OECS countries, neither commercial service providers nor development banks provide trade finance, and specific export-import financing facilities do not exist. While the ECCB has established an export credit fund it is not (yet) operational. An export guarantee fund used to exist but is no longer active.¹⁵ Also, no export insurance scheme exists.

Export credit insurance and export credits (or guarantees) are essential schemes to facilitate trade. Their absence in CARICOM except for the three Members mentioned constitutes a clear obstacle for exports; it also puts exporters in Barbados, Jamaica and Trinidad and Tobago at a competitive advantage compared with their peers in other CARICOM Members.

Potential remedy: The existing export credit insurance and finance (guarantee) schemes could be regionalised and/or complemented by (sub-)regional schemes. Ideally, a CARICOM-wide trade finance system could be developed. However, in doing so, the fate of similar schemes that were once in place but then discontinued, apparently partly due to lack of usage – would need to be studied, and the reasons for failure identified (e.g. were procedures too complex, was the cost too high, was there a lack of exporters?) prior to (re-)introducing schemes. Alternatively, Barbados' Central Bank, Jamaica's and/or Trinidad and Tobago's Export-Import banks, which have both export insurance and export credit lines could provide assistance, or roll out their programmes to other CARICOM Members (or widen eligibility to other CARICOM exporters).

3.1.6.3 SPS and TBT issues

Problems related to SPS and TBT issues were reported both in relation to domestic and regional issues. The main obstacles specifically for CARICOM exports to BTA partners are described in the following paragraphs.

Labelling and packaging

Apart from the fact that all BTA partners are Spanish speaking countries and therefore labels and product information has to be translated, **labelling requirements vary across BTA partners**

¹⁴ More information about the schemes is available from the respective institution websites; for Barbados, see <http://www.centralbank.org.bb/WEBCBB.nsf/0/3da4317e82b2ce59042572ec000d0141?OpenDocument>; for Jamaica, see <http://www.eximbankja.com/>; for Trinidad and Tobago: <http://www.eximbanktt.com/Services.htm>.

¹⁵ The reasons for this could not be identified.

thereby increasing costs – not only one translation into Spanish has to be made, but different logos have to be designed for each of the partner markets. The cost increase is especially high for small producers of a large variety of products and constitutes a barrier towards export diversification. **Potential remedy:** CARICOM export promotion bodies should provide clear and detailed information to exporters about labelling requirements in BTA partner countries and could consider cost sharing mechanisms for translation costs. This is already provided by exporters.

At a more basic level, **awareness among the private sector for the importance of meeting packaging and labelling requirements is limited.** This is combined with a lax enforcement of rules at least in some CARICOM Members – this was mentioned in several OECS countries – but constitutes a barrier for exports to BTA partners (but not only there), where compliance is now routinely, and increasingly strictly, checked upon entry – sometimes leading to the rejection of shipments. **Potential remedy:** CARICOM bodies should continue to educate producers about the importance of packaging and labelling requirements. One way of doing so is through stricter enforcement of associated rules on the domestic markets.

Weaknesses in conformity assessment

As BTA partners and CARICOM are in different regional standard setting groups, standards are not always harmonised. **Mutual recognition agreements for conformity assessment are not yet in place** (at least for most BTA partners), which may require exported products to be subjected to conformity assessment in the importing country. **Potential remedy:** The institutional arrangements foreseen under BTAs, notably SPS and TBT technical committees, should be implemented. In addition, mutual recognition agreements for conformity assessment should be put in place in order to avoid the need for exporters to have their products tested twice.

In some OECS countries, the **lack of testing equipment** forces producers wishing to export to have their products tested abroad – which often carries prohibitive costs. Due to small output, purchase of testing equipment is often not economically feasible. **Potential remedy:** One option could be to establish a regional laboratory which would offer services to all OECS producers. Alternatively, OECS national certification bodies could specialise in order to reduce costly duplication of providing identical testing services and thus be able to offer a combined wider range of testing facilities to producers.

The previous issue is exacerbated by the fact that **BTA partners are introducing increasingly stricter standards** (regarding traceability etc.) in line with NAFTA, which producers for example in Barbados do not yet meet, primarily because domestic legislation does not require it. **Potential remedy:** CARICOM Members will have to comply with such stricter standards. This will require adaptive measures at various levels. First, domestic legislation needs to be upgraded, where required, to bring it in line with NAFTA requirements. Second, conformity assessment will also have to be upgraded. Third, producers will need to invest in order to comply with stricter rules, and will require assistance in implementation.

3.1.7 Summary and conclusions

Overall, the number of reported barriers erected by BTA partner countries is limited: 50 cases were reported by all CARICOM stakeholders combined, and quite a few of those relate to the same rules and procedures (such as product registration in Costa Rica or Law 173 in the Dominican Republic). The low absolute number of reported complaints is consistent with

findings from other studies, in particular two recent reviews undertaken by the ITC of NTM affecting trade in Jamaica and Trinidad and Tobago. The study on Jamaica (ITC 2013a) did not report any NTM for the BTA partner countries,¹⁶ while the one for Trinidad and Tobago reported 28 NTM cases for the BTA partner countries out of 240 reported cases in total, the vast majority affecting exports to Venezuela (17 cases reported by four different exporters), followed by the Dominican Republic (seven cases reported by four different exporters), Costa Rica (three cases, one exporter) and Cuba (one case).

While the absolute number of cases is small, this can partly be explained by the low level of trade. Nevertheless, comparing the incidence of NTM cases with the share that the BTA partners hold in Trinidad and Tobago's exports shows that, with the exception of Venezuela, BTA partners are not disproportionately affected by NTMs (Table 6).

Table 6: NTMs applied by BTA partners to exports from Trinidad and Tobago

BTA partner	No. of surveyed firms exporting to partner	No. of surveyed firms reporting NTM cases	No. of NTM cases reported	Share in total number of reported NTM cases	Share in total TTO export value (2010)
Venezuela	4	3	17	7.1%	0.4%
Dominican Republic	12	4	7	2.9%	1.9%
Costa Rica	4	1	3	1.3%	2.2%
Cuba	2	1	1	0.4%	0.1%
Colombia	na	0	0	0.0%	na
Total	830	94	240		

Source: International Trade Centre (2013b: Table 3, p. 22).

While it is true that the low frequency of cases does not necessarily mean a low severity of cases, with the exception of Venezuela few of the obstacles identified constitute absolute barriers to exports. In fact, most cases would seem to be issues that could be relatively easily and quickly resolved if the appropriate channels of information and communication were in place, and were complemented with the political bilateral institutions (i.e., the Joint Councils/Commissions) to discuss and solve recurring problems at a strategic level.

A number of issues identified – such as Law 173 in the Dominican Republic or most of the issues related to exports to Venezuela – have been persistent and have been raised by exporters for years.¹⁷ At the same time, few of the country-specific issues constitute binding constraints to exports: in many cases, exporters have found ways to deal with them. However, there seems to be a recent tendency towards an increasingly excessive level of discretionary interpretation of FTA provisions by import administrations, which are apparently often triggered by requests of the competing domestic industry – this was reported both by exporters in CARICOM Members and in BTA partner countries. In other words, trade has become more difficult recently despite the agreements being in place, because of a perceived surge in protectionist behaviour by import administrations. This warrants a closer monitoring of trade under the agreements, as suggested and described in some more detail in the recommendations chapter.

Finally, it should also be noted that not all trade with BTA partners is affected by problems. One successful example of Surinamese exports to BTA partner countries is export of frozen fish to

¹⁶ Although a maximum of seven out of 249 identified NTM cases affecting Jamaican exports could be in the Dominican Republic, which is included in the residual category “rest of CARIFORUM” (International Trade Centre 2013a: Table 10, p. 24).

¹⁷ See e.g. the list of issues compiled by the CARICOM Secretariat dating back to 2005: “CARICOM Bi-lateral Trading Agreements. The Dominican Republic, Colombia, Venezuela, Costa Rica and Cuba. Summary of Constraints”.

Colombia which have been consistent for the past five years (shipment of 10-20 containers per month). These are not affected by any major problems. However, the negotiation and administration of these exports is handled by the Suriname's exporter's partner in Panama. For the exporter, this means: documentation is provided in English, and payments are effected between the importer and the partner. This case is an example of an approach that has been observed with most successful CARICOM exporters to BTA partners: they leave negotiations and logistics to partners – either the importers or partners in third countries (often in the United States), and often these entities are within the same group of companies (which eliminates issues of trust).

3.2 Issues related to initial market entry

Any of the obstacles described in the preceding section might lead an exporter to abandon a market, especially if they occur during the first shipments. However, there are additional issues which may prevent companies from actually starting to export successfully to BTA partners. Most of these relate to insufficient knowledge about the destination market as well as problems in coping with import administration. In this respect, there was consensus among private sector representatives in most CARICOM Members that the initial entry of an exporter into a BTA partner market would require support and facilitation, especially if it is an SME. Companies would firstly need market information, and secondly hands-on support in the actual market entry, including trustable contacts in the export market in order to assist with market entry.

3.2.1 Market awareness, research, studies, and missions

Most CARICOM Members have trade promotion bodies which provide some support to exporters or potential exporters. In addition Caribbean Export and the OECS Export Development Unit (EDU) also provide assistance. Some examples of the types of support provided, and the problems encountered are:

- In Jamaica, JAMPRO has been conducting awareness raising activities about the BTA partner markets for several years but reportedly **interest by the business community in these seminars is limited** – it is always the same group of companies that participate. One problem could be that marketing of these activities among the business community is weak; but as likely is that interest in the BTA partner markets simply is very low due to other supply side constraints (see below and section 3.3). While awareness raising activities for the BTAs and the markets covered has also been undertaken in other CARICOM countries, this was primarily done when the agreements were new, while **recent activity has not focussed on the BTA partners**;
- JAMPRO also includes support in market visits and outbound trade missions – it was noted that Jamaican **business persons are reluctant to travel abroad and market their products aggressively and therefore need to be nudged into doing so**, by JAMPRO providing the organisational and logistical support for such missions, while the cost of undertaking the mission should be covered by the businesses. This appears to be a sensible balancing between the necessary support and asking companies for their own investment into market entry;
- Not unexpectedly, Trinidad and Tobago has the most diversified support service portfolio among the CARICOM Members, which is also most generous in terms of the level of support provided (see Box 2). Furthermore, services available have been expanded recently with the creation of exporTT;
- At the other end of the spectrum, some countries, like Suriname, **do not provide any export support** at all. Similarly, although Grenada's national export strategy foresees diversification

of exports into non-traditional markets, no market potential studies have been undertaken. Replication of Trinidad and Tobago's approach to export promotion across CARICOM at a national level does not appear realistic in view of the relatively high cost involved and the currently low level of exports to BTA partners from most CARICOM Members;

- In Guyana, according to some private sector stakeholders, associations undertake their own market research work as such services are not provided by Government agencies. Also, support agencies are not forthcoming in providing export relevant information to businesses. While for example NewGMC prepares market surveys and information about market entry requirements, it has no information about any of the BTA partners;
- Both the OECS (at the sub-regional level) and some OECS members have export promotion instruments (strategies and/or promotion agencies). At the OECS level, the EDU (to be renamed as Competitiveness Business Unit) provides support both to private sector organisations and individual companies, provided that these are registered with the EDU. As the EDU is primarily funded by the EDF, its work is guided by the sector focuses in the EDF plans.

Box 2: Trinidad and Tobago's export services – a brief summary

In Trinidad and Tobago, the Government has recently expanded its export support service portfolio through the establishment of exporTT, which has also entailed an expansion of export promotion staff from four to 16. Among the services that exporTT provides are:

- Trade missions (primarily focussing on selected priority sectors which are currently being revised): this has been expanded from about one mission per year prior to the establishment of exporTT to 7-8 missions per year at present;
- Market research – which is most often requested by exporters, but at the same time hardest to sell: it is provided on a cost sharing basis, with differing grant elements depending on the characteristics of exporters, which are grouped into three categories depending on their capacity.;
- Studies, which are both presented to exporters in workshops and available from exporTT's website;
- Country guides for exporters for all countries with which Trinidad and Tobago has trade agreements (incl. the five BTA partner countries);
- Co-financing of 50% for certain essential steps in new market entry, such as product/brand/ trademark registration, sending of samples, translation services, modification of labels, etc.

Documents provided on the website (<http://www.exportt.co.tt/>) are available without restriction after registration, which is free of charge.¹⁸

With regard to the usefulness of the support provided, for the purpose of this study the key question is whether it helps companies to consider BTA partners as potential markets, and start exporting there. For this to take place, there must be demand for the services (or this demand must be created by the promotion agencies), the services must be accessible, and they must meet the clients' requirements.

Regarding the **demand for BTA-specific export promotion services**, as mentioned above, has been limited, especially in LDCs. This arguably is primarily due to supply side constraints which exporters face in these countries but could also be, as has been argued by some stakeholders, the perceived lack of practical export promotion support. **Potential remedy:** What could help to change the situation is a survey among exporters about which products they consider as exportable to the BTA partners, and what type of support they would need.

With regard to the **accessibility of export promotion support**, stakeholders in LDCs as well as Guyana mentioned that many exporters there cannot – or do not bother to – access such support, for the following reasons:

¹⁸ However, the author was not granted registration, and it is not clear if exporters from other CARICOM countries would be treated differently.

- Companies are required to pre-finance expenses. While some lack the financial capacity to do so, there is also the risk that reimbursement is withheld or only covers part of the eligible expenses;
- The application for and management of grants is considered as too administrative and bureaucratic.

In particular, the administrative/procedural barriers to access Caribbean Export support were considered as high. While some other CARICOM Members, such as Barbados, provide focused support in accessing grants to their exporters (“boot camps”) such support is not made available by LDCs. As a result, few companies from LDCs have so far obtained grant funding from Caribbean Export.

Potential remedy: With regard to assistance in overcoming the administrative hurdles for accessing support, this is already being provided by Caribbean Export but in view of the reactions from stakeholders there might be a case for expanding it. However, with regard to the pre-financing requirements, no remedial action seems required: it would seem questionable that companies which are so cash strapped that they cannot pre-finance costs are export-ready: certain investments and sunk costs are a normal part of the business process with regard to the establishment of a new market, and export promotion institutions need to focus on those companies that will be able to become successful exporters – and sufficient working capital is one condition for that. However, it would alleviate the burden on exporters if trade finance was more readily available.

This is not to say that weaker companies that are not yet export ready aren’t worthy of support – but they are worthy of other types of support, which would rather fall into the category of overcoming supply side constraints.

Finally, with regard to the question of **whether the services provided meet the clients’ requirements and expectations**, one has to note that, with the exception of Trinidad and Tobago the portfolio and scope of services in most CARICOM Members is fairly limited (e.g. the number of missions to BTA partners is very small) – also when compared to the level of activity undertaken by BTA partner organisations: in particular Colombia, Costa Rica and the Dominican Republic are actively promoting CARICOM as a target market for their exporters, thereby helping them to benefit from the BTA. Furthermore, the level and depth of information available about the BTA target markets are considered to be too limited (Box 3).

Box 3: Export promotion services portfolio – the view of Jamaican stakeholders

Private sector stakeholders in Jamaica suggested that more support should be provided through the preparation of destination market studies and assessments, including of niche markets where Jamaica has particular potential. The creation of a joint private sector trade research institute could also be envisaged. At present, the level of trade information available is clearly not sufficient for businesses to make well-informed strategic decisions about market entry into the BTA partners.

What is lacking, in addition, are stronger relations with associations or representatives of importers in the BTA partner countries, and indeed information about such groups, as these are typically in a better position to lobby for the removal of barriers on the import side. Exchanges of information take place on an ad hoc basis (such as in a Dominican Republic-CARICOM private sector meeting organised by Caribbean Export last year) but lack continuity. It would appear that the lack of standing structures is both the result and a reason for the general limited level of trust between businesses in CARICOM and the BTA partners and could be overcome only with some official assistance.

Another criterion to measure the usefulness of the support portfolio is whether it helps level the playing field for companies across CARICOM Members, and whether it does so efficiently. Judged by this criterion, support services appear to perform poorly – there is no coherence across countries, and the level of support that exporters in different CARICOM Members can get from support bodies differs vastly: Countries with the least export experience also have the lowest level of support. For example, the OECS countries lack strategies for trade with the BTA partner countries but instead focus on horizontal issues (such as transportation). However, without promotion of the BTA partner countries as export markets the private sector in the LDCs will hardly consider them as (potential) markets – this needs to be addressed, otherwise the less developed countries will be falling behind even more (the trend over the past few years has already been a shrinking LDC share in CARICOM exports to BTA partners, as shown in chapter 2).

In addition, the limited resources are sometimes wasted on similar activities being undertaken by export promotion agencies in different CARICOM Members. The preparation of studies and research of the same markets is an example.

Potential remedy: Closer cooperation between export promotion bodies as well as wider dissemination of market research, studies and analyses not only at the national level but expanded to the CARICOM level would both increase outreach of support services help export promotion bodies resources. Wherever possible, services should be provided regionally rather than nationally. Caribbean Export is already streamlining its relations with national export promotion bodies in order to reduce duplication.

3.2.2 Facilitation of market entry

While providing market research, trade missions and other support to learn about the target market is needed as support in a first stage, most companies also need assistance during the early stages of actually starting to export to that market, i.e. in complying with administrative requirements and procedures. Arguably, even more companies need assistance in this stage than during the market research phase. An example mentioned by stakeholders in Guyana and Suriname was a mission to the Dominican Republic, organised by Caribbean Export, in which some Guyanese and Surinamese exporters participated but which nevertheless did not lead to any exports as there was no follow-up support, and companies simply did not know how to enter the market in practical terms. Box 4 describes a case of the practical problems faced by CARICOM exporters.

Box 4: Problems of a St. Lucian firm in accessing BTA partner markets.

Baron Foods of St. Lucia has made several attempts to export to Cuba, Dominican Republic and Venezuela for the last 10 years without much success. The company has undertaken several visits to these countries including trade missions and have participated in trade fairs hosted in both of these countries but to date, efforts have proved futile.

The company has also made several contacts with distributors in Venezuela to no avail. Also, they attempted to work via the Venezuelan Embassy in St. Lucia which also proved futile. They visited Colombian Trade Exhibition which also proved futile.

Facilitation of market entry is, or could be, provided by a variety of actors, including private contacts and brokers, national and/or regional export facilitation bodies, and BTA partner country institutions.

Private contacts and commercial brokers

The use of commercial brokers or agents, which take a commission, both adds to the cost and increases an additional element of risk, as they are not always honest. For a number of CARICOM countries, any exports that do take place to BTA partners are therefore indeed facilitated through existing personal contacts between business people. Often, such business contacts are expatriates living in the partner country, as these are considered as more trustworthy than locals. However, at least for some CARICOM countries the size of the diaspora in BTA partner countries has decreased over time. For example, it was reported that the number of Grenadian expatriates in the BTA partner countries has decreased over the years, thereby making it harder for potential exporters to find brokers. **Potential remedy:** The establishment of a database of such service providers and making it available to potential exporters is recommended.

National export facilitation bodies

Some CARICOM Members do provide market entry facilitation support to their exporters. For example, stakeholders in Barbados stated that the support network is quite well developed at least in some BTA partners, with the embassies in Cuba and Venezuela providing assistance in facilitating exports, while the Caribbean Export office in the Dominican Republic does the same there. Conversely, most CARICOM Members (including Jamaica) provide little if any market entry facilitation support. Suriname's diplomatic missions have no economic mandate and therefore do not provide any assistance to exporters nor provide market intelligence to potential exporters. Similarly, although Guyana's GoInvest has representations in Cuba and Venezuela, their main focus is to facilitate the import of inputs (such as fertilisers) for e.g. Guyana's sugar sector rather than to facilitate Guyana's exports.

With regard to exports to Cuba, the importance of the role of Trinidad and Tobago's Trade Facilitation Office (TFO) in Havana – which provides services free of charge – was highlighted by stakeholders, in particular in helping exporters complete the registration process and getting on the shortlist for tenders by importers (see Box 5). However, the role of the TFO is also pivotal in terms of market research about products needed to be imported, as such information is typically only made available informally, through personal networks.

Box 5: Market entry into Cuba – the experience of Trinidad and Tobago's TFO

The experience of the TFO shows that market entry is a lengthy process. Established in 2007, the TFO did not achieve major tangible results (i.e. exports from Trinidad and Tobago to Cuba) in five years but has recently been more successful, after networks and trust have been built, and Cuban exporters have also been supported to some extent.

In view of the TFO, the three major barriers to export to Cuba for Trinidad and Tobago and CARICOM firms are:

1. Trade finance: this should be addressed urgently through the implementation of an export credit instrument at Trinidad and Tobago's EximBank;
2. Transport and logistics issues;
3. Limited supply capacity: this could be addressed through the fostering of strategic alliances and joint investment, e.g. in the new Free Trade Zone of Mariel;

Market entry can be facilitated if spearheaded by strong brands. In Cuba, the recent market entry of Angostura (bitters/rums) and Sacha (cosmetics) is hoped to open the market for other Trinidad and Tobago and CARICOM companies. An official conversion of the Trinidad and Tobago TFO into a CARICOM TFO could be helpful to further expand market opportunities, as importers tend to rotate suppliers; it would also be appreciated by the Cuban authorities given the importance attached to Cuba-CARICOM cooperation. This would further be facilitated by the creation of a CARICOM brand.

Market entry facilitation services offered by other CARICOM members. Notably, Trinidad & Tobago has offered to other CARICOM Members that the services of the TFO in Cuba

would also be available to their exporters. However, stakeholders have shown a certain reluctance to take up the offer as a potential conflict of interest was felt to exist in view of the fact that CARICOM Members compete on the Cuban market. In any case, exporters met in other CARICOM countries were not aware of the TFO's work and its potential availability for them.

Potential remedy: The TFO in Havana is considered as a good practice. If CARICOM is serious about expanding exports under BTAs, its replication should be considered in the other BTA partner countries. In view of the relatively high costs associated, such TFOs should have a regional mandate to allow for the pooling of resources and also to generate a critical mass of demand for the services provided. In order to save costs, the conversion of the TFO in Havana into a CARICOM institution, as well as the expansion of the Caribbean Export office in Santo Domingo to also include market entry facilitation services should be considered. As a second best option, it would also be helpful if embassies of CARICOM Members would provide market entry facilitation support; this is currently not the case for all CARICOM Members.

Trade support institutions in BTA partner countries

Bilateral chambers of commerce or similar organisations currently do not exist but would greatly facilitate the exchange of information, and availability of support during market entry. To a limited extent, offices of BTA partners in Trinidad and Tobago (Costa Rica's PROCOMER, Colombia's Proexport) also provide assistance in exporting. The Costa Rica Chamber of Importers (CREXEC) also provides support in coping with the import administration as well as advocates with the Costa Rican government to keep administrative burden upon import as low as possible.

While these institutions provide some assistance, it is not their mandate to facilitate market entry for CARICOM companies. Therefore, CARICOM would need to develop its own assistance network in BTA partner countries to facilitate market entry.

3.2.3 Summary and conclusions

Although most CARICOM countries provide some type of export promotion support, this in most cases is neither focused on BTA partner market nor considered to be sufficient in scope. At the same time, the level of support provided by different CARICOM Members varies widely, thereby contributing to further divergence in export performance across CARICOM.

The effect of market entry facilitation support provided by CARICOM Members is quite similar, although this is, overall much less developed – except Barbados and Trinidad and Tobago no CARICOM country provides structured assistance of this type, and even for those two countries it is limited to some of the BTA partners.

Potential remedy: In order to address these shortcomings, a regionalisation of export promotion and market entry facilitation support bodies should be considered. With regard to market intelligence services, at a minimum closer coordination and better exchange/wider distribution of market information and analyses for CARICOM exporters would be desirable. With regard to export facilitation services, the establishment of an office in each of the BTA partners should be considered.

3.3 Supply side constraints

A substantial number of stakeholders in all CARICOM Members (with the possible exception of Trinidad and Tobago) stated that business interest in exporting to BTA partner countries was limited, at least among the vast majority of producers. Obviously, if there is limited interest in exporting to the BTA partners, a low level of exports, as observed both in the 2010 CARICOM study and in the present study, is the consequence – but is not necessarily a problem. It becomes a problem only if the lack of interest in these markets is an involuntary situation in which companies are not interested because they know that they won't be able to export. This requires a further analysis of the underlying reasons for the lack of interest in exporting to BTA partners; this section attempts to do just that, and lists and analyses the most important reasons given by stakeholders.¹⁹

3.3.1 Lack of awareness, language and cultural issues

While companies acknowledge that Latin America (including the five BTA partner countries) is a market of the future, few are aware of the actual market potential or the agreements, and many have general concerns regarding the business culture and language issues. In addition, stakeholders in each CARICOM country stated that businesses were generally risk-averse.

Risk adversity

Many businesses are risk averse and content with serving the domestic and known traditional export markets. They therefore have no offensive interest to start exporting, or diversifying exports to new destinations, such as the BTA partner markets. It also follows that they have primarily a defensive interest, i.e. are worried about stronger competition coming from imports facilitated by the BTAs.

Business culture in CARICOM and BTA partner countries

Two different types of business cultural issues prevent a stronger interest by CARICOM exporters to consider exporting to BTA partner markets: differences in the business cultures between CARICOM and the BTA partners, and the competitive business culture in (most) CARICOM economies.

With regard to the former, CARICOM stakeholders consider the business culture in the Spanish speaking partner countries to be very different from the one in CARICOM, creating lack of trust and an initial barrier to engage with each other. Many CARICOM businesses are reluctant to even consider BTA partners as potentially interesting markets. Conversely, the businesses in BTA partner countries often see CARICOM countries as a market for their products but not as a supplier for their own domestic markets. In other words, there is very limited awareness in the BTA partners for CARICOM as a producer of goods. One example was mentioned by companies in St. Lucia that participated in an export mission to the Dominican Republic

¹⁹ Obviously, the focus of the present study is not to provide a full inventory of supply side constraints, in particular because these would affect not only CARICOM's trade performances under the BTAs but CARICOM's overall trade performance. However, a summary description of these factors is not only justified but necessary in order to understand the problems that CARICOM Members have in exporting to the BTA partners. For a more in-depth treatment of supply side capacities of the OECS countries (focussing on intra CARICOM trade but being no less applicable to trade with the BTA partners), see Owen S. Arthur and Consortium (2010); for Belize, see Belize Chamber of Commerce & Industry (2012); for CARICOM in general, see CARICOM Secretariat (2010a, 2013).

organised by Caribbean Export – it found that the Dominican Republic companies met there were primarily interested in exporting their products rather than importing from CARICOM.

Potential remedy: Increased business contacts, e.g. through the establishment of the joint business councils foreseen under the BTAs, would help increase mutual knowledge of the Parties' business cultures and clarify interests and perceptions.

Perhaps even more importantly, the business culture in most CARICOM countries is not prone to collaboration – this was stressed by stakeholders in all CARICOM countries except Belize. However, such collaboration would be essential to overcome most of the barriers which exporters face, such as resource constraints, limited production capacity and small volume production, etc.

Language issues

Language barriers were reported to be an issue in particular in the agriculture sector, where many producers (small farmers) are less educated. Also, language constitutes a barrier where technical issues play an important role for exports (such as when discussing product specifications; an example mentioned were wood species, where common names differ between Spanish speaking countries, thereby creating confusion and misunderstandings about specific products being traded). However, many exporters that do business in BTA partner markets have found that business people in Latin America typically do speak sufficient English to do business. Language problems thus are more an issue of perception by Caribbean firms that do not have any business experience. They can thus constitute an important barrier for companies to even think about exporting to BTA partner countries, but once overcome their role as an obstacle to engaging in exports is limited.

Potential remedy: In response to this issue, it might help to raise awareness among potential exporters about the fact that business can be done in English; exchange of experience between exporters to BTA partners (and other Latin American countries) and other companies should be facilitated. In addition, support facilities to cope with language issues would be required (exportIT has such support facilities in place). For example, export promotion bodies could prepare lists of technical terms and make them available to exporters.

3.3.2 Lack of cost competitiveness

Generally, high cost structures and therefore limited cost competitiveness were mentioned by stakeholders in most CARICOM countries (and BTA partners) as disincentives for CARICOM exports to BTA partners, as well as CARICOM exports in general. While there was consensus that this was in large part due to the small production volumes – affecting in particular most LDCs²⁰ but also Guyana and Suriname and, to a lesser extent, Barbados – specific cost factors were also mentioned.

²⁰ There are exceptions. For example, St. Kitts and Nevis is confident that if there are market opportunities for the products produced in the Federation, they will be exported: Over the last ten years, St. Kitts and Nevis has successfully exported manufactured goods (light manufacturing, electronic products) to the US.

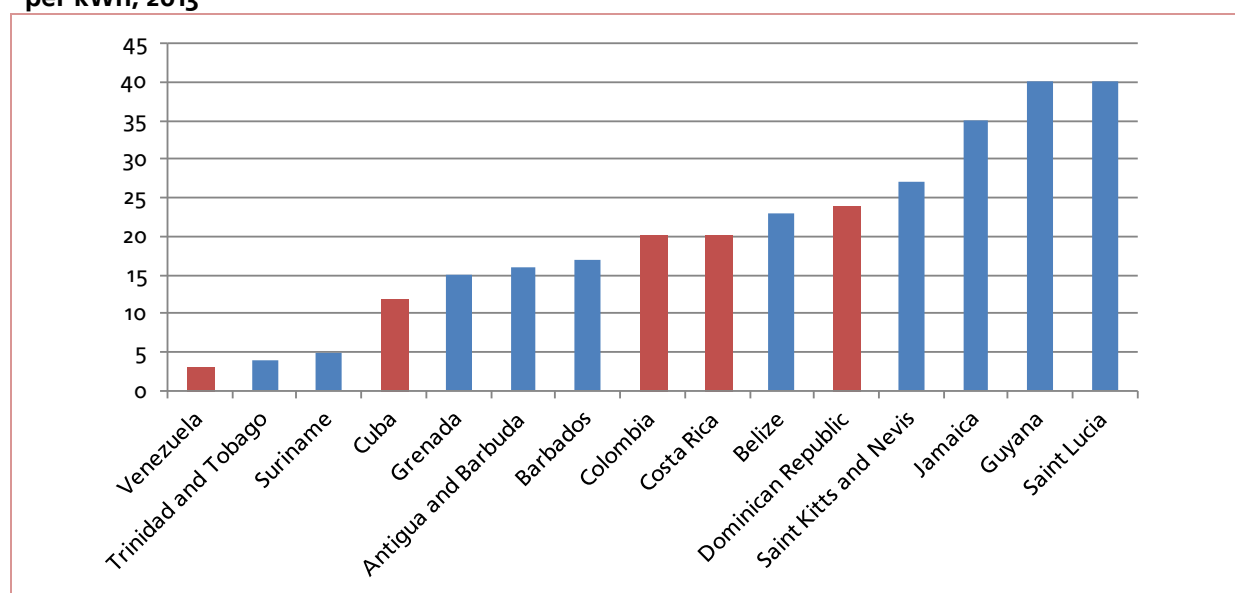
Labour costs

Comparative statistical data about labour costs are not available for CARICOM and BTA partner countries. According to information provided by stakeholders, labour costs in most CARICOM Members are high when compared to BTA partner countries.

Cost of energy

Cost of energy is high in some CARICOM Members, particularly in Guyana, Jamaica and some OECS countries (Figure 12). However, the problem is not so much the cost difference between the CARICOM Members and the partners – with the exception of Venezuela, BTA partner electricity rates are about 20-25 US cents/kWh – but among CARICOM Members, specifically in relation to Trinidad and Tobago (and Suriname). With electricity costs in some CARICOM countries being about ten times as high, these can hardly compete on BTA partner markets with producers from Trinidad and Tobago, and certainly not in energy intensive sectors. In other words, while electricity rates are part of the explanation for the difference in export performance between Trinidad and Tobago and other CARICOM countries, they cannot explain the overall low level of exports from CARICOM to BTA partners.

Figure 12: CARICOM and BTA partner countries: Cost of electricity for industrial users, US cents per kWh, 2013



Note: Data for St. Kitts and Nevis are tariffs introduced in 2011. Conversion into US cents based on exchange rate in December 2013

Source: Compiled by the author based on rate information provided by national regulators/utilities.

Cost of transport

The high cost of transport to BTA partners was mentioned by stakeholders in each and every CARICOM Member as a disincentive to exporting to these markets. Examples mentioned include:

- Exporters of wood in Guyana stated that transport costs (for wood and wood products) to China and India were cheaper than to BTA partners. Given the high share transport costs in relation to the cost of the product, there are thus no real reasons to export to the BTA partners – however, considerations are being made to export wood also to Venezuela, by benefitting from the rice shipments under PetroCaribe.

- Exports of gravel from Dominica to Colombia were replaced by exports from Japan after the 2008 global crisis and the reduction in transport costs from Japan to Colombia – a shipment of 30kt from Japan costing the same as a shipment of 7kt from Dominica.
- A Dominican producer of soap was affected twice by high transportation costs and logistics issues (need to ship via the United States): firstly, it imported most raw materials, and secondly, exports to BTA partners were affected by the same problems. Production was stopped.
- Transport costs from Belize to BTA partners are roughly 50% higher than from the United States.

An additional hidden transport cost results from the low level of exports of most CARICOM Members. For example, according to stakeholder estimates, outgoing ships leave Suriname 50% empty. For OECS countries, the ratio of exports to imports is even lower, ranging from 1 : 4 to 1 : 10 (GOPA Consultants 2010: 4).

In sum, therefore, the high cost of transport does not only affect ongoing trade but factors into an entrepreneur's strategic decisions regarding which markets to target. While the cost of transport has decreased over the past decade (see GOPA Consultants 2010), the cost for CARICOM exporters to export to BTA partners relative to other destinations, as well as compared to other exporters is still high.

Depreciation of BTA Partner Currencies

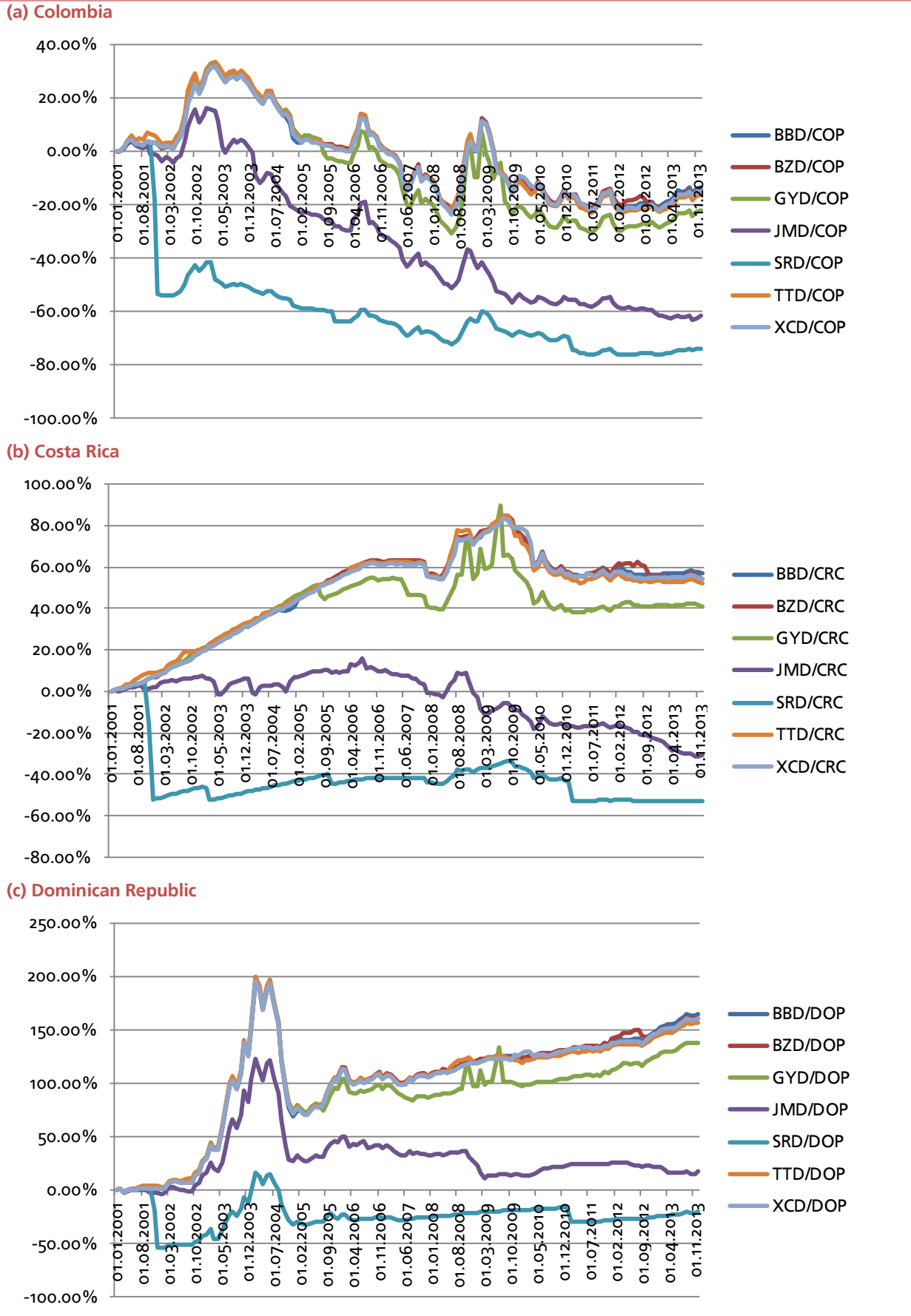
Several stakeholders stated that the fact of the Eastern Caribbean Dollar (XCD) and other Caribbean currencies being pegged to the US dollar helps exports to the United States (because it eliminates exchange rate risks) but discourages exports to BTA partner countries, as the XCD has appreciated in relation to them over time. Indeed, the nominal exchange rates of the XCD as well as all other CARICOM currencies except for the Jamaican Dollar (JMD) and the Suriname Dollar (SRD) substantially appreciated since 2001 in relation to the Dominican Republican Peso (DOP), and in relation to the Costa Rican Colón (CRC) between 2001 and 2006 (Figure 13). Thereby, export competitiveness of most CARICOM countries has eroded – provided that productivity has not increased more than in the BTA partner countries to offset the appreciation; this was confirmed by stakeholders in the consultations.

However, exchange rates cannot explain why e.g. CARICOM's export performance was similar in relation to exports to Colombia and the Dominican Republic despite the completely different development of exchange rates; nor can they explain why Trinidad and Tobago performed relatively well, despite the sharp appreciation, while Jamaica did not, although the JMD depreciated against the Colombian Peso (COP) and, since 2005/2006, the CRC and the DOP. Overall, therefore, the role of exchange rate appreciation as an explanation for CARICOM's trade performance is limited. Even exchange rate fluctuations, which are associated with higher risks for exporters, have been limited in the past four years.

3.3.3 Lack of exportable products

A fundamental obstacle to exports to BTA partners highlighted by many stakeholders in most CARICOM countries was that “we have nothing to export there”. A number of factors were mentioned which contribute to the limited availability of exportables to BTA partner countries. These can be grouped into two: product characteristics and production characteristics.

Figure 13: CARICOM–selected BTA partner nominal exchange rates – Changes since January 2001



Source: www.oanda.com/currency/historical-rates/

Issues related to the products produced in CARICOM

The first issue in relation to the goods produced by CARICOM firms is **lack of product complementarity**: since the economic sector structures of CARICOM and BTA partner countries are similar, similar goods are produced, and there is little to trade. Also, since most products are agriculture-based, little intra-industry trade can be expected. For example, in the context of the PetroCaribe agreement the Government of Suriname attempted to identify products suitable for export to Venezuela but couldn't – some of those products which Venezuela would have wanted to import (e.g. black beans) are not produced in Suriname, while others, which are produced in Suriname (e.g. shrimps) were competing with Venezuelan production.

Secondly, at least for some goods – primarily consumer goods – **consumer preferences in BTA partner markets** are different from CARICOM, and hence CARICOM exporters would find it difficult to find a market. An example mentioned were producers of condiments and sauces.

Finally, the **low quality of goods produced** by many CARICOM companies was mentioned. Improving product quality to achieve exportable quality standards would require sizeable investments which domestic firms could not afford (and would not engage in given the risks involved; see below), so (foreign) investors would be needed.

Issues related to production

Obstacles for exports to BTA partners related to production primarily relate to the prevailing low volume production patterns and **problems in consistently supplying over time**: as a result of low production capacities, CARICOM exporters cannot easily supply new markets as they first and foremost serve their domestic and traditional export clients. Expanding output would often require major investments in production capacity, which many companies are both unwilling (given the risk in entering new and unknown markets) and unable to do (given the difficulties in accessing finance to fund such investments).

In response to the low volume production problem, some producers focus on high quality production. For example, Belize's production pattern is on high quality but low output. However, this is not suitable for all markets and has particularly faced problems in some BTA partner markets. E.g. Venezuela (under PetroCaribe) would require exports of volumes higher than can be produced by Belize at present. Therefore, the high quality production market niche prevents market entry into some markets, and realistically these would not constitute feasible export markets for many CARICOM firms.

Potential remedies: A comprehensive solution to the low volume production problem would be the creation of truly regional production patterns and regional value chains. However, this is a very complex task and despite having been on the policy agenda for many years, implementation has been difficult.

At the firm level, expanding output will require major investments in production capacity, which in turn will require foreign investors (and more domestic resource mobilisation) and lower cost of capital.

One particular issue in relation to the organisation of production and exports stems from the fact that many CARICOM firms which are engaged in exports are foreign owned, which determines their supply chain and export markets. One example is electronics companies in St. Kitts and Nevis, which are US-owned and accordingly import materials from the United States, assemble

goods and re-export to the United States. Likewise, the brewery is owned by investors from Trinidad and Tobago, with the head office being in charge of managing the Kittitian brewery's exports, and determining the export markets. These trade patterns minimize uncertainties and risks but would seem difficult to replicate with BTA partners.

In general terms, the absence of local (or regional) value chains also hampers export capacity of CARICOM countries: virtually all inputs are from outside the region imported, thereby increasing production costs and causing export products to be affected twice by transport issues. As a result, most production is for the domestic market.

3-3.4 Transport issues

As mentioned above (section 3.1.6.1), transport issues constitute obstacles to ongoing trade. However, they also act as a disincentive for CARICOM producers to even start exporting to BTA partners. In addition to the cost of transport (discussed above), the limited availability and quality of suitable transportation services to BTA partner markets also act as disincentives against exporting there. As mentioned before, key problems reported are:

- The lack of direct transportation links to the BTA partner countries. For example, exports from OECS countries to most BTA partners would have to be shipped via Miami. Seafreight normally takes two to four weeks to arrive, and arrival times are not guaranteed;
- Exports of perishable goods suffer from the lack of high-quality maritime transport infrastructure (vessels, containers, facilities in transit);
- Low volume exports are particularly affected by the limited availability and cost problems of transport;
- In terms of air transport, there are reasonably good connections only to/from Trinidad and Tobago (via Panama) but costly and only suitable for small cargo.

Against this background, exporters rather consider traditional markets with well established transport links (such as the United States or Europe) as export destinations when diversifying from intra-CARICOM exports. Without improvements in transport and logistics, exports from most CARICOM Members to the BTA partners are likely to remain very limited.

Potential remedy: One potential solution to improve transportation could be the creation of joint ventures for transport services. In fact, these are foreseen in the BTAs as trade facilitating measures but have so far not been acted upon further. Another option could be to develop intra-CARICOM joint ventures for transportation services. However, these may be difficult to come about given the considerable investment requirements and the limited financial capacity of most CARICOM Members. Nevertheless, various initiatives are already under way: For example, a common OECS shipping policy aims at a more efficient use of vessels in order to reduce transportation costs, and the OECS/ECCB is in the process of establishing a regional transport services provider which would act as a regional information clearing house or “virtual hub” to enhance capacity utilisation of regional shipping lines through better coordination of shipments. The company is expected to be operational in 2014. The Regional Aid for Trade Strategy 2013-2015 (CARICOM Secretariat 2013) also has included transport among the priorities. In sum, putting transport issues on the agenda of the BTAs is still considered a priority in order to discuss and address specific transportation issues between CARICOM and the partners.

3.3.5 Insufficient export supporting policies by Government

Private sector stakeholders in particular, but also some public sector stakeholders, stated that the supportive environment within some CARICOM Members to create exporters is insufficient, due to financial and human resources constraints in the public sector and support infrastructure. There are also generally limitations in trade policy vision and strategy, and experience sharing across CARICOM Members does not take place sufficiently. Stakeholders provided the following examples of policies which act as constraints for exports, among others:

- **Export taxes** on certain products such as round wood (now 17%) are supposedly levied to foster value addition in Guyana – but the revenues are mainly used to fund the operational costs of government bodies rather than to support businesses in adding value to primary products;
- In Belize, stakeholders complained that **tax policies have an anti-export bias**: taxation of raw materials (such as fertilisers, seeds, etc. – most of which are imported) as well as other aspects of the tax regime (such as upfront payment requirements) reduce competitiveness. In some sectors, such as rice, export disincentives (i.e. **export permit requirements**) due to the Government’s food security concerns impede exports;²¹
- In Suriname, the limitations in Government support to exports are mainly a result of the country’s current **trade orientation which is geared towards facilitating imports** in order to ensure supply, rather than facilitating exports;
- Several CARICOM Members have **no export strategy** in place, and certainly none which would focus on the BTA partner countries. However, without the Government’s explicit promotion of the BTA partner countries as export markets, the private sector will hardly consider them as (potential) markets. Nevertheless, in some countries it was stated that there is also a culture of mistrust between the Government and the private sector – so even if such a strategy was in place there would be no guarantee that exporters would be influenced by it;
- In Jamaica stakeholders stated that, not least as a result of earlier liberalisation policies, the domestic productive sector (both in agriculture and industry) has not developed. It was argued that Jamaica needed to expand domestic production of value added products based on the domestic resource base – a new National Industrial Strategy and Agricultural Policy are under preparation to this effect. Such policies would rather be centred on the domestic market, at least initially, and not be export oriented;
- In more general terms, there is a **lack of evidence based policy making and monitoring of policy implementation**: policies and strategies often follow a piecemeal approach rather than being structured and coherent;

Finally, in view of the already limited Government support to exports within some CARICOM Members, the findings of oil (e.g. in Belize and Suriname) entail an important impact on the economy overall, and there is a risk of a further decline of competitiveness of non-oil sectors.

Conversely, at least some BTA partners countries, including Colombia, the Dominican Republic and Costa Rica, have explicit strategies for exporting to CARICOM (see Box 6)

²¹ Note that while public sector representatives in Belize stated that the domestic price is higher than the price on export markets, and there is therefore no interest by producers to export, private sector representatives said that the domestic price was lower than production costs (and world market prices), and production would only continue because of the possibility of informal exports through the porous borders.

Box 6: Costa Rica's strategy for exporting to CARICOM

Costa Rican exports to CARICOM, in particular to Trinidad and Tobago, have increased in absolute terms since the FTA was signed in 2004, but have remained low as a share of Costa Rica's overall exports, at 1.2%. The number of Costa Rican companies exporting to CARICOM was roughly stable over a number of years, at around 250 to 280, but in 2012 was only 113. In line with this, exports to Jamaica have dropped substantially.

The increase in the absolute level of exports is not seen as a result of the provisions in the Agreement²², but rather of the increased priority that the Government and export support institution of Costa Rica, PROCOMER, has placed on CARICOM, which is now considered as an important target market. This view of CARICOM as a target market also applies to the CARICOM LDCs, in particular because of their tourism sectors. CARICOM is seen as an important market in particular for Costa Rican SMEs – particularly in agriculture and food-processing – which would lack the capacity to export e.g. to the United States, and in terms of Costa Rica's efforts to diversify the export portfolio.

In terms of export market diversification, companies would typically graduate from producing for the domestic market and enter exporting to Central America, then the Dominican Republic, and then CARICOM. To assist them, PROCOMER has offices in the Dominican Republic and Trinidad and Tobago. It has also prepared market and logistics studies aiming to support exporters to the CARICOM markets – all of these studies are posted on the website (www.procomer.com) and are freely accessible.

3.3.6 Market diversification cost-benefit calculations

When considering potential market entry into a BTA partner country, CARICOM companies weigh the expected profits of exporting against the costs and risks of doing so. In this cost-benefit calculation, a number of factors were mentioned which weigh heavily on the cost/risk side of the argument and therefore result in a generally high level of scepticism against exporting to BTA partner countries:

- **High domestic demand and prices:** at least for some sectors in some CARICOM Members (e.g. wood/plywood/construction materials in Suriname, see Box 7) domestic demand and domestic prices are high, which serves as a disincentive to exports – especially for products for which transport costs constitute a high share of the cost (in the case of wood about 40%);
- **High level of competition in BTA partner countries:** in addition to being larger markets with stronger domestic competition, most BTA partners are also in regional FTAs, a fact which further enlarges the markets and competition on the markets. This makes market entry by CARICOM exporters even more difficult. For example, the brewery in St. Lucia (that already exports to CARICOM members) and a producer of spices and sauces there considered entering the market of Venezuela. However, the price level in Venezuela was considered too low to compete. Similar examples were mentioned for the other BTA partners except Cuba;

Box 7: Disincentives against market diversification – wood from Suriname

The wood sector in Suriname faces high domestic demand and prices which function as a disincentive for trade. In addition, wood exporters in Suriname are typically (partly) foreign owned by companies of the destination markets, primarily China and Malaysia, and operate saw mills in Suriname in order to avoid export taxes on round wood (no export taxes are levied on sawn wood). In addition, complementarity with BTA partners is lacking – e.g. Costa Rica and Colombia have their own supply of wood. On top of that, Suriname cannot supply high volumes of single species which are typically demanded by importers from BTA partners.

- In many cases, **established markets still offer scope for export expansion** (e.g. exports of wood from Suriname to China), while new markets other than those covered by the BTAs (such as Brazil) appear to offer more promising opportunities for the future than the BTA partners.

²² For example, almost 50% of exports are from free zones, which are not covered by the Agreement.

- **Increasingly strict standards** applied by Latin American markets: while in the past, Latin American markets (incl. BTA partners) were less demanding in terms of standards requirements, these are becoming increasingly strict, as standards in line with the EU or the United States are being applied. Meeting these standards requires sizeable investments which many CARICOM producers are not willing to make.²³ In addition, the application of standards by import administrations in the United States or the EU is more transparent and predictable. This makes Latin American markets increasingly less appealing compared to the EU or the United States;
- With respect to Cuba and Venezuela, the **perception by the CARICOM business community** of these countries as controlled economies makes them less interesting as export markets;
- **Labelling requirements:** Adjusting labels to BTA partner requirements is costly (translation, design and printing), in particular as labelling requirements across the five BTA partners vary;
- The vast majority of companies in CARICOM are small and, even if exporting already, have a **limited capacity to diversify**: managing exports to several markets requires resources which many SMEs do not have. They therefore concentrate on the existing few traditional export markets – CARICOM (and Caribbean), the EU, the United States, Canada – while BTA partner countries are not interesting markets for the most part;
- **Exchange rate fluctuations** against currencies of BTA partner countries create an additional risk for exporters which they do not face in trade with other CARICOM members or the United States. Although such fluctuations have been limited in the recent past (see section 3.3.2) they are still considered as a risk by producers.

3.3.7 Summary and conclusions

This section has sought to compile the various supply side constraints that mitigate against CARICOM exports to BTA partners. The core problems are the smallness of most CARICOM companies, exacerbated by the absence of local or regional value chains, and the established market and trade patterns which favour exports to traditional markets. The absence of local value chains and clusters also means that successful export performance of individual companies do not spill over to other firms, making it difficult to replicate successes.

Given the various constraints listed in this section, most CARICOM companies have a limited willingness to invest in production expansion and production upgrades which would be required to diversify into further markets beyond the established ones. Joint ventures and strategic alliances between manufacturers both intra-CARICOM and CARICOM-BTA partner would greatly enhance the capacity to supply larger markets. So far, such strategic alliances have not been created, partly as a result of the competitive, rather than collaborative, business culture in CARICOM countries. While the BTAs, at varying levels of detail, foresee cooperation towards joint investments, or facilitating investments, the corresponding provisions have not been followed up so far.

In view of the limitations listed in this section, entry into the BTA partner markets will for most CARICOM Members' companies generally be feasible only in niche markets. CARICOM Governments could assist by helping identify such niche markets as well as providing more information about the BTA partner markets in general. Furthermore, in order to ensure spill-overs and replicability of success, a sector or cluster approach should be used.

²³ However, some – primarily larger – producers do undertake the necessary investment. For example, in Trinidad and Tobago 19 manufacturers are currently being audited under the US Food Safety Modernisation Act.

At least in some CARICOM countries, a proposal made by stakeholders in Jamaica might also be helpful: It was recommended that the Government should assume a more active role in guiding the private sector, e.g. by organising high level meetings with business leaders and demanding more exports from the private sector. This should come as part of a general shift from designing policies to implementing policies.

3.4 Issues related to the BTAs

Finally, a number of factors explaining CARICOM's trade performance under the BTAs rest within the agreements themselves. These are discussed in this section, distinguishing between the level of application of the BTAs (section 3.4.1), the substantive provisions of the agreements (section 3.4.2) and implementation issues (section 3.4.3).

3.4.1 Ratification and use of the BTAs

Regarding the application of the BTAs, one has to distinguish between the formal aspects, i.e. the ratification or administrative application by the Parties, and the actual use or “practical application” of the BTAs by the traders.

3.4.1.1 *Formal application*

As mentioned above, the BTAs were signed between 1992 and 2004. However, the entry into force of the agreements was subject, as is normal with international treaties, to “the completion of all internal legal procedures” by each of the parties, i.e. ratification. Pending ratification, parties may administratively apply the provisions of an agreement.

As turned out during the consultations, BTAs have not yet been ratified by all CARICOM Members; in fact, the status of ratification appears to be rather limited still. Table 7 attempts to provide an overview. However, **information about ratifications or the application status of the agreements by the various parties is very hard to come by**. While the author of this study resorted to various sources in doing so, the high number of question marks in the table shows that information about the status of BTAs is clearly insufficient. This is a major deficiency and should be corrected as a matter of urgency: it is inconceivable for trader to operate under a trade agreement if it is not known whether or not the agreement is actually being applied.

Likewise, knowledge about the ratification status by the other Party must be ensured, as the application of the agreement rests on the principle of reciprocity. In this regard, the Government of **Costa Rica** stated that it would apply the FTA only with respect to Barbados, Belize, Guyana and Trinidad and Tobago, the only four CARICOM Members which to their knowledge had ratified the Agreement (which differs from the information obtained by the CARICOM Secretariat, according to which at least a fifth CARICOM Member, Dominica, had ratified the Agreement). Furthermore, with respect to the status of the FTA's application by Jamaica, the Government of Costa Rica stated: “As for the administrative application of the treaty by Jamaica, we had no knowledge of this issue and have not received an official notification to this effect by the authorities of that country. In the case of Costa Rica, we cannot grant tariff preferences before the treaty enter into force.” There would thus seem to exist a serious lack of communication between the Parties, with major implication for Jamaican exporters, i.e. the non-application of the Agreement's provisions on imports from Jamaica in Costa Rica.

Table 7: Ratification and formal application status of BTAs

	Venezuela	Colombia	Dominican Republic	Cuba	Costa Rica
Date of signature	13 Oct 1992	24 Jul 1994 (Agreement); 21 May 1998 (Protocol)	22 Aug 1998 (Agreement) 2000 (Protocol)	05 Jul 2000	09 Mar 2004
Date of ratification by partner country	?	30 Dec 1994 (Agreement); 28 May 1998 (Protocol)	?	2006	2005
Date of ratification / administrative application: CARICOM					
Antigua and Barbuda	?	?	?	17 Feb 2005 (Ratification)	?
Barbados	Apr 2006 (Ratification)	Before Feb 2002 (Admin. Application)	Apr 2006 (Ratification)	Apr 2006 (Ratification)	6 Apr 2006 (Ratification)
Belize	?	?	?	6 Sep 2002 (Ratification)	25 Oct 2010 (Ratification)
Dominica	?	?	?	?	22 Dec 2008 (Ratification)
Grenada	?	?	?	?	?
Guyana	01 Jan 1993 (entry into force)	25 May 2002 (Ratification)	19 Mar 2004 (Ratification)	22 Feb 2003 (Ratification)	21 Sep 2005 (Ratification)
Jamaica	13 Oct 1992 (Admin. application through waiver)	01 Jun 1998 (Admin. application)	2001 (Admin. application through waiver) Ratification expected early 2014	05 Jul 2000 (Admin. application through waiver) Ratification expected early 2014	09 Mar 2004 (Admin. application through waiver) Ratification expected early 2014
Montserrat	?	?	?	?	Not a Party
St. Kitts and Nevis	?	?	15 May 2001 (Ratification)	14 Aug 2002 (Ratification)	?
St. Lucia	?	?	?	16 Aug 2004 (Ratification)	?
St. Vincent and the Grenadines	?	?	?	Dec 2002 (necessary measures taken to give effect to the Agreement)	?
Suriname	Not a Party	Not a Party	21 Mar 2005 (Ratification)	21 Mar 2005 (Ratification)	Not ratified.
Trinidad and Tobago	?	Before Feb 2002 (Admin. Application)	12 Oct 2001 (Ratification)	11 Apr 2006 (Ratification)	15 Nov 2005 (Ratification)

Sources: Information provided by CARICOM Secretariat; Joint Council meeting minutes; author's consultations.

Regarding the BTA with **Cuba**, according the Cuban Government stated that only four CARICOM countries have ratified the BTA, or are in the process of doing so: Barbados, Guyana, Trinidad and Tobago, and Jamaica being in the process (again information recorded by the CARICOM Secretariat differs; see Table 7). Other CARICOM members, according to the perception of the Cuban side, seem to have only limited interest in the Agreement. This substantially limits the potential benefits which the BTA can have, in particular as Cuba only applies the Agreement based on the principle of reciprocity. With regard to Jamaica's ratification process, Cuban stakeholders had the following issues: First, it was stated that Jamaica was reconsidering to exclude certain products which are included in the agreement (including furniture and ice cream) – an issue that is being discussed bilaterally but not yet resolved. Second, the ratification process in Jamaica was taking too long (since 2006), and Cuba was not adequately informed of progress; therefore the whole ratification process was felt to lack transparency. Since

the latest notification from Jamaica dating from early 2013, when ratification had been approved by Cabinet, there was no update. What is more, almost the same letter had been sent a year before.

For some CARICOM Members there may be good reasons against having BTAs in place with the partner countries. For example, in Suriname, given the low level of trade with most BTA partners, the Government has no priority to ratify the BTAs which it does not already apply but rather looks towards Brazil, with which it has signed a partial scope agreement, particularly related to the export of rice to Brazil. However, lack of export interest as a determinant for not ratifying a previously negotiated and signed agreement does not amount to a transparent policy – such considerations should be made during the negotiation process, although it is acknowledged that Suriname was not part of the negotiations of the BTAs with Venezuela and Colombia, and therefore these constitute a special case.

With regard to the CARICOM LDCs, in view of the fact that they receive non-reciprocal preferential access to BTA partner markets, it is difficult to understand why they don't ratify, thereby withholding the preferential access from their potential exporters to these markets. An exception could be the LDCs' ratification of the FTAs with Costa Rica and the Dominican Republic, which would have farther reaching consequences (see Box 8 and Box 9).

Box 8: Implication of CARICOM LDC Ratification of the FTA with Costa Rica

Article 04.4 in Annex III.04.2 of the CARICOM-Costa Rica FTA specifies that "should any of the LDC members of CARICOM grant preferential treatment to originating goods from a country not Party to this Agreement, such treatment shall be granted immediately to Costa Rica." It would seem that the EPA would therefore trigger preferential treatment of imports from Costa Rica into any CARICOM LDC that has ratified the FTA at the same level as imports from the EU.

Box 9: Relations between the FTA with the Dominican Republic and the EPA

Regarding the relations between the FTA with the Dominican Republic and the EPA, Article 238 (the regional preference clause) specifies that "Any more favourable treatment and advantage that may be granted under this Agreement by any Signatory CARIFORUM State to the EC Party shall also be enjoyed by each Signatory CARIFORUM State." This means that CARICOM LDCs would have to provide the same treatment to exporters from the Dominican Republic as to exporters from the EU.²⁴

During consultations, the Government of the Dominican Republic has stated the following:

- The FTA is complemented by the regional preference clause (Article 238) of the EPA which is understood to apply by default, i.e. does not require the establishment of new institutional mechanisms;
- The FTA and EPA both have merits in their own right and complement each other. For exporters, they offer the opportunity of choosing to export under whichever agreement offers better terms for them. Also, they have different focuses which justifies the continued implementation of both treaties.

At the same time, the EPA has not yet been ratified by all CARIFORUM members. At the end of 2013 seven (7) CARIFORUM members had ratified the EPA: Antigua and Barbuda, Belize, Dominica, the Dominican Republic, Guyana, Saint Lucia, and St. Vincent and the Grenadines.²⁵ However, the remaining CARICOM Members provisionally apply the EPA.

Overall, it is recommended that CARICOM Members ratify signed agreements as quickly as possible, unless there are specific and good reasons for not doing so. As a matter of principle, reservations against agreements should be discussed and sorted out during the negotiations rather

²⁴ Legal examinations of Article 238 suggest that "as matters stand Article 238 is legally valid, broad in scope and trumps prior international instruments concluded between the Parties on the same subject matter. However, there may be difficulties in its enforcement. As a matter of defence, it is not advisable for Caricom States to rely on such difficulties" (Haraksingh 2009). Also see Despradel (2009) and Antoine (2009).

²⁵ See <http://www.consilium.europa.eu/policies/agreements/search-the-agreements-database?command=details&lang=en&aid=2008034&doclang=EN> (accessed on 23 January 2014).

than after the signing of agreements (also see section 3.4.2.5 in this regard). Likewise, there is a clear case for better information about the status of agreements to traders, and for better communication between CARICOM and the BTA partners with regard to the application of agreements.

3.4.1.2 Practical application of BTAs

An indicator for the practical application of BTAs, respectively their use by traders, is the number of certificates of origin issued by CARICOM Member's designated authorities. Unfortunately, only anecdotal information could be obtained in some countries. For example, the National Board of Trade in Jamaica, which is in charge of issuing certificates of origin, reported that virtually no certificates under the BTAs have been requested. In Suriname, the Chamber of Commerce issues certificates of origin and stated that the number of certificates handed out was minimal (only some related to exports to Colombia²⁶ and Cuba), meaning that **most exports actually take place under MFN treatment rather than under the BTA rules, even when exports might be covered by the agreement.** For example, based on available trade statistics (UN COMTRADE), most of Suriname's exports to Cuba and the Dominican Republic are covered by the agreements. Similar information was obtained in some of the OECS countries.

The reasons for the limited use of the BTA provisions could not conclusively be established. However, the following factors are likely to play a role:

- CARICOM exports are mostly traded on an FOB basis and hence exporters are not aware of/concerned about requirements upon import, and it is the importer who pays the duty. While that may be true it still puts CARICOM exporters at a competitive disadvantage compared to other exporters, as sales prices could be reduced by the amount of the duty that importers pay without the certificate origin, thereby likely increasing export volumes at the same unit price;
- Where MFN duties are low, obtaining a certificate of origin is not worthwhile given the administrative/compliance costs. Recent research has shown that the cost of complying with ROO is in the range of 2-6% ad valorem, so for MFN duties of up to around 6% it makes little sense for exporters to export under BTA rules. However, it was noted by stakeholders that compliance costs occur primarily when the certificate is requested for the first time, while for subsequent shipments it is considered as part of the normal export procedure and more of a formality);
- Awareness of the BTAs among businesses in many CARICOM Members is virtually non-existent: a number of companies met heard of the BTAs for the first time when invited to the consultation – this also has to be seen in relation with the lack of information available about the actual status of application of the agreements discussed in the previous section. Obviously, if exporters are not aware of the agreements they will not ask for certificates of origin. Some private sector representatives also stated that information about the rules applied in the BTAs was lacking.

3.4.2 Substance of the BTAs

A number of substantive provisions of the BTAs were identified as obstacles for CARICOM exports to the partner countries. These include the coverage of goods, the concept and use of seasonal tariffs, and the overall scope of the agreements. However, one point to keep in mind in

²⁶ Note that the issuance of a certificate of origin for exports to Colombia is at odds with the fact that Suriname is not a party to the CARICOM-Colombia BTA.

relation to these issues is that interests across CARICOM Members vary widely, and hence the offensive interests of one Member might conflict with the defensive interests of another Member. This section discusses the main arguments made by stakeholders.

3.4.2.1 Product coverage of BTAs

A number of stakeholders stated that the coverage of goods of the various agreements was insufficient. Individual CARICOM Members referred to certain products in which they have an export interest but which are excluded from the agreements. The comments made included the following ones.

Coverage of BTA with Colombia

In Guyana, it was stated that the limited coverage of the BTA with Colombia implies that many potential export products of Guyana are not competitive on the Colombian market. Likewise, Dominica's total costs of producing and exporting gravel to Colombia are approximately 10-12% higher compared to Japan's. If gravel was included in the BTA the 5% MFN import duty in Colombia would not be applicable, and there might be a chance for Dominica to export gravel. And in Trinidad and Tobago stakeholders stated that certain products which would be of interest to exporters are excluded from the BTA, such as low carbon wire rod. An expansion of the product list was requested by companies but has never been achieved (not least, due to the lack of institutional arrangements under the BTAs, but also the lack of consensus among CARICOM members).

Coverage of FTAs with Costa Rica and Dominican Republic

Regarding the FTAs with Costa Rica and the Dominican Republic, a specific comment made was that the exclusion of fish puts Guyana's exports at a price disadvantage of 20% (import duty level) vis-à-vis US producers (which benefit from the US-CAFTA-DR FTA) and makes Guyana's product uncompetitive. Inclusion of fish in the FTA would change the situation. Similarly, glass bottles are excluded from the FTA and are subject to 14% import duty, while US imports are duty-free; this puts exporters from Trinidad and Tobago at a competitive disadvantage. Also, based on information provided during the consultations in Belize, Frozen Concentrate of Orange Juice (FCOJ) was originally included in the scope of the FTA. However, following a complaint by producers from the Dominican Republic it was excluded, and imports from Belize are now subjected to a 20% import duty which has resulted in the complete elimination of exports, as US competitors' FCOJ is imported at 10% duty under the US-CAFTA-DR.²⁷

Coverage of BTAs in general

In several CARICOM Members, including Belize, Grenada and Jamaica, it was stated that HS Chapters 01-09, which cover fresh agricultural produce, are largely excluded from the BTAs (or included under tight restrictions such as seasonal tariffs; see below), thereby preventing agricultural producers in CARICOM from exporting under preferential conditions. At the same

²⁷ Note, however that according to the text of the BTA (Attachment II to the Implementing Protocol), "Ex 20.09 – Orange, grapefruit and lime juices" are subjected to MFN treatment. So FCOJ seems to have been excluded from the scope of the agreement since the beginning. However, in line with the US-CAFTA-DR FTA, the Dominican Republic's import duties on FCOJ are to be "removed in 15 equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year 15", which puts Belize's exporters at a yearly increasing disadvantage compared to US exporters. The entry into force for the Dominican Republic was 01 March 2007. Applicable import duties for FCOJ from the United States thus were 20% until 2006, 18.7% in 2007, 17.3% in 2008, ..., 12.0% in 2012, 10.7% in 2013, and will further decrease to reach 0% in 2021.

time, however, the exclusion of these products also protects domestic producers to a certain extent; no study has been undertaken to compare CARICOM Members' competitiveness in the agricultural sector with e.g. Costa Rica, and hence the overall effect of opening up is not clear.

Finally, a point made in Jamaica was that the negotiation of the BTAs did not correspond to an interest expressed by the private sector. Indeed, Jamaica's private sector rather has defensive interests. In this context, it was argued that CARICOM should request an extension of the list of excluded products under the FTA with the Dominican Republic. In this context, a general point made regarding the inclusion or not of specific products under the BTAs is that protectionist interests by individual CARICOM producers often lead to the exclusion of products; e.g. inclusion of juices as inputs for drinks was requested by Guyana but rejected by Trinidad & Tobago. Therefore, the BTAs' coverage often presents the lowest common denominator among CARICOM countries.

Potential remedy: There are various options to address the issue of insufficient coverage. The first, and most obvious, one is to bilaterally negotiate an expansion of the product scope with the BTA partner. In fact, most of the products mentioned above are already on the CARICOM list but have not yet been discussed at the Joint Councils.²⁸ An alternative option could be to lobby the respective BTA government, through local importers, to reduce the MFN duty. Thirdly, in some cases CARICOM exporters could try to change the product in such a way that they would either be included in the BTA or else benefit from less competition.

3.4.2.2 Seasonal tariffs

Seasonal tariffs for agricultural produce have various disadvantages: firstly, they reduce transparency and cost of compliance (requiring producers to know when which regime applies). Second, they limit exportability: typically, goods are subjected to MFN treatment when they are in season (with high seasons in the exporting and importing country normally being at the same time of the year) and thus the tariffs to be paid make the product uncompetitive on the importing market. Thirdly, in order to not lose market access, a continued presence on the export market is required according to stakeholders. This requires sufficient storage capacity – often lacking, and driving up prices –, sales at loss during those periods when MFN duties are in place, changes in production patterns to ensure year-round production where possible, and/or purchase of the product from other sources for resale.

There were conflicting views regarding the seasonal application of duties for agricultural goods. While there was consensus that these rules constituted a barrier for trade in agricultural goods (as they make trade more complicated and reduce transparency), some stakeholders were of the view that their abolition would primarily benefit BTA partners' exports to CARICOM, rather than vice versa. Therefore, before taking any action the effects of abolishing seasonal tariffs on agricultural producers in CARICOM would need to be studied.

²⁸ However, in the case of exports of FCOJ from Belize to the Dominican Republic, inclusion of the product on the list would not lead to the elimination of import duties for FCOJ from Belize: because FCOJ is primarily produced in EPZ, and products produced in EPZ are subjected to MFN treatment according to Article II of the Implementing Protocol. Hence, the Dominican Republic would also have to discontinue applying that Article (see Article II.2 of the Implementing Protocol).

3.4.2.3 Rules of origin

Concerns were raised by stakeholders in some CARICOM Members that the agreements (particularly those with Costa Rica and the Dominican Republic) could be used to channel US and other imports into CARICOM Markets free of duty, through re-exports – despite established rules of origin and the need for exporters to provide certificates of origin. For example, some allegations were made that in the Dominican Republic Chinese imports were repackaged and exported to Jamaica as products originating in the Dominican Republic. However, under functioning ROO, such circumvention would not be possible as re-imports do not qualify as originating goods. Also, the BTAs establish instruments to deal with suspected circumvention cases through verifications of origin. However, some stakeholders questioned that the Jamaican authorities had the requisite skills and capacity to detect ROO fraud.

Potential remedy: Detection of rules of origin fraud is not only a matter of the customs authorities but also of the business community. Therefore, awareness for rules of origin violations could be built among importers and import-competing firms, so that they could formally complain about suspected infringements to the relevant authorities for follow-up. Whether or not the customs authorities have the required skills to detect ROO infringements would have to be assessed.

Concerns were also raised that investments from third countries (especially in Costa Rica and the Dominican Republic) would benefit from the agreements and could be used to export to CARICOM free of duty. If such investments were made in EPZs or SEZs, goods produced there would not benefit from the agreements as they specifically exclude them. However to the extent that such FDI from third countries were attracted by the FTAs into the customs territory of one of the Parties this would seem to be one of the benefits of the FTAs, and should not be a reason of concern. It should rather be the aim of CARICOM Members to attract such FDI.

3.4.2.4 Overall coverage of BTAs

Looking beyond trade in goods is beyond the mandate of this study. However, it is required in order to understand the full implications which the BTAs have or could have, and the way how other aspects of the BTAs could affect CARICOM Members' cost-benefit calculations of the BTAs.

In this regard, the overall scope of the BTAs is too limited. In particular, the focus on trade in goods issues limits the benefits which the BTAs have especially for Barbados as well as the OECS countries. In view of the fact that the OECS countries' main strengths are in the services sectors, the BTAs' focus on trade in goods is unfortunate.

In response, an expansion of the scope to also include or expand the treatment of services and investment issues, inter alia, i.e. to convert them into deep integration arrangements, would be useful. This would require initial discussions at the Joint Council level.

3.4.2.5 Diversity of interests among CARICOM Members

Four types of interests related to the BTAs can be distinguished:

- offensive interests (increasing exports to BTA partners);
- defensive interests related to import competition (fear of increased competition on the domestic market due to cheaper imports from BTA partners);

- defensive interests related to export market loss (increased competition on other CARICOM markets with imports from BTA countries, resulting in reduced intra-CARICOM exports); and
- interests related to macroeconomic and revenue aspects (which can be defensive, such as the fear of loss of import duties due to tariff elimination, or offensive, such as the reduction of inflation pressure due to the availability of cheap imports).

Depending on the specific situation of CARICOM Members – such as differences in competitiveness, economic structure etc. – they have fundamentally different foreign trade policy interests, except in the case of OECS Member States who pursue harmonization of foreign and external trade policies. Accordingly, interests in the BTAs also differ widely.

For example, most stakeholders in the OECS countries considered that the import side of the agreements was more critical than the export side. Continued protection of domestic producers was felt to be essential, as well as the collection of import duties for government revenues. Stakeholders in OECS countries furthermore considered that their interests were not captured or addressed in the BTAs. Stakeholders in the OECS were of the view that the OECS Secretariat could be strengthened to be able to more adequately promote the interest of OECS countries within or vis-à-vis CARICOM. Specific comments that were made are:

- Given the much larger economies in most BTA partner countries and the associated economies of scale, OECS countries could not compete. Their interest in the BTA is therefore rather defensive;
- The negotiation of the BTAs did not adequately involve the private sector and hence the provisions of the BTA do not necessarily reflect private sector interests. E.g. it was stated that negotiation of tariff cuts was largely based on tariff lines without asking private sector representatives in which specific products they had an offensive interest. Joint Councils could in principle be used to adjust the coverage of the BTAs;
- Given that MDCs, and particularly Trinidad and Tobago, benefit most under the BTAs, some sort of compensation mechanism should be considered;
- The preference erosion within CARICOM caused by BTAs harms the LDCs (see example in Box 10);
- Stakeholders in OECS countries also considered the importance of the BTA with Venezuela to be very limited, as it has been superseded by ALBA and PetroCaribe. However, not even under government-to-government arrangements under ALBA/PetroCaribe have OECS countries been able to export to Venezuela.

Box 10: LDCs' defensive interests in the BTAs due to preference erosion

The duty free entry into CARICOM of corrugated boxes from Costa Rica and the Dominican Republic is a major threat to the corrugating plants in the region (particularly Winera of St. Lucia). The FTA between CARICOM and Costa Rica and the Dominican Republic which allows duty free entry of packaging including corrugated boxes into Trinidad and other MDCs is seriously reducing the size of these markets available to Winera and other corrugated plants in the region. The company has therefore asked the Government to request an amendment of the duty free concessions afforded Costa Rica and the Dominican Republic under the existing trade agreements.

Views in other CARICOM Members also stated that the BTAs do not necessarily correspond to individual CARICOM Members' interests. E.g.:

- In terms of the choice of partner countries, it was mentioned that the five BTAs were not the result of genuine business interests within CARICOM but rather driven by politics, at least in some CARICOM Member States. In addition, at least some CARICOM members are more interested in trade with other partners such as Brazil, Argentina or Chile – although these present similar issues for trade as the BTA partner countries, i.e. primarily problems related to transport and competitiveness.

- Barbados' export strategy prioritises Brazil, Panama and Costa Rica, but not the other BTA partner countries;
- Stakeholders in Belize stated that Belize would benefit more from a CARICOM-CAFTA agreement. Therefore, apart from the BTAs, Belize also has one bilateral partial scope agreement in place with Guatemala, one with El Salvador under negotiation, and considers entering into negotiations with two more Central American countries, Honduras and Mexico. The driving force behind these negotiations and agreements is Belize's strategy to become a hub for (or "bridge" between) Caribbean and Central American countries. Furthermore, it aims to correct the situation where it has, through the CARICOM bilateral, access to several Latin American countries (with which it trade very little) but not to its neighbouring countries which constitute more important markets;
- In Guyana, most stakeholders considered that Guyana would benefit more from the rice agreement with Venezuela under PetroCaribe, which allows Guyana to export at a price which is above the world market price. Another more interesting market than for Guyana is the north-east of Brazil, which is a market of some 60 million people and far from Brazil's industrial centres;
- Suriname has little commercial interest in the BTA partners. Instead, it signed a partial scope agreement with Brazil, particularly related to the export of rice to Brazil;
- Trinidad and Tobago has offensive interests which go beyond those of most other CARICOM Members and has therefore been negotiating bilateral partial scope agreements with several Central American countries.

As can be seen, the diverging interests related to trade policy in general and the BTAs in particular make it difficult to reach consensus. This has led to two equally undesirable developments: On the one hand, a proliferation of bilateral agreements between CARICOM Members and third countries leads to even more complex trade relations between CARICOM and the world and reduces the functioning of the CSME while still failing to accommodate the differences in interests among CARICOM Members. For example, the defensive interests of OECS countries related to export market loss are concerned in the same way both by a CARICOM BTA and by a BTA between an individual CARICOM Member and a third country.

On the other hand, as stated by stakeholders in the OECS countries, with the BTAs having little to offer to OECS countries they signed them primarily out of a "sense of duty" as CARICOM Members rather than because they were expecting any tangible benefits in terms of export opportunities.

Obviously, this is hardly a solid base for the successful implementation of trade agreements, and without doubt contributes to the limited level of ratification of the agreements. However, it would still seem wrong to sign BTAs without the firm intention of also enforcing what has been agreed to. In order to avoid this situation in the future, and potentially rectify the substantive issues in the BTAs, it would seem necessary for CARICOM to develop a better mechanism for addressing conflicts of interest among Members with regard to external trade policies. The recommendations in chapter 4 try to address this difficult and complex issue.

3.4.3 Implementation of BTAs

Implementation of the BTAs is mainly restricted to the tariff liberalisation aspects but largely lacking in terms of institutional arrangements and the non-core provisions of the agreements.

Overall, stakeholders considered the lack of implementation or “giving life to the agreements” as one of the major weaknesses. Once an agreement is signed, attention appears to shift to other issues. This was explained through the political economy of negotiating trade agreements, which are mainly driven by politics – at least in some CARICOM Members –, and for politicians the mission is accomplished when an agreement is signed. Afterwards, neither priority nor resources are being devoted to actually implement an agreement’s provisions. A case in point is that reviews and evaluations of the agreements, which are foreseen in each BTA, have not taken place.

3.4.3.1 Institutional arrangements and communication between Parties

Inactivity of the institutions foreseen under the agreements

Under each of the agreements, the main institutional instrument for the administration is the Joint Council (Joint Commission, in the case of the BTA with Cuba), which is scheduled to meet at least annually. However, in practice Joint Councils meet much more rarely, and especially so in recent years: based on information available, the latest meetings date back to 2012 (Dominican Republic), 2006 (Cuba; see Box 11) and 2002 (Colombia and Venezuela), while none has ever been held with Costa Rica.

Box 11: Cuba’s view on Joint Commission meetings and Cuba-CARICOM communication

The last Joint Commission meeting under the BTA took place in 2006; since then due to lack of consensus among CARICOM members and also due to the various other negotiation agendas of CARICOM (the EPA, the CARICOM-Canada agreement) and the impact of the global crisis no further Joint Commission meeting could be convened. It is hoped, however, that in early 2014 a Joint Commission meeting can be held, and Cuba has requested doing so. At the same time, Cuba understands the complex structure of CARICOM which sometimes slows down the process. In addition, the fact that Summits and Ministerials are held outside of the BTA framework²⁹ attenuates the fact that Joint Commission meetings have not taken place in recent years.

In 2013, three meetings with CARICOM ambassadors were organised by the Ministry of Foreign Trade (MINCEX). During these, Cuba offered support to the OECS countries and presented a list of some 80 products (mainly pharmaceutical ones) for inclusion in the BTA.

The countries which have ratified the Agreement have also notified the authorised authorities (for issuing certificates of origin), as has done Cuba, and no problems have been registered in this regard.

The lack of Joint Council meetings deprives the Parties of discussing any issues related to the implementation of the agreements as well as further negotiations in a structured way. Given the fact that a number of issues exist both in ongoing trade as well as substantive issues, it is surprising that the Joint Council is not used as the instrument for discussion and negotiation. In response, some CARICOM Members are resorting to bilateral communication with BTA partners, which clearly is a second-best option as it takes place at the expense of transparency.

It is also surprising that CARICOM public sector stakeholders do not seem to have a clear idea of the conditions which must be met in order for the Joint Council to meet. Some stakeholders stated that for a Joint Council to meet that consensus must be achieved among all CARICOM Members on the necessity and date for such a meeting, which is often lacking. Other stakeholders, however, disagreed with this interpretation. This leads to the conclusion that either clear intra-CARICOM rules for the convening of Joint Council meetings are lacking or exist but are not well known among CARICOM Members.

²⁹ CARICOM-Cuba summits take place every three years (the next, fifth one in 2014), and Ministerials every two years.

Potential remedy: This situation needs to be addressed urgently either by developing the necessary rules to make the Joint Councils operational or by ensuring that CARICOM Members understand and interpret existing rules in the same way. In view of the issues identified in this study, meetings of all of the Joint Councils would certainly be called for during 2014.

The same suggestion applies to other institutions foreseen in the agreements (in varying degrees), such as the technical standing committees but also the joint business councils. For example, while a Dominican Republic–Trinidad and Tobago business association exists, this is not the case for other BTA partners nor at the CARICOM level. However, direct contacts between the private sector associations are important to foster communication, mutual exchange of information, and building of trust between the partners, all of which are essential for deepening trade and business relations in general. The CARICOM side could be represented by a regional CARICOM business association (such as CAIC) or by associations of the Members.

Insufficient information and communication between Parties

Possibly as a result of the foregoing, exchange of information and communication between CARICOM, or CARICOM Members, and the BTA partners is limited and slow (several BTA partners complained about this; see the example in Box 12). What is more, as in the case of the convening of Joint Council meetings there do not seem to be clearly identified communication channels between the Parties: while some communication takes place between partners and the CARICOM Secretariat, other communication takes place at the national levels.

Potential remedy: Clear rules for communication need to be established and followed, including appropriate communication channels, response times and mutual information exchange. In particular, one institution would need to assume the role of an information broker or monitor, i.e. be aware of all issues being discussed at all levels and pass on relevant information to other concerned parties. This role would ideally be assumed by the CARICOM Secretariat.

Box 12: Main deficiencies regarding the implementation of the CARICOM–Costa Rica FTA – Costa Rica’s view

- **Bilateral institutions are not in place.** Standing Committees could help to sort out most issues identified by traders at a technical level. However, these have never been established, apparently due to lack of consensus among CARICOM. An argument that has been made at least by some CARICOM members – although it is not clear if this is the official position of CARICOM – was that as long as not all CARICOM members had ratified the FTA the institutions foreseen under the Agreement could not be established. Such an interpretation however seriously impedes the functioning of the Agreement;
- **Lack of information and communication** on issues pertaining to the Agreement: Overall, communication with both the CARICOM Secretariat and CARICOM Members is difficult and slow, and information is often difficult or impossible to be obtained, even on essential issues related to the implementation of the Agreement, such as the establishment of the institutions foreseen in the FTA, the meetings of the Joint Council etc. Examples:
 - COMEX requested clarification from the CARICOM Secretariat on the need for provision of CARICOM invoices by exporters. No response has been received;
 - COMEX initiated contact (by email) with the authorities of Trinidad and Tobago in relation to the certificate of origin issue in carrots described above – it took almost a week until receipt of the message was confirmed, and that a substantive response would be provided “soonest”. Given that carrots are perishable and delays in customs this slowness in response is felt to be excessive;
 - Poor communication between authorities in charge for SPS issues means that requested information is provided tardy, or not at all by contact points. Coordinates are not always updated;
- **Lack of transparency:** Import administrations are typically reluctant to confirm problems identified in writing. This makes it hard to follow up, establish clearer rules for the future, and facilitates corruption.

3.4.3.2 Implementation of BTA non-core provisions

Apart from tariff liberalisation, few of the other areas of cooperation covered by the agreements have been implemented. Typical examples are the provisions on trade promotion, transportation, trade financing or investment. All of these are covered by each of the five BTAs but none of them ever seem to have been followed up on – and this despite the fact that transportation issues, trade finance and trade promotion are precisely the areas which constitute major obstacles to bilateral trade (and in particular CARICOM exports to the partner countries). Another example concerns the safeguards clause in the CARICOM-Colombia BTA which has been ignored by Colombia in a recent case (see Box 13).

In addition, most of the agreements contain provisions regarding the further specification of provisions or negotiation of follow-up agreements in areas such as dispute resolution, contingent protection, technical regulations and standards, trade in services, investment issues etc., but few of these specifications have been addressed, notably as a result of the lack of Joint Council meetings. In the absence of further specification, some provisions have remained not applicable.

Potential remedy: A precondition for addressing the lack of implementation of the agreements' non-core provisions is the (re-)vitalisation of the Joint Councils. It is suggested that key non-core provisions be put on the agendas of the first meetings in order to discuss and mutually assess the degree of importance accorded to the various issues; thereafter, standing/technical committees or expert groups could be established/appointed to follow up on selected high-priority issues.

Box 13: Colombian safeguards against steel from Trinidad and Tobago

The low importance that Colombia attaches to the BTA can be seen in the way it has handled a recent safeguards case in the steel sector, which also affects producers from Trinidad and Tobago.

Exports of steel from Trinidad and Tobago to Colombia have grown fast since 2011, as domestic production cannot satisfy demand. However, in the summer of 2013 Colombia initiated a safeguards procedure which would affect producers from Trinidad and Tobago, in addition to Mexico, Turkey and Brazil. The Government of Trinidad and Tobago was not initially informed about the initiation of the case; and it was only through a company in the group that the producer in Trinidad and Tobago learnt about the case, which then led to the official notification.

Although the case is an ongoing investigation under WTO rules, the BTA has an Article 16 on safeguards, and one would have expected the Colombian authorities to at least notify the case to CARICOM. The fact that it did not do so is indeed an indication of the dormant state of the Agreement, which does not do justice to the fact that for CARICOM Colombia is one of the largest BTA trading partners.

3.4.4 Summary and conclusions

The main underlying reason for many of the issues identified in this section in relation to the BTAs is the divergence of interests within CARICOM. These diverging interests also cause problems for the further development of the BTAs. For example, a Cuban proposal for the expansion of the product list has been on the table for quite a while without CARICOM having been able to respond.

Another rather fundamental shortcoming of the BTAs is that their negotiation did not adequately involve the private sector and hence the provisions of the BTA do not necessarily reflect private sector interests. While this weakness could be addressed through further negotiation in the context of the Joint Council meetings as well as in the context of reviews of the agreements, neither of these two instruments has been used so far.

There is also a certain degree of frustration on the part of at least some of the BTA partner countries: For example, in Costa Rica, in view of the various problems mentioned above – notably the ratification by only a minority of CARICOM members as well as the slow communication and increasingly frequent issues with CARICOM import administration – the seriousness of CARICOM in “giving life” to the FTA is questioned. In this regard, the main issues for Costa Rica to be solved are, in addition to the ratification issue:

1. Designate (and maintain updated), in Costa Rica and CARICOM members – at least those that have ratified the Agreement – senior level contact points in key ministries (trade, agriculture, health) and authorities (customs, health, SPS) which will help to solve issues arising expeditiously;
2. Clarify and streamline rules for importation, in particular document requirements (e.g. abolish requirement to provide CARICOM invoice). Establish clear lists of which documents are required;
3. Increase transparency by communicating and recording all issues in written form;
4. Establish the institutions foreseen under the Agreement at least with participation of those countries that have ratified the Agreement.

These suggestions are fully in line with the recommendations made in this section. Indeed, the activation of bilateral institutions and streamlined communication between the Parties are considered as essential for a better function of the agreements beyond the mere tariff reduction aspects.

3.5 Estimating the impact of issues and the BTAs’ problem solving capacity

In this chapter, three different types of factors inhibiting CARICOM exports to BTA partner markets have been analysed: obstacles that are encountered in ongoing trade (mostly NTBs); limitations that exporters encounter in relation to the initial entry into a BTA partner market; and supply side constraints which prevent market entry in the first place, or at least discourage CARICOM firms from considering BTA partners as potential export markets. As has been shown, a number of problems exist at all three levels. In addition, the BTAs themselves are not without problems either. The question is: what is the impact of problems at the various levels, to what extent do they affect CARICOM’s trade performance under the agreements, and to what extent are the BTAs responsible for the problems, or can be used to solve problems?

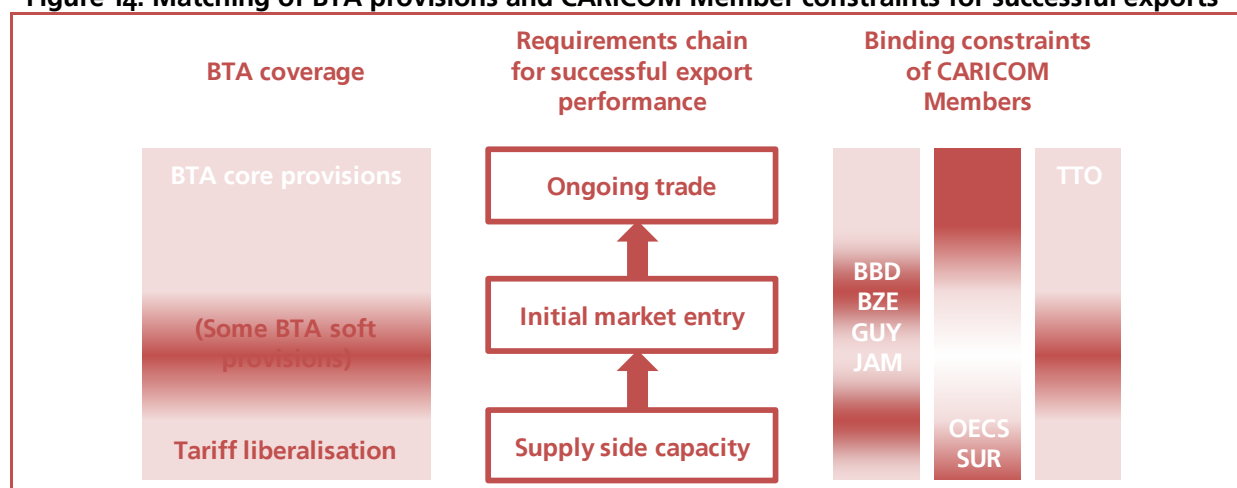
3.5.1 An estimate of the impact of obstacles for exporting to BTA partners

Unfortunately, quantification of the factors is not possible, as has been mentioned in the introduction. However, some observations in the data and information obtained during consultations do provide some pointers: Thus, the fact that Trinidad and Tobago has managed to benefit across (almost) all BTAs (while most if not all other CARICOM Members haven’t) is a strong indicator that supply side constraints are more important than barriers erected on the import side (but the fact that it hasn’t performed so well in relation to Venezuela points towards the importance of import-side NTB there). The high volatility of exports in product groups in most of the CARICOM members’ exports points to the same fact: if demand side constraints (i.e. NTBs in the importing BTA partner) were the problem, then one would expect consistently subdued exports but not high exports in one year followed by zero exports, and again high exports years later, etc.

Nevertheless, the weighting of factors is more complex than this, because different categories of factors affect different CARICOM Members in different ways. For example, obstacles in ongoing trade are a problem primarily for Trinidad and Tobago, where supply side issues and initial market entry problems are of lesser importance. Conversely, supply side constraints are the key issue for OECS countries – exporters there rarely even reach the stage where they would be interested in entering BTA partner markets. This was clearly evident in the stakeholder consultations; it is also confirmed by the fact that demand for market entry facilitation services in the LDCs is very limited. Most of the other CARICOM Members’ (potential) exporters fall into a middle group in which some supply side issues have been solved and companies are, in principle, ready for export to the BTAs, but face binding constraints in relation to initial market entry. This complex pattern of constraints is depicted on the right hand side of Figure 14 – with the classification of CARICOM Members having been undertaken primarily based on the feedback collected during stakeholder consultations, rather than any more scientific or let alone quantified exercise.

Even considering the difference in importance that the constraints at the various levels have for different CARICOM Members, it would still appear that supply side constraints constitute the most important issue. Not only is the number of NTB complaints relatively low. What is more important is the fact that Trinidad and Tobago’s exporters have found ways to expand exports to most BTA partners – with Venezuela being a special case – in the presence of such obstacles, which is proof that they can be overcome. Examples for this e.g. in relation to Law 173 in the Dominican Republic, or the work of the Trade Facilitation Office in Cuba, have been described in this chapter. Conversely, supply side constraints are more difficult to address and require more time to be overcome, but would also have an impact stretching beyond the BTAs and CARICOM’s export performance under them.

Figure 14: Matching of BTA provisions and CARICOM Member constraints for successful exports



3.5.2 An estimate of the BTAs’ role in overcoming obstacles for CARICOM exports

How then do the BTAs help to address the challenges faced by the different CARICOM Members? This is depicted on the left hand side of Figure 14: the core of the agreements is to regulate and facilitate (ongoing) trade between the parties. However, the agreements also include a number of provisions which would facilitate initial market entry (such as the trade promotion clauses) and supply side constraints (such as provisions on transport, facilitation of investments and, most obviously, the tariff liberalisation).

In brief, thus, the role of the agreements in overcoming the identified constraints is as follows:

Supply side constraints

As mentioned before, soft provisions of the agreements have not been implemented; they have therefore not had any practical importance.

The tariff preferences provided under the agreements are helpful – to the extent that they are actually applied – but no game changers. This is mainly because they do not address the key constraints for exports as described in the previous section. In addition, the tariff preference accorded to CARICOM exporters by the BTAs is limited. Assuming that the BTAs would cover all goods (which they don't, as described above) the maximum tariff preference accorded is equal to the MFN duties levied by BTA partners on imports from other sources. Average weighted MFN duties (Table 8) are between 4.1% (in Costa Rica) and 11.1% (in Venezuela), which is low when compared with the cost disadvantages mentioned by some exporters. In addition, most of the BTA partners have bilateral trade agreements with other partners (such as Costa Rica and the Dominican Republic with the United States), and therefore the CARICOM BTAs only serve to re-establish a level playing field on the target market. Tariff preferences under the BTAs can thus be seen as a necessary but by no means sufficient condition for enabling CARICOM companies to export to the BTA partners, at least for most exporters.

Table 8: Average MFN tariffs applied by BTA partners

	Applied tariff – all goods: Simple average (2012)	Applied tariff – all goods: Trade weighted average (2011)
Colombia	8.8%	8.6%
Costa Rica	5.6%	4.1%
Cuba	10.7%	n.a.
Dominican Republic	7.3%	6.2%
Venezuela	13.3%	11.1%

Source: WTO Tariff Profiles database, <http://stat.wto.org>

While most often CARICOM exporters decide about market entry into BTA partner markets without even considering the provisions of the agreements, for some exporters the tariff preferences offered by the BTAs do make the difference between being able and not being able to compete on the target market. Sectors where this is the case include some alcoholic beverages and steel exports to the Dominican Republic where preferences help to level the playing field with US exporters as well as China, Mexico and Turkey. The argument can be further illustrated with two specific examples (Box 14 and Box 15).

Box 14: Factors explaining the stopping of gravel exports from Dominica to Colombia

Gravel exports from Dominica to Colombia were replaced by exports from Japan after the 2008 global crisis and the reduction in transport costs from Japan to Colombia. Dominica's total cost of producing and exporting gravel to Colombia is approximately 10-12% higher than for Japan. In this context, it is particularly important to note that gravel (HS code 251710) is not covered by the BTA and Dominica's exports are therefore subjected to a 5% import duty.³⁰ Inclusion of the product would therefore reduce the competitive disadvantage of Dominica but not be sufficient to fully offset it. Also, Colombia is currently negotiating a free trade agreement with Japan which would further weaken Dominica's competitive position.

³⁰ Tariff refers to MFN applied tariff in 2012. Source: ITC Market Access Map, <http://www.macmap.org>.

Initial market entry

Facilitation of initial market entry would have been addressed under the agreements only in the form of soft provisions. As these have not been implemented, the agreements have not helped in overcoming obstacles in this respect.

Box 15: Factors preventing entry of a St. Lucian company in BTA partner markets

One producer in St. Lucia that considered to start exporting to BTA partner countries is the distillery. While it found that its production costs were competitive and – thanks to the tariff exemption – the products would have been price competitive on the target market the company decided against exporting due to the following factors:

- Complicated logistics due to very small scale shipments;
- Language barriers;
- Dominant position of distributors and national brands.

Obstacles to ongoing trade/NTBs

The BTAs provide rules for the elimination of non-tariff barriers, at varying degrees of specificity. While quantitative restrictions and rules of origin are developed in detail in each of the agreements, other NTBs, such as SPS and TBT issues, IPR issues, customs valuation etc. are typically only addressed in general terms. This could be considered a shortcoming of the agreements, but in fact the agreements have a built-in mechanism to further develop and specify rules on these issues, i.e. through the work of the standing/technical committees and expert groups foreseen to be established. What is more, the agreements provide for the institutional structures to solve problems arising under the agreements as well as further develop them. However, these institutions – neither the Joint Councils nor the technical committees – have been operationalised in a sustained and effective manner; and as a result, the role of the BTAs in reducing NTBs has been limited.

Finally, one substantive shortcoming across the BTAs is that they constitute different rules (e.g. of origin), which increase compliance costs – against a background where costs of compliance with rules of origin are estimated to be equivalent to a 4-6% tariff, significant savings could be achieved if they were harmonised across trade agreements.

Summary

In defence of the BTAs, the main cause for their limited effectiveness is the lack of implementation and proper implementation would correct most of the major shortcomings. Of course, such implementation would require the political will of both CARICOM Members and BTA partners – and there is a real chance that this political will is lacking. Already, the regional approach towards BTAs has been undermined by an increasing lack of coherence within CARICOM in trade relations with third countries. In particular, the proliferation of bilateral partial scope agreements limits coherence. At the same time, during the consultations it was felt that most problems which CARICOM members face when exporting (and exporting to the BTA partners) are common problems, which would require a regional response rather than national responses.

4 MAIN RECOMMENDATIONS

The previous chapter has provided some suggestions to resolve specific obstacles encountered in bilateral trade between CARICOM and the BTA partners (particular CARICOM exports). This chapter provides a summary of the main recommendations, distinguishing between those focussing on the implementation of the BTAs, the further development of the agreements, as well as measures which CARICOM could take unilaterally.

To repeat: the focus of the recommendations in this chapter is not on the substance of specific NTMs. These have already been addressed above and anyway do not, for the most part, constitute major obstacles to trade with the BTA partners. Rather, the focus of the recommendations in this chapter is on the more fundamental issues of how to deal with shortcomings of, and problems arising in trade under, the agreements.

4.1 Recommendations Regarding the Implementation of the BTAs

4.1.1 Ratify and Apply the Agreements

At present, ratification of the agreements by CARICOM Members is patchy. However, a precondition for the BTAs to have an impact on trade between CARICOM and the BTA partner countries is that they are ratified and applied by the partners. With reciprocal application of the agreements being the norm, CARICOM LDCs would not be benefitting from the preferential treatment under the agreements unless they have ratified them, while they are still being affected by the preference erosion resulting from the agreements' application by the CARICOM MDCs. The cost-benefit calculation of ratification for LDCs regarding the CARICOM-Costa Rica FTA might be different, given the Agreement's MFN clause. However, such calculation should be undertaken at the negotiating stage, not after the signature of the agreement, ratification of which would also seem to be required by international law.

Recommendation 1. It is recommended that CARICOM Members ratify signed agreements as quickly as possible, unless there are specific and good reasons for not doing so.

4.1.2 Activate the Institutions foreseen under the BTAs

The Joint Councils/Commission are the key institutions for the administration, discussion and further development of the respective agreements between the Parties. Their efficient functioning is therefore essential for the success of the agreements. In effect, hardly any of the obstacles (primarily NTBs) identified in this study regarding ongoing trade between CARICOM and the BTA partners can be addressed at the root without a working Joint Council/Commission. However, the Joint Councils/Commission under the BTAs have not met as foreseen in the agreements, and except for the Dominican Republic none has been held since 2006.

Recommendation 2. Meetings of each of the Joint Councils should be scheduled to take place as soon as possible to discuss, at a minimum, the relevant obstacles to ongoing trade identified in section 3.1 and annex C. It should be noted that the partner governments visited during the consultations for this study all expressed their keen interest in Joint Council meetings. For example, the Cuban Ministry explicitly proposed to revive the Joint Commission and hold a meeting in early 2014.

The primary reason stated by stakeholders for the lack of recent Joint Council/Commission meetings was the lack of consensus among CARICOM Members. However, there do not appear to be clear rules and conditions within CARICOM that must be met for holding a Joint Council/Commission meeting.

Recommendation 3. CARICOM should establish clear rules for the CARICOM-internal conditions that must be met in order for CARICOM to request, or agree to a partner's request, for a Joint Council/Commission meeting. It is suggested that the CARICOM Secretariat develops draft rules. Given the important role that Joint Councils have to play for the implementation of BTAs, it is suggested that meetings can take place unless a CARICOM Member explicitly vetoes against one (including against the proposed date for a meeting).

Another reason given by stakeholders for the lack of Joint Council meetings was the lack of funding – however, this is not a valid point but depends on the priority that the BTAs have on the Government agendas. The above recommendation also addresses this issue: CARICOM Members which are not interested in participating in a meeting would not need to participate and thus not incur any costs.

4.1.3 Improve Communication

Lack of communication, unclear communication channels and long response times have been identified as major obstacles to the solution both of specific issues encountered in ongoing trade as well as the further development of the BTAs. In order to help address relevant issues for bilateral trade in the Joint Councils, an effective channelling of information from exporters to the Joint Council is required. Currently no mechanisms for this exist. An exporter will typically, if at all, resort to the national ministry or authority in charge and hope for their support in negotiations with the import administration.

Lack of communication also hinders the proper application of the agreements – the lack of awareness by Costa Rica of the administrative application of the FTA by Jamaica is an example. There is thus a case for better information about the status of agreements to traders, and for better communication between CARICOM and the BTA partners with regard to the application of agreements.

Recommendation 4. Clear communication channels in relation to the BTAs should be established at four levels:

- a) Communication between CARICOM exporters and their Government;
- b) Communication between CARICOM Members and the CARICOM Secretariat;
- c) Direct communication between CARICOM Member States and Partner States for technical issues (but informing the monitoring system see below);
- d) Between Partner States and the CARICOM Secretariat for general and strategic issues, in preparation of Joint Council meetings.

These communication channels should in particular ensure the flow of information from exporters to the CARICOM Secretariat/Joint Council, while general information to be provided by the institutions to the exporters is suggested to be provided primarily through a website (Recommendation 8) based on information recorded and saved in a monitoring system (Recommendation 5).

4.1.4 Monitor Implementation of Agreements and Enhance Transparency

In connection with better communication mechanisms, one institution within CARICOM would need to assume the role of an information broker or monitor, i.e. be aware of all issues being discussed at all levels and pass on relevant information to other concerned parties. This role would ideally be assumed by the CARICOM Secretariat.

Monitoring FTAs is well established within the BTA partners. For example, in the Dominican Republic, in order to measure the performance of the FTA (as well as other trade agreements to which the DR is a party), DICOEX prepares, and publishes on its website, six-monthly reports.³¹ In Costa Rica, COMEX has a monitoring system in place (SAT, Sistema de Administración de Tratados). This among other things tracks problems encountered in trade under the FTA.

Recommendation 5. A BTA monitoring system within the CARICOM Secretariat should be established. This would have responsibility for monitoring trade performance under the BTAs, identifying and synthesising strategic issues related to the BTAs, and collecting and maintaining a database of issues encountered by traders in trade under the agreements, and providing information relevant to the BTAs both to CARICOM Members and the interested public, through the publication of relevant studies and information (e.g. on a website; see Recommendation 8). Ideally, the monitoring system would cover all trade agreements of CARICOM (i.e. include the EPA), as well as those of its Members.

4.2 Recommendations Regarding the Further Development of BTAs

4.2.1 Implement Non-core and Administrative Provisions of Agreements

Supply-side constraints as well as difficulties in initial entry into the BTA partner markets have been identified as major obstacles for CARICOM companies. While some of these obstacles are the result of fundamental economic constraints of some CARICOM Members and could hardly be addressed through the agreements, all of the BTAs do include non-core or “soft” provisions to facilitate bilateral trade under the agreements – on issues like trade promotion, cooperation on transport, investment, finance, etc. However, these provisions have not been implemented; they have therefore not had any practical importance.

In addition, most of the agreements contain provisions regarding the further specification of provisions or negotiation of follow-up agreements in areas such as dispute resolution, contingent protection, technical regulations and standards, trade in services, investment issues etc., but few of these specifications have been addressed, notably as a result of the lack of Joint Council meetings. In the absence of further specification, some provisions have remained not applicable. As the consultations have shown, some issues – such as subsidies in BTA partner countries, rules of origin, including existing cumulation rules, and trade facilitation issues – would benefit from strengthened rules under the agreements.

Recommendation 6. A precondition for addressing the lack of implementation of the agreements’ non-core and administrative provisions is the (re-)vitalisation of the Joint Councils. It is suggested that key non-core and administrative provisions be put on the agendas of the first meetings in order to discuss and mutually assess the degree of importance accorded to the

³¹ Informes sobre el Seguimiento a los Acuerdos Comerciales, available at: <http://www.mic.gob.do/comercio-exterior.aspx>.

various issues; thereafter, standing/technical committees or expert groups could be established/appointed to follow up on selected high-priority issues.

4.2.2 Adjust Scope of Agreements

With each of the BTAs having been negotiated more than a decade ago, their scope of coverage corresponds to the Parties' economic interests of the past, which may have – and according to views expressed in consultation do have – changed in the meantime. This would call for a review both of the scope agreements both in terms of goods coverage and in terms of overall coverage. With regard to the former, exporters in various CARICOM Members expressed the need to expand the coverage of BTAs to include specific products in which they had an export interest. Indeed, most of these products have already been included in the respective CARICOM lists but yet need to be discussed bilaterally. Furthermore, some exporters would like to see a review of the provisions on seasonal tariffs. At the same time, some stakeholders also have defensive interests. In any case, a review of the goods coverage of the BTAs with a view to potential expansion would seem to be required in order to bring the agreements in line with the CARICOM business sector's requirements more than a decade after the current product lists were established.

Regarding the overall coverage of the agreements, it has been noted that presently most of them – excluding potentially the FTA with Costa Rica – are very traditional in the sense that they almost exclusively focus on goods issues, and there particularly on tariff issues. This constitutes a very partial and limited approach to trade matters, and hardly corresponds to the economic structure of several CARICOM Members. Indeed, one has to realise that most CARICOM Members' supply-side constraints for manufacturing will be very difficult to overcome, and international competitiveness is unlikely to be achieved, except for some small niches. BTAs should take account of this by supporting those sectors which are or could be internationally competitive, which are mostly services sectors.

Recommendation 7. It is recommended that CARICOM prepare a consolidated update of offensive and defensive interests regarding coverage of goods under the various BTAs for subsequent discussion in the Joint Councils. In addition, an expansion of the agreements' scope to also include or expand the treatment of services and investment issues, *inter alia*, i.e. to convert them into deep integration arrangements, would be useful. This would require prior study of the export potential of CARICOM services sectors to BTA partners and, following this, initial discussions at the Joint Council level.

A precondition for the further development of the agreements would be however, the ratification of the agreements by all CARICOM Members.

4.3 Recommendations for Consideration within CARICOM

In addition to recommendations related to the implementation and further development of the BTAs, which ultimately require joint action by CARICOM and the respective BTA partners, CARICOM and its Members can also unilaterally take a number of measures to strengthen trade performance under the agreements. These measures address both supply side constraints and facilitation of initial entry of CARICOM exporters into BTA partner markets and, last but by no means least, the development of a mechanism to accommodate different interests among CARICOM Members in relation to the BTAs.

4.3.1 Improve Information and Assistance for Exporters

Although most CARICOM countries provide some type of export promotion support, this in most cases is neither focused on BTA partner market nor considered to be sufficient in scope. At the same time, the level of support provided by different CARICOM Members varies widely, thereby contributing to further divergence in export performance across CARICOM.

The effect of market entry facilitation support provided by CARICOM Members is quite similar, although this is, overall much less developed – except Barbados and Trinidad and Tobago no CARICOM country provides structured facilitation assistance for market entry, and even for those two countries it is limited to some of the BTA partners.

Recommendation 8. In order to address these shortcomings, a regionalisation of export promotion and export facilitation support bodies should be considered. Closer cooperation between export promotion bodies as well as wider dissemination of market research, studies and analyses not only at the national level but expanded to the CARICOM level would both increase outreach of support services and help save export promotion bodies' resources. Wherever possible, services should be provided regionally rather than nationally. Caribbean Export's role should be strengthened – it could play a more proactive role in resolving constraints such as language issues, market intelligence and business culture across the BTAs. In this context, best practices of regional (as well as BTA partner countries') export promotion activities should be identified in order to define the service portfolio of the regional promotion of exports to BTA partners.

Complementary support to (potential) exporters to BTA partners could be provided through the following means:

- CARICOM embassies and overseas missions, in collaboration with the national trade promotion agencies, could play a greater role in disseminating information and providing market intelligence on the various requirements for trade with BTA partner countries in which they have a presence. This is likely to require some training to mission staff in trade promotion.
- Trade remedies authorities in CARICOM Members could provide support to CARICOM exporters affected by trade remedy investigations in BTA partner countries (such as in the case of the Colombian safeguards case on steel from, inter alia, Trinidad and Tobago).

With regard to market entry facilitation services, the Trade Facilitation Office in Havana is considered as a good practice. If CARICOM is serious about expanding exports under BTAs, its replication should be considered in the other BTA partner countries. In view of the relatively high costs associated, such TFOs should have a regional mandate to allow for the pooling of resources and also to generate a critical mass of demand for the services provided. In order to save costs, the conversion of the TFO in Havana into a CARICOM institution, as well as the expansion of the Caribbean Export office in Santo Domingo to also include market entry facilitation services should be considered.

In addition, an efficient way of distributing information about import conditions applied by BTA partner countries, given the likely need for regular changes, could be one website maintained either by a CARICOM institution (the CARICOM Secretariat or Caribbean Export) or one of the Members' trade promotion bodies, to which all other Member trade support institutions could provide links. The website should be part of the monitoring system as proposed in Recommendation 5 above.

Finally, in order to underpin the above recommended efforts, there needs to be greater collaboration and dialogue among the regional private sector in order to share information and best practices on effective trading techniques in BTA partners. The efforts which are being undertaken by the CARICOM Secretariat, in collaboration with Caribbean Export, to establish an umbrella organisation to represent the regional private sector should serve to further strengthen this process. A regional (re-)organisation of the CARICOM private sector is needed to facilitate the bilateral business councils foreseen under the agreements. In this context, the current efforts to revive the Caribbean Association of Industry and Commerce (CAIC) are welcome.

4.3.2 Address Supply Side Constraints

In the study, various supply side constraints that mitigate against CARICOM exports to BTA partners have been identified, and are considered to constitute a serious obstacle. The core problems are the smallness of most CARICOM companies, exacerbated by the absence of local or regional value chains, and the established market and trade patterns which favour exports to traditional markets. The absence of local value chains and clusters also means that successful export performance of individual companies do not spill over to other firms, making it difficult to replicate successes.

Given the various constraints identified, most CARICOM companies have a limited willingness to invest in production expansion and production upgrades which would be required to diversify into further markets beyond the established ones. Joint ventures and strategic alliances between manufacturers both intra-CARICOM and CARICOM-BTA partner would greatly enhance the capacity to supply larger markets. So far, such strategic alliances have not been created, partly as a result of the competitive, rather than collaborative, business culture in CARICOM countries. While the BTAs, at varying levels of detail, foresee cooperation towards joint investments, or facilitating investments, the corresponding provisions have not been followed up so far.

In view of the limitations listed in this section, entry into the BTA partner markets will for most CARICOM Members' companies generally be feasible only in niche markets.

Recommendation 9. CARICOM should assist the business sector, both nationally and regionally, by helping identify such niche markets as well as providing more information about the BTA partner markets in general. Furthermore, in order to ensure spill-overs and replicability of success, a sector or cluster approach should be used. Specific areas of further support to address supply side constraints related to exports would include – without prejudice to more general measures supporting the business sector, which are not within the scope of this study:

- Development of CARICOM-wide export credit and export credit guarantee schemes;
- Support in overcoming transportation issues, e.g. through the creation of joint ventures in transport services, more efficient and better coordinated use of existing transport capacity. In identifying measures, initiatives already being undertaken at the regional level – for example within the Special COTED on Transportation, the OECS shipping policy, or the Regional Aid for Trade Strategy – should be taken into account;
- Facilitation of joint (CARICOM-BTA or intra-CARICOM) investments; and
- Provision of support for the innovation and differentiation of products to satisfy consumer preferences in BTA markets. Institutions within the Region, such as the Scientific Research Council in Jamaica, can assist businesses with product innovation and differentiation.

In practical terms, a proposal made by stakeholders in Jamaica might also be helpful: It was recommended that the Government should assume a more active role in guiding the private

sector, e.g. by organising high level meetings with business leaders and demanding more exports from the private sector. This should come as part of a general shift from designing policies to implementing policies.

4.3.3 Find Mechanism to Accommodate Diverging Interests of CARICOM Members

A key problem in relation to the BTAs and their implementation is that, depending on the specific situation of CARICOM Members – such as differences in competitiveness, economic structure etc. – they have fundamentally different foreign trade policy interests, except in the case of OECS Member States who pursue harmonization of foreign and external trade policies, and, accordingly, fundamentally different interests in the BTAs. While the consensus nature of CARICOM decision-making enables the conclusion of trade agreements, problems tend to arise in implementation – which is at the individual Member State level. This is particularly likely in cases where individual CARICOM Members face adjustment costs but expect few tangible benefits. This complex interaction between reaching trade agreements and implementing them was emphasized by stakeholders in some Member States and without doubt contributes to the limited level of ratification and implementation of the agreements

The differences in economic interests have also led to a proliferation of bilateral agreements between individual CARICOM Members and third countries based on the specific needs of the individual CARICOM Member. This has further complicated trade relations between CARICOM and the world and reduces the functioning of the CSME while still failing to accommodate the differences in interests among CARICOM Members. For example, the defensive interests of OECS countries related to export market loss are concerned in the same way both by a CARICOM BTA and by a BTA between an individual CARICOM Member and a third country. Obviously, this increases the difficulty of forging a seamless international trade framework for CSME alongside its internal market. In response to these issues, CARICOM Members should openly and rationally discuss their respective interests in the various BTAs, including the bilateral partial scope agreements which have been concluded or are being negotiated by individual Members.

Recommendation 10. CARICOM Members should openly and rationally discuss their respective interests in the various BTAs, including the bilateral partial scope agreements which have been concluded or are being negotiated by individual Members. Such an open discussion is required to identify common ground and potential measures to accommodate persistent and insolvable areas of conflicts of interest.

With the purpose of rationalising the discussion, it is recommended that CARICOM Members explicitly state their interest with regard to each BTA by distinguishing the following four types of interests:

- offensive interests (increasing exports to BTA partners);
- defensive interests related to import competition (fear of increased competition on the domestic market due to cheaper imports from BTA partners);
- defensive interests related to export market loss (increased competition on other CARICOM markets with imports from BTA countries, resulting in reduced intra-CARICOM exports); and
- interests related to macroeconomic and revenue aspects (which can be defensive, such as the fear of loss of import duties due to tariff elimination, or offensive, such as the reduction of inflation pressure due to the availability of cheap imports).

As a result of a discussion among Members of the interests defined in this way (interest mapping), a clearer picture of the potential complementarity of interests as well as persistent and insolvable conflicting interests should emerge, and should lead to a discussion of way to accommodate the latter. For example, one way to address the uneven distribution of costs and benefits arising from the BTAs for different CARICOM Members could be a compensation mechanism, as has already been established in the form of the Caribbean Development Fund (CDF).

4.4 Concluding Remark

This study has sought to identify the underlying reasons for CARICOM's weak trade performance under the existing bilateral trade agreements with Venezuela, Colombia, the Dominican Republic, Cuba and Costa, as well as to propose measures aimed at improving the performance. The basic assumption for the recommendations has been that CARICOM and its Members have a genuine interest in the agreements – this first and foremost is a political decision. An alternative to the proposed way ahead of activating the agreements would be to leave them in the current state, essentially as a mechanism for preferential access to the BTA partner markets for exporters of those CARICOM Members which have ratified the agreements, but without further ambition.

This alternative is, however, not recommended, for two reasons. First, the non-application of negotiated and signed international agreements would both seem to be against principles of international law and have a damaging effect on the reputation of CARICOM and some CARICOM Members. Already now, some BTA partners expressed their disappointment in the way the agreements were applied by the CARICOM side.

Secondly, while the impact of the recommended measures in terms of increasing exports is impossible to quantify, and in any case likely to be limited³², they would still have a major effect on those (admittedly few) CARICOM exporters which have an interest in exporting to the BTA markets, and would help diversify CARICOM's export portfolio. Furthermore, the activation of the agreements would be a precondition for more intensive economic cooperation in other areas, such as services, and joint investments.

The key challenge to be overcome, it seems, is the divergence in interests between CARICOM Members which in turn are the result of the vast differences in economic structures. This will be a daunting yet essential task.

³² The limited effect simply stems from the low level of current CARICOM exports to BTA partners. Even if non-oil exports were doubled from the current level of 2.2% (excluding rice exports from Guyana to Venezuela and steel exports from Trinidad and Tobago to Costa Rica) – which would be a major shift in trade under the agreements –, they would still only constitute less than 5% of CARICOM's total non-oil exports.

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ANNEXES

Annex A – Terms of Reference

TITLE: Identification and Assessment of the underlying reasons Affecting CARICOM's Trade Performance under the existing Bilateral Trade Agreements with the Dominican Republic, Costa Rica, Colombia, Cuba and Venezuela.

BACKGROUND

The Revised Treaty of Chaguaramas Establishing the Caribbean Community including the CARICOM Single Market and Economy makes it clear that expansion of international trade in goods and services should be a priority of the Community. Thus Article 78.1 of the Treaty reads as follows:

“The goal of the Community Trade Policy shall be the sustained growth of intra-Community and international trade and mutually beneficial exchange of goods and services among the Member States and between the Community and third States.”

In pursuing this objective the Community entered into various bilateral trade agreements with Venezuela (1992), Colombia (1994), the Dominican Republic (1998), Cuba (2000) and Costa Rica (2004). An “Analysis of the Performance of CARICOM's Trade Under Bilateral Trade Agreements” undertaken by the Secretariat in 2010, revealed that the Community is underperforming in respect of these agreements, with trade deficits experienced by CARICOM being a prominent feature of its trade with Venezuela, Colombia and Costa Rica. The deficits with Colombia and Costa Rica are increasing. In the case of the Dominican Republic a surplus is experienced by CARICOM, accounted for by exports of petroleum and petroleum products. When these items are removed from the trade, a negative trade balance results with the Dominican Republic. CARICOM's trade balance with Cuba has been consistently positive over the years.

The Council for Trade and Economic Development (COTED) has mandated the Secretariat to conduct a broader and more detailed analysis of performance under the Bilateral Trade Agreements to identify the underlying reasons for the poor performance under these trade agreements, and to propose possible recommendations to address the identified constraints and barriers to trade. This intervention will contribute to fulfilling the mandate by COTED.

PROJECT PURPOSE

The purpose of the project is to provide CARICOM Member States with critical information to be used in decision-making and planning for trade in goods, by investigating and analyzing the factors responsible for the Region's weak trade performance under (a) Free Trade Agreements with the **Dominican Republic** and **Costa Rica** and (b) Partial Scope Trade Agreements with **Cuba, Colombia and Venezuela**. In this regard, the rationale for the intervention is to –

- (i) facilitate unrestricted access by CARICOM Member States to the markets of the Dominican Republic, Costa Rica, Colombia, Cuba and Venezuela;
- (ii) increase the economic contribution of exports to the Dominican Republic, Costa Rica, Colombia, Cuba and Venezuela;
- (iii) better position CARICOM in the Regional and global market place;

PROJECT OBJECTIVES

The general objective of the project is to support and contribute to improved policy, decision making and planning in CARICOM, for trade in goods under the specific Trade Agreements with the Dominican Republic, Costa Rica, Colombia, Cuba and Venezuela.

The specific objective of the project is to enhance understanding of the constraints and to propose strategies which would be critical to CARICOM Member States taking advantage of the Bilateral Trade Agreements with the Dominican Republic, Costa Rica, Colombia, Cuba and Venezuela.

BENEFICIARY COUNTRIES

The beneficiaries of this project will be the CARICOM Member States of Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago.

PROJECT DESCRIPTION AND DURATION

Description -

The project is being undertaken against the background of the stated objectives of the various bilateral trade agreements which includes, *inter alia*, the promotion and expansion of the sale of goods originating in the territories of the Parties.

The present project will therefore undertake an assessment of the underlying reasons for the performance by CARICOM exporters under the existing bilateral trade agreements with the Dominican Republic, Costa Rica, Colombia, Cuba and Venezuela. Based on this assessment, the identified reasons for the weak performance will be documented.

The recommendations emanating from the exercise will be utilized to develop programmes/strategies for addressing the constraints and difficulties faced, with a view to improving the export performance by CARICOM countries under the existing Bilateral trade agreements.

In pursuance of the objectives of the project, the exercise will entail -

- (i) Desk research by the consultant to review relevant trade statistics as well as reports and studies which might have been undertaken and which might be useful in contributing to the execution of the present project.
- (ii) Field research to engage in consultations through interviews and meetings with -
 - (a) Public and Private Sector stakeholders (i.e. current and past CARICOM exporters) in CARICOM Member States to gather information on the factors affecting CARICOM's trade under the Bilateral Trade Agreements. **The CARICOM countries to be visited are Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago.**
 - (b) Public Sector Officials in the Bilateral Trade Partners to ascertain the reasons why measures which are applied by them and might have been identified by CARICOM

exporters as being a barrier to trade, are perceived to be necessary. **Field visits will be undertaken to the Dominican Republic, Costa Rica, Colombia and Cuba.**

- (c) The CARICOM and OECS Secretariats, the Caribbean Export Development Agency (CEDA) and other relevant Sub-regional organizations to discuss issues and activities pertaining to the study and to draw on any insights which might be useful to the execution of the assignment.

A questionnaire will be prepared by the Consultant and circulated to the stakeholders in Member States, to facilitate preparation and gathering of relevant information and data prior to the visit by the consultant. The questionnaire will also be used to gather pertinent information and data from Member States which will not be visited by the consultant during the field research.

- (iii) Analysis by the Consultant, of the information obtained from the stakeholders' consultations and other empirical data/ statistics gathered by the consultant.
- (iv) Preparation of the following reports by the recruited consultant -
 - (a) An Inception Report for consideration by the Secretariat;
 - (b) Draft, Draft Final and Final Reports for consideration by the CARICOM and OECS Secretariats. The Draft Final and Final Reports will also be submitted for the consideration of Member States.
- (v) Presentation of the Draft Final Report containing the findings of the analysis, to a Meeting of Regional Trade Officials. This will be undertaken by the recruited consultant in collaboration with the CARICOM Secretariat.
- (vi) Submission of recommendations emanating from the Meeting of Regional Trade Officials, to the Council for Trade and Economic Development (COTED) in 2013, for consideration. This will be done by the CARICOM Secretariat.

The Secretariat shall, in consultation with the CARICOM Member States, identify National Coordinators with whom the consultant and the Secretariat will collaborate throughout the execution of the assignment. The National Coordinators shall be responsible for coordination on the ground, including the setting-up of interviews with relevant stakeholders and facilitating access to information and data required by the consultant.

The Secretariat will also seek to obtain from the bilateral partners to be visited, the names of contact persons with whom the Secretariat and the consultant could collaborate in the execution of the field research missions to those countries.

The Consultant shall participate in an **Inception Meeting** with the CARICOM Secretariat to discuss the methodology, objectives, activities, expected outputs and any other issues related to the execution of the project that require clarification.

Prior to the Inception Meeting and before the commencement of the field research, the consultant shall prepare and submit to the CARICOM Secretariat, an **Inception Report** outlining the methodology and analytical approach to conducting the assignment, a proposed work plan, a time table of activities

including travel agenda and allocation of timeframe for assigned country visits and delivery of major milestones to be achieved. A **questionnaire design** for gathering information prior to field visits is to form part of the Inception Report. The Inception Report will be discussed at the Inception Meeting.

Duration of consultancy –

The duration of this consultancy shall be 67 days over a period of 6 months, inclusive of field research, meetings and preparation of reports. Anticipated commencement is April, 2013.

ASSUMPTIONS AND RISKS

Assumptions -

The principal assumption underlying the project intervention is that the thirteen beneficiary countries - Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago – will continue to support initiatives to improve CARICOM trade performance under the identified existing bilateral trade agreements.

In addition it is assumed that the consultant will be provided on a timely basis, access to all available relevant information, documents, reports and studies to carry out the assignment.

Risks –

Natural disasters could affect scheduled missions/travel research.

The availability of relevant trade and other information and data could also prove to be problematic.

The unavailability of key officials in countries to be visited may negatively impact scheduling arrangements for visits by the consultant.

SCOPE OF WORK

Specific Activities-

In order to deliver the results envisaged under the project the following activities are to be undertaken by the Consultant–

- (i) Prepare and submit to the CARICOM Secretariat, an **Inception Report** outlining the methodology and analytical approach to conducting the assignment, a proposed work plan, a time table of activities including travel agenda and allocation of timeframe for assigned country visits and delivery of major milestones to be achieved. A **questionnaire design** for gathering information prior to field visits is to form part of the Inception Report;
- (ii) Participate in an **Inception Meeting** with the CARICOM Secretariat to discuss the methodology, objectives, activities, expected outputs and any other issues related to the execution of the project that require clarification.
- (iii) Review the bilateral trade agreements signed between CARICOM Member States and the Dominican Republic, Costa Rica, Colombia, Cuba and Venezuela;

- (iv) Review all relevant reports and studies which have been done pertinent to the work to be carried out under this project;
- (v) Prepare a brief overview of the performance of **trade in goods** between the CARICOM Member States and the bilateral trade partners of the Dominican Republic, Costa Rica, Colombia, Cuba and Venezuela. The review will include a comparison of trade performance during the five (5) years immediately prior to the signing of each agreement, with performance during the period from signing to the present;
- (vi) Travel to the identified CARICOM Member States (**Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago**) to -
 - (a) Investigate and identify the specific experiences (positive and negative) of CARICOM exporters/stakeholders as regards their efforts to export to the respective bilateral trade partners. The investigation will seek to identify both internal and external constraints and other reasons, including trade barriers, inhibiting increased exports. The reported experiences would be documented and analyzed with a view to developing recommendations to address the identified constraints and difficulties;
 - (b) Identify the successful CARICOM exporters under the bilateral trade agreements, and to document the reasons for their success, with a view to learning from their approaches;
- (vii) Travel to the identified Bilateral Trade Partners (**the Dominican Republic, Costa Rica, Colombia and Cuba**) to –
 - (a) engage the respective Bilateral Trade Partners to clarify and further examine the constraints/problems/barriers identified by CARICOM exporters as impediments to exports to those Bilateral trade partners;
 - (b) consult with the authorities of the Bilateral Trade Partners to ascertain the reasons why the measures maintained, are perceived to be necessary;
- (viii) Prepare, on a country-by-country basis, an inventory of the constraints in the particular CARICOM Member State inhibiting exports to the markets of the Bilateral Trade Partners;
- (ix) Prepare, on a country-by-country basis, an inventory of non-tariff trade-restricting and other measures in the Bilateral Trade Partners, which inhibit CARICOM exports under the bilateral trade agreements;
- (x) Evaluate the impact of the identified non-tariff trade-restricting measures in the Bilateral Trade Partners and, present an assessment of how their removal might impact CARICOM exports;
- (xi) Develop strategies and recommendations to address the identified constraints and non-tariff measures which have an undesirable impact on CARICOM exports under bilateral trade agreements;
- (xii) Participate in a Meeting of CARICOM Trade Officials to examine the Draft Final Report.

Trade in Services will not be included in the analysis under this project.

REPORTS

Reporting Requirements -

The consultant will be required to submit the following reports to the CARICOM Secretariat:

- An **Inception Report** outlining the methodology to include an indication of the analysis method for conducting the assignment, a proposed work plan, a time table of activities including travel agenda and allocation of time for assigned country visits. An indication and timing of major milestones in execution of the contract should also be presented. A questionnaire design, for obtaining information before the actual field visits should also be part of the Inception Report.

This report is to be submitted within seven (7) calendar days of the date of formal engagement of services.

- A **Draft Report** constructed to present factual information and general findings as well as individual country reports containing relevant analyses of the findings and factual data and information responding to the issues set out under “**Specific Activities**” of the **Terms of Reference**.

The Draft Report is to be submitted no later than fourteen (14) calendar days after the date of expiration of the period set for the execution of the field research.

- A detailed **Draft Final Report** constructed to present factual information and general findings as well as individual country reports containing relevant analyses of the findings and factual data and information responding to the issues set out under “**Specific Activities**” of the **Terms of Reference**.

The Draft Final Report is to be submitted no later than (10) ten calendar days after the receipt of comments from the CARICOM Secretariat on the Draft Report.

The Consultant shall participate in a Meeting of CARICOM Trade Officials which will be convened by the CARICOM Secretariat to examine the Draft Final Report.

A **Final Report** constructed to present factual information and general findings as well as individual country reports with relevant analyses of the findings and factual data and information responding to the issues set out under “**Specific Activities**” of the **Terms of Reference**. In preparing the Final Report the consultant shall take into account comments and contributions received from concerned parties of the Community who would have reviewed the Draft Report. The Final Report shall also include as an appendix, a listing of all persons and their organizations consulted during the country visits.

The Final Report is to be submitted by the latest, two weeks after the receipt of the comments on the Draft Final Report.

Submission and approval of Reports -

The reports referred to above are to be submitted in English, in one original and four copies. All reports are to be made available electronically as well. The reports must be submitted to the Assistant Secretary-General/Officer-in-Charge, Trade and Economic Integration of the CARICOM Secretariat. The

Assistant Secretary-General/Officer-in-Charge, Trade and Economic Integration is responsible for approving all reports.

WORKING RELATIONSHIPS

The Consultant shall work in close collaboration with relevant staff members of the Caribbean Community Secretariat under the general direction of the Assistant Secretary-General/Officer-in-Charge, Trade and Economic Integration and under the supervision of the Director, External Trade. The Director, External Trade will be assisted by the Deputy Programme Manager, External Economic and Trade Relations.

QUALIFICATIONS AND EXPERIENCE

The following is the minimum technical expertise required to conduct the assignment:

Qualifications:

An advanced degree in Economics, International Trade Policy, International Development, International Business, or in a related Social Science discipline.

Excellent written and oral communication skills in English.

A working knowledge of Spanish would be a necessity.

Specific professional experience:

A minimum of eight (8) years post qualification experience working in the economics, trade policy, business, economic research and analysis, or other related areas, including recognized expertise in trade policy issues and in quantitative methodologies.

General Professional Experience:

Professional experience working with Governments, Regional or International Organizations and the Private Sector in the field of Trade Policy and International Trade issues, economics, economic research or other closely related fields.

A sound understanding of each of the Bilateral Trade Agreements between CARICOM and the Dominican Republic, Costa Rica, Colombia, Cuba and Venezuela will be expected.

Familiarity with Caribbean Community (CARICOM) integration arrangement issues in general and with trade issues in particular will be a requirement.

A working knowledge of the Revised Treaty of Chaguaramas.

Experience working in the Caribbean and Latin American Region would be an asset.

Annex B – Classification of barriers

o Tariffs	
1 Non-tariff Measures	
A Sanitary and phytosanitary measures	A1 Prohibitions/restrictions of imports for SPS reasons A2 Tolerance limits for residues and restricted use of substances A3 Labelling, marking and packaging requirements A4 Hygienic requirements A5 Treatment for elimination of plant and animal pests and disease-causing organisms in the final product (e.g. post-harvest treatment) A6 Other requirements on production or post-production processes A8 Conformity assessment related to SPS A9 SPS measures, n.e.s.
B Technical barriers to trade	B1 Prohibitions/restrictions of imports for objectives set out in the TBT agreement B2 Tolerance limits for residues and restricted use of substances B3 Labelling, marking and packaging requirements B4 Production or post-production requirements B6 Product identity requirement B7 Product-quality or -performance requirement B8 Conformity assessment related to TBT B9 TBT measures, n.e.s.
C Pre-shipment inspection and other formalities	C1 Pre-shipment inspection C2 Direct consignment requirement C3 Requirement to pass through specified port of customs C4 Import-monitoring and -surveillance requirements and other automatic licensing measures C9 Other formalities, n.e.s.
D Contingent trade-protective measures	D1 Antidumping measures D2 Countervailing measures D3 Safeguard measures
E Non-automatic licensing, quotas, prohibitions and quantity-control measures other than for SPS or TBT reasons	E1 Non-automatic import-licensing procedures other than authorizations for SPS or TBT reasons E2 Quotas E3 Prohibitions other than for SPS and TBT reasons E5 Export-restraint arrangement E6 Tariff-rate quotas (TRQ) E9 Quantity control measures, n.e.s.
F Price-control measures, including additional taxes and charges	F1 Administrative measures affecting customs value F2 Voluntary export-price restraints (VEPRs) F3 Variable charges F4 Customs surcharges F5 Seasonal duties F6 Additional taxes and charges levied in connection to services provided by the government F7 Internal taxes and charges levied on imports F8 Decreed customs valuations F9 Price-control measures, n.e.s.
G Finance measures	G1 Advance payment requirement G2 Multiple exchange rates G3 Regulation on official foreign exchange allocation G4 Regulations concerning terms of payment for imports G9 Finance measures, n.e.s.
H Measures affecting competition	H1 State-trading enterprises, for importing; other selective import channels H2 Compulsory use of national services H9 Measures affecting competitions, n.e.s.
I Trade-related investment measures	I1 Local content measures I2 Trade-balancing measures I9 Trade-related investment measures, n.e.s.
J Distribution restrictions	J1 Geographical restriction J2 Restriction on resellers
K Restrictions on post-sales	

services	
L Subsidies (excluding export subsidies under P7)	
M Government procurement restrictions	
N Intellectual property	
O Rules of origin	
P Export-related measures	P1 Export-license, -quota, -prohibition and other quantitative restrictions P2 State-trading enterprises, for exporting; other selective export channels P3 Export price-control measures P4 Measures on re-export P5 Export taxes and charges P6 Export technical measures P7 Export subsidies P8 Export credits P9 Export measures, n.e.s.
2 Procedural and other obstacles	
A. Administrative burdens	A1. Large number of different documents A2. Documentation is difficult to fill out A3. Difficulties with translation of documents from or into other languages A4. Large number of checks (e.g. inspections, checkpoints, weigh bridges) A5. Numerous administrative windows/organizations involved
B. Information/transparency issues	B1. Information is not adequately published and disseminated B2. No due notice for changes in procedures B3. Frequent change in regulations B4. Requirements and processes differ from information published
C. Inconsistent or discriminatory behaviour of officials	C1. Inconsistent classification of products C2. Inconsistent or arbitrary behaviour of officials
D. Time constraints	D1. Delay in administrative procedures D2. Delay during transportation D3. Deadlines set for completion of requirements are too short
E. Payment	E1. Unusually high fees and charges E2. Informal payment, e.g. bribes E3. Need to hire a local customs agent to get shipment unblocked
F. Infrastructural challenges	F1. Limited/inappropriate facilities (e.g. storage, cooling, testing, fumigation) F2. Inaccessible/limited transportation system (e.g. poor roads, road blocks) F3. Technological constraints, e.g. ICT
G. Security	G1. Low security level for persons and goods
H. Legal constraints	H1. No advance binding ruling procedure H2. No dispute settlement procedure H3. No recourse to independent appeal procedure H4. Poor intellectual property rights protection, e.g. breach of copyright, patents, trademarks, etc. H5. Lack of recognition, e.g. of national certificates
I. Other	I1. Other procedural obstacles
3 Other obstacles not resulting from regulation and administrative practice (e.g. market structure, private sector cultural and behavioural issues)	

Sources: Compiled and amended by author based on International Trade Centre (2012); UNCTAD (2013)

Annex C – Inventory of constraints for CARICOM exports to BTA partner markets

The table in this annex lists the constraints for CARICOM exports to the five BTA partners identified during the consultations, and complemented by a review of the relevant literature. Barriers are ordered by BTA partner. Barriers that have been reported by more than one CARICOM Member are listed more than once and are counted as separate cases, in order to allow for a simple measure of importance of a barrier.

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
Trinidad and Tobago (1)	All	Regional	1A Sanitary and phytosanitary measures	Lack of harmonisation of standards, as well as of cooperation between standards bodies.	Seafoods	Implement institutional arrangement foreseen under BTAs, notably SPS committees.
St. Kitts & Nevis (1)	All	St. Kitts & Nevis	1A. Sanitary and phytosanitary measures 1B. Technical Barriers to Trade	Lack of testing equipment in St. Kitts & Nevis: Due to small output, purchase of testing equipment is often not economically feasible, but it forces producers wishing to export to have their products tested abroad – which often carries prohibitive costs	All	Establish a regional lab which would offer services to all OECS producers, or encourage specialisation among OECS national certification bodies in order to reduce costly duplication of providing identical testing services.
Barbados (1)	All	Barbados	1A./1B. Sanitary and phytosanitary measures and Technical Barriers to Trade	BTA partners are introducing increasingly stricter standards (regarding traceability etc.) in line with NAFTA, which producers in Barbados do not yet meet, primarily because Barbados legislation does not require it	All	Upgrade Barbados legislation to bring it in line with NAFTA requirements. Assist producers in implementation.
St. Lucia (1)	All	St. Lucia	1A1. Prohibitions/restrictions of imports for SPS reasons	A producer of spices and sauces stated that import of coconuts from Guyana, an important input for some of their products, was prohibited in St. Lucia due to certain health safety or sanitary considerations. At the same time,	Agro-processing	Review domestic regulations and/or their implementation.

³² See note at end of table.

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
				however, competing producers in the Dominican Republic do import coconuts from Guyana without problem.		
Guyana (1)	All	Regional	1A3./1B3. Labelling, marking and packaging requirements	Labelling requirements vary across BTA partners thereby increasing the cost (not only one translation into Spanish has to be made, but different logos have to be designed for each of the partner markets.	Primarily foodstuffs (except bulk)	Provide assistance to exporters in labelling requirements and potentially cost sharing for translation.
St. Kitts & Nevis (1)	All	St. Kitts & Nevis	1A3./1B3. Labelling, marking and packaging requirements	Limited awareness among private sector for the importance of meeting packaging and labelling requirements	Primarily food processing	Increase awareness of producers for packaging and labelling requirements; stricter enforcement on the domestic market.
St. Vincent and the Grenadines (1)	All	St. Vincent and the Grenadines	1A8./1B8. Conformity assessment related to SPS/TBT	Procedures for verification of compliance with standards in SVG is weak – not all tests can be performed, requiring tests abroad which are both time consuming and costly.	Mostly agricultural goods and agro-processing	Strengthen OECS quality infrastructure (e.g. through pooled laboratory services.
Suriname (1)	All	Suriname	1P8 Export credits	Lack of export finance esp. to new exporters (collateral requirements, and no export credit guarantee scheme), as well as lack of export insurance and export incentives provided by the Government of Suriname	All, esp. new exporters	Government to refocus trade strategy and establish an export promotion body as well as export promotion measures; development of a national export strategy.
Belize (1)	All	Belize	1P8. Export credits	Lack of trade finance <i>and</i> export insurance impedes exports by small firms with limited financial capacity: cash flow of these exporters to finance the 90-100 days payment terms are not sufficient. Although Belize's Development Finance Corporation (DFC) offers agricultural working capital loans its conditions	All	Introduce government backed export finance schemes (possibly at OECS level). However: Such schemes were once in place but then discontinued, partly due to lack of usage – the reasons for this would have to be identified (e.g. complexity of procedures, cost, lack of exporters?) prior to (re-

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
				do not extend to export finance.		)introducing schemes.
St. Kitts & Nevis (1)	All	St. Kitts & Nevis	1P8. Export credits	Lack of export finance mechanisms. While the ECCB has established a fund it is not (yet) operational; commercial service providers or government run Exim banks do not exist. An export guarantee fund used to exist but is no longer active (reasons for this could not be identified). Also, no export insurance scheme exists.	All	Develop (sub-regional) export insurance and finance (guarantee) schemes.
St. Vincent and the Grenadines (1)	All	St. Vincent and the Grenadines	1P8. Export credits	Lack of trade finance <i>and</i> export insurance impedes exports by small firms with limited financial capacity.	All	Introduce trade finance <i>and</i> export insurance schemes (possibly at OECS level). However: Such schemes were once in place but then discontinued, partly due to lack of usage – the reasons for this would have to be identified (e.g. complexity of procedures, cost, lack of exporters?) prior to (re-) introducing schemes.
Belize (1)	All	Belize	2D1. Delay in administrative procedures	Obtaining export permits from BAHA delays exports by a day. Certificates of origin (issued by the BCCI) take 2 days. Customs procedures for export are substantially more time consuming than for imports (e.g. clearance of trucks for export to Guatemala takes a day)	All	Streamline export procedures.
Barbados (1)	All	Trinidad and Tobago	2D2. Delays during transportation	Delays in Trinidad and Tobago during transit are a problem for perishable exports	Perishable agricultural goods	Improvements in the logistics chain.
Grenada (1)	All	Regional	2D2. Delays during transportation	Air transport in the region is unreliable. Exports of spices via LIAT at one point suffered a two week delay because of LIAT's logistics	All	Improvements in the transport infrastructure – some measures are under way; see below.

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Barbados (1)	All	Regional	2F2. System and cost of transportation	problems. While the export of full containers is usually not a problem and not overly costly, the shipments of less than a full container load are affected by high costs that mostly prohibit exports in such small quantities. Also, direct transportation links with BTA partners are missing, currently most shipments are channelled via the US.	Primarily smaller exporters	Improved logistics and more (direct) shipping routes.
Grenada (1)	All	Regional	2F2. System and cost of transportation	While the export of full containers is usually not a problem and not overly costly, the shipments of less than a full container load are: <ul style="list-style-type: none"> • hardly available – there is just one shipping line providing this service but not actively marketing it; • prone to quality problems (e.g. no possibility of fumigation/ locking leading to wastage and losses due to theft (several examples of nutmeg exports were mentioned)); • costs are high and sometimes prohibitive, e.g. air transport is sometimes used as an alternative but not possible for high-weight products such as sauces sold in glass jars. 	Smaller exporters (but most of Grenada's exporters fall into this category)	One option would be to increase output (e.g. through joint OECS production, or increased production capacity, e.g. through investments from BTA partners) – but see below. Another option could be for exporters to coordinate shipments in order to ship complete containers (which should be facilitated by the company currently being established by OECS/ECCB; see below). But the options for such coordination might be limited by various factors, including: <ul style="list-style-type: none"> • incompatibility of goods being shipped together; • differences in destination; and • a reported lack of collaborative culture among Grenadian businesses
Guyana (1)	All	Regional	2F2. System and cost of transportation	There are no direct transport links with the BTA countries. Any (formal) exports usually go via Trinidad and Tobago, even to neighbouring Venezuela. This drives up costs and	All	Stronger cooperation on transport issues between the partners and within CARICOM.

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
				transportation times. A case in point is wood exports to Cuba which used to be shipped on Cuban vessels; when the Cuban shipping line closed down this also led to the loss of Cuba as a market for wood exports. Other exporters (e.g. of seafood) stated however that transport services were not problematic.		
St. Kitts & Nevis (1)	All	Regional	2F2. System and cost of transportation	All transportation from St. Kitts and Nevis has to go via Miami; this monopoly position creates dependence of St. Kitts and Nevis' exporters.	All	A regional transport hub would be needed (e.g. in Puerto Rico) in order to create more competition in transportation/ logistics services and reduce logistical thresholds currently deterring exporters.
St. Vincent and the Grenadines (1)	All	Regional	2F2. System and cost of transportation	While the export of full containers is usually not a problem and not overly costly, the shipments of less than a full container load are: <ul style="list-style-type: none"> • hardly available – there is just one shipping line providing this service but not actively marketing it; • prone to quality problems (e.g. no possibility of fumigation/ locking leading to wastage and losses due to theft (several examples of nutmeg exports were mentioned); • costs are high and sometimes prohibitive, e.g. air transport is sometimes used as an alternative but not possible for high-weight products such as sauces sold in glass jars. 	Smaller exporters (but most exporters in St. Vincent and the Grenadines fall into this category)	One option would be to increase output (e.g. through joint OECS production, or increased production capacity, e.g. through investments from BTA partners or MDCs).
Suriname (1)	All	Regional	2F2. System and cost of transportation	Shipping: According to some private sector representatives, the absence of direct freight lines increases cost	All	Objectively, shipping does not appear to be a major constraint. There seems to be a lack of

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
				of transport and especially time required to export. Ships leave every 2 to 3 weeks on average. Other stakeholders stated that container vessels to Costa Rica and Venezuela had a fixed weekly schedule, took 10-12 days to arrive at the destination port (going via Jamaica), with costs comparable to those for shipping to Miami. Low exports mean however, that outgoing ships leave Suriname 50% empty.		information about available shipping lines – better exchange of information among exporters, or provision of relevant information by the Chamber (or other private sector bodies) would seem to address the informational problem.
Suriname (1)	All	Regional	2F2. System and cost of transportation	Air cargo: Lack of air cargo links with BTA partner countries.	Producers of fresh produce: fresh fish, fruits, vegetable & rice	None - introduction of air cargo connections would require minimum export volumes. Currently these are focused on EU and US markets, which is unlikely to change given the lack of complementarity in fruit and vegetable production (see below).
Guyana (1)	All	Regional	3. Language issues	Language is an issue for technical issues, such as wood species, where common names differ between Spanish speaking countries, thereby creating confusion and misunderstandings about specific products being traded	All, e.g. wood	Export promotion bodies could prepare lists of technical terms and make them available to exporters
Jamaica (1)	All	Jamaica	3. Other obstacles	Some stakeholders stated that it was difficult to get SPS licences required to export from Ministry of Agriculture.	Fresh agricultural produce	A single electronic window for obtaining licenses required to export (and sell on the domestic market already exists in Trinidad and Tobago and is being set up by Jamaica.
Jamaica (1)	All	Jamaica	3. Other obstacles	Most Jamaican exporters (about 70-80%) are actually traders, not producers. However, they need the	Exporting traders	This is an issue that would require discussion and agreement on changes practice within the private

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
				producer's consent for export which is often difficult to obtain.		sector.
Guyana (1)	All	Guyana	1P8. Export credits	Trade finance is not available	All	Either Government to convene with banks and determine ways to provide trade finance; or develop CARICOM wide trade finance system.
Belize (1)	All (ex.: Dominican Republic)	Regional	2F2. System and cost of transportation	The cost of transportation from Belize to e.g. the Dominican Republic is 50% higher than from the US and two thirds higher from Jamaica. In combination with the tariff difference between imports of FCOJ from the US and Belize this prevents further exports of FCOJ	All (ex.: FCOJ, corn)	Apart from working on the tariff issue (see below) in principle, increasing exports would be a solution in order to reduce cost of transport. In order to do this, e.g. Belize's producers of corn would need temporary tariff production (application of the CET by all CARICOM members – currently Jamaica and Trinidad and Tobago impose 0% duty) to expand production and sales to CARICOM and then expand to other markets, incl. BTA partners – e.g. competition in the Dominican Republic in corn comes from the US where it is heavily subsidised.
Grenada (1)	All except Dominican Republic		1A. Sanitary and phytosanitary measures 1B. Technical Barriers to Trade	Mutual recognition agreements for conformity assessment are not yet in place, which may require exported products to be subjected to conformity assessment in the importing country.	All	Put in place mutual recognition agreements for conformity assessment.
Dominica (1)	Colombia	Colombia	o. Tariffs	Dominica's total costs of producing and exporting gravel to Colombia is – following the reduction in transport costs from Japan – approximately 10-12% higher than for Japan. Gravel is furthermore excluded from the BTA and	Gravel exports	Expand product coverage of BTA.

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
				Dominica's exports are therefore subjected to a 5% MFN import duty in Colombia.		
Guyana (1)	Colombia	Colombia	o. Tariffs	Limited coverage of the agreements implies that many potential export products of Guyana are not competitive on the Colombian market	All products not covered by BTA (e.g. agricultural products)	Consider extension of product coverage under BTA
Trinidad and Tobago (1)	Colombia	Colombia	1D3. Safeguard measures	Exports of steel have grown fast since 2011, as domestic production cannot satisfy demand. However, in the summer of 2013 Colombia has initiated a safeguards procedure which would affect producers from Trinidad and Tobago, in addition to Mexico, Turkey and Brazil. The Government of Trinidad and Tobago was not initially informed about the initiation of the case; and it was only through a company in the group that the producer in Trinidad and Tobago learnt about the case, which then led to the official notification.	Steel	None under the BTA. This is an ongoing investigation under WTO rules, not under Article 16 of the BTA. Trinidad and Tobago's response and actions in the case must follow WTO rules.
Trinidad and Tobago (1)	Colombia	Colombia	1F7. Internal taxes and charges levied on imports	For alcoholic beverages with an alcohol content of 35% or more, an excise tax is levied. This affects exports of rum from TTO (at 40% alcohol content) which compete with domestically produced alcoholic beverages of 35% alcohol content and less.	Rum	Hold Joint Council meeting to address the issue.

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Trinidad and Tobago (1)	Colombia	Colombia	1H1. State-trading enterprises, for importing; other selective import channels	By law, Government is the only importer of alcoholic beverages. ³³ The associated tendering process is complicated and cumbersome, and prone to corruption.	Alcoholic beverages	None.
Trinidad and Tobago (1)	Colombia	Colombia	1O. Rules of Origin	Post shipment audits in Colombia may be undertaken up to one year after the transaction, thereby reducing legal certainty for exporters.	All	Hold Joint Council meeting to address the issue.
Grenada (1)	Colombia	Colombia	1O. Rules of origin – origin certificate 2C2. Inconsistent or arbitrary behaviour of officials	The customs of Colombia asked that the origin certificate had to be provided on special security paper, and using a different template, as provided for in the BTA (it was then that the company learned about the existence of the BTA). The exporter then contacted the Chamber of Commerce and Ministry of Trade to sign and stamp the certificates (but could not provide them on the requested type of paper), and after two weeks the Colombian authorities finally accepted the certificate. By then, the exporter had to pay a fee of USD 3,000 to the warehouse for extended storage time. The exporter had also requested the CARICOM Secretariat to intervene but got no response. The company decided to stop exporting to Colombia after this experience.	Nutmeg exporter (but applicable to all exporters)	Customs' behaviour would seem to have violated Art. 13 of the Rules of Origin under the CARICOM-Colombia BTA which stipulate that "in no case shall the Customs authorities [...] interrupt an import procedure". The case could have therefore been avoided if there mechanisms in place (a) for CARICOM exporters to report problems under the BTA and (b) for CARICOM or CARICOM member state authorities to quickly cooperate with Colombian authorities. Furthermore, such problems should be registered and addressed, if recurring, under the Joint Council (requiring regular Joint Council meetings as foreseen in the Agreement)

³³ This information could not be verified by the consultant – see e.g. the information provided by the US Alcohol and Tobacco Tax and Trade Bureau, which provides detailed information on import regulations of, among others, all BTA partner countries except Cuba. For Colombia see <http://www.ttb.gov/itd/colombia.shtml>.

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Guyana (1)	Colombia	Colombia	1Q. Other NTM	Exports of rum to Colombia require that Guyana is a member of the Hague convention [which one could not be established by the consultant], which it currently is not. The company had tried to find a solution for the issue for two years but by then the importer had lost interest.	Rum	One option would be to channel exports through Trinidad and Tobago.
Trinidad and Tobago (1)	Colombia	Colombia	2F2. System and cost of transportation / 2G. Security issues	In addition to the general transport and logistics problems, the main market centres in Colombia are in the interior (Bogotá, Medellín etc.) which further increases transport costs and makes exports from TTO less competitive, and raises added security issues. Likewise, transport to the Pacific coast of Colombia is costly.	All	None, except focus on coastal markets.
Dominica (1)	Colombia	Regional	2F2. Transportation cost	Exports of gravel from Dominica were replaced by exports from Japan after the 2008 global crisis and the reduction in transport costs from Japan to Colombia – a shipment of 30kt from Japan costing the same as a shipment of 7kt from Dominica.	Gravel exports	Competitiveness could only be achieved if volume of exports would increase and the product was included in the scope of the agreement (see below)
Trinidad and Tobago (1)	Colombia	Colombia	3. Market structure	Colombia's retail market is dominated by three retailers. Their buying power impedes imports from Trinidad and Tobago as conditions for exporters are unattractive. In addition, there is a strong consumer preference for US products. Finally, the existence of different regional markets with different conditions makes any market research costly.	Consumer products	Focus on niche markets or export in bulk for repackaging in Colombia (but at a lower margin)

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Barbados (1)	Costa Rica	SIECA	1A. Sanitary and phytosanitary measures (esp. 1A8 Conformity assessment related to SPS)	Costa Rica belongs to different regional SPS block (SPS rules under SIECA) which has different standards – but these are not well known by producers in Barbados and might require changes in production which would be too costly given the limited exports taking place. In addition, CARICOM has no joint testing facility. Mutual recognition agreements for conformity assessment are not yet in place.	Agricultural & processed agricultural goods	Put in place mutual recognition agreements for conformity assessment. Consider establishing CARICOM joint testing facility.
Belize (1)	Costa Rica	BTA	1F5. Seasonal tariffs	Seasonal tariffs for agricultural produce have various disadvantages: <ul style="list-style-type: none"> they reduce transparency and cost of compliance (requiring producers to know when which regime applies) in order to not lose market access, a continued presence on the export market is required. This requires storage capacity – often lacking, and driving up prices; sales at loss during periods MFN duties are in place; change in production patterns to ensure year-round production where possible; and/or purchase of the product from other sources for resale. 	Agricultural goods	Lobby for removal of application of seasonal tariff regimes.
St. Lucia (1)	Costa Rica	Costa Rica	1L. Subsidies	Allegedly, subsidies for corrugated cardboard in Costa Rica put CARICOM producers at a disadvantage when trying to export there. However, due to the absence of the trade remedy regime the	Cardboard	Implement the agreements' provisions on trade remedies and introduce a reporting/complaint mechanism for CARICOM exporters (possibly online).

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				allegation was never scrutinised, and no action was taken.		
Belize (1)	Costa Rica	Costa Rica	2A. Administrative burden	Issuance of an import permit requires the submission of a bill of lading – this puts exporters in a catch 22 situation	All	If confirmed, Costa Rica to revise import procedures.
Jamaica (1)	Costa Rica	Costa Rica	2A. Administrative burdens: Product registration	<p>Various issues were raised regarding product registration in Costa Rica:</p> <ul style="list-style-type: none"> ▪ The cost of registration – around USD 1,000 per registration³⁴ - is prohibitive; ▪ The information required for registration purposes is exaggerated and considered business proprietary by some producers; ▪ Individual product varieties have to be registered separately (e.g. different flavours of sauces), which makes costs prohibitively high for smaller exporters. 	All (particularly consumer products subject to registration and not sole in bulk: food, chemicals, pharmaceuticals)	<p>Jamaican exporters should formally address these issues with their Government so that they could be discussed bilaterally. In principle, the problem should be discussed by the joint technical committees foreseen under the FTA.</p> <p>According to information provided by Costa Rica to Jamaican officials, the product registration fees are no longer applicable (this could not be verified).</p>
Trinidad and Tobago (1)	Costa Rica	Costa Rica	2A. Administrative burdens: Product registration	<p>Various issues were raised regarding product registration in Costa Rica:</p> <ul style="list-style-type: none"> ▪ Individual product varieties have to be registered separately (e.g. different flavours in confectionary products), which makes costs prohibitively high for smaller exporters. According to different stakeholders, the cost is between USD 300 and 	All (particularly consumer products subject to registration and not sole in bulk: food, chemicals, pharmaceuticals)	<ul style="list-style-type: none"> ▪ Provide clear guides to CARICOM exporters about the registration requirements for each product type. ▪ Activate relevant standing committees under the agreement to discuss issues bilaterally ▪ Nominate contact points in Costa Rica and CARICOM

³⁴ According to the Costa Rican authorities, the cost is between USD 60-100 for three years, and renewal USD 30 for three years. Possibly, the cost provided by stakeholders in Jamaica includes cost of translation and service providers. There is no requirement stating that registration shall be conducted by a legal advisor.

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
				<p>USD 850 per registration, valid for a year;³⁵</p> <ul style="list-style-type: none"> Registration is lengthy: a producer of confectionary stated they needed six months to register products (and they have not been able to enter the market in spite of the registration for four years); Notarisation is required in Costa Rica; Product registration procedures lack transparency: there are different procedures according to the type of product and exporters do not know which procedures are applicable. ExporTT contracted a legal firm in Costa Rica in order to cope with registration requirements. 		member authorities to facilitate direct contact and solution to specific problems
Trinidad and Tobago (1)	Costa Rica	Costa Rica	2A2. Documentation is difficult to fill out	At least some BTA partners require a “certificate of free sale” which is not issued by TTO authorities. While in the end exporTT provided the certificate they questioned the rationale. Also, there is no institutional memory, which means that if there are changes in staff the problem will occur again.	Products for human consumption, cosmetics, etc.	Establish standing committees and clarify rules on documents to be provided for exports under the agreements.
Barbados (1)	Costa Rica	Costa Rica	2A5. Numerous administrative windows/ organizations involved	Contracts must be notified to the Central Bank, which is considered an administrative hassle, raises costs and requires extra time to comply.	All	Address this issue at the next Joint Council meeting
Trinidad and	Costa Rica	Regional	2F2. System and cost of	Lack of direct shipping lines to Costa	All but in particular	

³⁵ Ibid.

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Tobago (1)			transportation	Rica (shipments go either through the Dominican Republic or Jamaica and then Panama): there are few exports given the registration issues mentioned below, and hence shipping costs are high. However, shipping to Venezuela and the Dominican Republic is not a problem.	smaller exporters	
Belize (1)	Cuba	BTA	1F5. Seasonal tariffs	Seasonal tariffs for agricultural produce have various disadvantages: <ul style="list-style-type: none"> they reduce transparency and cost of compliance (requiring producers to know when which regime applies) in order to not lose market access, a continued presence on the export market is required. This requires storage capacity – often lacking, and driving up prices; sales at loss during periods MFN duties are in place; change in production patterns to ensure year-round production where possible; and/or purchase of the product from other sources for resale. 	Agricultural goods	Lobby for removal of application of seasonal tariff regimes.
Trinidad and Tobago (1)	Cuba	Cuba	1F7. Internal taxes and charges levied on imports [?]	Taxes: Cuba levies taxes after import duties which affects imports only [no further details could be obtained]	All [?]	[None, in the absence of more specific information about the barrier]
Guyana (1)	Cuba	Cuba	1G3. Regulation on official foreign exchange allocation	Currency controls make payments unpredictable. Exports to Cuba take place irregularly, but then in large shipments, depending on the availability of foreign exchange. This limits the potential of Cuba as a	All	None.

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Suriname (1)	Cuba	Cuba	1G3. Regulation on official foreign exchange allocation	market for smaller exporters. Due to the limited availability of foreign exchange which translates into payment terms of up to 360 days, exports to Cuba take place as barter trade.	All	None – barter trade is the response which exporters have found.
Trinidad and Tobago (1)	Cuba	Cuba	1G3. Regulation on official foreign exchange allocation	Currency controls make payments unpredictable. Exports to Cuba take place irregularly, but then in large shipments, depending on the availability of foreign exchange. This limits the potential of Cuba as a market for smaller exporters.	All	None.
Trinidad and Tobago (1)	Cuba	Cuba	1H1. State-trading enterprises, for importing; other selective import channels	Registration of exporters: Various issues were raised regarding registration of exporters as potential suppliers in Cuba. ³⁶ <ul style="list-style-type: none"> ▪ The registration process is lengthy as normally various layers of government are involved – it may take several years (some companies needed three years). ▪ Documentation requirements are comprehensive, all documents must be submitted with a certified Spanish translation notarised by the Cuban embassy in Trinidad and Tobago. ▪ Different buyers require separate registration, and requirements are not 	All	Standardisation of registration process across importers and clearly define the documentation to be provided by exporters.

³⁶ However, some aspects of the registration process are not a problem, including the cost of registration (USD 60 for the first three years, USD 30 for renewal), and the definition of what constitutes a “product” to be registered, which is wide.

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				<p>harmonised, so that exporters may have to provide different documents to different importers.</p> <ul style="list-style-type: none"> In some cases, importers ask for documents, or information in documents, which is not available in Trinidad and Tobago, such as the “social objectives” of a company in the constituting documents 		
Trinidad and Tobago (1)	Cuba	Cuba	1H1. State-trading enterprises, for importing; other selective import channels	Once registration is complete, companies are on a long list of approved suppliers (the lista de licitaciones) but this does not necessarily mean that companies are also invited to submit offers for specific contract opportunities: for tenders, which normally take place twice a year, a shortlist of registered suppliers is created, and it is not clear how the shortlist is built. Knowledge among Cuban importers of the BTA is lacking.	All	Knowledge of the BTA among importers needs to be promoted in order to ensure that CARICOM companies are included in the tender process (proceso de licitación)
Trinidad and Tobago (1)	Cuba	Cuba	1H1. State-trading enterprises, for importing; other selective import channels	Payment terms are normally 360 days, only in exceptional circumstances this can be reduced to 180 or 90 days.	All	Improve availability of trade credit. At present, Republic Bank offers this but the cost is high and can be afforded only by larger exporters. Exim Bank also provides export finance (and insurance) but not for Cuba and Venezuela.
Trinidad and Tobago (1)	Cuba	Trinidad and Tobago	1P8. Export credits	Export finance to Cuba is offered by Republic Bank but at a high cost (10%), which makes it unattractive especially for small exporters. A credit instrument to finance exports	All (particularly small exporters)	Put in place the export credit instrument at Trinidad and Tobago’s EximBank as quickly as possible, preferably as a CARICOM-wide instrument, and possibly including a

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
				to Cuba is in place and functioning with Jamaica's EximBank (USD 10 M), and under discussion with Trinidad and Tobago's EximBank (USD 10 M), but not operational. Lack of trade finance is one of the key problems for trade with Cuba, according to the TFO <u>the</u> most important one.		small window for exports from Cuba.
Jamaica (1)	Cuba	US	2F2. System and cost of transportation	Due to the US embargo on Cuba, transportation to Cuba is even more limited than transportation in general	All	None.
St. Kitts & Nevis (1)	Cuba	US	2F2. System and cost of transportation	Due to the US embargo on Cuba, transportation to Cuba is even more limited than transportation in general	All	None.
St. Lucia (1)	Cuba	US	2F2. System and cost of transportation	Due to the US embargo on Cuba, transportation to Cuba is even more limited than transportation in general	All	None.
Trinidad and Tobago (1)	Cuba	Cuba	2O. Treatment of product samples	Only small amounts of samples are allowed, often being insufficient to be brought for trade fairs	Primarily consumer goods	Include treatment of product samples in the BTA (not currently addressed).
Jamaica (1)	Cuba	Jamaica	3. Other obstacles	Most exports to Cuba are determined by lists of required imports provided by Cuba. However, Jamaican exporters are not aware of these lists/the products included – either because they do not receive them from Jamaica's authorities or because they fail to process the information provided.	All	Improve dissemination of information to exporters and strengthen exporters' capacity to process and react to business relevant information
Belize (1)	Dominican Republic	Dominican Republic	o. Tariffs	Based on information provided during the consultations, FCOJ was originally included in the scope of	Frozen Concentrate of Orange Juice (FCOJ)	There are various options to address this issue: 1) Include FCOJ in the scope of the

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
				<p>the FTA. However, following a complaint by producers from the Dominican Republic it was excluded, and imports from Belize are now subjected to a 20% import duty which has resulted in the complete elimination of exports, as US competitors' FCOJ is imported at 10% duty under the US-CAFTA-DR. Note, however that according to the text of the BTA (Attachment II to the Implementing Protocol), "Ex 20.09 – Orange, grapefruit and lime juices" are subjected to MFN. So FCOJ seems to have been excluded from the scope of the agreement since the beginning. However, in line with the US-CAFTA-DR FTA, Dominican Republican import duties on FCOJ are to be "removed in 15 equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year 15", which puts Belize's exporters at a yearly increasing disadvantage compared to US exporters. The entry into force for the Dominican Republic was 01 March 2007. Applicable import duties for FCOJ from the US thus were 20% until 2006, 18.7% in 2007, 17.3% in 2008, ..., 12.0% in 2012, 10.7% in 2013, and will further decrease to reach 0% in 2021.</p>		<p>FTA. This is already on the agenda and was planned to be discussed at the latest Joint Council meeting in May 2012. However, it should be noted that this in itself would not lead to the elimination of import duties for FCOJ from Belize, because this is primarily produced in EPZ, and products produced in EPZ are subjected to MFN treatment according to Article II of the Implementing Protocol. Hence, the Dominican Republic would also have to discontinue applying that Article (see Article II.2 of the Implementing Protocol).</p> <p>2) An alternative option could be to lobby the government of the Dominican Republic, through importers of FCOJ from Belize, to reduce the MFN duty.</p> <p>3) Belize's producers could switch towards production of the final product, thereby adding value – although this would not address the disadvantage vs. US producers, since juice is subject to the same tariff treatment as FCOJ. Also, competition by US companies in juices is very strong, and costs of establishing a brand are high.</p>
Trinidad and Tobago (1)	Dominican Republic	Dominican Republic	o. Tariffs	Glass bottles are excluded from the FTA and are subject to 14% import	Glass bottles	Request inclusion at next Joint Council meeting (glass bottles are

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
				duty while competing with US imports which are duty-free.		already on the CARICOM list but discussion of this did not take place at the most recent meeting).
Suriname (1)	Dominican Republic	Dominican Republic	1A1. Prohibitions/ restrictions of imports for SPS reasons	Import of wood from Suriname is banned in the Dominican Republic (no further information obtained)	Wood	If the ban is confirmed it should be addressed by the Joint Council.
Jamaica (1)	Dominican Republic	Dominican Republic	1B7. Product-quality or - performance requirement	Jamaica has received formal and consistent complaints from one company which has been actively seeking to export cement to the Dominican Republic since 2005, that its efforts have been consistently frustrated by what it alleges are technical barriers to trade in the Dominican Republic market. In the case under question, problems have emerged as a result of the refusal by the Dominican Republic's standards body to accept the certification issued by Jamaica's standards certification body concerning the quality of the product being exported. Efforts to resolve this matter through the development of a Memorandum of Understanding on Standards Recognition between the relevant authorities in both countries have borne little fruit to date.	Cement	In view of the fact that bilateral attempts at solving the problem have not been successful to date the issue should be addressed by the Joint Council, or under the dispute resolution provisions foreseen under the FTA
Belize (1)	Dominican Republic	BTA	1F5. Seasonal tariffs	Seasonal tariffs for agricultural produce have various disadvantages: <ul style="list-style-type: none"> ▪ they reduce transparency and cost of compliance (requiring producers to know when which regime applies) ▪ in order to not lose market 	Agricultural goods	Lobby for removal of application of seasonal tariff regimes.

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
				access, a continued presence on the export market is required. This requires storage capacity – often lacking, and driving up prices; sales at loss during periods MFN duties are in place; change in production patterns to ensure year-round production where possible; and/or purchase of the product from other sources for resale.		
Barbados (1)	Dominican Republic	Dominican Republic	1J. Distribution restrictions	One company stopped exporting because of problems with the exclusive distributor and the requirements of Law 173, but is now re-entering the Dominican Republic, using the provision in the FTA that Law 173 is not applied when the exporter and importer explicitly agree on its non-applicability. The Central Bank of the Dominican Republic provided a contract template to this effect.	All	Law 173 issues can be overcome in various ways, e.g. through the BTA provision (see on left), through the establishment of distributors in the Dominican Republic by CARICOM exporters. CARICOM export promotion bodies should provide clear information about the ways to address Law 173 to (potential) exporters to the Dominican Republic.
Guyana (1)	Dominican Republic	Dominican Republic	1J2. Restriction on resellers	Exclusive distributorship requirements of Law 173, in particular the requirement for compensation if a contract is cancelled.	All	Law 173 issues can be overcome in various ways, e.g. through the BTA provision, through the establishment of distributors in the Dominican Republic by CARICOM exporters. CARICOM export promotion bodies should provide clear information about the ways to address Law 173 to (potential) exporters to the Dominican Republic.
Jamaica (1)	Dominican Republic	Dominican Republic	1J2. Restriction on resellers	Exclusive distributorship requirements of Law 173. Although the FTA provides that Law 173 is not	All	Law 173 only applies to contracts which are registered with the DR central bank – exporters should

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
				applied if the parties agree on this, most DR firms are reluctant to do this. The negative experience of some exporters with Law 173 deters other companies from starting to export to the Dominican Republic. E.g. Salada considered exporting to the DR but decided against it because of Law 173.		therefore not register contracts. However, a preferable solution would be for CARICOM to renegotiate the FTA and request the same treatment as under the CAFTA/DR-US FTA (which foresees the non-applicability of Law 173 for US exporters)
Trinidad and Tobago (1)	Dominican Republic	Dominican Republic	1J2. Restriction on resellers	Exclusive distributorship requirements of Law 173, in particular the requirement for compensation if a contract is cancelled. One exporter from Trinidad and Tobago cancelled the contract but refused to pay compensation since the cancellation was the distributor's fault. As a result, for the past 4 years the company could not export to the Dominican Republic. Although the FTA provides that Law 173 is not applied if the parties agree on this, most firms in the Dominican Republic are reluctant to do this. The negative experience of some exporters with Law 173 deters other companies from starting to export to the Dominican Republic.	All	Law 173 issues can be overcome in various ways, e.g. through the BTA provision (but see on left), through the establishment of distributors in the Dominican Republic by CARICOM exporters. CARICOM export promotion bodies should provide clear information about the ways to address Law 173 to (potential) exporters to the Dominican Republic.
Grenada (1)	Dominican Republic	Dominican Republic	1L. Subsidies	Subsidies for Rum make it difficult to compete for Grenada's rum on the Dominican Republic market	Rum producers	None. (Theoretically, a dispute could be filed under the WTO Dispute Settlement Body, referring to the Agreement on Subsidies and Countervailing Measures. The BTA specifically only refers to export subsidies [Article X of Annex I] but

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
						not trade distorting domestic subsidies, and the BTA's dispute settlement mechanism [Article XV] has not been put in place).
Trinidad and Tobago (1)	Dominican Republic	Dominican Republic	1N. Intellectual property	Sometimes when exporters from Trinidad and Tobago engage in initial steps for exporting to the Dominican Republic, Dominican Republic companies register the exporters' brands in DR.	All branded products	Alert exporters to register their brands in DR early on; discuss the issue at Joint Council and strengthen IP provisions in FTA.
Trinidad and Tobago (2)	Dominican Republic	Dominican Republic	2A. Administrative burdens: Documentation requirements	In addition to the commercial invoice, Customs in the Dominican Republic required a consular invoice and 'legalization' of documents by the Embassy of the Republic of the Dominican Republic.	All	This would be an issue for discussion by the Joint Council in order to determine if documentation requirements could be waived under the Agreement. Establishing a Trade Facilitation Office in the Dominican Republic (or expanding the mandate of the Caribbean Export's office) to assist CARICOM exporters could help in the meantime.
Trinidad and Tobago (1)	Dominican Republic	Dominican Republic	2A3. Difficulties with translation of documents from or into other languages	Requirement to provide certified Spanish translations of the export documentation.	All	Inform exporters of this requirement; discuss waiving the certification requirement at Joint Council.
Dominica (1)	Dominican Republic	Regional	2F2. Transportation costs and logistics issues	A producer of soap was affected twice by high transportation costs and logistics issues (need to ship via the US): firstly, it imported most raw materials, and secondly, exports to BTA partners were affected by the same problems.	Soap producer (but applicable to most exporters)	Improvements in the transport and logistics system.
Barbados (1)	Venezuela	COSAVE	1A. Sanitary and	Venezuela belongs to different	Agricultural &	Put in place mutual recognition

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
			phytosanitary measures (esp. 1A8 Conformity assessment related to SPS)	regional SPS blocks (Comité de Sanidad Vegetal, COSAVE ³⁷) which has different standards – but these are not well known by producers in Barbados and might require changes in production which would be too costly given the limited exports taking place. In addition, CARICOM has no joint testing facility, unlike COSAVE. Mutual recognition agreements for conformity assessment are not yet in place.	processed agricultural goods	agreements for conformity assessment. Consider establishing CARICOM joint testing facility.
Trinidad and Tobago (2)	Venezuela	Venezuela	1C1. Pre-shipment inspection	Companies reported that the Venezuelan authorities executed pre-shipment inspection of all goods but products from Trinidad and Tobago appeared to be singled out for additional scrutiny. This led to delays at the port.	All	This would be an issue for discussion by the Joint Council in order to determine if such import licensing could be waived under the Agreement.
Trinidad and Tobago (2)	Venezuela	Venezuela	1E1. Non-automatic import-licensing procedures other than authorizations for SPS or TBT reasons	In addition to product registrations, for all shipments at least of certain goods, incl. food products, import licenses have to be obtained, which require 2-3 weeks to be issued and cost USD 100 – 500.	Condiments	This would be an issue for discussion by the Joint Council in order to determine if such import licensing could be waived under the Agreement.
Dominica (1)	Venezuela	Venezuela	1G3. Regulation on official foreign exchange allocation	No access to foreign exchange by importer: Exports of gravel failed to materialise as the importer was unable to get access to foreign hard currency. This had been requested from Venezuela’s government but could not be obtained in six months.	Gravel exports (but applicable to all exporters)	None.
Guyana (1)	Venezuela	Venezuela	1G3. Regulation on official foreign exchange	Currency controls make payments unpredictable. Obtaining licenses	All	None.

³⁷ According to the COSAVE website (<http://www.cosave.org>), Venezuela is not a member.

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
			allocation	from CADIVI is lengthy, non-transparent and difficult (and prone to corruption) so only large importers can afford it – this substantially reduces the market potential.		
Suriname (1)	Venezuela	Venezuela	1G3. Regulation on official foreign exchange allocation	Because of the limited availability of foreign exchange and uncertainty about payments, exporters have resorted to either requesting upfront payment or provision of guarantees.	All	None – exporters have found a workaround but a real solution to the problem would only be the removal of foreign exchange limitations in Venezuela.
Trinidad and Tobago (1)	Venezuela	Venezuela	1G3. Regulation on official foreign exchange allocation	Currency controls make payments unpredictable. Obtaining licenses from CADIVI is lengthy, non-transparent and difficult (and prone to corruption) so only large importers can afford it – this substantially reduces the market potential.	All	None.
Guyana (1)	Venezuela	Venezuela	1L. Subsidies	Fuel subsidies in Venezuela have made it impossible to compete on the market in sectors where fuel constitutes an important share of the cost, such as fishery (65% of production cost)	Fuel-intensive products, e.g. seafoods	None.
Jamaica (1)	Venezuela	Venezuela	2 Administrative burdens	Exports to Venezuela have become virtually impossible as a result of the amount of bureaucracy at all stages, from product registration to import administration and payments. Market entry is only conceivable if a product is on the GoV's "want list", and only through direct government-to-government contact and negotiations. Venezuela's	All	Re-initiate discussions in the context of the BTA by holding a Joint Council meeting. It appears that Venezuela requested such a meeting at the November 2013 COTED meeting.

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
				current list does not include any products which Jamaica could supply.		
Trinidad and Tobago (1)	Venezuela	Venezuela	2A. Administrative burdens: Product registration	<p>Various issues were raised regarding product registration in Venezuela:</p> <ul style="list-style-type: none"> ▪ Lack of transparency: Information about registration requirements is impossible to obtain; ▪ Length of time required for registration: while registration is valid for two years, it takes up to one year to collect and get approval of all documents required. In addition, the validity of some documents is restricted to e.g. 6 months which further complicates the approval process as the issuing of documents needs to be carefully coordinated – and slow and unpredictable response times by the Venezuelan authorities make this even more difficult; ▪ Some documents required for registration are not issued in Trinidad and Tobago; ▪ Each product variety and packaging size has to be registered separately, causing high costs. 	All	<p>As a first step, the Agreement would have to be revived. Then:</p> <ul style="list-style-type: none"> ▪ Provide clear guides to CARICOM exporters about the registration requirements for each product type. ▪ Activate relevant standing committees under the agreement to discuss issues bilaterally ▪ Nominate contact points in Venezuela and CARICOM member authorities to facilitate direct contact and solution to specific problems
Trinidad and Tobago (1)	Venezuela	Venezuela	2A.2 Documentation is difficult to fill out	At least some BTA partners require a “certificate of free sale” which is not issued by the authorities in Trinidad and Tobago. While in the end	Products for human consumption, cosmetics, etc.	Establish standing committees and clarify rules on documents to be provided for exports under the agreements.

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
				exporTT provided the certificate they questioned the rationale. Also, there is no institutional memory, which means that if there are changes in staff the problem will occur again (e.g. Venezuela requires the submission of a new certificate in the renewal of the product registration)		
Grenada (1)	Venezuela	Venezuela	2C2. Arbitrary seizure of products	Exports to Venezuela are prone to arbitrary treatment by Customs upon import. On one instance, a complete ship was seized, including 30 bags of nutmegs exported from Grenada, apparently because some goods on it had been smuggled. The exporter was not able to have the goods released and thus lost app. XCD 50 thousand worth of merchandise.	Nutmeg exporter (but applicable to all exporters)	Address issues like this through the Joint Council. This would require: <ul style="list-style-type: none"> • An effective channelling of information from the exporter concerned to the Joint Council. Currently no mechanisms for this exist. An exporter will typically, if at all, resort to the Ministry in Grenada and hope for their support in negotiations with the import administration; and • An effectively operating Joint Council.
Grenada (1)	Venezuela	Venezuela	2E2. Bribes	While no specific examples were given exporters stated that exports to Venezuela were often affected by the need to pay bribes in order to get shipments through customs	All	This could in principle also be addressed through the Joint Council (see above) but would furthermore require that incidences of bribes were recorded by the affected exporters and systematically collected – which is unlikely to happen.
Barbados (1)	Venezuela	Venezuela	2H2. No dispute settlement procedure	A number of exporters were not paid by the importers, and in the absence of efficient dispute settlement/ legal procedures had to write off their exports. As knowledge about these cases spread	All	Establish strong dispute settlement procedures in line with BTA provisions; engage in trust-building business-to-business collaboration (e.g. through private sector associations); export only against

CARICOM Member reporting (information source) ³²	Partner country	Source of barrier	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
				through the business community there is now very little interest in exporting to Venezuela		pre-payment. As a first step, a Joint Council meeting should be held to revive implementation of the BTA.
Dominica (1)	Venezuela,	Trinidad and Tobago	3. Private anticompetitive behaviour	When a Dominican company started to export to Venezuela, a supplier of raw materials from Trinidad and Tobago, who was competing with the Dominican producer on the Venezuelan market stopped supplying the Dominican producer, thereby causing it to withdraw from the Venezuelan market	Toilet paper exporter	This case would need to be addressed as a case of anti-competitive behaviour under CARICOM competition law.

Sources: (1) Consultations; (2) International Trade Centre (2013b)

Annex D – Consultation Reports

The following pages present the reports prepared based on consultations undertaken in with public and private sector stakeholders in CARICOM and BTA partner countries. Reports have been written in such a way as to be read on a “stand-alone” basis to facilitate their being shared with stakeholders.

The individual consultation reports are:	Page
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CONSULTATIONS REPORT – ANTIGUA AND BARBUDA

December 2013/January 2014

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (collectively referred to as bilateral trade agreements, BTAs). In 2010, a study prepared by the CARICOM Secretariat concluded that trade between CARICOM and the BTA partner countries was less dynamic than expected and that CARICOM's trade performance was disappointing overall – exports were still low after several years of the BTAs being in place, and bilateral trade with most partner characterised by persistent CARICOM deficits. In order to identify the underlying reasons for the weak performance and derive policy recommendations to address them, a follow-up study was commissioned. This report summarises the consultant's consultations with stakeholders in Antigua and Barbuda. Responses to the list of issues prepared by the consultant were provided in written form.

2 MAIN FINDINGS

From a business perspective, three conditions must be fulfilled in order for trade (in particular, exports) between CARICOM and BTA partner countries to take place and grow: First, businesses must be aware of and have an interest in exporting to BTA partners, and take the corporate decision to export there. Second, challenges during initial market entry may cause businesses to delay or abandon market entry. Third, ongoing trade encounters a plethora of practical challenges.

The following sections discuss these issues based on the feedback provided by stakeholders. In doing so, for each issue the following details are addressed, where appropriate:

- The BTA partner concerned;
- A description of the issue and its impact on businesses;
- The type of company/sector concerned, or potentially concerned;
- The (potential) solution or alleviation: What has been done, or can be done to solve the issue, and which role plays the BTA, or can the BTA play in this?

2.1 Issues in ongoing trade with BTA partner countries

Experience of Antigua and Barbuda with exporting to the five BTA partner countries is very limited. No particular issues which would negatively impact on ongoing trade have therefore been identified.

2.2 Issues in relation to the initial entry into a BTA partner country market

The Government provides some support to the business community in terms of opening up BTA partner markets. The country considered to have the best potential for exports is the Dominican Republic, including because of its close proximity to Antigua & Barbuda and the availability of frequent flights between both jurisdictions.

For example, a Trade Mission to the Dominican Republic is planned for January 2014. The mission seeks to strengthen trade and investment relations between Antigua & Barbuda and the Dominican Republic, the facilitation of arrangements that will foster the development of stronger business ties and serves as a precursor to a planned Official Visit by Prime Minister Hon. Winston B. Spencer in February 2014. The areas to be covered by the trade mission include:

- An air service agreement;
- A bilateral investment agreement;
- A visa waiver agreement;
- A scholarship programme;
- Access to medical facilities for Antigua and Barbuda patients;
- Business-to-business contacts; and
- Hospitality training.

Antigua and Barbuda also has a Consul General in the Dominican Republic who in conjunction with the Division of Trade, Industry & Commerce Antigua & Barbuda works on the strengthening of trade and economic relations between the two countries. However, there are not trade representatives in other BTA partner countries.

2.3 Business interest in BTA partner country markets

Exports from Antigua & Barbuda to the BTA partner countries are minuscule in addition to volatile. The desire however exists to improve on the quantity and consistency of exports. However, Antigua & Barbuda is a service based economy and therefore has a very small goods production sector. Consequently the following reasons were given for the high volatility in exports to the BTA countries:

- Existence of an inconsistent net surplus of goods for export;
- Narrow range of goods produced;
- Once the inconsistent net surplus in exports is generated, it is traded with traditional trading partners which include the United States, Europe and CARIFORUM;
- Because of their large populations, BTA partner markets typically exceeds the supply capacity of producers in Antigua and Barbuda
- Lack of price competitiveness of Antigua and Barbuda's exports, exacerbated by the tough price competition on the BTA partner markets; and
- Logistical challenges and high transportation costs in conjunction with the inconsistent small surplus in export volumes are a major hindrance.

In order to overcome these obstacles, the following measures were suggested:

- Upgrading key economic infrastructure (the need for reliable and cost effective maritime transport; investment in ICT and alternative sources of energy);
- Establishment of trade representatives in BTA partner countries;

- Enhance the competitiveness, range of goods and increase in net surplus of the goods produced;
- The ability to facilitate trade expansion and diversification; and
- The improper maximization of gains from external trade and the deepening of regional integration.

2.4 The Role of BTAs in trade with BTA partner countries

Antigua & Barbuda has direct official relations with the Dominican Republic. Most of the ground leg work is undertaken by its Consul General Dr. Ricardo Koenig in conjunction with the Division of Trade, Industry & Commerce of Antigua & Barbuda.

ANNEX: STAKEHOLDERS WHO PROVIDED RESPONSES

Division of Trade, Industry & Commerce, Ministry of Finance, the Economy and Public Administration

Paul Bacchus, Executive Director, National Development Foundation of Antigua & Barbuda

CONSULTATIONS REPORT – BARBADOS

30 September 2013

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (collectively referred to as bilateral trade agreements, BTAs). In 2010, a study prepared by the CARICOM Secretariat concluded that trade between CARICOM and the BTA partner countries was less dynamic than expected and that CARICOM's trade performance was disappointing overall – exports were still low after several years of the BTAs being in place, and bilateral trade with most partner characterised by persistent CARICOM deficits. In order to identify the underlying reasons for the weak performance and derive policy recommendations to address them, a follow-up study was commissioned. This report summarises the consultant's consultations with stakeholders in Barbados. In addition to national stakeholders, a meeting was also held with the Office for Trade Negotiations (OTN).

2 FINDINGS FROM MEETINGS WITH NATIONAL STAKEHOLDERS

From a business perspective, three conditions must be fulfilled in order for trade (in particular, exports) between CARICOM and BTA partner countries to take place and grow: First, businesses must be aware of and have an interest in exporting to BTA partners, and take the corporate decision to export there. Second, challenges during initial market entry may cause businesses to delay or abandon market entry. Third, ongoing trade encounters a plethora of practical challenges.

The following sections discuss these issues as encountered by companies in Barbados, based on discussions held with public and private stakeholders during the consultant's country visit. In doing so, for each issue the following details are addressed, where appropriate:

- The BTA partner concerned;
- A description of the issue and its impact on businesses;
- The type of company/sector concerned, or potentially concerned;
- The (potential) solution or alleviation: What has been done, or can be done to solve the issue, and which role plays the BTA, or can the BTA play in this?

2.1 Issues in ongoing trade with BTA partner countries

Experience of Barbados with exporting to the five BTA partner countries is limited to a small number of companies – mostly the larger Caribbean conglomerates which also have strong networks in Latin America (such as Goddard's). Indeed, six or seven companies account for about 90% of Barbados' exports. Particular issues which negatively impact on trade are listed and described in Table 1.

Table 1: Barriers for Barbadian companies to export to BTA partner countries

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
All	1A./1B. Sanitary and phytosanitary measures and Technical Barriers to Trade	BTA partners are introducing increasingly stricter standards (regarding traceability etc.) in line with NAFTA, which producers in Barbados do not yet meet, primarily because Barbados legislation does not require it	All	Upgrade Barbados legislation to bring it in line with NAFTA requirements. Assist producers in implementation.
All	2Dz. Delays during transportation	Delays in TTO during transit are a problem for perishable exports	Perishable agricultural goods	Improvements in the logistics chain.
All	2Fz. System and cost of transportation	While the export of full containers is usually not a problem and not overly costly, the shipments of less than a full container load are affected by high costs that mostly prohibit exports in such small quantities. Also, direct transportation links with BTA partners are missing, currently most shipments are channelled via the US.	Primarily smaller exporters	Improved logistics and more (direct) shipping routes.
Costa Rica	2A5. Numerous administrative windows/ organizations involved	Contracts must be notified to the Central Bank, which is considered an administrative hassle, raises costs and requires extra time to comply.	All	Address this issue at the next Joint Council meeting
Costa Rica, Venezuela	1A. Sanitary and phytosanitary measures (esp. 1A8 Conformity assessment related to SPS)	Costa Rica and Venezuela belong to different regional SPS blocks (Venezuela: Comité de Sanidad Vegetal, COSAVE ¹ ; Costa Rica: SPS rules under SIECA) which have different standards – but these are not well known by producers in Barbados and might require changes in production which would be too costly given the limited exports taking place. In addition, CARICOM has no joint testing facility, unlike COSAVE. Mutual recognition agreements for conformity assessment are not yet in place.	Agricultural & processed agricultural goods	Put in place mutual recognition agreements for conformity assessment. Consider establishing CARICOM joint testing facility.
Dominican Republic	1J. Distribution restrictions	One company stopped exporting because of problems with the exclusive distributor and the requirements of	All	Law 173 issues can be overcome in various ways, e.g. through the BTA provision (see on left),

¹ According to the COSAVE website (<http://www.cosave.org>), Venezuela is not a member.

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
		Law 173, but is now re-entering the DR, using the provision in the FTA that Law 173 is not applied when the exporter and importer explicitly agree on its non-applicability. The Central Bank of the DR provided a contract template to this effect.		through the establishment of distributors in the DR by CARICOM exporters. CARICOM export promotion bodies should provide clear information about the ways to address Law 173 to (potential) exporters to the DR.
Venezuela	zHz. No dispute settlement procedure	A number of exporters were not paid by the importers, and in the absence of efficient dispute settlement/ legal procedures had to write off their exports. As knowledge about these cases spread through the business community there is now very little interest in exporting to Venezuela	All	Establish strong dispute settlement procedures in line with BTA provisions; engage in trust-building business-to-business collaboration (e.g. through private sector associations); export only against pre-payment. As a first step, a Joint Council meeting should be held to revive implementation of the BTA.

Regarding rules of origin, it was noted that there had been issues in the earlier stages due to translation problems, and that even petty things like typos would require re-issuance of certificates and thereby caused delays, but these issues were not considered as barriers.

2.2 Issues in relation to the initial entry into a BTA partner country market

Initial entry into a BTA partner country requires substantial investments. While the larger companies undertake their own due diligences, smaller firms require support and facilitation. The support network is quite well developed: Government and trade support institutions (like the Private Sector Trade Team or IDC) do this, and the embassies in Cuba and Venezuela also provide assistance in facilitating exports, while the Caribbean Export office in the DR does the same there. Caribbean Export is also streamlining its relations with national export promotion bodies in order to reduce duplication.

What is lacking are stronger relations with associations or representatives of importers in the BTA partner countries, and indeed information about such groups, as these are typically in a stronger position to lobby for the removal of barriers on the importing side. Exchanges of information take place on an ad hoc basis (such as in a DR-CARICOM private sector meeting organised by Caribbean Export last year) but lack continuity. It is felt that the lack of standing structures is both the result and a reason for the general limited level of trust between businesses in CARICOM and the BTA partners.

Demand for the services provided is high. A particular need for assistance exists in relation to research on standards applied by BTA partner countries.

2.3 Business interest in BTA partner country markets

Business interest in exporting to BTA partner countries is limited to few companies. The following explanatory factors were mentioned during consultations:

- **Lack of complementarity** between Barbadian and BTA partner products: since the economic sector structures of CARICOM and BTA partner countries are similar, there is little to trade. Also, since most products are agriculture-based, little intra-industry trade can be expected;
- **Lack of cost competitiveness due to high production costs:** cost of labour, energy and transport are high, and are further driven up because of the low volume production;
- **High level of competition in partner countries:** in addition to being larger markets with stronger domestic competition, most BTA partners are also in regional FTAs which further enlarges the markets and competition on the markets. This makes market entry by CARICOM exporters even more difficult;
- **Low volume production and limited capacity to diversify:** managing exports to several markets requires resources and production capacities which most companies in Barbados do not have. They therefore concentrate on few markets, i.e. the existing ones – CARICOM (and Caribbean), EU, US, Canada;
- **Language issues** are often considered as a problem by companies which have no experience in exporting to BTA partners (or Latin America in general). However, exporters that do business there have found that business people in Latin America typically do speak sufficient English to do business. Language problems thus are more an issue of perception by Caribbean firms that do not have any business experience. It might help to raise awareness for the fact that business can be done in English;
- **Lack of export policy focus on BTA partners:** Barbados export strategy prioritises Brazil, Panama and Costa Rica, but not the other BTA partner countries. The choice of priority

countries was politically motivated. At a more general level, there is a lack of policy coherence in Barbados – trade policy and development policy are pursued in isolation from each other.

2.4 The Role of BTAs in trade with BTA partner countries

Exporters in Barbados are aware of the tariff preferences provided under the agreements, which are gratefully acknowledged but are not considered as game changers. This is mainly because they do not address the key constraints for exports as described in the previous section.

In addition, with regard to the **substance of the BTAs**, they suffer from the following shortcomings:

- The scope of the BTAs is too limited. In particular the focus on trade in goods issues limits the benefits which the BTAs have for Barbados. In response, an expansion of the scope to also include services and investment issues, inter alia, i.e. to convert them into deep integration arrangements would be useful;
- There were conflicting views regarding the seasonal application of duties for agricultural goods. While there was consensus that these rules constituted a barrier for trade in agricultural goods (as they make trade more complicated and reduce transparency), some stakeholders were of the view that their abolition would primarily benefit BTA partners' exports to CARICOM, rather than vice versa;
- The negotiations of the BTAs did not adequately involve the private sector and hence the provisions of the BTAs do not necessarily reflect private sector interests. This is primarily explained by the fact that the BTAs were negotiated before the private sector in Barbados became more actively involved in policy formulation.

There was also the view that CARICOM was not actively following up on the **implementation of the BTAs**, exemplified by the fact that:

- Joint Council meetings were not taking place. E.g., a JC meeting with Costa Rica would be needed in relation to exports of meat. It was acknowledged, however, that lack of funding to hold meetings was an issue; and
- Bilateral business councils had not been established (see section 2.2 above).

ANNEX: PARTICIPANTS IN CONSULTATION DISCUSSIONS

Prime Minister's Office
Ministry of Foreign Affairs and Foreign Trade
Ministry of Industry, International Business, Commerce and Small Business Development
Ministry of Agriculture
Customs and Excise Department
Barbados Private Sector Trade Team

**IDENTIFICATION AND ASSESSMENT OF THE UNDERLYING REASONS AFFECTING CARICOM'S
TRADE PERFORMANCE UNDER THE EXISTING BILATERAL TRADE AGREEMENTS WITH THE
DOMINICAN REPUBLIC, COSTA RICA, COLOMBIA, CUBA AND VENEZUELA**

CONSULTATIONS REPORT – BELIZE

14-15 November 2013

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (collectively referred to as bilateral trade agreements, BTAs). In 2010, a study prepared by the CARICOM Secretariat concluded that trade between CARICOM and the BTA partner countries was less dynamic than expected and that CARICOM's trade performance was disappointing overall – exports were still low after several years of the BTAs being in place, and bilateral trade with most partner characterised by persistent CARICOM deficits. In order to identify the underlying reasons for the weak performance and derive policy recommendations to address them, a follow-up study was commissioned. This report summarises the consultant's consultations with stakeholders in Belize.

2 FINDINGS

From a business perspective, three conditions must be fulfilled in order for trade (in particular, exports) between CARICOM and BTA partner countries to take place and grow: First, businesses must be aware of and have an interest in exporting to BTA partners, and take the corporate decision to export there. Second, challenges during initial market entry may cause businesses to delay or abandon market entry. Third, ongoing trade encounters a plethora of practical challenges.

The following sections discuss these issues as encountered by companies in Belize, based on discussions held with public and private stakeholders during the consultant's country visit. In doing so, for each issue the following details are addressed, where appropriate:

- The BTA partner concerned;
- A description of the issue and its impact on businesses;
- The type of company/sector concerned, or potentially concerned;
- The (potential) solution or alleviation: What has been done, or can be done to solve the issue, and which role plays the BTA, or can the BTA play in this?

2.1 Issues in ongoing trade with BTA partner countries

Experience of companies in Belize with exporting to any of the five BTA partner countries is very limited. Particular issues which negatively impact on trade are listed and described in Table 1.

Table 1: Barriers for Belizean companies to export to BTA partner countries

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
All (source of barrier: Belize)	1P8. Export credits	Lack of trade finance <i>and</i> export insurance impedes exports by small firms with limited financial capacity: cash flow of these exporters to finance the 90-100 days payment terms are not sufficient. Although Belize's Development Finance Corporation (DFC) offers agricultural working capital loans its conditions do not extend to export finance.	All	Introduce government backed export finance schemes (possibly at OECS level). However: Such schemes were once in place but then discontinued, partly due to lack of usage – the reasons for this would have to be identified (e.g. complexity of procedures, cost, lack of exporters?) prior to (re-)introducing schemes.
All (source of barrier: Belize)	2D1. Delay in administrative procedures	Obtaining export permits from BAHA delays exports by a day. Certificates of origin (issued by the BCCI) take 2 days. Customs procedures for export are substantially more time consuming than for imports (e.g. clearance of trucks for export to Guatemala takes a day)	All	Streamline export procedures.
All (ex.: Dominican Republic)	2F2. System and cost of transportation	The cost of transportation from Belize to e.g. the DR is 50% higher than from the US and two thirds higher from Jamaica. In combination with the tariff difference between imports of FCOJ from the US and Belize this prevents further exports of FCOJ	All (ex.: FCOJ, corn)	Apart from working on the tariff issue (see below) in principle, increasing exports would be a solution in order to reduce cost of transport. In order to do this, e.g. Belize's producers of corn would need temporary tariff production (application of the CET by all CARICOM members – currently JAM and TTO impose 0% duty) to expand production and sales to CARICOM and then expand to other markets, incl. BTA partners – e.g. competition in the DR in corn comes from the US where it is heavily subsidised.
Costa Rica, Cuba, Dominican Republic	1F5. Seasonal tariffs	Seasonal tariffs for agricultural produce have various disadvantages: <ul style="list-style-type: none"> they reduce transparency and cost of compliance (requiring producers to know when which regime applies) in order to not lose market access, a continued presence on the export market is required. This requires storage capacity – often lacking, and driving up prices; sales at loss during periods MFN duties are in place; change in production patterns to ensure year-round production where possible; and/or purchase of the product from other sources for resale. 	Agricultural goods	Lobby for removal of application of seasonal tariff regimes.
Costa Rica	2A.	Issuance of an import permit requires the submission of	All	CR to revise import procedures.

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
	Administrative burden	a bill of lading – this puts exporters in a catch 22 situation		
Dominican Republic	o. Tariffs	<p>Based on information provided during the consultations, FCOJ was originally included in the scope of the FTA. However, following a complaint by DR producers it was excluded, and imports from Belize are now subjected to a 20% import duty which has resulted in the complete elimination of exports, as US competitors' FCOJ is imported at 10% duty under the US-CAFTA-DR.</p> <p>Note, however that according to the text of the BTA (Attachment II to the Implementing Protocol), "Ex 20.09 – Orange, grapefruit and lime juices" are subjected to MFN. So FCOJ seems to have been excluded from the scope of the agreement since the beginning. However, in line with the US-CAFTA-DR FTA, DR import duties on FCOJ are to be "removed in 15 equal annual stages beginning on the date this Agreement enters into force, and such goods shall be duty-free, effective January 1 of year 15", which puts Belize's exporters at a yearly increasing disadvantage compared to US exporters. The entry into force for the DR was 01 March 2007. Applicable import duties for FCOJ from the US thus were 20% until 2006, 18.7% in 2007, 17.3% in 2008, ..., 12.0% in 2012, 10.7% in 2013, and will further decrease to reach 0% in 2021.</p>	Frozen Concentrate of Orange Juice (FCOJ)	<p>There are various options to address this issue:</p> <ol style="list-style-type: none"> 1) Include FCOJ in the scope of the FTA. This is already on the agenda and was planned to be discussed at the latest Joint Council meeting in May 2012. However, it should be noted that this in itself would not lead to the elimination of import duties for FCOJ from Belize, because this is primarily produced in EPZ, and products produced in EPZ are subjected to MFN treatment according to Article II of the Implementing Protocol. Hence, the DR would also have to discontinue applying that Article (see Article II.2 of the Implementing Protocol). 2) An alternative option could be to lobby the DR government, through DR importers of FCOJ from Belize, to reduce the MFN duty. 3) Belize's producers could switch towards production of the final product, thereby adding value – although this would not address the disadvantage vs. US producers, since juice is subject to the same tariff treatment as FCOJ. Also, competition by US companies in juices is very strong, and costs of establishing a brand are high.

2.2 Issues in relation to the initial entry into a BTA partner country market

Belize's exporters so far have mostly entered new markets without any type of assistance from support institutions. Both BELTRAIDE and Caribbean Export provide good support but this is relatively new and limited, and would need to be expanded.

2.3 Business interest in BTA partner country markets

First of all, it was stated that the private sector in general, and with few exceptions, is not export oriented but rather aims at satisfying domestic demand. This overall anti-export bias is reinforced by a number of policies. Among the few export oriented companies, the BTA partner countries are not priority markets. While companies acknowledge that Latin America (including the five BTA partner countries) is a market of the future, the expected profits of exporting there have to be counterweighed against the costs and risks. Furthermore, a number of general supply side capacity problems help explain the low level of exports to BTA partner countries. The factors mentioned include:

- **Government tax policies have an anti-export bias:** taxation of raw materials (such as fertilisers, seeds, etc. – most of which are imported) as well as other aspects of the tax regime (such as upfront payment requirements) reduce competitiveness. In some sectors, such as rice, export disincentives (i.e. export permit requirements) due to the Government's food security concerns impede exports (note that while public sector representatives stated that the domestic price is higher than the price on export markets, and there is therefore no interest by producers to export, private sector representatives said that the domestic price was lower than production costs (and world market prices), and production would only continue because of the possibility of informal exports through the porous borders);
- **Transport costs:** Transport costs to BTA partners are roughly 50% higher than from the US;
- **High cost of energy** (although lower than in e.g. Jamaica);
- **Low output:** Belize's production pattern is on high quality but low output, which is not suitable for all markets. E.g. Venezuela (under PetroCaribe) would require exports of volumes higher than can be produced by Belize at present. Expanding output will require major investments in production capacity, which in turn will require foreign investors (and more domestic resource mobilisation). However, policies are not conducive to investments, and the cost of capital is high;
- **Absence of a notable manufacturing sector:** The manufacturing sector in Belize is very small and essentially consists of limited agro-processing of domestically produced inputs. The sector is fragile and mostly does not even export to CARICOM – which would be the first export target market because of the CET –, let alone to BTA partners;
- **Lack of export strategy and coherent Government support:** Belize has no national export strategy although one is under preparation. An agricultural sector policy is in place but outdated; in general Government traditionally has not been export friendly. In particular, there is a bias against exports of agricultural goods, due to food security considerations. In addition, there is a disconnect between support aimed at MSMEs (which is focussing on the domestic market) and support to larger firms (which is export oriented, e.g. the EPZs). Furthermore lack of clear responsibilities/competences between ministries (e.g. it is not clear if Agriculture or Trade is in charge for companies producing processed agricultural product (HS chapters 16-24). In more general terms, there is a lack of evidence based policy making and monitoring of policy implementation: policies and strategies often follow a piecemeal

approach rather than being structured and coherent. Finally, Government focus is on tourism rather than agriculture, yet there are no initiatives to create clusters around tourism which would also expand exports;

- The **business culture** in Belize is **risk averse** and hence will both be reluctant to undertake major investments, including in agriculture (the maximum amortisation period being 3-4 years) and considering new markets. Crop insurance which would alleviate the risk for farmers is so costly that only the largest companies can afford them;
- Unlike in other CARICOM countries, producers in the same sector exchange information. There was consensus that the creation of closer coalitions or alliances within and across sectors would be an added benefit; for example it could help in building export business relationships if an exporter in one sector could introduce the client to an exporter in another sector;
- **High share of micro and small enterprises** and small-holder farmers, which lack any capacity to export. E.g. of the country's 19,000 farmers 90% are smallholders. Cooperatives and the Belize Marketing and Development Corporation (BMDC) aim at resolving this problem;
- **Limited capacity to diversify:** managing exports to several markets requires resources which many SMEs do not have. They therefore concentrate on the existing few markets, while BTA partner countries are not interesting markets for the most part.

In terms of sectors, export potential is mainly restricted to agricultural produce and agro-processing. A very recent new export is corn and animal feed on corn basis (first exported – presently to TTO and SUR – in 2013). Also, livestock has a competitive advantage over other Central American countries but prior to starting export of live animals, the country has to be declared free of certain diseases – this process is currently under way. Export of meat would follow at a later stage.

Some general recommendations of agricultural exporters, not based on trade with BTA partners but exports in general are:

- Being too small to compete on mass-markets, Belize needs to capitalise on the quality of her products;
- An important input for doing so is through branding of Belizean products. For example, a producer of shrimp requires that the company is mentioned as the producer on product labels, even where products are sold by trading houses;
- Belizean exporters need to establish long-term trade relationships; they can't compete based on opportunistic trade due to the price-driven nature and the weak financial situation of most exporters;
- Export in bulk, as well as exports through agents, should be avoided given the reduction in margins; rather business relations with retailers should be built.

2.4 The Role of BTAs in trade with BTA partner countries

Awareness of the BTAs among businesses is virtually non-existent, and information on them is not available. A number of companies met heard of the BTAs for the first time when invited to the consultation.

Regarding the **substance of the BTAs**, it was stated that different CARICOM members had entirely different interests from the BTAs. In particular, JAM & TTO needed the agreements to contain inflation domestically. Specific comments that were made:

- BTAs for the most part exclude agricultural products (or put them under such seasonal arrangements that effectively exclude them) which Belize could export. Here, Belize failed to promote her interests better during negotiations;
- Likewise, the BTAs do not include Belize’s target markets. Belize would benefit more from a CARICOM-CAFTA agreement;
- The negotiation of the BTAs did not adequately involve the private sector and hence the provisions of the BTA do not necessarily reflect private sector interests.

Apart from the BTAs, Belize also has one bilateral partial scope agreement (PSA) in place, one under negotiations, and considers entering into negotiations with two more Central American countries:

- A PSA with **Guatemala** is in place. This is essentially a politically motivated agreement with the objective of stabilising political relations between Guatemala and Belize, and has had no effects on bilateral trade yet. Also, administrative structures for the implementation of the PSA still have to be established. Formal trade between Belize and Guatemala is made difficult due to difficulties for Belizean trucks entering Guatemala and the impossibility of making direct payments between Belize and Guatemala. Such payments are typically made into US accounts. Partly in response to such barriers, informal trade between Belize and Guatemala is high;
- A PSA with **El Salvador** is under negotiation (the second round of negotiations has been held). However, the implementation of the trade aspects of any agreement between Belize and El Salvador will be affected by the issue of transit through Guatemala. These issues could possibly be resolved in the framework of SIECA; and therefore Belize is considering to join SIECA (it is already a member of SICA). The focus of the PSA with El Salvador would be on facilitation of bilateral investment;
- Negotiations with **Mexico** and **Honduras** are being considered by Belize.

The driving force behind these negotiations and agreements is Belize’s strategy to become a hub for (or “bridge” between) Caribbean and Central American countries. Furthermore, it aims to correct the situation where it has, through the CARICOM bilateral, access to several Latin American countries (with which it trade very little) but not to its neighbouring countries which constitute more important markets.

ANNEX: PARTICIPANTS IN CONSULTATION DISCUSSIONS

Ministry of Trade, Investment Promotion, Private Sector Development and Consumer Protection

Ministry of Agriculture and Fisheries

Belize Bureau of Standards

Assoc Royal Mayan Shrimp

BAS Group

Bel-Car Export

Belize Chamber of Commerce and Industry

Belize Grain Growers Association

Citrus Products of Belize Ltd. (CPBL)

Hot Mama’s Belize

Palms River Farm

SP Business Chamber

**IDENTIFICATION AND ASSESSMENT OF THE UNDERLYING REASONS AFFECTING CARICOM'S
TRADE PERFORMANCE UNDER THE EXISTING BILATERAL TRADE AGREEMENTS WITH THE
DOMINICAN REPUBLIC, COSTA RICA, COLOMBIA, CUBA AND VENEZUELA**

CONSULTATIONS REPORT – DOMINICA

26 September 2013

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (collectively referred to as bilateral trade agreements, BTAs). In 2010, a study prepared by the CARICOM Secretariat concluded that trade between CARICOM and the BTA partner countries was less dynamic than expected and that CARICOM's trade performance was disappointing overall – exports were still low after several years of the BTAs being in place, and bilateral trade with most partner characterised by persistent CARICOM deficits. In order to identify the underlying reasons for the weak performance and derive policy recommendations to address them, a follow-up study was commissioned. This report summarises the consultant's consultations with stakeholders in Dominica.

2 FINDINGS

From a business perspective, three conditions must be fulfilled in order for trade (in particular, exports) between CARICOM and BTA partner countries to take place and grow: First, businesses must be aware of and have an interest in exporting to BTA partners, and take the corporate decision to export there. Second, challenges during initial market entry may cause businesses to delay or abandon market entry. Third, ongoing trade encounters a plethora of practical challenges.

The following sections discuss these issues as encountered by companies in Dominica, based on discussions held with public and private stakeholders during the consultant's country visit. In doing so, for each issue the following details are addressed, where appropriate:

- The BTA partner concerned;
- A description of the issue and its impact on businesses;
- The type of company/sector concerned, or potentially concerned;
- The (potential) solution or alleviation: What has been done, or can be done to solve the issue, and which role plays the BTA, or can the BTA play in this?

2.1 Issues in ongoing trade with BTA partner countries

Experience of companies in Dominica with exporting to any of the five BTA partner countries is very limited. Dominica's only notable exports (excl. re-exports) to BTA partner countries in recent years were crushed stone/gravel to Colombia, and soap and related products to the Dominican Republic. Both of these disappeared in recent years. Also, an attempt to export toilet paper to Venezuela was aborted early.

In the case of gravel, exports from Dominica were replaced by exports from Japan after the 2008 global crisis and the reduction in transport costs from Japan to Colombia – their shipments of 30kt costing the same as Dominica’s shipments of 7kt –, which made Dominica’s export uncompetitive. Dominica’s total costs of producing and exporting gravel to Colombia is approximately 10-12% higher than for Japan. In this context, it is particularly important to note that gravel (HS code 251710) is not covered by the BTA and Dominica’s exports are therefore subjected to a 5% import duty.¹ Inclusion of the product would therefore reduce the competitive disadvantage of Dominica but not be sufficient to fully offset it. Also, Colombia is currently negotiating a free trade agreement with Japan which would further weaken Dominica’s competitive position.

Regarding soap, Dominica Coconut Products Ltd. was a subsidiary of Colgate-Palmolive, which decided to relocate the production. The factors leading to that decision were logistics and production costs: most inputs/raw materials had to be imported, and output exported, and availability and cost of transportation from Dominica were too high. Also, cost of labour and energy in Dominica was comparatively high. In both cases, then, competitiveness of Dominica, i.e. supply side issues led to the disappearance of exports to BTA partner countries.

However, the lack of success in exporting these products was not due to factors associated with the BTAs but more general issues of competitiveness. Table 1 provides more details.

¹ Tariff refers to MFN applied tariff in 2012. Source: ITC Market Access Map, <http://www.macmap.org>.

Table 1: Barriers for Dominican companies to export to BTA partner countries

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
Colombia	o. Tariffs	Dominica's total costs of producing and exporting gravel to Colombia is – following the reduction in transport costs from Japan – approximately 10-12% higher than for Japan. Gravel is furthermore excluded from the BTA and Dominica's exports are therefore subjected to a 5% MFN import duty in Colombia.	Gravel exports	Expand product coverage of BTA.
Colombia	2F2. Transportation cost	Exports of gravel from Dominica were replaced by exports from Japan after the 2008 global crisis and the reduction in transport costs from Japan to Colombia – a shipment of 30kt from Japan costing the same as a shipment of 7kt from Dominica.	Gravel exports	Competitiveness could only be achieved if volume of exports would increase and the product was included in the scope of the agreement (see below)
Dominican Republic	2F2. Transportation costs and logistics issues	A producer of soap was affected twice by high transportation costs and logistics issues (need to ship via the US): firstly, it imported most raw materials, and secondly, exports to BTA partners were affected by the same problems.	Soap producer (but applicable to most exporters)	Improvements in the transport and logistics system.
Venezuela	1G3. Regulation on official foreign exchange allocation	No access to foreign exchange by importer: Exports of gravel failed to materialise as the importer was unable to get access to foreign hard currency. This had been requested from Venezuela's government but could not be obtained in six months.	Gravel exports (but applicable to all exporters)	None.
Venezuela, but source of barrier: Trinidad and Tobago	3. Private anticompetitive behaviour	When a Dominican company started to export to Venezuela, a supplier of raw materials from Trinidad and Tobago, who was competing with the Dominican producer on the Venezuelan market stopped supplying the Dominican producer, thereby causing it to withdraw from the Venezuelan market	Toilet paper exporter	This case would need to be addressed as a case of anti-competitive behaviour under CARICOM competition law.

Respondents also mentioned a case concerning exports of cement from Trinidad and Tobago to the Dominican Republic, which were held in customs for a prolonged period causing the cement to harden. Allegedly, this was a measure taken to protect Dominican Republican production of cement against the competition from Trinidad and Tobago.

2.2 Issues in relation to the initial entry into a BTA partner country market

There was consensus among stakeholders that initial entry into a BTA partner country would require support – in terms of market information and establishing links to potential buyers through trade promotion activities – and facilitation. However, resources are lacking. A specific example that was mentioned concerns exports of toilet paper to Venezuela, for which there is proven demand. However, no potential importers are known, and a trade promotion mission to Venezuela was considered to be too expensive and did therefore not take place.

While support for (potential) exporters is available e.g. from Caribbean Export, most exporters cannot – or do not bother to – access it, for the following reasons:

- Companies are required to prefinance expenses. While some lack the financial capacity to do so, there is also the risk that reimbursement is withheld or only covers part of the eligible expenses;
- The application for and management of grants is considered as too administrative and bureaucratic.

As a result, only one company from Dominica has so far obtained a grant from Caribbean Export. According to public sector representatives, demand from the private sector for support in accessing new export markets is limited overall.

It was noted that e.g. Colombia holds regular trade missions/fairs in Dominica in order to promote its exports, thereby helping its exporters to benefit from the BTA.

2.3 Business interest in BTA partner country markets

As a general rule, interest in exporting to the BTA partner countries is low (except possible for some niches). This is explained by the general lack of competitiveness of Dominica's producers with BTA partner countries due to the following factors:

- **Low production volumes and problems in consistently supplying over time:** As a result of low production capacities, Dominica's producers first and foremost serve their existing clients, i.e. the domestic market and the Caribbean (primarily Antigua and Barbuda, Barbados, Trinidad and Tobago, and St. Maarten);
- **Transport and logistics issues:** Although Dominica has reasonably good transport links with Trinidad and Tobago, exports to most BTA partners would be shipped via Miami (this was also the case for Colgate-Palmolive), and are considered to be considerably difficult than to US/Canada/EU. A problem with the hub in Miami is that exporters depend on freight forwarders there – and are not given priority given the limited business they generate for freight forwarders. Air transport is not an option for most exports due to the high cost involved.
- **Currency overvaluation** – the EC dollar being pegged to the US dollar helps exports to the US but discourages exports to BTA partner countries, as the XCD has appreciated in relation to them over time.

Furthermore, general factors would prevent that exports from Dominica to the BTA partners from expanding substantially:

- **Limited complementarity** of Dominica's (and indeed most of CARICOM members') products with those produced in BTA partner countries;

- **Lack of strategy:** although Dominica has formulated and adopted a national export strategy, implementation is lacking;
- **Language issues and differences in culture.**

2.4 The Role of BTAs in trade with BTA partner countries

Awareness of the BTAs among businesses is very limited, and details of the BTA provisions are not known.

The importance of the **BTA with Venezuela** is considered to be very limited, as it has been superseded by ALBA. However, not even under government-to-government arrangements under ALBA/PetroCaribe has Dominica been able to export to Venezuela.

Regarding the **substance of the BTAs**, stakeholders considered that the import side of the agreements was more critical than the export side. Continued protection of domestic producers was felt to be essential, as well as the collection of import duties for government revenues. With regard to offensive interests, the inclusion of services should be considered, but only after a thorough analysis of export opportunities in the BTA partners' services sectors as well as an analysis of potential implications on the domestic services sectors in CARICOM/OECS countries.

ANNEX: PARTICIPANTS IN CONSULTATION DISCUSSIONS

Ministry of Foreign Affairs
Ministry of Employment, Trade, Industry and Diaspora Affairs
Dominica Customs & Excise Division
Dominica Export Import Agency (DEXIA)
Dominica Association of Industry & Commerce
Dominica Manufacturers Association (DMA)

**IDENTIFICATION AND ASSESSMENT OF THE UNDERLYING REASONS AFFECTING CARICOM'S
TRADE PERFORMANCE UNDER THE EXISTING BILATERAL TRADE AGREEMENTS WITH THE
DOMINICAN REPUBLIC, COSTA RICA, COLOMBIA, CUBA AND VENEZUELA**

CONSULTATIONS REPORT – GRENADA

23 September 2013

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (collectively referred to as bilateral trade agreements, BTAs). In 2010, a study prepared by the CARICOM Secretariat concluded that trade between CARICOM and the BTA partner countries was less dynamic than expected and that CARICOM's trade performance was disappointing overall – exports were still low after several years of the BTAs being in place, and bilateral trade with most partner characterised by persistent CARICOM deficits. In order to identify the underlying reasons for the weak performance and derive policy recommendations to address them, a follow-up study was commissioned. This report summarises the consultant's consultations with stakeholders in Grenada.

2 FINDINGS

From a business perspective, three conditions must be fulfilled in order for trade (in particular, exports) between CARICOM and BTA partner countries to take place and grow: First, businesses must be aware of and have an interest in exporting to BTA partners, and take the corporate decision to export there. Second, challenges during initial market entry may cause businesses to delay or abandon market entry. Third, ongoing trade encounters a plethora of practical challenges.

The following sections discuss these issues as encountered by companies in Grenada, based on discussions held with public and private stakeholders during the consultant's country visit. In doing so, for each issue the following details are addressed, where appropriate:

- The BTA partner concerned;
- A description of the issue and its impact on businesses;
- The type of company/sector concerned, or potentially concerned;
- The (potential) solution or alleviation: What has been done, or can be done to solve the issue, and which role plays the BTA, or can the BTA play in this?

2.1 Issues in ongoing trade with BTA partner countries

Experience of companies in Grenada with exporting to any of the five BTA partner countries is very limited. Among the companies met, only nutmegs have been exported to Colombia, Costa Rica, the Dominican Republic and Venezuela in the past. Particular issues which negatively impact on trade are listed and described in Table 1.

Table 1: Barriers for Grenadian companies to export to BTA partner countries

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
All except Dominican Republic	1A. Sanitary and phytosanitary measures 1B. Technical Barriers to Trade	Mutual recognition agreements for conformity assessment are not yet in place, which may require exported products to be subjected to conformity assessment in the importing country.	All	Put in place mutual recognition agreements for conformity assessment.
All	2D2. Delays during transportation	Air transport in the region is unreliable. Exports of spices via LIAT at one point suffered a two week delay because of LIAT's logistics problems.	All	Improvements in the transport infrastructure – some measures are under way; see below.
All	2F2. System and cost of transportation	While the export of full containers is usually not a problem and not overly costly, the shipments of less than a full container load are: <ul style="list-style-type: none"> • hardly available – there is just one shipping line providing this service but not actively marketing it; • prone to quality problems (e.g. no possibility of fumigation/ locking leading to wastage and losses due to theft (several examples of nutmeg exports were mentioned); • costs are high and sometimes prohibitive, e.g. air transport is sometimes used as an alternative but not possible for high-weight products such as sauces sold in glass jars. 	Smaller exporters (but most of Grenada's exporters fall into this category)	One option would be to increase output (e.g. through joint OECS production, or increased production capacity, e.g. through investments from BTA partners) – but see below. Another option could be for exporters to coordinate shipments in order to ship complete containers (which should be facilitated by the company currently being established by OECS/ECCB; see below). But the options for such coordination might be limited by various factors, including: <ul style="list-style-type: none"> • incompatibility of goods being shipped together; • differences in destination; and • a reported lack of collaborative culture among Grenadian businesses
Colombia	1O. Rules of origin – origin certificate 2C2. Inconsistent or arbitrary behaviour of officials	The customs of Colombia asked that the origin certificate had to be provided on special security paper, and using a different template, as provided for in the BTA (it was then that the company learned about the existence of the BTA). The exporter then contacted the Chamber of Commerce and Ministry of Trade to sign and stamp the certificates (but could not provide them on the requested type of paper), and after two weeks the Colombian authorities finally accepted the certificate. By then, the exporter had to pay a fee of USD 3,000 to the warehouse for extended storage time. The exporter had also requested the CARICOM Secretariat to intervene but	Nutmeg exporter (but applicable to all exporters)	Customs' behaviour would seem to have violated Art. 13 of the Rules of Origin under the CARICOM-Colombia BTA which stipulate that "in no case shall the Customs authorities [...] interrupt an import procedure". The case could have therefore been avoided if there mechanisms in place (a) for CARICOM exporters to report problems under the BTA and (b) for CARICOM or CARICOM member state authorities to quickly cooperate with Colombian authorities. Furthermore, such problems should be registered and addressed, if recurring, under the Joint Council (requiring regular Joint Council meetings as foreseen un the Agreement)

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
		got no response. The company decided to stop exporting to Colombia after this experience.		
Dominican Republic	1L. Subsidies	Subsidies for Rum make it difficult to compete for Grenada's rum on the DR market	Rum producers	None. (Theoretically, a dispute could be filed under the WTO Dispute Settlement Body, referring to the Agreement on Subsidies and Countervailing Measures. The BTA specifically only refers to export subsidies [Article X of Annex I] but not trade distorting domestic subsidies, and the BTA's dispute settlement mechanism [Article XV] has not been put in place).
Venezuela	2C2. Arbitrary seizure of products	Exports to Venezuela are prone to arbitrary treatment by Customs upon import. On one instance, a complete ship was seized, including 30 bags of nutmegs exported from Grenada, apparently because some goods on it had been smuggled. The exporter was not able to have the goods released and thus lost app. XCD 50 thousand worth of merchandise.	Nutmeg exporter (but applicable to all exporters)	Address issues like this through the Joint Council. This would require: <ul style="list-style-type: none"> • An effective channelling of information from the exporter concerned to the Joint Council. Currently no mechanisms for this exist. An exporter will typically, if at all, resort to the Ministry in Grenada and hope for their support in negotiations with the import administration; and • An effectively operating Joint Council.
Venezuela	2E2. Bribes	While no specific examples were given exporters stated that exports to Venezuela were often affected by the need to pay bribes in order to get shipments through customs	All	This could in principle also be addressed through the Joint Council (see above) but would furthermore require that incidences of bribes were recorded by the affected exporters and systematically collected – which is unlikely to happen.

2.2 Issues in relation to the initial entry into a BTA partner country market

There was consensus among Grenada's private sector representatives that initial entry into a BTA partner country would require support and facilitation. New exporters would need trustable contacts in the export market in order to assist with market entry. The problems mentioned in this respect are differences in business culture and language barriers, which often affect negotiations. Especially where negotiations are difficult, alleged language barriers are sometimes also used as a negotiation tactic.

Facilitation of market entry could be provided by a variety of actors:

- **Private contacts and brokers:** Such brokers would usually have been Grenadians living in the country. It was reported that the number of Grenadian expatriates in the BTA partner countries has decreased over the years, thereby making it harder for potential exporters to find brokers. Also, the use of commercial brokers or agents, which take a commission, both adds to the cost and increases an additional element of risk, as they are not always honest.
- **National export promotion and trade facilitation bodies:** Grenada's national export strategy foresees diversification of exports into non-traditional markets. However, no market potential studies have been undertaken. In terms of practical support, the Grenada Bureau of Standards provides information about labelling and other requirements to potential Grenadian exporters, but such information is rarely requested.
- **Caribbean Export:** Awareness for the services of Caribbean Export among Grenadian companies is limited.
- **Services offered by other CARICOM members** (notably Trinidad & Tobago), which primarily target their domestic exporters would, it is felt, also be extended to exporters from Grenada and other CARICOM countries, if specifically requested – but such services are unknown among Grenada's business community.
- **Trade support institutions in BTA partner countries:** Bilateral chambers of commerce or similar organisations currently do not exist but would greatly facilitate the exchange of information, and availability of support during market entry.

While trade support to Grenadian exporters is felt to be very limited, it is noted that e.g. Colombia holds regular trade missions/fairs in Grenada in order to promote its exports.

2.3 Business interest in BTA partner country markets

Business interest in exporting to BTA partner countries is also limited. While companies acknowledge that Latin America (including the five BTA partner countries) is a market of the future, the expected profits of exporting there have to be counterweighed against the costs and risks. Furthermore, a number of general supply side capacity problems help explain the low level of exports to BTA partner countries. The factors mentioned include:

- **Labelling requirements:** Adjusting labels to BTA partner requirements is costly (translation, design and printing), in particular as labelling requirements across the five BTA partners appear to vary. Also, the quality of translations done in Grenada/CARICOM is often poor, leading to rejection by import administration in partner countries;
- **Transport and logistics issues:** Presently, exports to most BTA partners would be shipped via Miami. Sea freight normally takes two to four weeks to arrive, and arrival times are not guaranteed. In order to reduce time and costs, according to the private sector a study should be undertaken by CARICOM, or better still, the OECS on how to improve the transport

system. Without improvements in transport and logistics, exports from Grenada to the BTA partners are likely to remain very limited. According to the public sector, such a study has already been undertaken, and the OECS/ECCB is in the process of establishing a regional transport services provider which would act as a regional information clearing house or “virtual hub” to enhance capacity utilisation of regional shipping lines through better coordination of shipments. The company is expected to be operational in 2014;

- **Low output and problems in consistently supplying over time:** As a result of low production capacities, Grenada’s exporters first and foremost serve their existing clients. Expanding output would often require major investments in production capacity, which many companies are both unwilling (given the risk in entering new and unknown markets) and unable to do (given the difficulties in accessing finance to fund such investments). A suggestion to overcome this problem would be to engage in joint OECS production – however this was tried in the past but not very successfully;
- **Lack of strategy:** contrary to Trinidad and Tobago or Jamaica, the OECS countries lack strategies for trade with the BTA partner countries but instead focus on horizontal issues (such as transportation). However, without promotion of the BTA partner countries as export markets private sector will hardly consider them as (potential) markets;
- The **perception of BTA partners** among CARICOM entrepreneurs (e.g., Colombia is often associated with drug issues) sometimes reduces interest in exporting;
- The **business culture** in Grenada and other CARICOM countries, which is not prone to collaboration – however, such collaboration would be essential to overcome most of the barriers which OECS exporters face (resource constraints, limited production capacity and small volume production, etc.);
- **Limited capacity to diversify:** managing exports to several markets requires resources which many SMEs do not have. They therefore concentrate on few markets, i.e. the existing ones – CARICOM (and Caribbean), EU, US, Canada.

Only one of the companies (producing spices and sauces) met had considered entering the market of Venezuela but then decided against it both because of the high cost of transportation and the perceived high level of corruption.

In any case, it was felt that Grenadian exports into the BTA partner countries could only take place in market niches (such as spices) – however it is difficult to identify such market niches given the lack of good market information and knowledge.

2.4 The Role of BTAs in trade with BTA partner countries

Awareness of the BTAs among businesses is virtually non-existent. Even the companies exporting only learnt about the BTA with Colombia when problems in relation to the certificate of origin arose.

Regarding the **substance of the BTAs**, it was felt that OECS countries had essentially different interests compared to CARICOM MDCs, and that these interests were not addressed in the BTAs. The OECS Secretariat was considered to be still weak and not yet effective in promoting OECS member interests within or vis-à-vis CARICOM. Specific comments that were made:

- Given the much larger economies in most BTA partner countries and the associated economies of scale, OECS countries could not compete. Their interest in the BTA is therefore rather defensive;
- The negotiation of the BTAs did not adequately involve the private sector and hence the provisions of the BTA do not necessarily reflect private sector interests. E.g. it was stated that

negotiation of tariff cuts was largely based on tariff lines without asking private sector representatives in which specific products they had an offensive interest. Joint Councils could in principle be used to adjust the coverage of the BTAs. One particular example is that Grenada's national export strategy foresees the expansion of fish exports. However, these are excluded from some of the BTAs;

- Given that MDCs, and particularly Trinidad and Tobago, benefit most under the BTAs, some sort of compensation mechanism should be considered;
- The agreement with Cuba is not considered by Grenada as a trade agreement but rather as a component of the wider co-operation between Cuba and Grenada.

There was also the view that CARICOM was not actively following up on the **implementation of the BTAs**, and that Joint Council meetings were not taking place. In the area of the quality infrastructure, bilateral CARICOM-Dominican Republic technical implementation groups have been established (for CARICOM, coordinated by CROSQ).

ANNEX: PARTICIPANTS IN CONSULTATION DISCUSSIONS

Ministry of Foreign Affairs
Ministry of Trade
Grenada Bureau of Standards
Grenada Ports Authority
Marketing and National Importing Board (MNIB)
Grenada Industrial Development Corporation (GIDC)
De la Grenade Industries
Grenada Bottling Company
Grenada Co-operative Nutmeg Association

**IDENTIFICATION AND ASSESSMENT OF THE UNDERLYING REASONS AFFECTING CARICOM'S
TRADE PERFORMANCE UNDER THE EXISTING BILATERAL TRADE AGREEMENTS WITH THE
DOMINICAN REPUBLIC, COSTA RICA, COLOMBIA, CUBA AND VENEZUELA**

CONSULTATIONS REPORT – GUYANA

16-18 September 2013

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (collectively referred to as bilateral trade agreements, BTAs). In 2010, a study prepared by the CARICOM Secretariat concluded that trade between CARICOM and the BTA partner countries was less dynamic than expected and that CARICOM's trade performance was disappointing overall – exports were still low after several years of the BTAs being in place, and bilateral trade with most partner characterised by persistent CARICOM deficits. In order to identify the underlying reasons for the weak performance and derive policy recommendations to address them, a follow-up study was commissioned. This report summarises the consultant's consultations with stakeholders in Guyana. A number of stakeholders also handed over written responses to the list of issues; these responses are also incorporated into this report.

2 FINDINGS FROM CONSULTATIONS WITH GUYANESE STAKEHOLDERS

From a business perspective, three conditions must be fulfilled in order for trade (in particular, exports) between CARICOM and BTA partner countries to take place and grow: First, businesses must be aware of and have an interest in exporting to BTA partners, and take the corporate decision to export there. Second, challenges during initial market entry may cause businesses to delay or abandon market entry. Third, ongoing trade encounters a plethora of practical challenges.

The following sections discuss these issues as encountered by companies in Guyana, based on discussions held with public and private stakeholders during the consultant's country visit. In doing so, for each issue the following details are addressed, where appropriate:

- The BTA partner concerned;
- A description of the issue and its impact on businesses;
- The type of company/sector concerned, or potentially concerned;
- The (potential) solution or alleviation: What has been done, or can be done to solve the issue, and which role plays the BTA, or can the BTA play in this?

2.1 Issues in ongoing trade with BTA partner countries

Experience of companies in Guyana with exporting to any of the five BTA partner countries is limited. Rice exports to Venezuela, which are significant, are an exception; however, these take place under the PetroCaribe agreement and are brokered by the governments. Other exports to BTA partners take place on a rather sporadic basis.

There is hardly any formal reporting/feedback from the business community on the difficulties faced in exporting to the BTA markets. The identification of obstacles/barriers or the lack of the ability to do so is a reflection of the level of trade undertaken under the agreements.

Notwithstanding this, some particular issues which negatively impact on trade have been mentioned by stakeholders and are listed and described in Table 1.

Table 1: Barriers for Guyanese companies to export to BTA partner countries

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
All	2F2. System and cost of transportation	There are no direct transport links with the BTA countries. Any (formal) exports usually go via Trinidad and Tobago, even to neighbouring Venezuela. This drives up costs and transportation times. A case in point is wood exports to Cuba which used to be shipped on Cuban vessels; when the Cuban shipping line closed down this also led to the loss of Cuba as a market for wood exports. Other exporters (e.g. of seafood) stated however that transport services were not problematic.	All	Stronger cooperation on transport issues between the partners and within CARICOM.
All	3. Language issues	Language is an issue for technical issues, such as wood species, where common names differ between Spanish speaking countries, thereby creating confusion and misunderstandings about specific products being traded	All, e.g. wood	Export promotion bodies could prepare lists of technical terms and make them available to exporters
All	1A3./1B3. Labelling, marking and packaging requirements	Labelling requirements vary across BTA partners thereby increasing the cost (not only one translation into Spanish has to be made, but different logos have to be designed for each of the partner markets.	Primarily foodstuffs (except bulk)	Provide assistance to exporters in labelling requirements and potentially cost sharing for translation.
All (source of barrier: Guyana)	1P8. Export credits	Trade finance is not available	All	Either Government to convene with banks and determine ways to provide trade finance; or develop CARICOM wide trade finance system.
Colombia	o. Tariffs	Limited coverage of the agreements implies that many potential export products of Guyana are not competitive on the Colombian market	All products not covered by BTA (e.g. agricultural products)	Consider extension of product coverage under BTA
Colombia	1Q. Other NTM	Exports of rum to Colombia require that Guyana is a member of the Hague convention [which one could not be established], which it currently is not. The company had tried to find a solution for the issue for two years but by then the importer had lost interest.	Rum	One option would be to channel exports through Trinidad and Tobago.
Cuba and Venezuela	1G3. Regulation on official foreign exchange allocation	Currency controls make payments unpredictable. In Venezuela, obtaining licenses from CADIVI is lengthy, non-transparent and difficult (and prone to corruption) so only large importers can afford it – this substantially reduces the market potential. Exports to Cuba take place irregularly, but then in large shipments, depending on the availability of foreign exchange.	All	None.

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
Dominican Republic	1J2. Restriction on resellers	This limits the potential of Cuba as a market for smaller exporters. Exclusive distributorship requirements of Law 173, in particular the requirement for compensation if a contract is cancelled.	All	Law 173 issues can be overcome in various ways, e.g. through the BTA provision, through the establishment of distributors in the DR by CARICOM exporters. CARICOM export promotion bodies should provide clear information about the ways to address Law 173 to (potential) exporters to the DR.
Venezuela	1L. Subsidies	Fuel subsidies in Venezuela have made it impossible to compete on the market in sectors where fuel constitutes an important share of the cost, such as fishery (65% of production cost)	Fuel-intensive products, eg. seafoods	None.

2.2 Issues in relation to the initial entry into a BTA partner country market

There was consensus among Guyana's private sector representatives that initial entry into a BTA partner market would require support and facilitation. Companies in Guyana would firstly need market information, which currently hardly is available except for the Dominican Republic, and secondly hands-on support in the actual market entry/trade facilitation. For example, some time ago, some exporters participated in a mission to the Dominican Republic, organised by Caribbean Export, which did not lead to any exports as there was no follow up, and companies did not know how to enter the market. An export mission to Venezuela focussing on construction materials is planned for the near future – this would aim to expand exports outside of the PetroCaribe agreement, but neither does it specifically relate to the BTA.

The export support infrastructure available for businesses in Guyana is weak:

- According to some private sector stakeholders, associations undertake their own market research work as such services are not provided by Government agencies. Also, support agencies are not forthcoming in providing export relevant information to businesses. While for example NewGMC prepares market surveys and information about market entry requirements, it has no information about any of the BTA partners;
- Although GoInvest has representations in Cuba and Venezuela their main focus is to facilitate the import of inputs (such as fertilisers) for e.g. Guyana's sugar sector;
- Government agencies do not act as services providers to the private sector but rather like regulators;
- It was also felt that Caribbean Export, being funded by the EU, focuses mainly on intra-CARIFORUM trade and exports to Europe. Furthermore, Guyana's companies participate little in Caribbean Export projects (grants) as other CARICOM private sectors (e.g. in Jamaica, Trinidad and Tobago) are much more experienced in writing proposals and hence accessing support funds. Furthermore, Caribbean Export grants are problematic for most businesses as they are based on reimbursements, which makes it impossible for cash-strapped companies to prefinance expenses. Finally, stakeholders felt that there was a disconnect between Caribbean Export and companies in Guyana and that the Ministry of Tourism, Industry and Commerce (MinTIC)/GoInvest would not sufficiently pass on information from Caribbean Export.

2.3 Business interest in BTA partner country markets

Business interest in exporting to BTA partner countries is limited, with the potential exception in Cuba and Venezuela. While companies acknowledge that Latin America (including the five BTA partner countries) is a market of the future, the expected profits of exporting there have to be counterweighed against the costs and risks. Furthermore, a number of general supply side capacity problems help explain the low level of exports to BTA partner countries. The factors mentioned include:

- **Lack of product complementarity:** Guyana does not produce any goods which the BTA partners don't produce themselves (and often at lower costs – e.g. production cost of pineapples in Costa Rica is half of that in Guyana) – examples are wood, arts and crafts, fruits and vegetables;
- **Limited cost competitiveness** of Guyana's producers. In this context, the increase of the minimum wage by 23% was mentioned as an example of how Government policy had an anti-export bias;

- **Low output and problems in consistently supplying over time:** As a result of low production capacities, Guyana’s exporters cannot easily supply new markets. Expanding output would often require major investments in production capacity, which many companies are both unwilling (given the risk in entering new and unknown markets) and unable to do (given the difficulties in accessing finance to fund such investments). A solution to this problem would be the creation of truly regional production patterns and regional value chains. However, there is currently no strategy in this regard;
- **Transport costs:** with transport costs to China and India cheaper than to BTA partners (for wood and wood products), exporters are not currently exporting to the BTA partners. However, considerations are being made to export wood also to Venezuela under a similar arrangement as rice exports under PetroCaribe;
- **High domestic demand and prices:** at least for some sectors (incl. wood/plywood/construction materials) domestic demand and domestic prices are high, which serves as a disincentive to exports – especially for products for which transport costs constitute a high share of the cost (in the case of wood about 40%),
- Many businesses are **risk averse** and content with serving the domestic market. They therefore have no offensive interest to start exporting, or diversifying exports to new destinations, such as the BTA partner markets. It also follows that they have primarily a defensive interest, i.e. are worried about stronger competition coming from imports facilitated by the BTAs;
- **Export taxes** on certain products such as round wood (now 17%) are supposedly levied to foster value addition in Guyana – but the revenues are mainly used to fund the operational costs of government bodies rather than to support businesses in adding value to primary products;
- **Labelling requirements:** Adjusting labels to BTA partner requirements is costly (translation, design and printing), in particular as labelling requirements across the five BTA partners appear to vary.

2.4 The Role of BTAs in trade with BTA partner countries

Awareness of the BTAs among businesses is mixed. Private sector associations are aware of the Agreements and also have a responsibility to inform their members. From the individual companies’ perspective, some reported that they were not aware of the agreements or did not know about their substance.

Regarding the **substance of the BTAs**, it was stated that the current BTAs mainly reflect the interest of Trinidad and Tobago, while other CARICOM Members have different interests. Examples of diverging interests within CARICOM are:

- most stakeholders consulted considered that Guyana would benefit more from the rice agreement with Venezuela under PetroCaribe, which allows Guyana to export at a price which is above the world market price. Another more interesting market than for Guyana is the north-east of Brazil, which is a market of some 60 million people and far from Brazil’s industrial centres, and the manufacturing association is currently undertaking a market study;
- the OECS countries primarily are reluctant to engage in FTAs as their main interest is to preserve their export markets within CARICOM (primarily Trinidad and Tobago), and they suffer from preference erosion under the BTAs;
- regarding the inclusion or not of specific products under the BTAs, protectionist interests by individual CARICOM producers often lead to the exclusion of products; e.g. inclusion of juices as inputs for drinks was requested by Guyana but rejected by Trinidad & Tobago.

Therefore, the BTAs' coverage often presents the lowest common denominator among CARICOM countries.

These diverging interests also cause problems for the further development of the BTAs. For example, a Cuban proposal for the expansion of the product list has been on the table for quite a while without CARICOM having been able to respond.

Specific comment made regarding the substance of BTAs were:

- Some Guyanese exporters stated that certain products of interest to Guyana are excluded from the BTAs. As a consequence, BTA partners are not seen as priority destinations when compared to more lucrative markets such as the Caribbean, US and the EU;
- The exclusion of fish from the FTA with Costa Rica and the Dominican Republic puts Guyana's exports at a price disadvantage of 20% (import duty level) vis-à-vis US producers (which benefit from the US-DR FTA) and makes Guyana's product uncompetitive. Inclusion of fish in the FTA would change the situation.

Finally, the relationship between the BTAs (esp. the FTA with the Dominican Republic) and the regional preference clause under the EPA needs to be clarified.

Annex: Participants in consultation discussions

Government and Support Institutions

Ministry of Foreign Affairs
Ministry of Agriculture
Guyana Revenue Authority
Guyana National Bureau of Standards
Guyana Forestry Commission
Guyana Marketing Corporation

Private Sector

Guyana Manufacturing and Services Association
Guyana Arts and Craft Producers Association
Amazon Authentics
Amazon Caribbean Guyana Ltd.
Barama Company Ltd.
BEV Processors Inc.
Demerara Distillers Ltd.
Durable Wood Products
Global Stars Int.
Henvil Farm
New Guyana Pharmaceutical Corporation Inc.
Parika Sawmills Ltd.
Sea Rice Guyana
Shivrattan Moulding Estb.
Sterling Products Ltd.

**IDENTIFICATION AND ASSESSMENT OF THE UNDERLYING REASONS AFFECTING CARICOM'S
TRADE PERFORMANCE UNDER THE EXISTING BILATERAL TRADE AGREEMENTS WITH THE
DOMINICAN REPUBLIC, COSTA RICA, COLOMBIA, CUBA AND VENEZUELA**

CONSULTATIONS REPORT – JAMAICA

25-27 November 2013

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (collectively referred to as bilateral trade agreements, BTAs). In 2010, a study prepared by the CARICOM Secretariat concluded that trade between CARICOM and the BTA partner countries was less dynamic than expected and that CARICOM's trade performance was disappointing overall – exports were still low after several years of the BTAs being in place, and bilateral trade with most partner characterised by persistent CARICOM deficits. In order to identify the underlying reasons for the weak performance and derive policy recommendations to address them, a follow-up study was commissioned. This report summarises the consultant's consultations with stakeholders in Jamaica.

2 FINDINGS

From a business perspective, three conditions must be fulfilled in order for trade (in particular, exports) between CARICOM and BTA partner countries to take place and grow: First, businesses must be aware of and have an interest in exporting to BTA partners, and take the corporate decision to export there. Second, challenges during initial market entry may cause businesses to delay or abandon market entry. Third, ongoing trade encounters a plethora of practical challenges.

The following sections discuss these issues as encountered by companies in Jamaica, based on discussions held with public and private stakeholders during the consultant's country visit. In doing so, for each issue the following details are addressed, where appropriate:

- The BTA partner concerned;
- A description of the issue and its impact on businesses;
- The type of company/sector concerned, or potentially concerned;
- The (potential) solution or alleviation: What has been done, or can be done to solve the issue, and which role plays the BTA, or can the BTA play in this?

2.1 Issues in ongoing trade with BTA partner countries

Jamaica has substantially liberalised its market for imports including through, but not restricted to, the BTAs. At the same time, Jamaican stakeholders feel that market entry for Jamaican products into partner countries is still an issue. Particular issues mentioned are listed and described in Table 1.

Table 1: Barriers for Jamaican companies to export to BTA partner countries

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
Costa Rica	2A. Administrative burdens: Product registration	<p>Various issues were raised regarding product registration in Costa Rica:</p> <ul style="list-style-type: none"> ▪ The cost of registration – around USD 1,000 per registration¹ - is prohibitive; ▪ The information required for registration purposes is exaggerated and considered business proprietary by some producers; ▪ Individual product varieties have to be registered separately (e.g. different flavours of sauces), which makes costs prohibitively high for smaller exporters. 	All (particularly consumer products subject to registration and not sold in bulk: food, chemicals, pharmaceuticals)	<p>Jamaican exporters should formally address these issues with their Government so that they could be discussed bilaterally. In principle, the problem should be discussed by the joint technical committees foreseen under the FTA.</p> <p>According to information provided by Costa Rica to Jamaican officials, the product registration fees are no longer applicable (this could not be verified).</p>
Cuba (source of barrier: US)	2F2. System and cost of transportation	Due to the US embargo on Cuba, transportation to Cuba is even more limited than transportation in general	All	None.
Cuba	3. Other obstacles	Most exports to Cuba are determined by lists of required imports provided by Cuba. However, Jamaican exporters are not aware of these lists/the products included – either because they do not receive them from Jamaica’s authorities or because they fail to process the information provided.	All	Improve dissemination of information to exporters and strengthen exporters’ capacity to process and react to business relevant information
Dominican Republic	1J2. Restriction on resellers	Exclusive distributorship requirements of Law 173. Although the FTA provides that Law 173 is not applied if the parties agree on this, most DR firms are reluctant to do this. The negative experience of some exporters with Law 173 deters other companies from starting to export to the DR. E.g. Salada considered exporting to the DR but decided against it because of Law 173.	All	<p>Law 173 only applies to contracts which are registered with the DR central bank – exporters should therefore not register contracts.</p> <p>However, a preferable solution would be for CARICOM to renegotiate the FTA and request the same treatment as under the CAFTA/DR-US FTA (which foresees the non-applicability of Law 173 for US exporters). The issue has already been formally raised within the context of the CARICOM-DR Joint Council.</p>
All (source of barrier:	3. Other obstacles	Some stakeholders stated that it was difficult to get SPS licences required to export from Ministry of	Fresh agricultural produce	A single electronic window for obtaining licenses required to export (and sell on the

¹ According to the Costa Rican authorities, the cost is USD 60 for three years, and renewal USD 30 for three years. Possibly, the cost provided by stakeholders in Jamaica includes cost of translation and service providers.

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
Jamaica)		Agriculture.		domestic market already exists in Trinidad and Tobago and is being set up by Jamaica.
All (source of barrier: Jamaica)	3. Other obstacles	Most Jamaican exporters (about 70-80%) are actually traders, not producers. However, they need the producer's consent for export which is often difficult to obtain.	Exporting traders	This is an issue that would require discussion and agreement on changes practice within the private sector.
Venezuela	2 Administrative burdens	Exports to Venezuela have become virtually impossible as a result of the amount of bureaucracy at all stages, from product registration to import administration and payments. Market entry is only conceivable if a product is on the GoV's "want list", and only through direct government-to-government contact and negotiations. Venezuela's current list does not include many products which Jamaica could supply. However, it should be noted that under the PetroCaribe Trade Compensation Mechanism (PTM), there has been a recent decision for the export of cement clinker to Venezuela from the Jamaican based Caribbean Cement Company Limited. Jamaica is also in the process of reviewing, in consultation with the relevant stakeholders, a list of products, received from Venezuela in order to determine which ones (and the quantities) which it is able to supply.	All	Re-initiate discussions in the context of the BTA by holding a Joint Council meeting. It appears that Venezuela requested such a meeting at the November 2013 COTED meeting.

As a result of the issues listed in the above table, Jamaica's exports to partner countries have dropped, in particular in 2012. However, there are also some successes to report. Notably, the EXIM Bank's trade finance facility (revolving facility of USD 10 M) for exports to Cuba has facilitated Jamaican exports.

2.2 Issues in relation to the initial entry into a BTA partner country market

One reported barrier related to market entry concerns the lack of knowledge among producers and exporters about the requirements for exporting to the BTA partners – in particular administrative issues but also including knowledge about the products covered/not covered and other provisions of the agreements. For example, the Trade Board Limited, which is in charge of issuing certificates of origin, reported that virtually no certificates under the BTAs have been requested – indicating that **virtually no exports to BTA partner countries have so far taken place under the provisions of the agreements**. Other explanations mentioned for the lack of applications for certificates of origin are:

- Jamaica's exports are mostly traded on FOB basis and hence exporters are not aware of/concerned about requirements upon import, and it is the importer who pays the duty. While that may be true it still puts Jamaica's exporters at a competitive disadvantage compared to other exporters, as sales prices could be reduced by the amount of the duty that importers pay without the certificate origin, thereby likely increasing export volumes at the same unit price;
- Where MFN duties are low, obtaining a certificate of origin is not worthwhile given the administrative/compliance costs. (Indeed, recent research has shown that the cost of complying with ROO is in the range of 2-6% ad valorem, so for MFN duties of up to around 6% it makes little sense for exporters to export under BTA rules.) However, it was also noted that compliance costs occur primarily when the certificate is requested for the first time, while for subsequent shipments it is considered as part of the normal export procedure and more of a formality).

JAMPRO provides a number of support services to (potential) exporters. As an example of its activities and the associated problems, JAMPRO has been conducting awareness raising activities about the BTA partner markets for several years but reportedly interest by the business community in these seminars is limited – it is always the same group of companies that participate. One problem could be that marketing of these activities among the business community is weak; but as likely is that interest in the BTA partner markets simply is very low (see following section). Some stakeholders stated, however, that exporters were well aware of the agreements and the market opportunities in the BTA partner countries, and that higher exports were taking place than reflected in the statistics: however, a large share of exports goes to the US and is re-exported from there to Costa Rica and the Dominican Republic. The main reasons for this are comparatively good transport links and logistics, and simpler import administration.

While some support is currently available for exporters in relation to trade facilitation, this needs to be strengthened (esp. when compared with Trinidad and Tobago and some BTA partner countries, e.g. Costa Rica; Colombia, Dominican Republic). This also includes support in market visits – it was noted that Jamaican business persons are reluctant to travel abroad and market their products aggressively and therefore need to be nudged into doing so, by JAMPRO providing the organisational and logistical support for such missions, while the cost of undertaking the mission should be covered by the businesses.

Likewise, private sector stakeholders suggested that more support should be provided through the preparation of destination market studies and assessments, including of niche markets where Jamaica has particular potential. The creation of a joint private sector trade research institute could also be envisaged. At present, the level of trade information available is clearly not sufficient for businesses to make well-informed strategic decisions about market entry into the BTA partners.

2.3 Business interest in BTA partner country markets

A number of more fundamental issues militate against Jamaica's exporting to BTA partner countries, and indeed Jamaica's exports in general. The factors mentioned include:

- The high **cost of energy** (around 30-40 US cents per kWh), especially when compared to CARICOM competitors, most notably Trinidad and Tobago (around 3-8 US cents per kWh), constrains competitiveness of the Jamaican productive sector and prevents achieving economies of scale. Although a new energy policy and roadmap have been designed and approved at the regional level it does not fully address this problem, including issues of the dual pricing of energy. Jamaica raised this matter at the Special Session of the COTED to focus on its Strategic Direction which was held on 09 November 2013 in Guyana.
- High **transport costs** to any of the five partner countries, due to the absence of frequent and direct connections, which put Jamaica at a competitive disadvantage when compared to e.g. the USA or Central/South American neighbours of the partner countries;
- **Low output/export volumes:** Low export volumes of individual exporters would typically require LCL transport. This both increases transport costs and limits the availability of transport options – since only few shipping lines offer LCL transport, exporters have to coordinate with other exporters to combine shipping, which entails substantial coordination costs and often does not work at all, not least because of the rather competitive (rather than collaborative) business culture in Jamaica;
- **Problems in consistently supplying** further exacerbate the problems of low volume production;
- The absence of **local value chains:** virtually all inputs are imported, thereby increasing production costs and causing export products to be affected twice by transport issues. As a result, most production in Jamaica is for the domestic market. The absence of local value chains and clusters also means that successful export performance of individual companies do not spill over to other firms, making it difficult to replicate successes;
- Party as a result of the previous issues, **cost competitiveness is limited**, and even larger Jamaican firms find it difficult to compete on the BTA partner markets. For example, Grace Kennedy used to export to the Dominican Republic previously but could not compete;
- Not least as a result of earlier liberalisation, the domestic productive sector (both in agriculture and industry) has not developed. It was argued that Jamaica needed to expand domestic production of value added products based on the domestic resource base – a new National Industrial Strategy and Agricultural Policy are under preparation to this effect, and the trade policy is being revised (and will also include trade in services);
- The **business culture** in Jamaica is **risk averse** and hence will both be reluctant to undertake major investments and considering new markets. In particular, most exporters tend to focus on traditional markets which they know and for which information and market intelligence is more easily accessible;
- Because of the fact that BTA partner countries have a different **language** there is an initial resistance and lack of trust by many Jamaican businesses to even consider them as potentially interesting markets. Also, language constitutes a barrier where technical issues play an important role for exports (such as when discussing product specifications);

- At least for some goods – primarily consumer goods – consumer preferences in BTA partner markets are different from CARICOM/Jamaica, and hence Jamaican exporters would find it difficult to find a market. An example mentioned were producers of condiments and sauces.

In response to these limitations, entry into the BTA partner markets will generally be feasible only in niche markets. Furthermore, in order to ensure spill-overs and replicability of success, a sector or cluster approach should be used.

It was also recommended that the Government should assume a more active role in guiding the private sector, e.g. by organising high level meetings with business leaders and demanding more exports from the private sector. This should come as part of a general shift from designing policies to implementing policies.

2.4 The Role of BTAs in trade with BTA partner countries

Jamaica is in the final stages of ratifying the agreements with Costa Rica, Cuba and the Dominican Republic – all of these are expected to be ratified during the course of 2014. However, the agreements are being administratively applied, by means of duty waivers issued to exporters by the Ministry of Finance.

Regarding the **substance of the BTAs**, specific comments that were made include:

- HS Chapters 01-09 covering fresh agricultural produce are largely excluded from the BTAs (or included under tight restrictions such as seasonal tariffs), thereby preventing agricultural producers in Jamaica from exporting under preferential conditions. At the same time, however, the exclusion of these products also protects domestic producers to a certain extent; no study has been undertaken to compare Jamaica's competitiveness in the agricultural sector with e.g. Costa Rica, and hence the overall effect of opening up is not clear;
- Concerns were raised that the agreements (particularly those with Costa Rica and the Dominican Republic) could be used to channel US and other imports into Jamaica free of duty under the agreements, through re-exports – despite established rules of origin and the need for exporters to provide certificates of origin. Some allegations were mentioned that in the Dominican Republic Chinese imports were repackaged and exported to Jamaica as products originating in the DR. Under functioning ROO, such circumvention is not possible, and the BTAs establish instruments to deal with suspected circumvention cases through verifications of origin. Some stakeholders expressed the need for additional training and capacity building for Jamaican authorities in the area of rules of origin;
- Concerns were also raised that investments from third countries (esp. in Costa Rica and the Dominican Republic) would benefit from the agreements and could be used to export to CARICOM free of duty;
- The negotiation of the BTAs did not correspond to an interest expressed by the private sector. Indeed, Jamaica's private sector rather has defensive interests. In this context, it was argued that CARICOM should request an expansion of the list of excluded products under the FTA with the Dominican Republic;
- For Jamaica, other countries appear as more promising markets than some of the BTA partners;
- As a result of the foregoing issues, ownership in the BTAs is low among the Jamaican private sector.

Stakeholders also noted that there was lack of coherence among CARICOM in trade relations with third countries; in particular, the proliferation of bilateral partial scope agreements limits coherence. At the same time, it was felt that most problems which CARICOM members face when exporting (and exporting to the BTA partners) are common problems, which would require a regional response rather than national responses. In the same vein, the CARICOM private sector should be (re-)organised regionally. In this context, the current efforts to revive the Caribbean Association of Industry and Commerce (CAIC) are welcome.

In terms of the **implementation of the BTAs**, it was stated that:

- BTA institutions should be used to address issues arising under the agreements, specifically non-tariff barriers identified;
- Likewise, more use should be made of the Joint Councils. However, one problem is that the private sector rarely provides substantiated formal complaints about issues under the BTAs, which the Government would need in order to take a case forward to CARICOM and the partner country concerned.

ANNEX: PARTICIPANTS IN CONSULTATION DISCUSSIONS

26th November 2013- Meeting with Public Sector Representatives

JAMPRO

Ms. Denise Tait
Ms. Daynie Brackett
Ms. Kelli-Dawn Hamilton
Mr. Gary Parker

Ministry of Agriculture and Fisheries

Mr. Karl Hyatt

Ministry of Industry, Investment and Commerce

Ms. Michelle Parkins
Mr. Kelvin Kerr
Mr. Clifford Spencer

Ministry of Health

Ms. Linnette Peters

EXIM Bank

Ms. Stacie-Ann Wiggan

Ministry of Youth and Culture

Ms. Marisa Benain
Ms. Dahlia Harris

Trade Board Ltd.

Ms. Martin Philips
Ms. Kanika Tomlinson

Customs Agency

Ms. Marion Daley

Ministry of Finance and Planning

Ms. Mellisa Lemonious

Ministry of Science, Technology Energy and Mining

Dr. Oral Rainford

Ministry of Tourism and Entertainment

Mr. Shane Cunningham

Caribbean Broilers Group of Companies

Mr. Hubert Blair

Ministry of Foreign Affairs and Foreign Trade

Ms. Cheryl Spencer
Ms. Faith Mullings Williams
Mr. Sheldon Barnes
Mr. Peter Bailey

27th November 2013 - Meeting with Private Sector Representatives

Jamaica Manufacturers Association (JMA)

David Martin

Lincoln Price

Jamaica Chamber of Commerce (JCC)

Francis Kennedy

Oliver Chen

Jamaica Exporters Association (JEA)

Jean Smith

Ministry of Industry, Investment and Commerce (MIIC)

Clifford Spencer

JAMPRO

Gary Parker

Ministry of Foreign Affairs and Foreign Trade

Ms. Marcia Thomas

Ms. Cheryl Spencer

Ms. Faith Mullings Williams

Mr. Sheldon Barnes

Mr. Peter Bailey

**IDENTIFICATION AND ASSESSMENT OF THE UNDERLYING REASONS AFFECTING CARICOM'S
TRADE PERFORMANCE UNDER THE EXISTING BILATERAL TRADE AGREEMENTS WITH THE
DOMINICAN REPUBLIC, COSTA RICA, COLOMBIA, CUBA AND VENEZUELA**

CONSULTATIONS REPORT – ST. KITTS AND NEVIS

27 September 2013

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (collectively referred to as bilateral trade agreements, BTAs). In 2010, a study prepared by the CARICOM Secretariat concluded that trade between CARICOM and the BTA partner countries was less dynamic than expected and that CARICOM's trade performance was disappointing overall – exports were still low after several years of the BTAs being in place, and bilateral trade with most partner characterised by persistent CARICOM deficits. In order to identify the underlying reasons for the weak performance and derive policy recommendations to address them, a follow-up study was commissioned. This report summarises the consultant's consultations with stakeholders in St. Kitts and Nevis.

2 FINDINGS

From a business perspective, three conditions must be fulfilled in order for trade (in particular, exports) between CARICOM and BTA partner countries to take place and grow: First, businesses must be aware of and have an interest in exporting to BTA partners, and take the corporate decision to export there. Second, challenges during initial market entry may cause businesses to delay or abandon market entry. Third, ongoing trade encounters a plethora of practical challenges.

The following sections discuss these issues as encountered by companies in St. Kitts and Nevis, based on discussions held with public and private stakeholders during the consultant's country visit. In doing so, for each issue the following details are addressed, where appropriate:

- The BTA partner concerned;
- A description of the issue and its impact on businesses;
- The type of company/sector concerned, or potentially concerned;
- The (potential) solution or alleviation: What has been done, or can be done to solve the issue, and which role plays the BTA, or can the BTA play in this?

2.1 Issues in ongoing trade with BTA partner countries

Experience of companies in St. Kitts and Nevis with exporting to any of the five BTA partner countries is very limited. Some issues which negatively impact on trade are listed and described in Table 1.

Table 1: Barriers for Kittitian companies to export to BTA partner countries

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
All (source of barrier: KNA)	1A. Sanitary and phytosanitary measures 1B. Technical Barriers to Trade	Lack of testing equipment in KNA: Due to small output, purchase of testing equipment is often not economically feasible, but it forces producers wishing to export to have their products tested abroad – which often carries prohibitive costs	All	Establish a regional lab which would offer services to all OECS producers, or encourage specialisation among OECS national certification bodies in order to reduce costly duplication of providing identical testing services.
All (source of barrier: KNA)	1A3./1B3. Labelling, marking and packaging requirements	Limited awareness among private sector for the importance of meeting packaging and labelling requirements	Primarily food processing	Increase awareness of producers for packaging and labelling requirements; stricter enforcement on the domestic market.
All (source of barrier: KNA)	1P8 Export credits	Lack of export finance mechanisms. While the ECCB has established a fund it is not (yet) operational; commercial service providers or government run Exim banks do not exist. An export guarantee fund used to exist but is no longer active (reasons for this could not be identified). Also, no export insurance scheme exists.	All	Develop (sub-regional) export insurance and finance (guarantee) schemes.
All	2F2. System and cost of transportation	All transportation from KNA has to go via Miami; this monopoly position creates dependence of KNA's exporters.	All	A regional transport hub would be needed (e.g. in Puerto Rico) in order to create more competition in transportation/ logistics services and reduce logistical thresholds currently deterring exporters.
Cuba (source of barrier: US)	2F2. System and cost of transportation	Due to the US embargo on Cuba, transportation to Cuba is even more limited than transportation in general	All	None.

2.2 Issues in relation to the initial entry into a BTA partner country market

Important problems which companies face when considering to enter one of the BTA partner are:

- **Lack of information about the market:** While some companies have hired consultants to do market research, this is considered to be too costly for most firms; more assistance from support institutions would therefore be required;
- **Caribbean Export:** Companies felt it difficult to access the support programmes offered by Caribbean Export, especially when competing with applicants from MDCs. More support in accessing grants etc. would be required.

2.3 Business interest in BTA partner country markets

A key reason behind KNA's low exports to BTA partners is that business interest in exporting there is limited. While companies acknowledge that Latin America (including the five BTA partner countries) is a market of the future, the expected profits of exporting there have to be counterweighed against the costs and risks. Furthermore, a number of general supply side capacity problems help explain the low level of exports to BTA partner countries. The factors mentioned include:

- **Lack of cost competitiveness** due to:
 - The fact that all inputs for manufactures have to be imported, although KNA has a duty drawback scheme in place;
 - **High labour costs** when compared with the BTA partners and other Latin American countries;
 - **High cost of energy** (electricity cost in TTO is reportedly 90% lower than in KNA);
- **Lack of real manufacturing/goods producing sector:** The OECS countries are primarily services oriented and hence do not benefit much from agreements which focus on trade in goods;
- **Existing manufacturing firms in KNA are foreign owned**, which determines their supply chain: electronics companies are US owned and import materials from the US, assemble goods and re-export to the US. The brewery is TTO owned, with the head office being in charge of managing the KNA brewery's exports. These trade patterns minimizes uncertainties and risks but would seem difficult to replicate with BTA partners;
- **Low quality output of KNA producers:** improving product quality to achieve exportable quality standards would require sizeable investments which domestic firms could not afford (and would not engage in given the risks involved), so (foreign) investors are needed;
- **Low volume production** also limits the export capacity of KNA producers. Again, outside investors would be needed to address this issue;
- Alternatively, KNA firms could cluster and establish collaborative production patterns (e.g. starting from the successful electronics manufacturers assembling for the US market. However, the **business culture in KNA is very competitive** and cooperation among competitors would seem very unlikely to be possible;
- The **lack of export insurance**, which would reduce risks for exporters, acts as an extremely important barrier for firms to even consider exporting (regardless of the destination market);
- **Exchange rate fluctuations** against currencies of BTA partner countries create an additional risk for exporters which they do not face in trade with other CARICOM members or the US;

- **Transport and logistics issues:** Presently, exports to most BTA partners would be shipped via Miami. Sea freight normally takes two to four weeks to arrive, and arrival times are not guaranteed. The brewery considered exporting to the Dominican Republic, but after considering transport and logistics issues and the market rates in the DR the project was abandoned. In order to reduce time and costs, according to the private sector a study should be undertaken by CARICOM, or better still, the OECS on how to improve the transport system. Without improvements in transport and logistics, exports from KNA to the BTA partners are likely to remain very limited;
- **Infeasibility of B-2-C e-commerce** with BTA partners due to high shipping costs: goods would have to be sent by courier, the cost of which is prohibitive;
- **Lack of export strategy:** KNA has no export strategy in place, and certainly none which would focus on the BTA partner countries. However, without promotion of the BTA partner countries as export markets private sector will hardly consider them as (potential) markets. Nevertheless, there is also a culture of mistrust between the Government and the private sector – so even if such a strategy was in place there would be no guarantee that exporters would be influenced by it;
- **Language barriers** make it hard to negotiate with business partners in BTA partner countries.

2.4 The Role of BTAs in trade with BTA partner countries

Given the limited export competitiveness in general, the focus on traditional markets and the very limited exports to BTA partners, the role of the BTAs for KNA exports is minimal.

Regarding the **substance of the BTAs**, it was felt that OECS countries had essentially different interests compared to CARICOM MDCs, and that these interests were not addressed in the BTAs. Specific comments made are:

- In view of the fact that the OECS countries' main strengths are in the services sectors, the BTAs were not well negotiated, as they essentially focus on trade in goods. Negotiators were inexperienced, mostly represented MDCs (and MDC interests), and in general trade in services in the 1990s did not play the same role as they do today, and hence awareness for negotiating trade in services issues was limited;
- BTAs have thus very little to offer to OECS countries. The OECS signed them primarily out of a “sense of duty” as CARICOM members rather than because they were expecting any tangible benefits in terms of export opportunities.

ANNEX: PARTICIPANTS IN CONSULTATION DISCUSSIONS

Ministry of International Trade, Industry, Commerce and Consumer Affairs
 Department of Trade (Nevis)
 Ministry of Finance – Customs and Excise
 St. Kitts Air and Sea Port Authority
 Nevis Air and Sea Port Authority
 Eastern Caribbean Central Bank
 Several light electronics manufacturers
 Carib Brewery (St. Kitts & Nevis) Ltd.
 St. Kitts Bottling Company

CONSULTATIONS REPORT – ST. LUCIA

25 September 2013

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (collectively referred to as bilateral trade agreements, BTAs). In 2010, a study prepared by the CARICOM Secretariat concluded that trade between CARICOM and the BTA partner countries was less dynamic than expected and that CARICOM's trade performance was disappointing overall – exports were still low after several years of the BTAs being in place, and bilateral trade with most partner characterised by persistent CARICOM deficits. In order to identify the underlying reasons for the weak performance and derive policy recommendations to address them, a follow-up study was commissioned. This report summarises the consultant's consultations with stakeholders in St. Lucia. Some companies provided written responses which are presented in annex B.

2 FINDINGS FROM MEETINGS WITH NATIONAL STAKEHOLDERS

From a business perspective, three conditions must be fulfilled in order for trade (in particular, exports) between CARICOM and BTA partner countries to take place and grow: First, businesses must be aware of and have an interest in exporting to BTA partners, and take the corporate decision to export there. Second, challenges during initial market entry may cause businesses to delay or abandon market entry. Third, ongoing trade encounters a plethora of practical challenges.

The following sections discuss these issues as encountered by companies in St. Lucia, based on discussions held with public and private stakeholders during the consultant's country visit. In doing so, for each issue the following details are addressed, where appropriate:

- The BTA partner concerned;
- A description of the issue and its impact on businesses;
- The type of company/sector concerned, or potentially concerned;
- The (potential) solution or alleviation: What has been done, or can be done to solve the issue, and which role plays the BTA, or can the BTA play in this?

2.1 Issues in ongoing trade with BTA partner countries

Experience of companies in St. Lucia with exporting to any of the five BTA partner countries is very limited. Where exports take place on a regular basis, this is due to peculiar factors – e.g. the paperboard producer (exporting packaging for bananas to Venezuela) has a Venezuelan investor who handles the trade logistics. Particular issues which negatively impact on trade are listed and described in Table 1.

Table 1: Barriers for St. Lucian companies to export to BTA partner countries

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
Costa Rica	1L. Subsidies	Allegedly, subsidies for corrugated cardboard in Costa Rica put CARICOM producers at a disadvantage when trying to export there. However, due to the absence of the trade remedy regime the allegation was never scrutinised, and no action was taken.	Cardboard	Implement the agreements' provisions on trade remedies and introduce a reporting/complaint mechanism for CARICOM exporters (possibly online).
Cuba (source of barrier: US)	2F2. System and cost of transportation	Due to the US embargo on Cuba, transportation to Cuba is even more limited than transportation in general	All	None.
All (source of barrier: St. Lucia)	1A1. Prohibitions/restrictions of imports for SPS reasons	A producer of spices and sauces stated that import of coconuts from Guyana, an important input for some of their products, was prohibited in St. Lucia due to certain health safety or sanitary considerations. At the same time, however, competing producers in the Dominican Republic do import coconuts from Guyana without problem.	Agro-processing	Review domestic regulations and/or their implementation.

2.2 Issues in relation to the initial entry into a BTA partner country market

There was consensus among St. Lucia's private sector representatives that initial entry into a BTA partner country would normally require support and facilitation. However, such support is not effectively provided by the Government, and among the BTA partner countries, Cuba is the only one where St. Lucia has an embassy.

The Government's Trade Export Promotion Agency (TEPA), established two years ago, aims at providing support to St. Lucian firms considering to export. It helps firms in the initial market entry by, inter alia:

- Organising trade missions (e.g. recently to Cuba, in collaboration with Caribbean Export);
- Preparing studies of priority markets;
- Setting up a trade portal (in cooperation with ITC) which is to be replicated across CARICOM.

Trinidad & Tobago has offered to TEPA that the services of the Trade Facilitation Office in Cuba would also be available to exporters from St. Lucia.

2.3 Business interest in BTA partner country markets

For the Government, Cuba and Venezuela are priority markets. Business interest in exporting to BTA partner countries is limited. While companies acknowledge that Latin American countries (including the five BTA partner countries) are interesting markets in principle, several factors mitigate against them becoming actual markets for St. Lucia's producers:

- **The perception of BTA partners**, which see CARICOM countries as a market for their products but not as a supplier for their own domestic markets. In other words, there is very limited awareness in Latin America for CARICOM as a producer of goods. Some time ago an export mission to the Dominican Republic was organised by Caribbean Export, in which also some companies from St. Lucia participated. However, the DR companies met there were primarily interested in exporting;
- **Lack of cost competitiveness**: St. Lucian firms' costs are simply higher than those in e.g. the Dominican Republic, and even within CARICOM there are huge cost differentials between members, with TTO's producers benefitting from much lower cost of energy and economies of scale (compared to St. Lucia). This severely limits the possibilities of St. Lucian companies to export to the BTA partners (but also in general);
- **Low output and problems in consistently supplying over time**: As a result of low production capacities, St. Lucia's exporters first and foremost serve their existing clients. Expanding output would often require major investments in production capacity, which many companies are both unwilling (given the risk in entering new and unknown markets) and unable to do (given the difficulties in accessing finance to fund such investments). While this prevents exports at a large scale, entry into niche markets is still possible, and TEPA's work related to market studies and the trade portal aims at facilitating precisely the identification of such niche markets for St. Lucia's producers;

One producer that tried to start exporting to BTA partner countries is the distillery. While it found that its production costs were competitive and – thanks to the tariff exemption – the products would have been price competitive on the target market the company decided against exporting due to the following factors:

- Complicated logistics due to very small scale shipments;
- Language barriers;
- Dominant position of distributors and national brands.

Other exporters which considered entering the market of Venezuela are the brewery (which already exports to CARICOM members) and a producer of spices and sauces. However, the price level in Venezuela was too low to compete.

2.4 The Role of BTAs in trade with BTA partner countries

Awareness of the BTAs among businesses is virtually non-existent. Even TEPA does not fully understand the provisions included in the BTAs. Furthermore, at government level there is a certain disconnect between the Ministries of Finance and Trade.

Regarding the **substance of the BTAs**, it was felt that these responded essentially to TTO's interests, while St. Lucia's private sector had neither export interests in the BTA partner markets, nor did it have an interest in reduced prices of imports from the BTA partners in CARICOM markets. This preference erosion for St. Lucia's exports to the CARICOM MDCs induced by the BTAs harms St. Lucia's exporters. There was a lack of collaboration between the private sector and government at the time of negotiation which would have made these arguments clearer and which could have guided the preparation of list of products included in/excluded from the BTAs.

One way to address the uneven distribution of costs and benefits arising from the BTAs for different CARICOM members could be a compensation mechanism, as has recently been established in the form of the Caribbean Development Fund.

More specific comments that were made are:

- The focus of the BTAs on tariff issues fails to address the main barriers for export which are certification issues;
- The negotiation of the BTAs did not adequately involve the private sector and hence the provisions of the BTA do not necessarily reflect private sector interests;
- Implementation of the BTAs is lacking. As an example, the provisions for trade remedies are not implemented.
- Also, monitoring of the BTA implementation would have to be strengthened (or rather, set up from scratch).

ANNEX A: PARTICIPANTS IN CONSULTATION DISCUSSIONS

Name	Organisation	Telephone#	Email Address
Private Sector Officials			
Mr. Brian Louisy	St. Lucia Chamber Of Commerce	452-3165/484-9249	blouisy@stluciachamber.org
Mr. Nicholas Zephirin	Viking Traders	520-2109	vikingsales@vikingsstlucia.com
Mrs. Cristina Zephirin	Viking Traders	519-2968	vikingsales@vikingsstlucia.com
Mr. Linden Browne	St. Lucia Distillers	456-3175/3100	linden.browne@saintluciarums.com
Public Sector Officials			
Mr. Nigel Edwin	Ministry Of External Affairs	468-4538	nigel.edwin@govt.lc
Ms. Andrena Simon	Trade Export Promotion Agency	468-2168	asimon@opsrslu.org
Mr. Richard Harris	Central Statistics Office	452-3716	richard@stats.gov.lc
Mr. Christopher Williams	Customs & Excise	468-4800	cwilliams@customs.gov.lc
Mrs. Lisa L Philip	Ministry Of External Affairs	468-4573	Lisa.philip@govt.lc
Ms. Shannica Plummer	Ministry Of External Affairs	468-4526	Shannica.plummer@govt.lc
Mrs. Arlene Baptiste Joseph	Ministry Of External Affairs	468-4575	abjoseph@gosl.gov.lc
Ms. Charlene Charles	Ministry Of External Affairs	468-4565	charleen.charles@govt.lc
Ms. Fercinta Louisy	Ministry Of External Affairs	468-4576	flouisy@gosl.gov.lc

ANNEX B: WRITTEN RESPONSES PROVIDED BY COMPANIES

COMPANY	COMMENTS
Natmed Ltd	<p>At present, this company has a small customer account in the Dominican Republic that they were able to obtain over 8 years ago. This was as direct result of attending a tradeshow, and following up with the contact.</p> <p>Issues that they have experienced that have made trading with this country challenging are:-</p> <ul style="list-style-type: none"> • high costs of shipping LCL (less than container load) • higher costs of production • fluctuating currency rates <p>For these reasons, their distributor has only really focused on the tourism sector, where the USD is normally used.</p> <p>With regards to the other countries, they have not had any opportunity to do business with these countries. However, problems with trading with larger Latin American economies from St. Lucia would include:-</p> <ul style="list-style-type: none"> • High costs of production compared to these countries • High costs of shipping goods • Logistics of shipping • Lack of opportunity to target market (e.g. Trade mission, trade show, market visit, etc.) • Language barriers • Lack of knowledge of import regulations <p>Note: Interested in exporting to Cuba.</p>
Baron Foods	<p>Baron Foods has made several attempts to export to Cuba, Dominican Republic and Venezuela for the last 10 years without much success. The company has undertaken several visits to these countries including trade missions and have participated in trade fairs hosted in both of these countries but to date, efforts have proved futile.</p> <p>They have also made several contacts with distributors in Venezuela to no avail. Also we attempted to work via the Venezuelan Embassy here which also proved futile. We visited Colombian Trade Exhibition which also proved futile.</p>
Winera Packaging Co.Ltd	<p>Concerns: The duty free entry into CARICOM of corrugated boxes from Costa Rica and the DR is a major threat to the corrugating plants in the Region (particularly Winera).</p> <p>The FTA between CARICOM and Costa Rica and the DR which allows duty free entry of packaging including corrugated boxes into Trinidad and other MDCs is seriously reducing the size of these markets available to WINERA and other corrugated plants in the region.</p> <p>Company has requested an amendment of the duty free concessions afforded Costa Rica and the DR under the existing trade agreements</p>
North American Assemblies	<p>This company has exported to Costa Rica through 3rd party in the USA.</p>
Solar Dynamics	<p>This company is not exporting to the DR at present however it is interested in getting distributors in the DR; language cited as a key barrier.</p>

**IDENTIFICATION AND ASSESSMENT OF THE UNDERLYING REASONS AFFECTING CARICOM'S
TRADE PERFORMANCE UNDER THE EXISTING BILATERAL TRADE AGREEMENTS WITH THE
DOMINICAN REPUBLIC, COSTA RICA, COLOMBIA, CUBA AND VENEZUELA**

**CONSULTATIONS REPORT – ST. VINCENT AND THE
GRENADINES**

24 September 2013

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (collectively referred to as bilateral trade agreements, BTAs). In 2010, a study prepared by the CARICOM Secretariat concluded that trade between CARICOM and the BTA partner countries was less dynamic than expected and that CARICOM's trade performance was disappointing overall – exports were still low after several years of the BTAs being in place, and bilateral trade with most partner characterised by persistent CARICOM deficits. In order to identify the underlying reasons for the weak performance and derive policy recommendations to address them, a follow-up study was commissioned. This report summarises the consultant's consultations with stakeholders in St. Vincent and the Grenadines.

2 FINDINGS

From a business perspective, three conditions must be fulfilled in order for trade (in particular, exports) between CARICOM and BTA partner countries to take place and grow: First, businesses must be aware of and have an interest in exporting to BTA partners, and take the corporate decision to export there. Second, challenges during initial market entry may cause businesses to delay or abandon market entry. Third, ongoing trade encounters a plethora of practical challenges.

The following sections discuss these issues as encountered by companies in St. Vincent and the Grenadines, based on discussions held with public and private stakeholders during the consultant's country visit. In doing so, for each issue the following details are addressed, where appropriate:

- The BTA partner concerned;
- A description of the issue and its impact on businesses;
- The type of company/sector concerned, or potentially concerned;
- The (potential) solution or alleviation: What has been done, or can be done to solve the issue, and which role plays the BTA, or can the BTA play in this?

2.1 Issues in ongoing trade with BTA partner countries

Experience of companies in St. Vincent and the Grenadines with exporting to any of the five BTA partner countries is very limited. Exports are mostly to other CARICOM countries. Some issues which negatively impact on trade – not only exports to BTA partner countries but exports in general – are listed and described in Table 1.

Table 1: Barriers for SVG companies to export to BTA partner countries

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
All (source of barrier: SVG)	1A8./1B8. Conformity assessment related to SPS/TBT	Procedures for verification of compliance with standards in SVG is weak – not all tests can be performed, requiring tests abroad which are both time consuming and costly.	Mostly agricultural goods and agro-processing	Strengthen SVG/OECS quality infrastructure (e.g. through pooled laboratory services).
All (source of barrier: SVG)	1P8. Export credits	Lack of trade finance <i>and</i> export insurance impedes exports by small firms with limited financial capacity.	All	Introduce trade finance <i>and</i> export insurance schemes (possibly at OECS level). However: Such schemes were once in place but then discontinued, partly due to lack of usage – the reasons for this would have to be identified (e.g. complexity of procedures, cost, lack of exporters?) prior to (re-)introducing schemes.
All	2F2. System and cost of transportation	While the export of full containers is usually not a problem and not overly costly, the shipments of less than a full container load are: <ul style="list-style-type: none"> • hardly available – there is just one shipping line providing this service but not actively marketing it; • prone to quality problems (e.g. no possibility of fumigation/ locking leading to wastage and losses due to theft (several examples of nutmeg exports were mentioned); • costs are high and sometimes prohibitive, e.g. air transport is sometimes used as an alternative but not possible for high-weight products such as sauces sold in glass jars. 	Smaller exporters (but most SVG exporters fall into this category)	One option would be to increase output (e.g. through joint OECS production, or increased production capacity, e.g. through investments from BTA partners or MDCs).

2.2 Issues in relation to the initial entry into a BTA partner country market

Initial entry into a BTA partner country would require support and facilitation, but such support is hardly available:

- **Government institutions** themselves are inexperienced in providing assistance. For example, several months ago a trade mission to Venezuela was planned but then cancelled. Trade information is hardly made available by government support structures or the chamber.
- **Caribbean Export** is providing assistance (training) to the government support infrastructure in this respect but it has yet to be rolled out to SVG businesses.
- An **OECS Business Council** is being established that could also follow up implementation of the BTAs.
- **Services offered by other CARICOM members** (notably Trinidad & Tobago): TTO has offered to extend its work through the Trade Facilitation Office in Cuba to SVG, but the issue of competition between TTO and SVG exporters is a matter of concern. It would therefore be better if the OECS had their own trade facilitation offices in the BTA partner countries.
- **Trade support institutions in BTA partner countries:** Bilateral chambers of commerce or similar organisations currently do not exist but would greatly facilitate the exchange of information, and availability of support during market entry. Another important role would be mutual trust-building (see below).

2.3 Business interest in BTA partner country markets

Given the limited awareness for market opportunities in the BTA partner countries, business interest in exporting there is limited. However, Government considers Venezuela as a strategic market (not least because of PetroCaribe), although this has not yet been translated into exports.

In addition, a number of general supply side capacity problems help explain the low level of exports to BTA partner countries. The factors mentioned include:

- **Language and cultural differences** between SVG and the BTA partner countries mean that SVG exporters would primarily look towards other markets;
- **Low output and problems in consistently supplying over time:** As a result of low production capacities, SVG exporters first and foremost serve their existing clients. Expanding output would often require major investments in production capacity, which many companies are both unwilling (given the risk in entering new and unknown markets) and unable to do (given the difficulties in accessing finance to fund such investments);
- **Lack of cost competitiveness:** cost of labour, energy and transport are high, and are further driven up because of the low volume production. In order to become export competitive, joint ventures between MDC and LDC companies would have to be established in order to benefit from economies of scale. However, establishing such joint ventures is made difficult because of nationalistic attitudes within CARICOM;
- **Assumption of transport problems:** With transport even within CARICOM typically taking 3-4 weeks, many businesses assume that transport to BTA partner countries (Latin America in general) will be even slower and more costly. However, this is not necessarily the case.
- **Risk averseness** of SVG businesses, most of which are small and family owned: Latin American markets are considered as high risk markets, and little information is available on

them. Therefore, SVG companies rather look towards other markets. Measures to overcome this issue could include: the establishment of cooperation mechanisms between businesspeople (e.g. through chambers, trade missions etc.), the establishment of business partnerships including joint ventures, and export insurance;

- **Currency overvaluation:** With the XCD and other Caribbean currencies pegged to the USD, export competitiveness of the OECS countries has gradually been eroded as productivity has not increased. There is also no policy for innovation which would encourage productivity increases;
- The **business culture** in SVG is not prone to collaboration. Rather than cooperating business turn towards the Government for assistance, while the Government's capacity to support is limited (see above). Collaboration among businesses would be essential to overcome most of the barriers which OECS exporters face (resource constraints, limited production capacity and small volume production, etc.).

In general, it was felt that SVG could only export if it developed stronger brands.

2.4 The Role of BTAs in trade with BTA partner countries

Awareness of the BTAs among businesses is limited. In addition, the technical jargon of trade agreements makes it difficult to understand the implications for businesses. Therefore, information about the BTAs should be provided in a format and style that lays out the opportunities of the agreements for businesses in a practical way.

Regarding the **substance of the BTAs**, it was felt that OECS countries had essentially different interests compared to CARICOM MDCs, and that these interests were not addressed in the BTAs. SVG's key offensive interest is in services exports, which are hardly covered by the BTAs. However, contrary to the findings in other countries, there was the view among the public sector that Government is well aware of the potential export products (goods) and that therefore the negotiations are in line with the private sector's requirements and priorities. Private sector partially disagreed but acknowledged that it hardly participated/provided views when invited by Government in the context of negotiations.

Implementation of the BTAs was also felt to be lacking. Once an agreement is signed, attention appears to shift to other issues. This was explained through the political economy of negotiating trade agreements, which are mainly driven by politics, and for politicians the mission is accomplished when an agreement is signed. Afterwards, no priority nor resources are being devoted to actually implement an agreement's provisions.

ANNEX: PARTICIPANTS IN CONSULTATION DISCUSSIONS

Ministry of Foreign Affairs, Foreign Trade and Consumer Affairs
EPA Implementation Unit
Ministry of Agriculture
Ministry of Legal Affairs
Saint Vincent and the Grenadines Bureau of Standards (SVGBS)
Statistical Office
Invest SVG
Centre for Enterprise Development (CED)
Chamber of Industry and Commerce
Davy Agro Industries Ltd.
DMG Furniture Ltd.
East Caribbean Metals Industries Ltd.

**IDENTIFICATION AND ASSESSMENT OF THE UNDERLYING REASONS AFFECTING CARICOM'S
TRADE PERFORMANCE UNDER THE EXISTING BILATERAL TRADE AGREEMENTS WITH THE
DOMINICAN REPUBLIC, COSTA RICA, COLOMBIA, CUBA AND VENEZUELA**

CONSULTATIONS REPORT – SURINAME

02 – 03 October 2013

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (collectively referred to as bilateral trade agreements, BTAs). In 2010, a study prepared by the CARICOM Secretariat concluded that trade between CARICOM and the BTA partner countries was less dynamic than expected and that CARICOM's trade performance was disappointing overall – exports were still low after several years of the BTAs being in place, and bilateral trade with most partner characterised by persistent CARICOM deficits. In order to identify the underlying reasons for the weak performance and derive policy recommendations to address them, a follow-up study was commissioned. This report summarises the consultant's consultations with stakeholders in Suriname.

2 MAIN FINDINGS

Suriname is not a party to the BTA with Venezuela and Colombia, which had been signed prior to Suriname's accession to CARICOM, nor has it ratified the FTA with Costa Rica. Therefore, of the five BTAs only the ones with the Dominican Republic and Cuba are applied by Suriname. Conversely, Surinamese exporters benefit from preferential access only to these two markets. Given the low level of trade, the Government has no priority to ratify the remaining agreements but rather looks towards Brazil, with which it has signed a partial scope agreement, particularly related to the export of rice to Brazil.

3 DETAILED FINDINGS

From a business perspective, three conditions must be fulfilled in order for trade (in particular, exports) between CARICOM and BTA partner countries to take place and grow: First, businesses must be aware of and have an interest in exporting to BTA partners, and take the corporate decision to export there. Second, challenges during initial market entry may cause businesses to delay or abandon market entry. Third, ongoing trade encounters a plethora of practical challenges.

The following sections discuss these issues as encountered by companies in Suriname, based on discussions held with public and private stakeholders during the consultant's country visit. In doing so, for each issue the following details are addressed, where appropriate:

- The BTA partner concerned;
- A description of the issue and its impact on businesses;
- The type of company/sector concerned, or potentially concerned;
- The (potential) solution or alleviation: What has been done, or can be done to solve the issue, and which role plays the BTA, or can the BTA play in this?

3.1 Issues in ongoing trade with BTA partner countries

Experience of companies in Suriname with exporting to any of the BTA partner countries is limited, and most trade with these countries is not under the provisions of the BTAs. Hence, very few issues have been mentioned which negatively impact on trade are listed; these are described in Table 1. In particular, no issues related to non-compliance (or alleged non-compliance) with standards or technical regulations were encountered in trade with BTA partners (unlike in trade with CARICOM members), which may be explained by the fact that Suriname is a member of the Pan-American Standards Commission (COPANT), as are the BTA partners.

One successful example of Surinamese exports to BTA partner countries is export of frozen fish to Colombia which have been consistent for the past five years (shipment of 10-20 containers per month). These are not affected by any major problems. However, the negotiation and administration of these exports is handled by the Suriname's exporter's partner in Panama. For the exporter, this means: documentation is provided in English, payment is effected between the importer and the partner. The only obstacle is limited capacity to export fresh fish, which is shipped by air – and while there are good air transport connection to the EU and the US, they are lacking in trade with BTA partner countries.

Table 1: Barriers for Surinamese companies to export to BTA partner countries

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
All Source of barrier: Suriname	1P8 Export credits	Lack of export finance esp. to new exporters (collateral requirements, and no export credit guarantee scheme), as well as lack of export insurance and export incentives provided by the Government of Suriname	All, esp. new exporters	Government to refocus trade strategy and establish an export promotion body as well as export promotion measures; development of a national export strategy.
All	2F2. System and cost of transportation	Shipping: According to some private sector representatives, the absence of direct freight lines increases cost of transport and especially time required to export. Ships leave every 2 to 3 weeks on average. Other stakeholders stated that container vessels to Costa Rica and Venezuela had a fixed weekly schedule, took 10-12 days to arrive at the destination port (going via Jamaica), with costs comparable to those for shipping to Miami. Low exports mean however, that outgoing ships leave Suriname 50% empty.	All	Objectively, shipping does not appear to be a major constraint. There seems to be a lack of information about available shipping lines – better exchange of information among exporters, or provision of relevant information by the Chamber (or other private sector bodies) would seem to address the informational problem.
All	2F2. System and cost of transportation	Air cargo: Lack of air cargo links with BTA partner countries.	Producers of fresh produce: fresh fish, fruits, vegetable & rice	None - introduction of air cargo connections would require minimum export volumes. Currently these are focused on EU and US markets, which is unlikely to change given the lack of complementarity in fruit and vegetable production (see below).
Cuba	1G3. Regulation on official foreign exchange allocation	Due to the limited availability of foreign exchange which translates into payment terms of up to 360 days, exports to Cuba take place as barter trade.	All	None – barter trade is the response which exporters have found.
Dominican Republic	1A1. Prohibitions/ restrictions of imports for SPS reasons	Import of wood from Suriname is banned in the Dominican Republic (no further information obtained)	Wood	If the ban is confirmed it should be addressed by Joint Council.
Venezuela	1G3. Regulation on official foreign exchange allocation	Because of the limited availability of foreign exchange and uncertainty about payments, exporters have resorted to either requesting upfront payment or provision of guarantees.	All	None – exporters have found a workaround but a real solution to the problem would only be the removal of foreign exchange limitations in Venezuela.

3.2 Issues in relation to the initial entry into a BTA partner country market

The lack of government incentives for exports as well as of any export support infrastructure in Suriname was highlighted by private sector representatives as a major constraint to enter new markets. Therefore, even when Surinamese exporters participated in trade missions – such as one undertaken to the Dominican Republic about two years ago (organised by Caribbean Export in cooperation with the Chamber) follow up support to actually start exporting was not available and hence did not result in goods being exported.

In the same context, Suriname's diplomatic missions have no economic mandate and therefore do not provide any assistance to exporters nor provide market intelligence to potential exporters. Such information could be a very useful starting point for Suriname's businesses to start considering exporting to the BTA partner countries.

The limitations in Government support to exports are mainly a result of the country's current trade orientation which is geared towards facilitating imports in order to ensure supply.

As a result of the above, any exports that do take place are normally facilitated through existing personal contacts between business people.

3.3 Business interest in BTA partner country markets

In general terms, Suriname's companies have limited interest in exporting to the BTA partners. Key reasons cited for this during the consultations are:

- The lack of product complementarity, i.e. the products which Suriname produces are either also produced by the partner or have no market there. For example, in the context of the PetroCaribe agreement the Government of Suriname attempted to identify products suitable for export to Venezuela but couldn't – some of those products which Venezuela would have wanted to import (e.g. black beans) are not produced in Suriname, while others, which are produced in Suriname (e.g. shrimps) were competing with Venezuelan production;
- General limitations of Suriname's producers – low output and lack of competitiveness – which limit Suriname's export competitiveness and constrain exports in general, even to traditional markets (for example, in the rice sector);
- Established markets still offer scope for export expansion (e.g. exports of wood to China), while new markets other than those covered by the BTAs (such as Brazil) offer more promising opportunities.

Conversely, language was not considered to be an important barrier to export to the BTA partner countries as business persons there spoke sufficient English.

One example provided was the wood sector which faces high domestic demand and prices which function as a disincentive for trade. In addition, wood exporters in Suriname are typically (partly) foreign owned by companies of the destination markets, primarily China and Malaysia, and operate saw mills in Suriname in order to avoid export taxes on round wood (no export taxes are levied on sawn wood). In addition, as mentioned above, complementarity with BTA partners is lacking – e.g. Costa Rica and Colombia have their own supply of wood. On top of that, Suriname cannot supply high volumes of single species.

3.4 The Role of BTAs in trade with BTA partner countries

Awareness of the BTAs among businesses is very limited, and the **BTAs barely have any influence on Suriname's trade with the BTA partner countries**: the Chamber of Commerce, which issues certificates of origin, stated that the number of certificates handed out was minimal (only some related to exports to Colombia¹ and Cuba), meaning that **most exports actually take place under MFN treatment rather than under the BTA rules, even when exports might be covered by the agreement**. For example, based on available trade statistics (UN COMTRADE), most of Suriname's exports to Cuba and the Dominican Republic are covered by the agreements. However, it could not conclusively be established whether this is due to lack of awareness of the BTAs or the fact that the exported goods face no or very limited import duties even under MFN treatment. In any case, awareness of the BTAs among exporters is limited, and the contents of the agreements are unknown to them. Some private sector representatives stated that information about the rules applied was lacking.

Regarding the **substance of the BTAs**, the following comments were made:

- BTAs include products which Suriname does not produce. Therefore the agreements' relevance for Suriname is limited;
- The seasonal schedules for agricultural produce both reduce transparency (when can products be exported under which conditions?) and limit exportability: typically, goods are subjected to MFN treatment when they are in season (with high seasons in the exporting and importing country normally being at the same time of the year) and thus the tariffs to be paid make the product uncompetitive on the importing market.

4 OTHER ISSUES

UN COMTRADE statistics show a very high share of trade in the residual product category (HS 99). Furthermore, the inconsistency of mirror statistics is striking. The Government therefore provided the consultant with trade data at product level for the last five years based on Suriname's customs data.

¹ Note that the issuance of a certificate of origin for exports to Colombia is at odds with the fact that Suriname is not a party to the CARICOM-Colombia BTA.

ANNEX: PARTICIPANTS IN CONSULTATION DISCUSSIONS

Ministry of Trade and Industry
Ministry of Foreign Affairs
Ministry of Justice
Ministry of Agriculture, Animal Husbandry and Fisheries
Ministry of Natural Resources
Ministry of Finance
Fiscal Authority
Customs Authority
Standards Bureau of Suriname

Suriname Chamber of Commerce and Industry (Kamer van Koophandel en Fabrieken, KKF)
Suriname Business Development Center (SBC)
Manufacturers Association Suriname (Associatie van Surinaamse Fabrikanten, ASFA)
Association of Small and Medium Enterprises in Suriname (AKMOS)
Association of Rice Exporters(VRE)
Surinaamse Hout Unie (SHU): Association of wood
Vereeniging van de steun van de agrarische sector
SUVVEB (fish exporter)
Bromet Shipping (fish exporter)

CONSULTATIONS REPORT – TRINIDAD AND TOBAGO

19-20 September 2013 & 01 October 2013

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (collectively referred to as bilateral trade agreements, BTAs). In 2010, a study prepared by the CARICOM Secretariat concluded that trade between CARICOM and the BTA partner countries was less dynamic than expected and that CARICOM's trade performance was disappointing overall – exports were still low after several years of the BTAs being in place, and bilateral trade with most partner characterised by persistent CARICOM deficits. In order to identify the underlying reasons for the weak performance and derive policy recommendations to address them, a follow-up study was commissioned. This report summarises the consultant's consultations with stakeholders in Trinidad and Tobago. It also includes a summary of a meeting held with the Trade Facilitation Office in Havana, Cuba, on 18 November 2013.

2 FINDINGS

From a business perspective, three conditions must be fulfilled in order for trade (in particular, exports) between CARICOM and BTA partner countries to take place and grow: First, businesses must be aware of and have an interest in exporting to BTA partners, and take the corporate decision to export there. Second, challenges during initial market entry may cause businesses to delay or abandon market entry. Third, ongoing trade encounters a plethora of practical challenges.

The following sections discuss these issues as encountered by companies in Trinidad and Tobago, based on discussions held with public and private stakeholders during the consultant's country visit. In doing so, for each issue the following details are addressed, where appropriate:

- The BTA partner concerned;
- A description of the issue and its impact on businesses;
- The type of company/sector concerned, or potentially concerned;
- The (potential) solution or alleviation: What has been done, or can be done to solve the issue, and which role plays the BTA, or can the BTA play in this?

2.1 Issues in ongoing trade with BTA partner countries

Although exports from TTO to BTA partners are substantial, the largest share of it is under HS chapter 27 (oil & gas), intra-group trade, or by large companies. For example, by far the largest non-oil exports to Costa Rica is in the iron & steel sector, which are exports within the Arcelor Mittal group: TTO exports inputs for the CR plant (although subjected to MFN duties, which are

low¹), and trade volumes have increased substantially over the past few years as a result of increasing demand for Costa Rica's outputs on the domestic market and other Central American countries. For the steel company, exports to BTA constitute about 50% of total sales.

Likewise, the largest exporter of fertiliser, another important export of TTO, is a subsidiary of a US company and not involved in export marketing and sales but only in the logistics of exporting. Also, the fact that it belongs to a US firm determines its exports – e.g. exports to Cuba would not be possible because of the embargo.

Another example is Venezuela. Exports from TTO there currently hardly take place as the overall conditions there are considered to be too risky. An exception is exports of toilet paper, but this takes place only because the parent company of the TTO exporter is a Venezuelan firm.

Particular issues which impact on exports from Trinidad and Tobago to BTA partners are listed and described in Table 1.

¹ According to the FTA, chapter 72 is not excluded. Therefore, no import duties should be levied, unless production takes place in an EPZ/SEZ, which does not seem to be the case.

Table 1: Barriers for TTO companies to export to BTA partner countries

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
All	1A Sanitary and phytosanitary measures	Lack of harmonisation of standards, as well as of cooperation between standards bodies.	Seafoods	Implement institutional arrangement foreseen under BTAs, notably SPS committees.
All	2F2. System and cost of transportation	Lack of direct shipping lines to Costa Rica (shipments go either through DR or Jamaica and then Panama): there are few exports given the registration issues mentioned below, and hence shipping costs are high. However, shipping to Venezuela and DR is not a problem.	All but in particular smaller exporters	
Colombia	1D3 Safeguard measures	Exports of steel have grown fast since 2011, as domestic production cannot satisfy demand. However, in the summer of 2013 Colombia has initiated a safeguards procedure which would affect producers from TTO, in addition to Mexico, Turkey and Brazil. The Government of TTO was not initially informed about the initiation of the case; and it was only through a company in the group that the TTO producer learnt about the case, which then led to the official notification.	Steel	None under the BTA. This is an ongoing investigation under WTO rules, not under Article 16 of the BTA. TTO's response and actions in the case must follow WTO rules.
Colombia	1F7. Internal taxes and charges levied on imports	For alcoholic beverages with an alcohol content of 35% or more, an excise tax is levied. This affects exports of rum from TTO (at 40% alcohol content) which compete with domestically produced alcoholic beverages of 35% alcohol content and less.	Rum	Hold Joint Council meeting to address the issue.
Colombia	1H1. State-trading enterprises, for importing; other selective import channels	By law, Government is the only importer of alcoholic beverages. The associated tendering process is complicated and cumbersome, and prone to corruption.	Alcoholic beverages	None.
Colombia	1O. Rules of Origin	Post shipment audits in Colombia may be undertaken up to one year after the transaction, thereby reducing legal certainty for exporters.	All	Hold Joint Council meeting to address the issue.
Colombia	2F2. System and cost of transportation / 2G. Security issues	In addition to the general transport and logistics problems, the main market centres in Colombia are in the interior (Bogotá, Medellín etc.) which further increases transport costs and makes exports from TTO less competitive, and raises added security issues. Likewise, transport to the Pacific coast of Colombia is	All	None, except focus on coastal markets.

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
Colombia	3. Market structure	costly. Colombia's retail market is dominated by three retailers. Their buying power impedes imports from Trinidad as conditions for exporters are unattractive. In addition, there is a strong consumer preference for US products. Finally, the existence of different regional markets with different conditions makes any market research costly.	Consumer products	Focus on niche markets or export in bulk for repackaging in Colombia (but at a lower margin)
Costa Rica	2A. Administrative burdens: Product registration	Various issues were raised regarding product registration in Costa Rica: <ul style="list-style-type: none"> Individual product varieties have to be registered separately (e.g. different flavours in confectionary products), which makes costs prohibitively high for smaller exporters. According to different stakeholders, the cost is between USD 300 and USD 850 per registration, valid for a year;² Registration is lengthy: a producer of confectionary stated they needed six months to register products (and they have not been able to enter the market in spite of the registration for four years); Notarisation is required in Costa Rica; Product registration procedures lack transparency: there are different procedures according to the type of product and exporters do not know which procedures are applicable. ExporTT contracted a legal firm in CR in order to cope with registration requirements. 	All (particularly consumer products subject to registration and not sole in bulk: food, chemicals, pharmaceuticals)	<ul style="list-style-type: none"> Provide clear guides to CARICOM exporters about the registration requirements for each product type. Activate relevant standing committees under the agreement to discuss issues bilaterally Nominate contact points in Costa Rica and CARICOM member authorities to facilitate direct contact and solution to specific problems
Costa Rica, Venezuela	2A.2 Documentation is difficult to fill out	At least some BTA partners require a "certificate of free sale" which is not issued by TTO authorities. While in the end ExporTT provided the certificate they questioned the rationale. Also, there is no institutional memory, which means that if there are changes in staff the problem will occur again (e.g. Venezuela requires the submission of a new certificate in the renewal of the product registration	Products for human consumption, cosmetics, etc.	Establish standing committees and clarify rules on documents to be provided for exports under the agreements.

² According to the Costa Rican authorities, the cost is USD 60 for three years, and renewal USD 30 for three years. Possibly, the cost provided by stakeholders in TTO includes cost of translation and service providers.

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
Cuba	1F7. Internal taxes and charges levied on imports [?]	Taxes: Cuba levies taxes after import duties which affects imports only [no further details could be obtained]	All [?]	[None, in the absence of more specific information about the barrier]
Cuba	1H1. State-trading enterprises, for importing; other selective import channels	<p>Registration of exporters: Various issues were raised regarding registration of exporters as potential suppliers in Cuba:³</p> <ul style="list-style-type: none"> ▪ The registration process is lengthy as normally various layers of government are involved – it may take several years (some companies needed three years). ▪ Documentation requirements are comprehensive, all documents must be submitted with a certified Spanish translation notarised by the Cuban embassy in TTO. ▪ Different buyers require separate registration, and requirements are not harmonised, so that exporters may have to provide different documents to different importers. ▪ In some cases, importers ask for documents, or information in documents, which is not available in TTO, such as the “social objectives” of a company in the constituting documents 	All	Standardisation of registration process across importers and clearly define the documentation to be provided by exporters.
Cuba	1H1. State-trading enterprises, for importing; other selective import channels	Once registration is complete, companies are on a long list of approved suppliers (the lista de licitaciones) but this does not necessarily mean that companies are also invited to submit offers for specific contract opportunities: for tenders, which normally take place twice a year, a shortlist of registered suppliers is created, and it is not clear how the shortlist is built. Knowledge among Cuban importers of the BTA is lacking.	All	Knowledge of the BTA among importers needs to be promoted in order to ensure that CARICOM companies are included in the tender process (proceso de licitación)
Cuba	1H1. State-trading enterprises, for importing; other selective import channels	Payment terms are normally 360 days, only in exceptional circumstances this can be reduced to 180 or 90 days.	All	Improve availability of trade credit. At present, Republic Bank offers this but the cost is high and can be afforded only by larger exporters. Exim Bank also provides export finance (and insurance) but not for

³ However, some aspects of the registration process are not a problem, including the cost of registration (USD 60 for the first three years, USD 30 for renewal), and the definition of what constitutes a “product” to be registered, which is wide.

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
Cuba	1P8. Export credits	Export finance to Cuba is offered by Republic Bank but at a high cost (10%), which makes it unattractive especially for small exporters. A credit instrument to finance exports to Cuba is in place and functioning with Jamaica's EximBank (USD 10 M), and under discussion with TTO's EximBank (USD 10 M), but not operational. Lack of trade finance is one of the key problems for trade with Cuba, according to the TFO <u>the</u> most important one.	All (particularly small exporters)	Cuba and Venezuela. Put in place the export credit instrument at TTO's EximBank as quickly as possible, preferably as a CARICOM-wide instrument, and possibly including a small window for exports from Cuba.
Cuba	2O. Treatment of product samples	Only small amounts of samples are allowed, often being insufficient to be brought for trade fairs	Primarily consumer goods	Include treatment of product samples in the BTA (not currently addressed).
Cuba and Venezuela	1G3. Regulation on official foreign exchange allocation	Currency controls make payments unpredictable. In Venezuela, obtaining licenses from CADIVI is lengthy, non-transparent and difficult (and prone to corruption) so only large importers can afford it – this substantially reduces the market potential. Exports to Cuba take place irregularly, but then in large shipments, depending on the availability of foreign exchange. This limits the potential of Cuba as a market for smaller exporters.	All	None.
Dominican Republic	o. Tariffs	Glass bottles are excluded from the FTA and are subject to 14% import duty while competing with US imports which are duty-free.	Glass bottles	Request inclusion at next Joint Council meeting (glass bottles are already on the CARICOM list but discussion of this did not take place at the most recent meeting).
Dominican Republic	1J2. Restriction on resellers	Exclusive distributorship requirements of Law 173, in particular the requirement for compensation if a contract is cancelled. One TTO exporter cancelled the contract but refused to pay compensation since the cancellation was the distributor's fault. As a result, for the past 4 years the company could not export to DR. Although the FTA provides that Law 173 is not applied if the parties agree on this, most DR firms are reluctant to do this. The negative experience of some exporters with Law 173 deters other companies from starting to export to the DR.	All	Law 173 issues can be overcome in various ways, e.g. through the BTA provision (but see on left), through the establishment of distributors in the DR by CARICOM exporters. CARICOM export promotion bodies should provide clear information about the ways to address Law 173 to (potential) exporters to the DR.
Dominican	1N. Intellectual	Sometimes when TTO exporters engage in initial steps	All branded products	Alert exporters to register their brands in DR

Partner country	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
Republic	property	for exporting to DR, DR companies register the exporters' brands in DR.		early on; discuss the issue at Joint Council and strengthen IP provisions in FTA.
Dominican Republic	zA3. Difficulties with translation of documents from or into other languages	Requirement to provide certified Spanish translations of the export documentation.	All	Inform exporters of this requirement; discuss waiving the certification requirement at Joint Council.
Venezuela	zA. Administrative burdens: Product registration	<p>Various issues were raised regarding product registration in Venezuela:</p> <ul style="list-style-type: none"> ▪ Lack of transparency: Information about registration requirements is impossible to obtain; ▪ Length of time required for registration: while registration is valid for two years, it takes up to one year to collect and get approval of all documents required. In addition, the validity of some documents is restricted to e.g. 6 months which further complicates the approval process as the issuing of documents needs to be carefully coordinated – and slow and unpredictable response times by the Venezuelan authorities make this even more difficult; ▪ Some documents required for registration are not issued in TTO (see below) ▪ Each product variety and packaging size has to be registered separately, causing high costs. 	All	<p>As a first step, the Agreement would have to be revived. Then:</p> <ul style="list-style-type: none"> ▪ Provide clear guides to CARICOM exporters about the registration requirements for each product type. ▪ Activate relevant standing committees under the agreement to discuss issues bilaterally ▪ Nominate contact points in Venezuela and CARICOM member authorities to facilitate direct contact and solution to specific problems

2.2 Issues in relation to the initial entry into a BTA partner country market

2.2.1 exporTT

Especially small and medium sized exporters typically need assistance in the initial entry into a new export market. The Government has recently expanded its service portfolio in this respect through the creation of exporTT, which has also entailed an expansion of export promotion staff from 4 to 16.

Among the services that exporTT provides are:

- Trade missions (primarily focussing on selected priority sectors which are currently being revised): this has been expanded from about one mission per year prior to the establishment of exporTT to 7-8 mission per year at present;
- Market research – which is most often requested by exporters, but at the same time hardest to sell: it is provided on a cost sharing basis, with differing grant elements depending on the characteristics of exporters, which are grouped into three categories depending on their capacity.;
- Studies, which are both presented to exporters in workshops and available from exporTT's website;
- Country guides for exporters for all countries with which TTO has trade agreements (incl. the five BTA partner countries);
- Co-financing of 50% for certain essential steps in new market entry, such as product/brand/trademark registration, sending of samples, translation services, modification of labels, etc.

Documents provided on the website (<http://www.exportt.co.tt/>) are available without restriction after registration, which is free of charge.

Requests from companies regarding market entry into BTA partner country markets are typically rather general, indicating a low level of knowledge about these markets among the business community.

2.2.2 Trade Facilitation Office in Cuba

With regard to exports to Cuba, the importance of the role of the Trade Facilitation Office (TFO) in Havana – which provides services free of charge – was highlighted by stakeholders, in particular in helping exporters complete the registration process and getting on the shortlist for tenders by importers. However, the role of the TFO is also pivotal in terms of market research about products needed to be imported, as such information is typically only made available informally, through personal networks.

The experience of the TFO shows that market entry is a lengthy process. Established in 2007, the TFO did not achieve major tangible results (i.e. TTO exports to Cuba) in five years but has recently been more successful, after networks and trust have been built, and Cuban exporters have also been supported to some extent.

In view of the TFO, the three major barriers to export to Cuba for TTO and CARICOM firms are:

1. Trade finance: this should be addressed urgently through the implementation of an export credit instrument at TTO's EximBank (see above);
2. Transport and logistics issues;
3. Limited supply capacity: this could be addressed through the fostering of strategic alliances and joint investment, e.g. in the new Free Trade Zone of Mariel;

Market entry can be facilitated if spearheaded by strong brands. In Cuba, the recent market entry of Angostura (bitters/rums) and Sacha (cosmetics) is hoped to open the market for other TTO and CARICOM companies. An official conversion of the TTO TFO into a CARICOM TFO could be helpful to further expand market opportunities, as importers tend to rotate suppliers; it would also be appreciated by the Cuban authorities given the importance attached to Cuba-CARICOM cooperation. This would further be facilitated by the creation of a CARICOM brand.

2.2.3 Other service providers

In addition to exportTT and the TFO in Cuba, facilitation of market entry is provided by a variety of actors:

- **Private contacts and brokers:** Trinidadians living in the BTA partner country provide trade facilitation services on a commercial basis at least in some countries (e.g. the Dominican Republic). The establishment of a database of such service providers and making it available to potential exporters is recommended;
- **Caribbean Export**, which often works in cooperation with TTO institutions and provides useful services in particular regarding fairs and missions;
- **Trade support institutions in BTA partner countries:** To a limited extent, offices of BTA partners in TTO (Costa Rica's PROCOMER, Colombia's Proexport) also provide assistance in exporting.

2.3 Business interest in BTA partner country markets

While in principle, Government, exportTT and private sector associations consider the BTA partner countries, in particular Costa Rica, Colombia and the Dominican Republic, as important target markets, actual business interest in exporting to BTA partner countries (and Central/Latin America in general) appears to be limited overall. Most TTO companies tend to focus on CARICOM markets. Among the reasons mentioned explain the limited interest are:

- **Limited willingness to invest in production expansion** which would be required to diversify into further markets beyond the established ones, due to low profit margins on exports and risk-averse business culture. Joint ventures and strategic alliances between manufacturers both intra-CARICOM and CARICOM-BTA partner would greatly enhance the capacity to supply larger markets. So far, such strategic alliances have not been created, partly as a result of the **competitive, rather than collaborative, business culture** in TTO and other CARICOM countries;
- **Increasingly strict standards** applied by Latin American markets: while in the past, Latin American markets (incl. BTA partners) were less demanding in terms of standards requirements, these are becoming increasingly strict, as standards in line with EU or US are being applied. Meeting these standards requires sizeable investments which many TTO producers are not willing to make (however, 19 manufacturers are currently being audited under the US Food Safety Modernisation Act). In addition, the application of standards by import administrations in the US or EU is more transparent and predictable. This makes Latin American markets increasingly less appealing compared to the EU or US;

- With respect to Cuba and Venezuela, the **political climate and perception by the TTO business community** of these countries as controlled economies makes them less interesting as export markets;
- **Lack of competitiveness** due to comparatively high cost of production (labour, capital) in CARICOM, and **high (and increasing) level of competition** in some of the BTA countries. For example:
 - In Costa Rica distilleries have been established recently which have caused imports from TTO to decrease;
 - TTO production of lubricants is at a higher cost than in the US, so TTO exports to some BTA partners have been replaced by imports from the US;
 - Cost of production for diapers in TTO is higher than in the Dominican Republic, and thus cannot be exported – rather they compete with imports from the DR on the TTO market.
- **Labelling requirements:** Adjusting labels to BTA partner requirements is costly (translation, design and printing), in particular as labelling requirements across the five BTA partners vary;
- **Cultural differences and the mutual perception of businesses in (some) BTA partners and CARICOM** militate against market entry – e.g. in the case of the Dominican Republic and Venezuela it is characterised by mutual lack of trust.

2.4 The Role of BTAs in trade with BTA partner countries

Awareness of the BTAs among businesses is high, not least as a result of numerous awareness raising activities undertaken both by Government and exporters, and private sector organisations. Nevertheless, knowledge about the details of the agreements is more limited, but this is largely the result of limited interest by many businesses in the BTA partner markets.

Regarding the **substance of the BTAs:**

- Differences in competitiveness across CARICOM (e.g., the cost of energy in TTO is 5ct/kWh compared to 40ct/kWh in Jamaica) result in diverging interests related to trade policy in general and the BTAs in particular, which makes it difficult to reach consensus;
- Closely related to the first issue, LDCs have no offensive interests and are therefore reluctant to implement or expand BTAs, or negotiate new BTAs;
- BTAs are too much focused on (restricted to) tariff liberalisation;
- While for some exporters the tariff preferences offered by it make the difference between being able and not being able to compete on the target market, most often exporters decide about market entry without considering the provisions of the agreements. Sectors where tariff preferences have been mentioned to make a difference are alcoholic beverages, and steel exports to the Dominican Republic where preferences help to level the playing field with US exporters as well as China, Mexico and Turkey;
- Certain products which would be of interest to TTO exporters are excluded from some BTAs, such as low carbon wire rod in the BTA with Colombia. An expansion of the product list was requested by companies but has never been achieved (not least, due to the lack of institutional arrangements under the BTAs, but also the lack of consensus among CARICOM members);
- The role of CARICOM's (and including TTO's) private sector in negotiations is limited, esp. when compared to e.g. the Dominican Republic. This has resulted in agreements which not necessarily reflect the interest of the private sector.

There was also the view that CARICOM was not actively following up on the **implementation of the BTAs:**

- Joint Council meetings are not taking place. A condition for this is that consensus is achieved among all CARICOM members, which is often lacking. As a result, TTO is pursuing bilateral communication with BTA partners. At the same time a mechanism needs to be found to make Joint Councils and other institutions foreseen under the BTAs operational;
- Apart from the tariff liberalisation, few of the other areas of cooperation are implemented. E.g. there is some technical cooperation between the Ministry of Energy and partner countries, but this is an exception rather than the rule;
- TTO is also aware of complaints by BTA partner countries (e.g. Colombia and the Dominican Republic) that CARICOM was slow to respond to communications. On the other hand, there was an understanding that CARICOM for Colombia was not a priority market, although Colombia would like to expand the list of products covered by the BTA;
- While a DR-TTO business association exists, this is not the case for other BTA partners nor at the CARICOM level. However, direct contacts between the private sector associations are important to foster communication, mutual exchange of information, and building of trust between the partners, all of which are essential for deepening trade and business relations in general.

Overall, one of the most limiting factors for both the negotiation and implementation of the agreements is the sovereignty of CARICOM members, which causes delays or even failure to arrive at consensus. This severely limits both the implementation and deepening/expansion of BTAs. In response, TTO feels itself forced to pursue bilateral partial scope agreements. Some stakeholders were in favour of replacing the CARICOM BTAs with TTO BTAs.

ANNEX: PARTICIPANTS IN CONSULTATION DISCUSSIONS

Ministry of Trade, Industry and Investment
 Ministry of Finance, Customs and Excise Division
 Ministry of Energy
 Ministry of Food Production

exporTT
 Trade Facilitation Office, Havana

Trinidad & Tobago Chamber of Industry and Commerce (TTCIC)
 Trinidad & Tobago Manufacturers' Association (TTMA)

Angostura Bitters Ltd.
 Associated Brands Industries Ltd.
 Caribbean Bottlers (T&T) Ltd.
 Caribbean Development Co. Ltd.
 IAL Engineering Services Ltd.
 KC Confectionary Ltd.
 Kimberly-Clark (Trinidad) Ltd.
 PCS Nitrogen Trinidad Ltd.
 Seafoods Industry Development Co. Ltd.
 Sissons Paints/Penta/Ansa Coatings Ltd.
 Total R&M Trinidad & Tobago Ltd.
 Trinidad Tissues Ltd./Grand Bay Paper Products

CONSULTATIONS REPORT – REGIONAL INSTITUTIONS

September/November 2013

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (collectively referred to as bilateral trade agreements, BTAs). In 2010, a study prepared by the CARICOM Secretariat concluded that trade between CARICOM and the BTA partner countries was less dynamic than expected and that CARICOM's trade performance was disappointing overall – exports were still low after several years of the BTAs being in place, and bilateral trade with most partner characterised by persistent CARICOM deficits. In order to identify the underlying reasons for the weak performance and derive policy recommendations to address them, a follow-up study was commissioned. This report summarises the consultant's consultations with representatives of the CARICOM Secretariat (meetings held in Guyana and Barbados), the OECS Secretariat (meeting held in St. Lucia) and the Caribbean Export Development Agency (meeting held at their office in the Dominican Republic).

2 FINDINGS FROM CONSULTATIONS WITH THE CARICOM SECRETARIAT

2.1 Barriers for CARICOM Exports to BTA Partners

The following important impediments for exporting to the BTA partner countries were mentioned:

- Issues related to **transport**:
 - There are hardly any direct transportation links to the BTA partner countries;
 - Exports of edible fruit and other perishable goods suffer from the lack of high-quality maritime transport infrastructure (vessels, containers, facilities in transit). Examples mentioned were exports of live chicks which died during transport and fresh fruit which perished due to breaks in the cooling chain;
 - In terms of air transport, there are good connections only to/from Trinidad and Tobago (via Panama) but costly and only suitable for small cargo;
 - One potential solution to improve transportation could be the creation of joint ventures for transport services. However, these are unlikely to come about from within CARICOM – TTO has no real interest in this (since it is already comparatively well connected), and other members do not have the financial capacity required;
- **Supply side constraints**, most of which are systemic, structural problems:
 - There is a lack of supportive environment within CARICOM members to create exporters, with the potential exception of TTO: due to financial and human resources constraints in the public sector and support infrastructure. There is also generally a lack of a trade policy vision and strategy (Suriname is an exception), and experience sharing across CARICOM members does not take place. Belize is another positive example:

partly due to the geographic proximity, businesses there understand the Central American markets which puts them in a better position to export there – with some technical support Belize should therefore be in a position to export substantially;

- In line with the above description of the overall business environment and vision, there is also a lack of practical export promotion support, esp. in the OECS. However, demand from the private sector for such support has also been very limited in these countries. What could help to change the situation is a survey among exporters about which products they consider as exportable, and what type of support they would need;
- In addition, the CARICOM private sector generally lacks both the drive and strength to actively and aggressively pursue export opportunities generated by the BTAs;
- The **business culture** in the Spanish speaking partner countries is very different from the one in CARICOM, creating lack of trust and an initial barrier to engage with each other;
- **Language barriers** are an issue in particular in the agriculture sector, where many producers (small farmers) are less educated. In response, support facilities to cope with language issues would be required;
- **Lack of knowledge among CARICOM member's administrations to administer the BTAs.** Particularly rules of origin and classification issues constitute problematic areas;
- **Non-tariff measures** are not seen as a major issue generally, with the exception of Venezuela where they are seen as so severe that they constitute an absolute barrier to export. CARICOM has tried to address the issues with Venezuela but has not succeeded. Based on the experience, exporters in CARICOM (certainly in TTO) have lost interest in Venezuela as a market.

Specific issues that were mentioned in relation to trading with individual BTA partners are:

- **Cuba:**
 - Payments are an issue due to the Cuban limitations in foreign exchange;
 - Import licensing requirements are cumbersome to cope with.
- **Dominican Republic:**
 - Law 173 on exclusive distributorship; although a number of CARICOM companies have found ways to deal with this, e.g. by having different products distributed through different distributors;
 - The requirement of register products of different packaging sizes separately, which both increases compliance cost and registration costs;
 - The fact that the Joint Council only meet between 2005 and 2012 but not since, the problem being that agreement of all CARICOM members on a Joint Council meeting is required but only few CARICOM members have an interest in such meetings taking place.
- **Venezuela:**
 - Rules for product registration require each and every product variety to be registered separately, e.g. sauces with different ingredients, different shades of cosmetics (lipsticks), etc.

A number of other issues impacting on trade and export competitiveness were also mentioned. For example, findings of oil (e.g. in Belize and Suriname) entail an important impact on the economy overall, and there is a risk of a further decline of competitiveness of non-oil sectors.

Finally, a number of CARICOM members also follow rather protectionist policies which may also impact on the implementation of BTAs, thereby limiting the benefits of the agreements.

2.2 Scope and Implementation of the BTAs

The negotiations of the BTAs did not arise out of established trade links but were rather a political effort to build trade between the partners. However, this has only partly worked because of the following reasons:

- Differences in language and culture;
- Lack of complementarity of produce (for the most part, CARICOM and BTA partners produce agricultural and processed agricultural goods);
- Transportation issues regarding both sea and air transport;
- Lack of follow-up/implementation of the BTAs once these were signed. This is because the BTAs were driven by the policy agenda which is not concerned about implementation.

In terms of the choice of partner countries, it was mentioned that the five BTAs were not the result of genuine business interests within CARICOM but rather driven by policy. In addition, at least some CARICOM members are more interested in trade with other partners such as Brazil, Argentina or Chile – although these present similar issues for trade as the BTA partner countries, i.e. primarily problems related to transport and competitiveness.

Ratification of the BTAs has been uneven – some have not been ratified by some CARICOM members to date. Exact information would have to be provided by CARICOM Secretariat's Office of the General Counsel.

3 FINDINGS FROM MEETING WITH OECS SECRETARIAT

3.1 Barriers for OECS Exports to BTA Partners

Problems related to OECS exports to the BTA partner countries are not different from their exporting in general. In 2009/2010, CARICOM commissioned a study of LDC problems in integrating with the CSME,¹ the findings of which would equally (and even more so) apply to their exports to BTA partners. The principal problems are supply side and transportation constraints.

Regarding the latter, the OECS since 2009/2010 has developed a common shipping policy which aims at a more efficient use of vessels in order to reduce transportation costs.

Regarding the former, both the OECS and some OECS members have export promotion instruments (strategies and/or promotion agencies. At the OECS level, this is the Export Development Unit (to be renamed as Competitiveness Business Unit). This provides support both to private sector organisation and individual companies, provided that these are registered with the EDU. As the EDU is primarily funded by the EDF, its work is guided by the sector focuses in the EDF plans.

Furthermore, Caribbean Export support is also available to OECS firms, but the focus is more on mature exporters of which the OECS countries have very few. Also, the administrative/procedural barriers to access Caribbean Export support are high. While some other CARICOM members, such as Barbados, provide focused support in accessing grants to their exporters (“boot camps”) such support is not made available by OECS members.

¹ Final Report of CISP/CSME/RESULT 1.9.1.1/SER09.10. Consultancy to Support the Full Integration of Belize and the OECS in CARICOM. Submitted by Owen S. Arthur and Consortium, May 31, 2010.

3.2 Scope and Implementation of the BTAs

The OECS sends representatives to BTA Joint Council meetings, but these hardly ever take place. In recent years, only meetings with the Dominican Republic could be recalled. The OECS Secretariat then coordinates the post meeting follow-up, an example being the coordination of actions to be taken by OECS members in relation to entry for business persons from the DR. Naturally, however, such implementation issues concern primarily domestic issues which are aimed at facilitating imports from BTA partners, rather than exports to them.

Further development of the BTAs is currently not taking place. For example, Cuba appears to be interested in expanding the Agreement and include services sectors, and proposed an agenda to discuss this, but due to lack of agreement among CARICOM members this has so far not been followed.

4 FINDINGS FROM CONSULTATIONS WITH CARIBEXPORT

Apart from supply side constraints, lack of knowledge about the BTAs, even among large firms, still constitutes an important barrier to exports – CARICOM firms continue to be largely unaware of the opportunities for export which the BTA partners provide. Likewise, the lack of cooperating institutions of the private sector inhibits trade. Risk adversity and complacency with existing markets are also widespread among Caribbean firms but there is a critical mass of risk taking, outward oriented firms as well.

To address both of these constraints, CaribExport provides awareness raising workshops, training and inward missions, but the number and scope of these are limited by funding constraints. Thus, while an inward mission to the DR has recently been undertaken, missions to the other BTA partners are not foreseen. In general, demand for participation in CaribExport missions exceeds available space, and interest by firms in participation is high, even if they have to cover their own costs for travel and accommodation.

ANNEX: PARTICIPANTS IN CONSULTATION DISCUSSIONS

CARICOM Secretariat

Norris Breedy, Deputy Programme Manager, Customs and Trade Policy

Leela Ramoutar, Specialist, Private Sector Facilitation

Margaret Kalloo, Deputy Programme Manager, Agricultural Development Unit

David Hales, Director External Trade

David Lord, Deputy Programme Manager, External Economic and Trade Relations

Vincent Atkins, CARICOM Office of Trade Negotiations (OTN)

OECS Secretariat

Delores Francis, Trade Policy Unit, Economic Affairs Division

Caribbean Export Development Agency, Santo Domingo

Suzette Hudson, Senior Investment Promotion Advisor

Romily Thevenin, Communication & Research Officer

**IDENTIFICATION AND ASSESSMENT OF THE UNDERLYING REASONS AFFECTING CARICOM'S
TRADE PERFORMANCE UNDER THE EXISTING BILATERAL TRADE AGREEMENTS WITH THE
DOMINICAN REPUBLIC, COSTA RICA, COLOMBIA, CUBA AND VENEZUELA**

CONSULTATIONS REPORT – COSTA RICA

20-22 November 2013

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (collectively referred to as bilateral trade agreements, BTAs). In 2010, a study prepared by the CARICOM Secretariat concluded that trade between CARICOM and the BTA partner countries was less dynamic than expected and that CARICOM's trade performance was disappointing overall – exports were still low after several years of the BTAs being in place, and bilateral trade with most partner characterised by persistent CARICOM deficits. In order to identify the underlying reasons for the weak performance and derive policy recommendations to address them, a follow-up study was commissioned. This report summarises the consultant's consultations with stakeholders in Costa Rica.

2 FINDINGS

2.1 Importance of trade with CARICOM for Costa Rica

Costa Rican exports to CARICOM, in particular to Trinidad and Tobago, have increased in absolute terms since the FTA was signed, but have remained low as a share of Costa Rica's overall exports: 1.2%. The increase in absolute levels of exports is not necessarily a result of the provisions in the Agreement¹, but might be the result of the increased priority that the Government and export support institution of Costa Rica, PROCOMER, has placed on the CARICOM markets, which is now considered as an important target market. In terms of diversification, companies would typically graduate from producing for the domestic market and enter exporting to Central America, then the Dominican Republic, and then CARICOM. To assist them, PROCOMER has offices in the DR and Trinidad and Tobago. It has also prepared market and logistics studies aiming to support exporters to the CARICOM markets – all of these studies are posted on the website (www.procomer.com) and are freely accessible. There is very limited cooperation with CARICOM export promotion bodies.

The number of Costa Rican companies exporting to CARICOM was roughly stable over a number of years, at around 250 to 280, but in 2012 was only 113. In line with this, exports to Jamaica have dropped substantially.

Nevertheless, CARICOM continues to be an important market for Costa Rica, in particular for SMEs – particularly in agriculture and food-processing – which would lack the capacity to export e.g. to the US, and in terms of Costa Rica's efforts to diversify the export portfolio. This also accounts for the LDCs, in particular because of the tourism sectors.

¹ For example, almost 50% of exports are from free zones, which are not covered by the Agreement.

2.2 Issues regarding exports to CARICOM

Some specific issues that Costa Rican firms have encountered when exporting to CARICOM are described in Table 1.

Table 1: Barriers for Costa Rican companies to export to CARICOM

Partner country (in CARICOM)	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
All	o. Application of tariff preferences	Occasionally, customs authorities levy tariffs on goods benefitting from the FTA. There appear to be weaknesses in communication between CARICOM ministries and border agencies, and importers. There have been cases where the customs officials stated that “they had no copy of the Agreement”. (Note that COMEX had sent hardcopies of the FTA in English to all CARICOM governments, and the Agreement is available from various websites.)	All	CARICOM members to provide better information about the FTA to border agencies and importers.
All (except Jamaica)	1A. SPS issues	Although meat has been exported to Jamaica for years ² , getting the necessary approval from other CARICOM members took from 2005/06 to 2012, and Costa Rica’s attempt related to milk products failed altogether (although such products are exported to e.g. the US), apparently due to pressure by domestic producers in CARICOM, or due to the fact that countries considered they had production potential. A similar case occurred in Barbados related to carrots (and some other vegetables such as yucca), although those are exported to Trinidad and Tobago. The only difference between TTO and BRB is that the former has no domestic production whereas the latter has. (However, Costa Rica still exports carrots to Barbados but via Miami, where they enter the US customs territory and are then re-exported to Barbados with an FDA certificate, and of course subject to the MFN import duty.)	Agricultural products, e.g. meat, milk, carrots	Establish technical committee under the FTA and discuss.
All	1F5. Seasonal tariffs	Due to high level of tariffs on agricultural produce the seasonal tariffs effectively act as a barrier to export of agricultural produce during the periods MFN treatment is applied. Although in principle this could be addressed, at least to a certain extent, through appropriate storage facilities, the investment cost would be too high given the relatively low volume of export.	Agricultural products, in particular cabbage	Amendment of the FTA required – discuss at Joint Council meetings.
All	2A1. Documentation requirements	Lack of coherence in documentation requirements, and excessive request for documentation by import administration, for example: <ul style="list-style-type: none"> ▪ Request for certificates of origin even for products which are excluded from the agreement (such as plantain chips); ▪ Requests for CARICOM invoice which is applicable only to intra-CARICOM trade. These requests are unpredictable, non-transparent, and cause delays and additional costs. Sometimes, they offer to be waived against payment of a “fee”.	All	Establish clear and transparent rules for documentation and other requirements for import.
All	2A1. Documentation requirements	Document requirements are comprehensive, and documents must be provided in original, sent by courier (extra cost of USD 100 per shipment). Exports to Puerto Rico allow the submission of documents by email.	All	Simplify document requirements and submission procedure.

² Note that Costa Rica’s exports of meat meet US requirements which are also accepted by Jamaica. Some exports of meat from Costa Rica to Jamaica take place via brokers in the US because these offer up-front payment. These brokers thus facilitate exports by providing trade financing.

Partner country (in CARICOM)	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
All (except Jamaica and, to a lesser degree, Trinidad and Tobago)	2F2. Inaccessible/ limited transportation system (e.g. poor roads, road blocks)	Given the low volume of trade (especially to Barbados and Guyana – there are hardly any exports to the LDCs or Suriname): <ul style="list-style-type: none"> Transport costs are high (approx. USD 2,500-3,000 per 40ft container) – this is particularly an issue for goods with a low price/volume ratio (such as corrugated cardboard, where transport cost might reach 20% and more of FOB value, while 10% is considered as a critical threshold – but not meat, where the cost of transport is only about 3% of FOB value); Direct routes are inexistent, and special requirements, such as refrigerated containers and transit facilities sometimes can't be met; and Shipping is infrequent. 	All	Create a “transport cluster” which would help bundle consignments and arrive at larger volumes and higher frequency of shipping.
All	2I. Communication issues	Requests and communications from Costa Rica to authorities in CARICOM countries, e.g. in relation to SPS issues, are often answered tardy or not at all.	All	Designate contact persons in key ministries and institutions in CARICOM and partner countries
Jamaica	o. Tariffs	Lack of ratification of the FTA by Jamaica and, hence, the imposition of MFN duties on imports from Costa Rica where these are for consumption on the domestic market. Where imports are used as inputs for processing and export (such as import of cardboard for the production in Jamaica of cartons), duties are not an issue because of Jamaica's duty drawback system.	All products covered by the FTA	Jamaica to ratify and apply the FTA.
Jamaica	1F7. Internal taxes and charges levied on imports	Jamaica has levied a special tax on cardboard which appears to be both in violation of the FTA and Jamaica's obligations under the WTO. Costa Rica is considering to take the case to the WTO DSB in view of the absence of a functioning dispute settlement mechanism in the FTA (despite Chapter XIII of the FTA)	Cardboard/ carton packaging materials	[more information would be needed]
Trinidad & Tobago (to a lesser extent: Barbados)	1O. Application of rules of origin 2C2. Inconsistent or arbitrary behaviour of officials	Particularly this year, certificates of origin have not been accepted as importing customs officers did not recognise authorised signatures on certificates of origin, although the person signing had been notified by CR and in fact was the same person that had been in charge of signing COOs for two years. One current example concerns carrots which were held in customs for two weeks (which would seem to be in violation of the FTA Art. V.o8.19), causing extra costs for storage and refrigeration (more than USD 800 per week). The problem seems due to the discretionary behaviour of middle-level staff in the import administration. Such incidents, although still rare, appear to be on the increase. Normally, these issues are addressed directly with the importing customs authority and not referred to the CARICOM Secretariat or political level, not least because of the absence of bilateral institutions under the FTA.	All	Establish clear and transparent rules for documentation and other requirements for import.

2.3 Issues regarding Costa Rican imports from CARICOM

Various issues which had been raised by stakeholders in CARICOM members with regard to exporting to Costa Rica were discussed:

- **Product registration:** Different procedures exist for different classes of products, e.g. agro-processed goods, cosmetics, chemicals, pharmaceuticals, depending on the potential harm that these could do to human health. Accordingly, registration procedures vary.
 - Except for pharmaceuticals, documentation requirements are limited. Pharmaceuticals also require clinical studies based on scientific standards.
 - The normal time required for registration is between four to seven weeks. For pharmaceuticals, it can be six to eight months;
 - Products with different ingredients require separate registrations – this would refer to different sauces, for example, or different flavours of confectionary;
 - All documents must be submitted in Spanish. If translated in the country of origin by a certified translator they must also be legalised (the FTA foresees that no consular fees are applicable);
 - The cost of registration per product is USD 60, valid for three years. Renewal after registration is USD 30;
 - In order to facilitate and speed up the registration process, registration is now in the process of being done online. The system for pharmaceuticals is in place, while the systems for the other groups are being added until early 2014. However, a representative in Costa Rica is still required for the electronic signature;
 - In terms of transparency, all relevant laws and explanations of the various registration processes and requirements are provided on the Ministry of Health website at <http://www.ministeriodesalud.go.cr>.
 - Registration requirements are the same across the Central American market.
- **Labelling requirements** are the same across CAFTA;
- **Subsidies:** All of Costa Rica's subsidies have been brought in line with WTO rules, including the Free Zone regimes. In any case, goods manufactured in free zones do not benefit from preferential access to the CARICOM market under the Agreement (although there has been exchange with Guyana to include selected products produced in free zones);

Conversely, importers in Costa Rica have not raised any particular barriers which they would have confronted when importing from CARICOM members. There are, however, general issues which affect trade between CARICOM and Costa Rica, such as transport and logistics issues, as discussed below.

The Costa Rica Chamber of Importers (CREXEC) also provides support in coping with the import administration as well as advocates with the Costa Rican government to keep administrative burden upon import as low as possible.

2.4 Obstacles to CARICOM-Costa Rica Trade

Most stakeholders consider that the key factors explaining the low level of exports by CARICOM members to Costa Rica are:

- Given the low production volumes of most CARICOM producers, they would find it difficult to enter mainstream markets in Central or Latin America. Therefore, they would have to concentrate on niche markets;

- The large Caribbean holdings have not yet prioritised Costa Rica as a target market, but rather continue to focus on their traditional markets;

Obstacles which affect trade both ways are:

- **Transport and logistics issues** due to the low volume of trade (also see above). This particularly affects refrigerated transport which is virtually possible at less than full container load – which would apply to the OECS countries in particular. At present Trinidad and Tobago functions as a hub for trade with those countries. This role of TTO also implies, however, that often imports from Costa Rica enter the customs territory and are then re-exported as originating in Trinidad and Tobago, thereby circumventing the import duty in the LDCs which would otherwise be due;
- **Low volume production**, resulting in higher costs and hence limited price competitiveness when e.g. compared with producers in the EU or US. Most Costa Rican producers therefore specialise in the upper, high quality market segments (meeting international/developed economy standards) which offer higher margins and require lower output;
- **Language barriers** according to some stakeholders still constitute an important barrier to trade despite the fact that most Costa Rican business people speak English. Other stakeholder stated, however, that language did not constitute a barrier at all. There was consensus, however, that closer business and trade relations exist with the Spanish speaking Caribbean (Dominican Republic, Puerto Rico);
- **Differences in business culture:** Given the export success which Costa Rica has had in the Caribbean, the country is sometimes seen as aggressive or a threat to CARICOM businesses. However, the level of trust between CR and CARICOM is certainly greater than e.g. between CR or CARICOM and China;
- **Limited awareness for the FTA:** while awareness raising activities have taken place after the agreement was signed, continuous awareness raising activities are needed as otherwise businesses tend to forget about the FTA.

2.5 The Role of the FTA for CARICOM-Costa Rica Trade

2.5.1 Ratification status

First of all, **only four CARICOM countries have ratified and apply the FTA: Barbados (2006), Belize (2011), Guyana (2006), and Trinidad and Tobago (2005).** (Costa Rica also ratified the Agreement in 2005.) This substantially limits the potential benefits which the FTA can have.

Regarding the CARICOM members which have not yet ratified the agreement:

- Discussions have been going on with **Jamaica** for a long time but without any real progress. It appears that the concentrated market structure in Jamaica (where the economy is dominated a small number of holdings) contributes to a generally protectionist policy stance. Also, competitiveness in Jamaica is low, as evidenced e.g. by the high cost of energy (about USD 30ct per kWh for manufacturing). Although Jamaica informed Costa Rica, at the beginning of 2013, that the Cabinet had approved the ratification, there have been no news since then;
- **Suriname** appears to have no clear policy on whether or not to ratify the Agreement;
- **LDCs:** It seems that many take a very defensive view of the FTA and consider it as a threat rather than an opportunity.³ Possibly, this is due to their limited production capacity; it might

³ In addition, government revenues depend on the import duties collected.

be helpful if the FTA was extended to also include services, keeping in mind that most CARICOM LDCs are essentially services economies. However, in view of the fact that LDCs receive non-reciprocal preferential access to Costa Rica's market, it is difficult to understand why they don't ratify,⁴ thereby withholding the preferential access from their potential exporters to Costa Rica.

While Costa Rica continues to follow up on the ratification status esp. of Jamaica there are now little hopes that the Agreement will be fully put in place.

2.5.2 Substance of FTA

Although the tariff liberalisation is not the most important benefit of the FTA, it is the centre of attention and catalyst for other areas covered by the Agreement. In particular, huge mutual benefits could arise from joint production and strategic alliances facilitated by investments. For example, investment in Costa Rica would open the Central American market to CARICOM enterprises. However, with the ratification not progressing any type of deepening of expanding the Agreement would be unfeasible.

2.5.3 Implementation of FTA

In terms of implementation of the FTA, several substantial weaknesses were mentioned:

- **Bilateral institutions are not in place.** Standing Committees could help to sort out most issues identified by traders at a technical level. However, these have never been established, apparently due to lack of consensus among CARICOM. An argument that has been made at least by some CARICOM members – although it is not clear if this is the official position of CARICOM – was that as long as not all CARICOM members had ratified the FTA the institutions foreseen under the Agreement could not be established. Such an interpretation however seriously impedes the functioning of the Agreement;
- **Lack of information and communication** on issues pertaining to the Agreement: Overall, communication with both the CARICOM Secretariat and CARICOM members is difficult and slow, and information is often difficult or impossible to be obtained, even on essential issues related to the implementation of the Agreement, such as the establishment of the institutions foreseen in the FTA, the meetings of the Joint Council etc. Examples:
 - COMEX requested clarification from the CARICOM Secretariat on the need for provision of CARICOM invoices by exporters. No response has been received;
 - COMEX initiated contact (by email) with the authorities of TTO in relation to the certificate of origin issue in carrots described above – it took almost a week until receipt of the message was confirmed, and that a substantive response would be provided “soonest”. Given that carrots are perishable and delays in customs this slowness in response is felt to be excessive;
 - Poor communication between authorities in charge for SPS issues means that requested information is provided tardy, or not at all by contact points. Coordinates are not always updated;

⁴ Note however, that Article 04.4 in Annex III.04.2 specifies that “should any of the LDC members of CARICOM grant preferential treatment to originating goods from a country not Party to this Agreement, such treatment shall be granted immediately to Costa Rica.” It would seem that the EPA would therefore trigger preferential treatment of imports from Costa Rica into any CARICOM LDC that has ratified the FTA at the same level as imports from the EU.

- **Lack of transparency:** Import administrations are typically reluctant to confirm problems identified in writing. This makes it hard to follow up, establish clearer rules for the future, and facilitates corruption;
- **Excessive level of discretionary interpretation of FTA provisions** by import administrations, which are apparently often triggered by requests of the competing domestic industry.

In order to monitoring the functioning of bilateral agreement, COMEX has a monitoring system in place (SAT, Sistema de Administración de Tratados). This among other things tracks problems encountered in trade under the FTA.

2.5.4 Summary

Having focused on the problems associated with the FTA, Costa Rica still considers the Agreement as beneficial. In particular, it has helped increasing exports to CARICOM, and in particular it has helped small and medium sized exporters to start exporting to CARICOM.

Nevertheless, in view of the various problems mentioned above – notably the ratification by only a minority of CARICOM members as well as the slow communication and increasingly frequent issues with CARICOM import administration, the seriousness of CARICOM in “giving life” to the agreement is questioned. In this regard, the main issues for Costa Rica to be solved are, in addition to the ratification issue:

1. Designate (and maintain updated), in Costa Rica and CARICOM members – at least those that have ratified the Agreement – senior level contact points in key ministries (trade, agriculture, health) and authorities (customs, health, SPS) which will help to solve issues arising expeditiously;
2. Clarify and streamline rules for importation, in particular document requirements (e.g. abolish requirement to provide CARICOM invoice). Establish clear lists of which documents are required;
3. Increase transparency by communicating and recording all issues in written form;
4. Establish the institutions foreseen under the Agreement at least with participation of those countries that have ratified the Agreement.

ANNEX: PARTICIPANTS IN CONSULTATION DISCUSSIONS

Ministry of Foreign Trade (COMEX)
 Ministry of Health
 Export Promotion Agency (PROCOMER)

Chamber of Importers, Distributors and Representatives of Foreign Firms (CRECEX)
 Chamber of Exporters (CADEXCO)

Cooperativa Matadero Nacional de Montecillos R.L. (meat)
 Corrugados del Guarco S.A. (corrugated cardboard)
 Grupo Pro (chips, snacks)

CONSULTATIONS REPORT – CUBA

18-19 November 2013

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (collectively referred to as bilateral trade agreements, BTAs). In 2010, a study prepared by the CARICOM Secretariat concluded that trade between CARICOM and the BTA partner countries was less dynamic than expected and that CARICOM's trade performance was disappointing overall – exports were still low after several years of the BTAs being in place, and bilateral trade with most partner characterised by persistent CARICOM deficits. In order to identify the underlying reasons for the weak performance and derive policy recommendations to address them, a follow-up study was commissioned. This report summarises the consultant's consultations with stakeholders in Cuba.

2 FINDINGS

2.1 Importance of trade with CARICOM for Cuba

The BTA with CARICOM for Cuba is more than a trade agreement but rather an expression of the close political and cultural links that Cuba has had with CARICOM members since the 19th century. At the same time, Cuba's Government considers that there is substantial (yet untapped) trade potential, in particular with Jamaica, due to the geographic proximity. Especially the opening of SEZ in Mariel in January 2014 could boost trade. Cuba considers that Mariel and Jamaican EPZs could function as a regional pole of development/hub through joint and complementary production, whereby Jamaica would target the US market which is closed for Cuban goods because of the embargo.

A major instrument to foster bilateral trade is the Havana International Trade Fair, which typically also attracts exporters from CARICOM. In the recent (Nov. 2013) fair, Caribbean Export facilitated a stand with exporters from various CARICOM countries. It could be envisaged to expand this by e.g. having a CARICOM pavilion in future fairs – however, this would obviously depend on the level of interest of CARICOM exporters.

Furthermore, for 2014 trade missions are planned to Jamaica and Trinidad and Tobago; these will focus on both goods and services exports. A previous mission was undertaken in 2011 to Trinidad and Tobago and led to a number of export agreements.

2.2 Issues affecting CARICOM-Cuba trade

Issues affecting bilateral trade between Cuba and CARICOM are described in the following tables, distinguishing between barriers that Cuba has encountered when exporting to CARICOM (Table 1), barriers for imports from CARICOM (Table 2) and issues affecting trade in both directions (Table 3).

Table 1: Barriers for Cuban exports to CARICOM

Partner country (in CARICOM)	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
Barbados	o. Tariffs (?)	Ice cream held in customs and melted due to a tariff issue (no further details could be obtained – note that this cases could be the Jamaica ROO issue described below)	Ice cream	None (due to lack of detailed information)
Jamaica	Application of rules of origin	Certificates of origin were not accepted by Jamaica’s customs, apparently because the Cuban ice cream was produced by the subsidiary of a multinational and was therefore not considered to be of Cuban origin; however, according to the Government the issue has been resolved. However, the Chamber still considers there is need to discuss the application of rules of origin.	Ice cream	Hold technical committee meeting on rules of origin or meeting between Cuba and the four CARICOM members that have ratified the BTA to agree on procedures for ROO/acceptance of certificates of origin.
All	Product registration	Product registration in CARICOM, particularly of pharmaceutical products, is considered excessively difficult.	Pharmaceuticals	To be addressed by Joint Commission / technical committees. Mutual recognition of registration could be envisaged
All	SPS issues	Some exports of foods products (ice cream) faced problems related to SPS issues (no further details could be obtained), which the exporter considered unusual given the fact that products are certified in line with international standards.	Food and other products	To be addressed by Joint Commission / technical committees. Mutual recognition of registration could be envisaged

Table 2: Barriers for Cuban imports from CARICOM

Partner country (in CARICOM)	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
All except Jamaica	Foreign exchange/ trade finance	Financing imports from CARICOM is problematic due to shortage of foreign exchange. Credit lines to finance imports are therefore needed. Currently, Jamaica has two credit lines for a total of USD 10 million which work very well and greatly facilitate trade. A credit line of USD 10 million with TTO’s EXIM Bank has been negotiated but is not yet operational. No similar facilities exist for imports from other CARICOM members.	All	The credit line with EXIM Bank in Jamaica should be replicated. The credit line in TTO should be made operation asap. An expansion of the scope to also finance imports from other CARICOM countries should be envisaged.
All except Trinidad and Tobago	Import administration	Cuba’s import administration requires a certain knowledge of institutions, requirements and procedures which are different from CARICOM countries. CARICOM exporters therefore need assistance, such as the one provided by Trinidad and Tobago’s Trade Facilitation Office (TFO).	All	Extend the services provided by the TTO TFO to other CARICOM exporters (Cuba would also be interested in similar services being provided to its exporters)

Table 3: Barriers affecting Cuban imports from and exports to CARICOM

Partner country (in CARICOM)	Type of barrier	Description of the issue and its impact on businesses	Type of company/ sector concerned	(Potential) solution or alleviation
All	Transport	Transport costs are very high, and availability is limited (with exception, to a certain extent, of Jamaica and Trinidad and Tobago). Although Cuba has its own shipping line, logistics have become increasingly complex. Air transport has become almost non-available, with some direct connections to CARICOM (e.g. direct flights to Jamaica) having been discontinued. In general trade flows are distorted by the dominance of CARICOM's trade with the US and the EU, which puts intra-Caribbean trade at a cost disadvantage.	All	Study options to develop joint transport/logistics services. Given the low volumes of trade, smaller vessels than currently in use are needed.
All	Lack of awareness and market information	Knowledge about the respective partner markets is limited (possibly with the exception of Jamaica and Trinidad and Tobago): opportunities for trade are not known by exporters. While an agreement for the Cuba-CARICOM Entrepreneurial Committee is in place (with the CARICOM counterpart being CAIC, and no contacts since 2008. Likewise, the latest ACS entrepreneurial meeting was held in 2009), de facto closer links exist only between the Cuban Chamber of Commerce and Trinidad and Tobago's Manufacturer's Association (TTMA). Cooperation between then Chamber and Caribbean Export has also intensified over the past two years and is considered very useful.	All	Establish closer links between Cuban and CARICOM companies/ chambers of commerce. Identify a new <u>regional</u> CARICOM counterpart and hold meeting in early 2014

2.3 The Role of the BTA for CARICOM-Cuba Trade

2.3.1 Ratification status

Only four CARICOM countries have ratified and apply the BTA, or are in the process of doing so: Barbados, Guyana, Trinidad and Tobago, and Jamaica is in the process. Other CARICOM members seem to have only limited interest in the Agreement. This substantially limits the potential benefits which the BTA can have, in particular as Cuba only applies the Agreement based on the principle of reciprocity.

With regard to Jamaica's ratification process, Cuban stakeholders had the following issues: First, it was stated that Jamaica was reconsidering to exclude certain products which are included in the agreement (including furniture and ice cream) – an issue that is not yet resolved. Second, the ratification process in Jamaica was taking too long (since 2006), and Cuba was not adequately informed of progress; therefore the whole ratification process was felt to lack transparency. Since the latest notification from Jamaica dating from early 2013, when ratification had been approved by Cabinet, there was no update. What is more, almost the same letter had been sent a year before.

2.3.2 Substance of BTA

The Government of Cuba considers that a revision and deepening of bilateral relations, including trade relations under the BTA, is important to facilitate Cuba's insertion in the region. As a result, Cuba proposes expanding the list of products covered and reviving the Joint Commission – see next section.

In addition, Cuba notes that it has a bilateral trade deficit with CARICOM, which could be addressed by expanded cooperation in other areas, such as scientific cooperation. However, the BTA provides little guidance in this respect. Cuba would therefore welcome an expansion of the agreement (or the development of a separate framework agreement) to provide the framework for bilateral cooperation projects (which could also be frame under "trade in services"). Stakeholders mentioned that the BTA's provisions on services and investment need to be strengthened, but were negotiated at a time when these issues were not considered as important.

2.3.3 Implementation of BTA

CARICOM-Cuba summits take place every three years (the next, fifth one in 2014), and Ministerials every two years. However, these are not in the context of the BTA and have a broader agenda. Key areas of cooperation are health, education (some 1,800 students from CARICOM countries are studying in Cuba at any given time), construction and agriculture; a particular focus in on supporting Haiti. While such cooperation also engenders trade – e.g. the projects in Haiti have led to increased exports of pharmaceuticals/medical products and cement there, Cuba is interested in further intensifying bilateral trade, as expressed already at the 3rd summit in 2008 by President Castro.

The last Joint Commission meeting under the BTA took place in 2006; since then due to lack of consensus among CARICOM members and also due to the various other negotiation agendas of CARICOM (the EPA, the CARICOM-Canada agreement) and the impact of the global crisis no

further Joint Commission meeting could be convened. It is hoped, however, that in early 2014 a Joint Commission meeting can be held, and Cuba has requested doing so. At the same time, Cuba understands the complex structure of CARICOM which sometimes slows down the process. In addition, the fact that Summits and Ministerials are held outside of the BTA framework attenuates the fact that Joint Commission meetings have not taken place in recent years.

In 2013, three meetings with CARICOM ambassadors were organised by the Ministry of Foreign Trade (MINCEX). During these, Cuba offered support to the OECS countries and presented a list of some 80 products (mainly pharmaceutical ones) for inclusion in the BTA.

The countries which have ratified the Agreement have also notified the authorised authorities (for issuing certificates of origin), as has done Cuba, and no problems have been registered in this regard.

2.4 Suggestions for deepened bilateral trade relations

As mentioned above, Cuba is interested in deepening bilateral trade with CARICOM. The following improvements were proposed:

- Increased bilateral FDI and joint production, e.g. in the Mariel SEZ (and possible with close links to Jamaican EPZs), building on already existing linkages (e.g. with Ansa McAl), and considering also joint production both for export to third country markets and the creation of regional value chains. Cuba is also revising its FDI law to facilitate foreign investment;
- Expand the level of cooperation projects between Cuba and CARICOM. Such a proposal was made at the 4th summit (focussing particularly on agriculture and fisheries), and projects have been studied but not yet implemented;
- Develop multi-destination tourism.

Specifically with regard to the BTA, it was recommended to:

- Revive the Joint Commission and hold a meeting in early 2014;
- Consider the expansion of the BTA's coverage with regard to (1) the list of products covered, (2) strengthening provision on services and investment, and (3) cooperation issues; and
- Enhance communication between the Parties (by holding more frequent and regular meetings, facilitating meetings between companies/chamber etc.

ANNEX: PARTICIPANTS IN CONSULTATION DISCUSSIONS

Ministry of Foreign Trade and Investment

Chamber of Commerce of the Republic of Cuba

Several exporters/importers (Quimimpex, Coralac, Acinox, etc.)

Trinidad and Tobago Trade Facilitation Office

CONSULTATIONS REPORT – DOMINICAN REPUBLIC

11-12 November 2013

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (collectively referred to as bilateral trade agreements, BTAs). In 2010, a study prepared by the CARICOM Secretariat concluded that trade between CARICOM and the BTA partner countries was less dynamic than expected and that CARICOM's trade performance was disappointing overall – exports were still low after several years of the BTAs being in place, and bilateral trade with most partner characterised by persistent CARICOM deficits. In order to identify the underlying reasons for the weak performance and derive policy recommendations to address them, a follow-up study was commissioned. This report summarises the consultant's consultations with the Ministry of Industry and Commerce of the Dominican Republic.

2 MAIN FINDINGS OF CONSULTATIONS

The Government of the DR considers the main issue of the FTA to be the lack of further development and the limited functioning of the Agreement's institutional arrangements. This in turn is a result of the lack of consensus among CARICOM members, which paralyzes CARICOM and has prevented meetings of the Joint Council from taking place as planned since 2012.

In terms of substance, the DR considers that:

- The FTA is complemented by the regional integration provision (Article 238) of the EPA which is understood to apply by default, i.e. does not require the establishment of new institutional mechanisms;
- The FTA and EPA both have merits in their own right and complement each other. For exporters, they offer the opportunity of choosing to export under whichever agreement offers better terms for them. Also, they have different focuses which justifies the continued implementation of both treaties;
- Reciprocal preferences of CARICOM LDCs under the FTA are overdue and are justified both as a matter of principle and as a matter to allow further export diversification of the DR. The EPA includes reciprocity of LDCs as well;
- Law 173 is not an actual barrier to export, although it may sound deterring for foreign exporters which are considering exports to the DR for the first time. The FTA makes clear that the exclusive distributorship requirement can be waived if both the exporter and the distributor agree on it. This is therefore a matter of negotiations between the parties, and is actually applied in practice;
- Subsidies are sometimes required to level the playing field with other producers. In the rum sector [where Grenada had complained about DR subsidies prohibiting exports of Grenadian rum to DR], these are necessary to be able to compete with Puerto Rico and US Virgin

Islands, which subsidise their rum sector substantially more. In fact, the DR is cooperating with CARICOM partners to address the Puerto Rican and USVI subsidies problem.

In terms of practice, there have been few issues. For DR exports:

- There have been some cases in TTO, and one recently in BRB, where goods have been held in customs because of lacking certified signatures on origin certificates. These cases were sorted out within 2-3 days, however. It could have even been faster if direct links with the importing customs authorities existed, rather than having to go through the CARICOM Secretariat, but this is a minor issue;
- One recent case (summer 2013) related to export of lubricants to Jamaica, where customs required payment of a fee (not clear what type of fee, nor what the amount was), and DR complained to the CARICOM Secretariat. The outcome of this case is not known;
- Seasonal duties sometimes cause problems in terms of implementation. There was a case of tomato exports which should have been exported free of duty but the importing customs was of the opinion that MFN duties were payable.

In order to measure the performance of the FTA (as well as other trade agreements to which the DR is a party), DICOEX prepares, and publishes on its website, six-monthly reports.¹ The most recent one covers the period January-June 2013 and indicates that (non-oil) imports from CARICOM in this period compared to the same period in 2012 have dropped substantially, from USD 73.5 million to USD 44.5 million (mainly attributed to a drop in imports from TTO, which fell by 46%), while exports to CARICOM have remained almost at same level (USD 71.8 million compared to USD 74.2 million one year earlier), thereby increasing CARICOM's bilateral trade deficit from USD 0.7 million to USD 27.7 million. No information could be obtained about the factors that could explain the drop in imports from CARICOM.

The Ministry also provided a copy of a legal analysis of the relations between the FTA and the EPA² as well as various informational, sector specific brochures aimed at informing DR companies about export opportunities under the EPA (but also covering opportunities to the other CARIFORUM members under the regional clause).

¹ Informes sobre el Seguimiento a los Acuerdos Comerciales, available at: <http://www.mic.gob.do/comercio-exterior.aspx>.

² Despradel, Roberto 2009: Análisis de las implicaciones de la Cláusula de Preferencias Regionales del AAE para el Comercio de Bienes entre República Dominicana y la CARICOM, Santo Domingo, May 2009.

Annex E – Tables

Table A-1: Products exported by CARICOM Members over at least three consecutive years since 2001, with a value of at least USD 10,000 per year on average (at the HS 6-digit level).

	Colombia	Costa Rica	Cuba	Dominican Republic	Venezuela
Antigua and Barbuda	▪ None	▪ None	▪ Women's or girls' suits etc. (6204) 2007-12	▪ None	▪ None
Barbados	▪ Undenatured ethyl alcohol (2208) 2008-12	▪ Paper or paperboard labels (4821) 2001-12; ▪ Orthopaedic appliances (9021) 2010-12; ▪ Food preparation nes (2106) 2001-03	▪ None	▪ Paper or paperboard labels (4821) 2001-12; ▪ Undenatured ethyl alcohol (2208) 2001-12; ▪ Articles for the conveyance or packing of goods, of plastics (3923) 2007-11; ▪ Insecticides etc. (3808) 2010-12; ▪ Portland cement (2523) 2001-05; ▪ Medicaments (3004) 2008-12; ▪ Tarpaulins etc. (6306) 2007-09; ▪ Orthopaedic appliances (9021) 2009-12; ▪ Medical instruments (9018) 2010-12	▪ Paper or paperboard labels (4821) 2006-12; ▪ Orthopaedic appliances (9021) 2007-12; ▪ Optical fibres (9001) 2006-08
Belize	▪ None	▪ None	▪ None	▪ Fruit juices (2009) 2006-12	▪ None
Dominica	▪ None	▪ None	▪ None	▪ Glycerol (1520) 2001-05	▪ None
Grenada	▪ Trunks, suit-cases etc. (4292) 2004-06.	▪ None	▪ None	▪ Nutmeg, mace and cardamoms (0908) 2001-06	▪ None
Guyana	▪ Aluminium ores (2606) 2004-08	▪ None	▪ Sawn wood (4407) 2003-11; ▪ Plywood (4409) 2007-11	▪ Coconuts (0801) 2009-11; ▪ Cane sugar (1701) 2001-11; ▪ Coconut (copra), oil etc. (1513) 2005-09; ▪ Rice (1006) 2001-08; ▪ Natural sands (2505) 2002-09; ▪ Sawn wood (4407) 2006-11; ▪ Margarine etc. (1517) 2006-11; ▪ Hopwood etc. (4404) 2006-10; ▪ Medicaments (3004) 2006-10; ▪ Plywood (4409) 2005-07	▪ Rice (1006) 2009-11; ▪ Aluminium ores (2606) 2001-05; ▪ Plywood (4412) 2001-04; ▪ Fish, fresh or chilled (0302) 2005-11; ▪ Fish fillets (0304) 2001-10; ▪ Fish, frozen (0303) 2001-07; ▪ Fish, dried etc. (3305) 2004-08
Jamaica	▪ Gypsum; anhydrite; plasters (2520) 2001-12;	▪ Carboys, bottles, flasks, etc. (7010) 2009-11;	▪ Insecticides, etc. (3808) 2002-12; ▪ Artificial corundum,	▪ Sulphates; alums; peroxosulphates (2833) 2001-12; ▪ Plastic tubes, pipes and hoses (3917)	Gypsum; anhydrite; plasters (2520) 2008-10; Preparations for use on the hair (3305) 2001-03; Containers for compressed or liquefied gas, of

Colombia	Costa Rica	Cuba	Dominican Republic	Venezuela
<ul style="list-style-type: none"> Recovered paper or paperboard (4707) 2010-12 	<ul style="list-style-type: none"> Other articles of glass (7020) 2010-12; Articles for the conveyance or packing of goods, of plastics (3923) 2007-12; Cullet and other waste and scrap of glass (7001) 2008-11; Undenatured ethyl alcohol (2208) 2007-12; Organic surface-active agents (3402) 2005-12; Sulphates; alums; peroxosulphates (2833) 2001-05 	<ul style="list-style-type: none"> aluminium oxide; aluminium hydroxide (2818) 2001-09; Articles for the conveyance or packing of goods, of plastics (3923) 2002-12; Fruit juices (2009) 2001-12; Bread, pastry etc. (1905) 2001-12; Parts and accessories of motor vehicles (8707) 2006-10; Waters (2202) 2001-12); Preparations of a kind used in animal feeding (2309) 2002-04; Beer made from malt (2203) 2001-07; Manioc, arrowroot, etc. (0714) 2001-08; Cigars etc. (2402) 2001-05; Natural sands (2505) 2001-04; Pebbles, gravel etc. (2517) 2001-04; Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, (2904) 2007-09; Beauty or make-up preparations (3304) 2001-05; Preparations for use on the hair (3305) 2002-05; 	<ul style="list-style-type: none"> 2001-12; Fruit juices (2009) 2004-10; Preparations of a kind used in animal feeding (2309) 2008-12; Sulphonated, nitrated or nitrosated derivatives of hydrocarbons (2904) 2003-11; Waters (2202) 2008-12 Fire extinguishers (8424) 2003-12; Medicaments (3004) 2008-10; Bread, pastry etc. (1905) 2009-12; Undenatured ethyl alcohol (2208) 2001-12; Food preparations nes (2106) 2001-11; Wine (2204) 2008-12; Other fermented beverages (2206) 2009-11; Articles for the conveyance or packing of goods, of plastics (3923) 2007-12; Other articles of plastics (3926) 2007-12; T-shirts etc. (6109) 2008-11; Centrifuges (8421) 2004-12; Malt extract; food preparations of flour etc. (1901) 2006-12; Crustaceans (0306) 2009-11; Seats (9401) 2008-11; Organic surface-active agents (3402) 2005-11; Fish fillets (0304) 2009-11; Dried pepper (0904) 2006-10; Ginger, saffron, etc. (0910) 2006-09; Packing cases etc. of wood (4415) 2001-08; Sulphuric acid; oleum (2807) 2004-06); Prepared glues (3506) 2001-06; Tyres (4011) 2001-06; Cullet and other waste and scrap of 	<ul style="list-style-type: none"> iron or steel (7311) 2001-03

	Colombia	Costa Rica	Cuba	Dominican Republic	Venezuela
			<ul style="list-style-type: none"> ▪ Plastic tubes, pipes and hoses (3917) 2002-05; ▪ T-shirts etc. (6109) 2005-08; ▪ Copper waste and scrap (7404) 2001-03; ▪ Insulated wire (8544) 2001-07 	<ul style="list-style-type: none"> glass (7001) 2003-06); ▪ Ferrous waste and scarp (7204) 2006-08; ▪ Copper waste and scrap (7404) 2006-08; ▪ Aluminium waste and scrap (7602) 2006-08 	
Montserrat	▪ None	▪ None	▪ None	▪ None	▪ None
St. Kitts and Nevis	▪ None	▪ None	▪ None	▪ None	▪ None
St. Lucia	▪ None	▪ None	▪ None	<ul style="list-style-type: none"> ▪ Margarine etc. (1517) 2001-03; ▪ Medicaments (3004) 2003-08; ▪ Insecticides etc. (3808) 2002-08; ▪ Articles for the conveyance or packing of goods, of plastics (3923) 2006-08 	<ul style="list-style-type: none"> ▪ Recovered paper or paperboard (4707) 2001-08
St. Vincent and the Grenadines	▪ None	▪ None	▪ Swimwear etc. 2009-11	▪ Aluminium structures (7610) 2008-10	<ul style="list-style-type: none"> ▪ Recovered paper or paperboard (4707) 2001-06; ▪ Welding apparatus etc. (8515) 2009-11
Suriname	▪ none	▪ none	▪ none	<ul style="list-style-type: none"> ▪ Other live animals (0106) 2008-12; ▪ Organic surface-active agents (3402) 2010-12 	<ul style="list-style-type: none"> ▪ Fish, fresh or chilled (0302) 2008-10 ▪ Other articles of iron or steel (7326) 2001-07; ▪ Transmission apparatus for radio-broadcasting or television (8525) 2001-03
Trinidad and Tobago	<ul style="list-style-type: none"> ▪ Ammonia (2814) 2001-10; ▪ Nitrogenous fertilisers (3102) 2001-10; ▪ Steel bars and rods, hot-rolled (7213) 2001-10; ▪ Udenaturated ethyl alcohol (2208) 2001-10; ▪ Semi-finished steel products (7207) 2003-06; ▪ Acyclic alcohols 	<ul style="list-style-type: none"> ▪ Semi-finished steel products (7207) 2006-10; ▪ Hot-rolled steel bars and rods (7213) 2007-10; ▪ Nitrogenous fertilisers (3102) 2006-10; ▪ Prepared foods of roasted cereals (1904) 2001-10; ▪ Woven fabrics of synthetic fibres 	<ul style="list-style-type: none"> ▪ Ammonia (2814) 2001-08; ▪ Hot-rolled steel bars and rods (7213) 2001-07; ▪ Prepared binders for foundry moulds nes (3824) 2001-10; ▪ Air conditioning machines (8415) 2003-10; ▪ Insecticides etc. (3808) 2006-09; ▪ Refrigerators, freezers etc. (8418) 2003-10; 	<ul style="list-style-type: none"> ▪ Nitrogenous fertilisers (3102) 2001-10; ▪ Hot-rolled steel bars and rods (7213) 2001-10; ▪ Semi-finished steel products (7207) 2003-07; ▪ Toilet paper and similar (4818) 2001-10; ▪ Electric accumulators (8507) 2001-10; ▪ Carboys, bottles, flasks, etc. (7010) 2001-10; ▪ Udenaturated ethyl alcohol (2207) 2005-10; ▪ Prepared foods of roasted cereals 	<ul style="list-style-type: none"> ▪ Hot-rolled steel bars and rods (7213) 2001-08; ▪ Air conditioning machines (8415) 2001-10; ▪ Machinery parts (8431) 2001-10; ▪ Refrigerators, freezers etc. (8418) 2001-10; ▪ Oscilloscopes (9030) 2001-07; ▪ Other moving etc. machinery (8430) 2008-10; ▪ Prepared foods of roasted cereals (1904) 2001-03; ▪ Electric accumulators (8507) 2001-09; ▪ Onions, fresh or chilled (0703) 2001-10; ▪ Steel tubes and pipes (7304) 2004-10; ▪ Cartons etc. of paper or paperboard (4819) 2001-05; ▪ Ships' derricks; cranes (8426) 2006-08; ▪ Steel angles, shapes and sections (7216) 2006-

Colombia	Costa Rica	Cuba	Dominican Republic	Venezuela
<ul style="list-style-type: none"> (2905) 2008-10; ▪ Sulphur (2802) 2006-08; ▪ Machinery parts (8431) 2001-10; ▪ Chocolate (1806) 2001-10; ▪ Prepared foods of roasted cereals (1904) 2001-10; ▪ Waters (2202) 2001-10; ▪ Steel tubes and pipes (7304) 2007-10; ▪ Oscilloscopes etc. (9030) 2007-09; ▪ Undenatured ethyl alcohol (2207) 2005-10; ▪ Malt extract; food preparations of flour etc. (1901) 2004-07; ▪ Pumps for liquids (8413) 2007-10; ▪ Air conditioning machines (8415) 2002-04; ▪ Hydrogen, rare gases and other non-metals (2804) 2008-10; ▪ Electric boards, panels etc. (8537) 2007-09; ▪ Interchangeable tools for hand tools (8207) 2001-05; ▪ Refrigerators, freezers etc. (8418) 2002-04; 	<ul style="list-style-type: none"> (5512) 2003-10; ▪ Food preparations nes (2106) 2003-10; ▪ Refrigerators, freezers etc. (8418) 2006-08; ▪ Woven fabrics of synthetic staple fibres (5513) 2001-10; ▪ Air conditioning machines (8415) 2001-08; ▪ Metal structures (7308) 2005-08; ▪ Builders' ware of plastics nes (3925) 2001-04; ▪ Petroleum resins etc. (3911) 2001-04 	<ul style="list-style-type: none"> ▪ Bread, pastry etc. (1905) 2001-07; ▪ Chocolate (1806) 2001-03 	<ul style="list-style-type: none"> (1904) 2002-10; ▪ Toilet or facial tissue etc. (4803) 2006-10; ▪ Undenatured ethyl alcohol (2208) 2001-10; ▪ Waters (2202) 2001-10; ▪ Paper or paperboard labels (4821) 2001-09; ▪ Cartons etc. of paper or paperboard (4819) 2001-07; ▪ Other plates, sheets, film, foil and strip, of plastics (3921) 2001-04; ▪ Hydraulic brake fluids (3819) 2004-09; ▪ Other paper etc. (4823) 2006-08; ▪ Sugar confectionery (1704) 2001-08; ▪ Plastic tubes, pipes and hoses (3917) 2006-10; ▪ Lamps and lighting fittings (9405) 2002-08; ▪ Refrigerators, freezers etc. (8418) 2001-05; ▪ Bread, pastry etc. (1905) 2001-08; ▪ Insecticides etc. (3808) 2001-10; ▪ Air conditioning machines (8415) 2001-05; ▪ Organic surface-active agents (3402) 2005-09; ▪ Ice cream (2105) 2007-09; ▪ Recovered paper or paperboard (4707) 2003-10; ▪ Food preparations nes (2106) 2001-10; ▪ Articles for the conveyance or packing of goods, of plastics (3923) 2002-10; ▪ Other articles of iron or steel (7326) 2001-07; ▪ Other inorganic acids (2811) 2007-10; ▪ Builders' ware of plastics nes (3925) 	<ul style="list-style-type: none"> 08; ▪ Prepared binders for foundry moulds nes (3824) 2001-09; ▪ Other bars and rods of iron or non-alloy steel (7214) 2001-03; ▪ Paper or paperboard labels (4821) 2001-04; ▪ Interchangeable tools for hand tools (8207) 2001-10; ▪ Natural barium sulphate (barytes) etc. (2511) 2001-03; ▪ Printing ink (3215) 2001-07; ▪ Machinery for sorting etc. earth, stone, ores (8474) 2004-06; ▪ Machines and mechanical appliances nes (8479) 2008-10; ▪ Recovered paper or paperboard (4707) 2001-08; ▪ Fish, fresh or chilled (0302) 2004-10; ▪ Air or vacuum pumps (8414) 2001-10; ▪ Paints and varnishes (3208) 2001-10; ▪ Undenatured ethyl alcohol (2208) 2001-10; ▪ Pumps for liquids (8413) 2003-10; ▪ Other steel tubes, pipes and hollow profiles (7306) 2001-05; ▪ Anti-knock preparations, oxidation inhibitors etc. (3811) 2001-07; ▪ Taps, cocks, valves etc. (8481) 2001-09; ▪ Fish, frozen (0303) 2008-10; ▪ Centrifuges (8421) 2007-10; ▪ Instruments for measuring liquids or gases (9026) 2003-10; ▪ Builders' ware of plastics nes (3925) 2001-10; ▪ Metal structures (7308) 2003-05; ▪ Metal tanks etc. (7310) 2002-06; ▪ Diesel or semi-diesel engines (8408) 2001-08; ▪ Woven fabrics of synthetic fibres (5512) 2002-05; ▪ Instruments for physical or chemical analysis (9027) 2002-05; ▪ Electric motors and generators (8501) 2001-10; ▪ Other articles of iron or steel (7326) 2001-10;

Colombia	Costa Rica	Cuba	Dominican Republic	Venezuela
<ul style="list-style-type: none"> ▪ Insecticides etc. (3808) 2005-07; ▪ Petroleum resins etc. (3911) 2002-05; ▪ Steel tube or pipe fittings (7307) 2005-07 			<ul style="list-style-type: none"> 2006-09; ▪ Sign-plates, name-plates etc. (8310) 2001-03; ▪ Metal structures (7308) 2001-03; ▪ Medicaments (3004) 2006-10; ▪ Hydrogen, rare gases and other non-metals (2804) 2008-10; ▪ Sauces and preparations therefor (2103) 2001-05; ▪ Electrical apparatus for switching or protecting electrical circuits (8536) 2003-07; ▪ Aluminium structures (7610) 2002-04; ▪ Other fixed vegetable fats and oils (1515) 2006-10; ▪ Printed or illustrated postcards (4909) 2003-05; ▪ Electric boards, panels etc. (8537) 2004-06 	<ul style="list-style-type: none"> ▪ Fish fillets (0304) 2003-09; ▪ Hydrogen, rare gases and other non-metals (2804) 2008-10; ▪ Steel tube or pipe fittings (7307) 2002-10; ▪ Automatic data processing machines (8471) 2001-07; ▪ Machinery parts and accessories (8473) 2004-06; ▪ Nails, tacks etc. (7317) 2006-08; ▪ Woven fabrics of synthetic staple fibres (5513) 2001-05; ▪ Ginger, saffron, etc. (0910) 2001-10; ▪ Waters (2202) 2007-10; ▪ Surveying etc. instruments (9015) 2003-06; ▪ Preparations for use on the hair (3305) 2001-05; ▪ Machine-tools (8465) 2002-04; ▪ Insulated wire (8544) 2002-10; ▪ Spark-ignition engines (8407) 2001-09; ▪ Refractory cements (3816) 2008-10; ▪ Carboys, bottles, flasks, etc. (7010) 2001-03; ▪ Other articles of plastics (3926) 2006-10; ▪ Measuring or checking instruments nes (9031) 2004-07; ▪ Milk and cream, concentrated (0402) 2001-03; ▪ Fishing rods, nets, etc. (9507) 2005-10; ▪ Primary cells and primary batteries (8506) 2001-06; ▪ Other floating structures (8907) 2004-10; ▪ Parts and accessories of the motor vehicles (8708) 2001-10; ▪ Stranded metal wire (7312) 2007-10; ▪ Knotted netting of twine, cordage or rope (5608) 2004-07; ▪ Other clays (2508) 2008-10; ▪ Natural sands (2505) 2004-06; ▪ Wine (2204) 2007-10

Source: UN COMTRADE data for CARICOM Members, complemented with data provided by CARICOM Member authorities.

Table A-2: Top 3 non-oil export products from CARICOM Members to BTA partners, around 2000 vs. latest³⁸

(a) Colombia

	Colombia			
	Around 2000		Latest	
	HS Code and Description	Value	HS Code and Description	Value
Antigua and Barbuda	.. ..	..	8428 Other lifting, handling, loading c	4.4
	.. ..	..	8508 Vacuum cleaners.	0.2
	.. ..	..	8414 Air or vacuum pumps, air or oth	0.2
Barbados	3004 Medicaments (excluding goods c	0.9	8426 Ships' derricks; cranes, including	75.0
	1905 Bread, pastry, cakes, biscuits anc	0.9	2208 Undenatured ethyl alcohol of ar	36.3
	3926 Other articles of plastics and art	0.3	4707 Recovered (waste and scrap) pa	11.0
Belize	0713 Dried leguminous vegetables, sh	17.3	0511 Animal products not elsewhere	0.2
	8466 Parts and accessories suitable fo	2.3	.. ..	..

Dominica	9603 Brooms, brushes (including brush	5.0	.. ..	..

Grenada	0908 Nutmeg, mace and cardamoms.	166.1	9504 Articles for funfair, table or parl	1.2
	.. ..	..	3923 Articles for the conveyance or p	0.3
	.. ..	..	8525 Transmission apparatus for radi	0.1
Guyana	2606 Aluminium ores and concentrat	426.4	2606 Aluminium ores and concentrat	1,218.7
	7204 Ferrous waste and scrap; remelt	53.3	4409 Wood (including strips and frieze	9.8
	4412 Plywood, veneered panels and s	1.0	3917 Tubes, pipes and hoses, and fitti	6.2
Jamaica	2520 Gypsum; anhydrite; plasters (cor	780.0	2818 Artificial corundum, whether or	1,190.4
	2818 Artificial corundum, whether or	778.9	7010 Carboys, bottles, flasks, jars, pot	114.0
	3305 Preparations for use on the hair	82.5	2520 Gypsum; anhydrite; plasters (cor	55.9
St. Kitts and Nevis	.. ..	..	.. ..	..

St. Lucia	3923 Articles for the conveyance or p	2.8	8525 Transmission apparatus for radi	2.3
	4911 Other printed matter, including	2.3	6211 Track suits, ski suits and swimw	0.7
	9999 Commodities not specified accor	1.1	.. ..	..
St. Vincent and the Grenadines	.. ..	..	.. ..	..

Suriname	2402 Cigars, cheroots, cigarillos and ci	12.4	7326 Other articles of iron or steel.	357.5
	9999 Commodities not specified accor	0.3	0302 Fish, fresh or chilled, excluding fi	166.3
	8471 Automatic data processing macl	0.1	9406 Prefabricated buildings.	20.4
Trinidad and Tobago	2814 Ammonia, anhydrous or in aque	7,821.7	2814 Ammonia, anhydrous or in aque	15,311.5
	3102 Mineral or chemical fertilisers, n	3,745.0	3102 Mineral or chemical fertilisers, n	14,411.2
	7213 Bars and rods, hot-rolled, in irreç	3,415.1	7213 Bars and rods, hot-rolled, in irreç	6,494.1

³⁸ See notes at end of table.

(b) Costa Rica

	Costa Rica					
	Around 2000		Latest			
	HS Code and Description	Value	HS Code and Description	Value		
Antigua and Barbuda	6911	Tableware, kitchenware, other	1.1	3304	Beauty or make-up preparation	7.7
	4901	Printed books, brochures, leaflets	0.9	9403	Other furniture and parts thereof	7.6
	6204	Women's or girls' suits, ensembles	0.6	7326	Other articles of iron or steel.	2.8
Barbados	2106	Food preparations not elsewhere specified	109.2	7010	Carboys, bottles, flasks, jars, pots	58.5
	2202	Waters, including mineral water	35.1	4821	Paper or paperboard labels of a	37.1
	2208	Undenatured ethyl alcohol of agricultural origin	13.5	9021	Orthopaedic appliances, including	9.9
Belize	3208	Paints and varnishes (including enamels)	16.6	2008	Fruit, nuts and other edible parts	66.4
	8421	Centrifuges, including centrifugal pumps	16.2	2402	Cigars, cheroots, cigarillos and cigarettes	46.4
	7326	Other articles of iron or steel.	0.3	0106	Other live animals.	2.1
Dominica	8473	Parts and accessories (other than for tractors)	16.4	3923	Articles for the conveyance or packing	1.9
	8445	Machines for preparing textile fibres	3.7	..	..	..

Grenada	..	..	..	7010	Carboys, bottles, flasks, jars, pots	7.1

Guyana	4412	Plywood, veneered panels and similar	197.2	2505	Natural sands of all kinds, whether	106.2
	4418	Builders' joinery and carpentry work	23.1	4407	Wood sawn or chipped lengthwise	54.0
	4409	Wood (including strips and friezes)	0.7	2516	Granite, porphyry, basalt, sandstone	49.4
Jamaica	2208	Undenatured ethyl alcohol of agricultural origin	36.3	8403	Central heating boilers other than	179.3
	7321	Stoves, ranges, grates, cookers (including	33.6	7010	Carboys, bottles, flasks, jars, pots	154.3
	2833	Sulphates; alums; peroxosulphates	12.9	7020	Other articles of glass.	126.4
St. Kitts and Nevis	7010	Carboys, bottles, flasks, jars, pots	12.5	..	..	..

St. Lucia	..	..	..	3402	Organic surface-active agents (conditioners)	14.9
	..	..	..	3401	Soap; organic surface-active products	12.4

St. Vincent and the Grenadines	..	..	..	..	..	..

Suriname	..	..	..	8471	Automatic data processing machines	22.9
	..	..	..	0106	Other live animals.	2.7
	..	..	..	8528	Monitors and projectors, not including	0.7
Trinidad and Tobago	2814	Ammonia, anhydrous or in aqueous solution	4,134.4	7207	Semi-finished products of iron or	41,498.7
	7213	Bars and rods, hot-rolled, in irregular	806.3	7213	Bars and rods, hot-rolled, in irregular	19,283.3
	1904	Prepared foods obtained by the	226.9	3102	Mineral or chemical fertilisers, not	6,952.2

(c) Cuba

	Cuba			
	Around 2000		Latest	
	HS Code and Description	Value	HS Code and Description	Value
Antigua and Barbuda	2402 Cigars, cheroots, cigarillos and ci	0.3	8703 Motor cars and other motor veh	17.0
	2106 Food preparations not elsewhere	0.1	6204 Women's or girls' suits, ensembl	5.8
	.. ..	..	9007 Cinematographic cameras and p	2.1
Barbados	8525 Transmission apparatus for radi	67.2	8502 Electric generating sets and rota	105.2
	2208 Undenatured ethyl alcohol of ar	4.2	9403 Other furniture and parts there	44.5
	0401 Milk and cream, not concentrate	3.0	9701 Paintings, drawings and pastels,	31.1
Belize	1701 Cane or beet sugar and chemica	751.9	.. ..	..
	1006 Rice.	55.5	.. ..	..
	4407 Wood sawn or chipped lengthwi	33.2	.. ..	..
Dominica	.. ..	..	8418 Refrigerators, freezers and othe	0.1
	.. ..	..	8471 Automatic data processing mach	0.1

Grenada	.. ..	..	.. ..	..

Guyana	4407 Wood sawn or chipped lengthwi	142.7	4407 Wood sawn or chipped lengthwi	216.5
	4410 Particle board, oriented strand b	139.9	4409 Wood (including strips and frieze	18.6
	4409 Wood (including strips and frieze	132.1	9001 Optical fibres and optical fibre b	0.2
Jamaica	2818 Artificial corundum, whether or	288.7	3808 Insecticides, rodenticides, fungici	3,540.6
	8544 Insulated (including enamelled c	128.8	3105 Mineral or chemical fertilisers cc	1,341.9
	6109 T-shirts, singlets and other vests	86.6	2818 Artificial corundum, whether or	193.9
St. Kitts and Nevis	.. ..	..	8471 Automatic data processing mach	0.6
	.. ..	..	6204 Women's or girls' suits, ensembl	0.5

St. Lucia	8471 Automatic data processing mach	1.4	9999 Commodities not specified accor	18.5
	.. ..	..	3917 Tubes, pipes and hoses, and fitti	1.5
	.. ..	..	4823 Other paper, paperboard, cellul	0.2
St. Vincent and the Grenadines	1006 Rice.	2.8	9018 Instruments and appliances usec	31.8
	1101 Wheat or meslin flour.	2.0	6211 Track suits, ski suits and swimwi	19.4
	.. ..	..	8516 Electric instantaneous or storage	10.0
Suriname	0106 Other live animals.	0.2	4407 Wood sawn or chipped lengthwi	36.4
	.. ..	..	4403 Wood in the rough, whether or i	35.0
	.. ..	..	0401 Milk and cream, not concentrate	28.1
Trinidad and Tobago	2814 Ammonia, anhydrous or in aque	7,364.0	2814 Ammonia, anhydrous or in aque	10,495.6
	7213 Bars and rods, hot-rolled, in irreg	2,962.1	7213 Bars and rods, hot-rolled, in irreg	787.0
	3911 Petroleum resins, coumarone-in	190.2	3824 Prepared binders for foundry m	95.1

(d) Dominican Republic

	Dominican Republic					
	Around 2000		Latest			
	HS Code and Description	Value	HS Code and Description	Value		
Antigua and Barbuda	9403	Other furniture and parts there	1.5	7214	Other bars and rods of iron or ni	10.8
	8701	Tractors (other than tractors of	0.9	6204	Women's or girls' suits, ensembl	5.2
	8901	Cruise ships, excursion boats, fer	0.8	8606	Railway or tramway goods vans	4.6
Barbados	3808	Insecticides, rodenticides, fungici	362.9	4821	Paper or paperboard labels of a	1,197.3
	8422	Dish washing machines; machin	357.4	2208	Undenatured ethyl alcohol of ar	766.9
	8479	Machines and mechanical applica	249.4	3808	Insecticides, rodenticides, fungici	138.0
Belize	4407	Wood sawn or chipped lengthwi	8.4	2009	Fruit juices (including grape mus	7,591.3
	..	..	..	2008	Fruit, nuts and other edible part	122.1
	..	..	..	4407	Wood sawn or chipped lengthwi	47.1
Dominica	1520	Glycerol, crude; glycerol waters	45.5	4818	Toilet paper and similar paper, c	8.7
	8473	Parts and accessories (other tha	6.5	0714	Manioc, arrowroot, salep, Jerusa	0.5
	8422	Dish washing machines; machin	5.3	0805	Citrus fruit, fresh or dried.	0.2
Grenada	3926	Other articles of plastics and art	711.1	0910	Ginger, saffron, turmeric (curcur	0.1
	0908	Nutmeg, mace and cardamoms.	263.4	7323	Table, kitchen or other househo	0.1
	8716	Trailers and semi-trailers; other	40.8	..	..	..
Guyana	4409	Wood (including strips and frieze	274.7	0801	Coconuts, Brazil nuts and cashev	3,216.8
	1513	Coconut (copra), palm kernel or	160.2	1701	Cane or beet sugar and chemica	136.2
	4412	Plywood, veneered panels and s	99.5	1517	Margarine; edible mixtures or pi	77.5
Jamaica	2402	Cigars, cheroots, cigarillos and ci	1,235.1	2833	Sulphates; alums; peroxosulphat	1,216.2
	3923	Articles for the conveyance or p	876.3	3917	Tubes, pipes and hoses, and fitti	183.5
	3506	Prepared glues and other prepa	768.5	2904	Sulphonated, nitrated or nitrosa	130.2
St. Kitts and Nevis	3923	Articles for the conveyance or p	11.6	2203	Beer made from malt.	8.1
	..	..	..	1701	Cane or beet sugar and chemica	3.7
	..	..	..	6210	Garments, made up of fabrics o	1.3
St. Lucia	3905	Polymers of vinyl acetate or of c	8.2	2203	Beer made from malt.	186.7
	1513	Coconut (copra), palm kernel or	6.6	3923	Articles for the conveyance or p	13.0
	3402	Organic surface-active agents (o	5.9	3808	Insecticides, rodenticides, fungici	11.5
St. Vincent and the Grenadines	..	..	..	7610	Aluminium structures (excluding	71.2
	..	..	..	2106	Food preparations not elsewher	1.7
	..	..	..	6211	Track suits, ski suits and swimw	1.0
Suriname	0106	Other live animals.	39.6	9406	Prefabricated buildings.	41.6
	9999	Commodities not specified accor	12.8	3402	Organic surface-active agents (o	18.2
	7326	Other articles of iron or steel.	1.9	0106	Other live animals.	13.0
Trinidad and Tobago	3102	Mineral or chemical fertilisers, n	6,849.2	3102	Mineral or chemical fertilisers, n	16,570.5
	7213	Bars and rods, hot-rolled, in irreq	5,378.8	7213	Bars and rods, hot-rolled, in irreq	13,709.6
	4818	Toilet paper and similar paper, c	4,991.0	2207	Undenatured ethyl alcohol of ar	4,268.3

(e) Venezuela

	Venezuela					
	Around 2000		Latest			
	HS Code and Description	Value	HS Code and Description	Value		
Antigua and Barbuda	8507	Electric accumulators, including s	1.4	8412	Other engines and motors.	11.7
	4911	Other printed matter, including	1.1	..	..	..

Barbados	2106	Food preparations not elsewhere	804.4	4821	Paper or paperboard labels of a	233.1
	4819	Cartons, boxes, cases, bags and c	172.6	9021	Orthopaedic appliances, includin	45.1
	8703	Motor cars and other motor veh	21.3	6210	Garments, made up of fabrics o	29.7
Belize	0713	Dried leguminous vegetables, sh	217.9	6206	Women's or girls' blouses, shirts	50.2
	8903	Yachts and other vessels for ple	10.0	6204	Women's or girls' suits, ensembl	37.9
	8703	Motor cars and other motor veh	1.2	6212	BrassiPres, girdles, corsets, brace	25.8
Dominica	3402	Organic surface-active agents (c	11.8	9403	Other furniture and parts there	5.7
	4805	Other uncoated paper and pape	4.3	2201	Waters, including natural or arti	3.7
	4808	Paper and paperboard, corrugat	4.1	5701	Carpets and other textile floor c	2.2
Grenada	0908	Nutmeg, mace and cardamoms.	80.2	8905	Light-vessels, fire-floats, dredge	12.6
	9508	Roundabouts, swings, shooting c	14.9	9003	Frames and mountings for spect	5.3
	8704	Motor vehicles for the transport	1.9	9402	Medical, surgical, dental or veter	1.8
Guyana	4412	Plywood, veneered panels and s	1,071.2	1006	Rice.	60,597.6
	2606	Aluminium ores and concentrat	1,067.0	2606	Aluminium ores and concentrat	1,300.6
	0303	Fish, frozen, excluding fish fillets	158.2	0302	Fish, fresh or chilled, excluding fi	402.8
Jamaica	3305	Preparations for use on the hair	586.4	8528	Monitors and projectors, not inc	357.5
	2520	Gypsum; anhydrite; plasters (cor	507.3	2520	Gypsum; anhydrite; plasters (cor	130.9
	4811	Paper, paperboard, cellulose wa	160.5	8481	Taps, cocks, valves and similar a	29.7
St. Kitts and Nevis	..	..	..	2201	Waters, including natural or arti	0.3
	..	..	..	6204	Women's or girls' suits, ensembl	0.2

St. Lucia	4707	Recovered (waste and scrap) pa	116.1	4707	Recovered (waste and scrap) pa	131.6
	4819	Cartons, boxes, cases, bags and c	16.9	8419	Machinery, plant or laboratory e	12.2
	1905	Bread, pastry, cakes, biscuits anc	2.9	7311	Containers for compressed or lic	3.0
St. Vincent and the Grenadines	4707	Recovered (waste and scrap) pa	49.5	8704	Motor vehicles for the transport	25.2
	8703	Motor cars and other motor veh	9.3	8515	Electric (including electrically he	18.3
	6211	Track suits, ski suits and swimwi	3.7	8609	Containers (including containers	11.1
Suriname	9999	Commodities not specified accor	112.5	8431	Parts suitable for use solely or p	769.1
	2402	Cigars, cheroots, cigarillos and ci	45.1	8609	Containers (including containers	261.3
	8703	Motor cars and other motor veh	42.3	9027	Instruments and apparatus for f	70.4
Trinidad and Tobago	7213	Bars and rods, hot-rolled, in irref	10,153.5	0703	Onions, shallots, garlic, leeks anc	1,610.3
	8415	Air conditioning machines, comp	6,482.0	8431	Parts suitable for use solely or p	1,576.6
	8418	Refrigerators, freezers and othe	2,673.5	7304	Tubes, pipes and hollow profiles	1,046.6

Notes: Values are average annual values in USD '000 based on data for two consecutive years (except St. Kitts and Nevis) as follows: "Around 2000": Antigua and Barbuda, Dominica, Grenada, Guyana, St. Lucia, Trinidad and Tobago 1999-2000; Barbados, Belize, Jamaica, St. Vincent and the Grenadines, Suriname 2000-2001; St. Kitts and Nevis 1999; "Latest": Antigua and Barbuda, Guyana, St. Kitts and Nevis, St. Vincent and the Grenadines 2010-2011; Barbados, Dominica, Trinidad and Tobago 2009-2010; Belize, Jamaica, Suriname 2011-2012; Grenada, St. Lucia 2007-2008.

Source: Author's calculations based on UN COMTRADE data for CARICOM Members, complemented with data provided by CARICOM Member authorities.

Annex F – Desk Report



**IDENTIFICATION AND
ASSESSMENT OF THE
UNDERLYING REASONS
AFFECTING CARICOM'S TRADE
PERFORMANCE UNDER THE
EXISTING BILATERAL TRADE
AGREEMENTS WITH THE
DOMINICAN REPUBLIC, COSTA
RICA, COLOMBIA, CUBA AND
VENEZUELA**

**DESK REPORT: AN
ANALYSIS OF CARICOM'S
TRADE PERFORMANCE
UNDER THE BILATERAL
TRADE AGREEMENTS
WITH COLOMBIA, COSTA
RICA, CUBA, THE
DOMINICAN REPUBLIC,
AND VENEZUELA**

13 DECEMBER 2013

SUBMITTED BY:



bkp DEVELOPMENT
RESEARCH & CONSULTING

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LIST OF ABBREVIATIONS

BTA	Bilateral Trade Agreement	NTB	Non-Tariff Barrier
CARICOM	Caribbean Community	NTM	Non-Tariff Measure
FTA	Free Trade Agreement	OECS	Organisation of Eastern Caribbean States
GATT	General Agreement on Tariffs and Trade	ToR	Terms of Reference
HHI	Hirschman-Herfindahl-Index	UNCTAD	United Nations Conference on Trade and Development
HS	Harmonized System	USD	United States Dollar
ITC	International Trade Centre	WTO	World Trade Organisation
LDCs	Less Developed Countries		
MDCs	More Developed Countries		

1 INTRODUCTION

The Caribbean Community (CARICOM) has signed partial scope trade agreements with Venezuela (1992), Colombia (1994) and Cuba (2000) and free trade agreements with the Dominican Republic (1998) and Costa Rica (2004) (hereinafter jointly referred to as bilateral trade agreements, BTAs). As is common, the purpose of these BTAs pursued by CARICOM was twofold: on the one hand, to increase CARICOM exports to the partner countries, and on the other hand, to provide CARICOM consumers with a broader choice of imports.

The main features of the BTAs can be summarised as follows:

- The BTA with Venezuela is a non-reciprocal preferential arrangement in favour of CARICOM, i.e. Venezuelan exporters do not benefit from preferential access to the CARICOM market. On the other hand, preferential access for CARICOM exporters is restricted to certain product groups (for some of which Venezuela's tariffs were eliminated immediately, for others reduced gradually) while others (listed in Annex III of the Agreement), including coconut oil, white rice, broken rice or frozen orange juice, did not benefit from Venezuela's liberalisation;
- Under the BTA with Colombia, CARICOM was accorded non-reciprocal preferential access into the Colombian market on an agreed list of goods for a period of four years. In 1998, four CARICOM More Developed Countries (MDCs) – Barbados, Guyana, Jamaica and Trinidad and Tobago – granted reciprocal preferential market access to a negotiated list of Colombian exports, while CARICOM LDCs still benefit from preferential access to Colombia. All of CARICOM's main exports to Colombia are covered under the BTA;
- The CARICOM–Cuba Trade and Economic Co-operation Agreement provided for further negotiations between the Parties in 2001 to convert the partial scope Agreement to a Free Trade Agreement. Negotiations for the expansion of products subject to preferential treatment under the BTA commenced in 2006 but have not been concluded;
- The BTA with the Dominican Republic grants CARICOM LDCs non-reciprocal preferential market access to the Dominican Republic, while market access for MDCs is on a reciprocal basis;
- Finally, the BTA with Costa Rica provides for duty free treatment for all products except a list of products on which MFN treatment is maintained. As with the Dominican Republic, while market access for CARICOM MDCs is based on reciprocity, the CARICOM LDCs are not required to provide reciprocal preferential market access to Costa Rica.

In sum, therefore, all of the CARICOM LDCs benefit from non-reciprocal preferential market access to the BTA partner countries, while this is the case for MDCs only under the BTA with Venezuela.

Despite of these preferences, and the fact that other trade barriers between CARICOM and BTA partners were envisaged to be removed on a reciprocal basis, an analysis undertaken in 2010 by the CARICOM Secretariat (CARICOM Secretariat 2010) resulted in the assessment that CARICOM's trade performance under the BTAs had been disappointing. The purpose of this study is to update the analysis of the 2010 study and provide further analysis of CARICOM's trade performance, thereby providing the groundwork for the identification of reasons explaining the CARICOM's trade performance and derive policy recommendations to address them. The analysis presented in this report is primarily based on statistical data of trade flows between CARICOM and the BTA partner countries.

In each chapter of this report, trade with one of the five BTA partners is analysed, with chapters ordered chronologically by the date of signature of the various agreements. In each chapter, a

summary of the BTA provisions is provided first, followed by an analysis of the development of trade flows over time, the composition of bilateral trade in terms of product groups and shares of CARICOM members. Each chapter concludes with a summary highlighting salient points. Comparisons between the various BTA partner countries are presented in the main report.

2 ANALYSIS OF CARICOM'S TRADE PERFORMANCE UNDER THE BTA WITH VENEZUELA

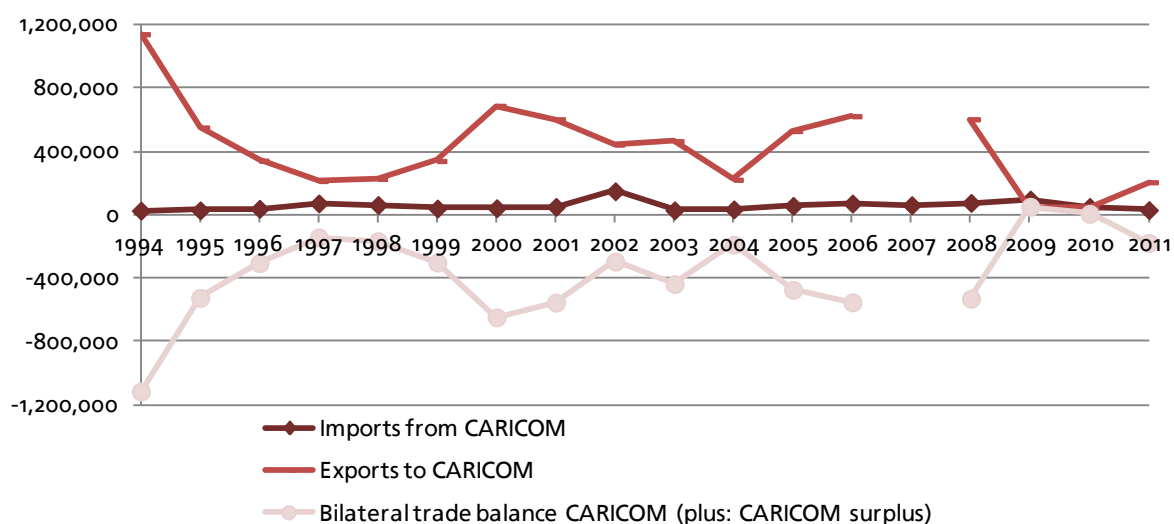
As trade data for the pre-BTA period are not readily available, the discussion in this section focuses on the period 1992, i.e. shortly after the BTA entered into force, to 2011. However, where it was felt appropriate, considering that the BTA may have needed an adjustment period, the post-BTA period has been split in two periods, the first one being 1994–2005 and the second one 2006–2011.

2.1 Trends in overall trade between CARICOM and Venezuela

Overall trade between Venezuela and CARICOM declined over the period 1994 to 2011, starting from a peak 1.2 billion in 1994 and reaching a low USD 95 million in 2010, before increasing again to USD 238 million in 2011 (Figure 1). Venezuelan export to CARICOM, in spite of being volatile, by far exceed its imports in all but two years (2009 and 2010) over the period, thereby resulting in large CARICOM bilateral trade deficits – although these were lower in the most recent period (2006–2011), at an average USD 240 million per year (compared to an average annual USD 429 million in the period 1994–2005) these are still higher than in bilateral trade with all other BTA partners.

CARICOM exports to Venezuela increased at an average annual rate of 7.0% over the period 1994–2005 but decreased by an average 9.9% in the following six years, primarily as a result of sharp drops in 2010 and 2011 – exports in 2011 were 68% lower than in the peak year 2009. Nevertheless, in both periods peak years were registered – an all time export high of USD 150 million in 2002 and another peak of USD 98 million in 2009.

Figure 1: Total trade between Venezuela and CARICOM, 1994–2011 (USD '000)

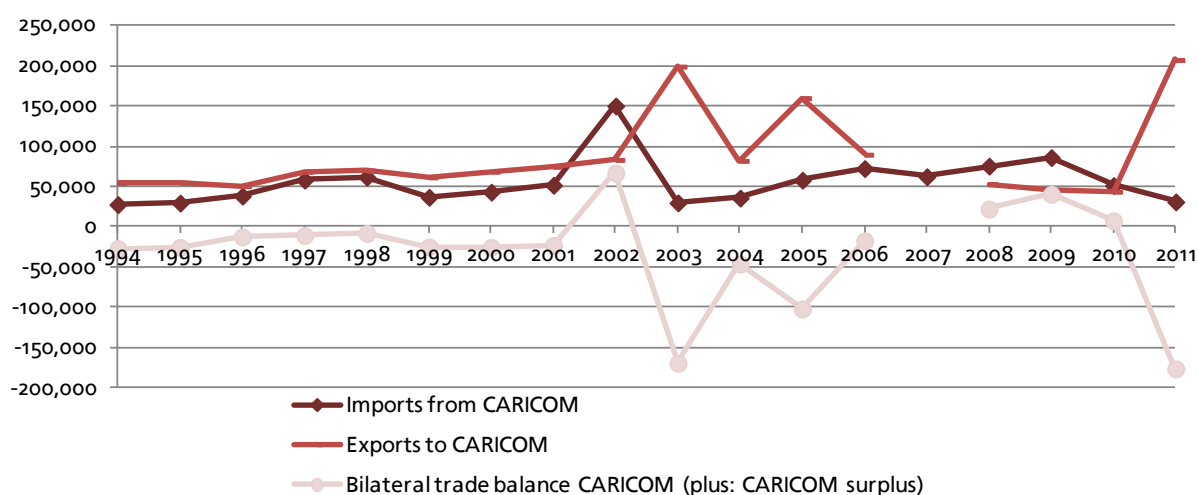


Source: Author's calculations based on UN COMTRADE import data for Venezuela. See annex Table A-1.

Non-oil trade between CARICOM and Venezuela has some similar patterns. For example, the peak years of CARICOM exports (2002 and 2009) are the same (Figure 2). Indeed, oil and gas played a limited role in CARICOM exports to Venezuela, for obvious reasons; hence the pattern of CARICOM non-oil exports to Venezuela is essentially identical to CARICOM total exports to Venezuela. Conversely, Venezuelan oil and gas exports to CARICOM are quite notable. Therefore Venezuela's non-oil exports look quite different from total exports – they remained flat during most years since 1994 with only occasional peaks (in 2003, 2005 and 2011).

Due to lower Venezuelan non-oil exports, CARICOM's bilateral non-oil trade balance is less negative than the overall bilateral trade balance; however, it was still negative in most years of the period covered, except for 2002 and 2008–2010. Thus the average annual trade deficit in 1994–2005 was USD 34 million and decreased to USD 25 million in 2006–2011.

Figure 2: Total non-oil trade between Venezuela and CARICOM, 1994–2011 (USD '000)

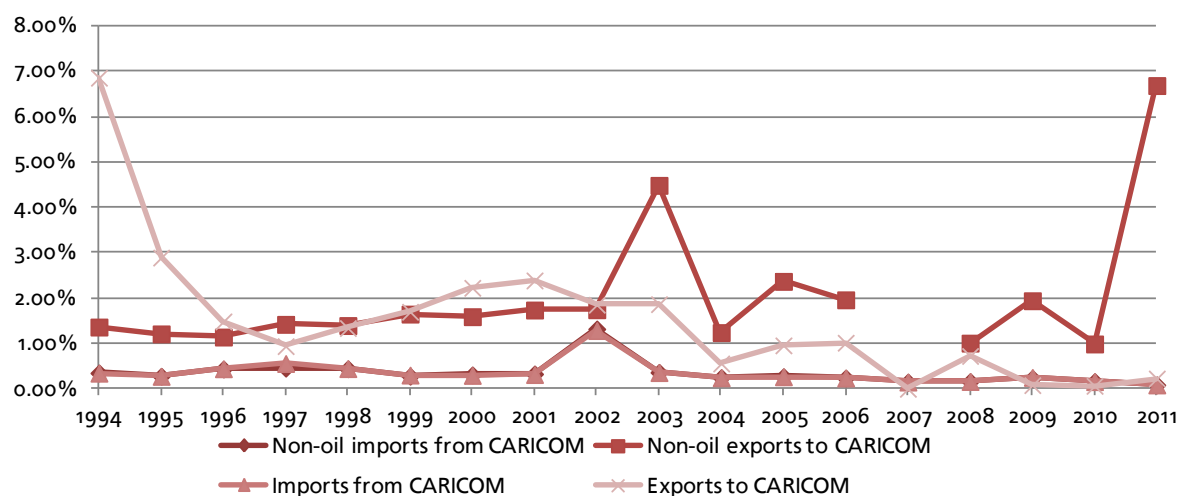


Note: Non-oil trade is defined as total trade less trade in HS27, Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.

Source: Author's calculations based on UN COMTRADE import data for Venezuela. See annex Table A-2.

For Venezuela, CARICOM is a much more important market than for any of the other BTA partners. Up to 7% of Venezuela's non-oil exports are directed to CARICOM (Figure 3). Conversely, imports from CARICOM have, with the sole exception of 2002, never exceeded 0.5% of total imports, and have in fact further declined most recently to less than 0.1%.

Figure 3: Bilateral imports and exports between Venezuela and CARICOM, as % of Venezuela's total imports and exports, 1994–2011



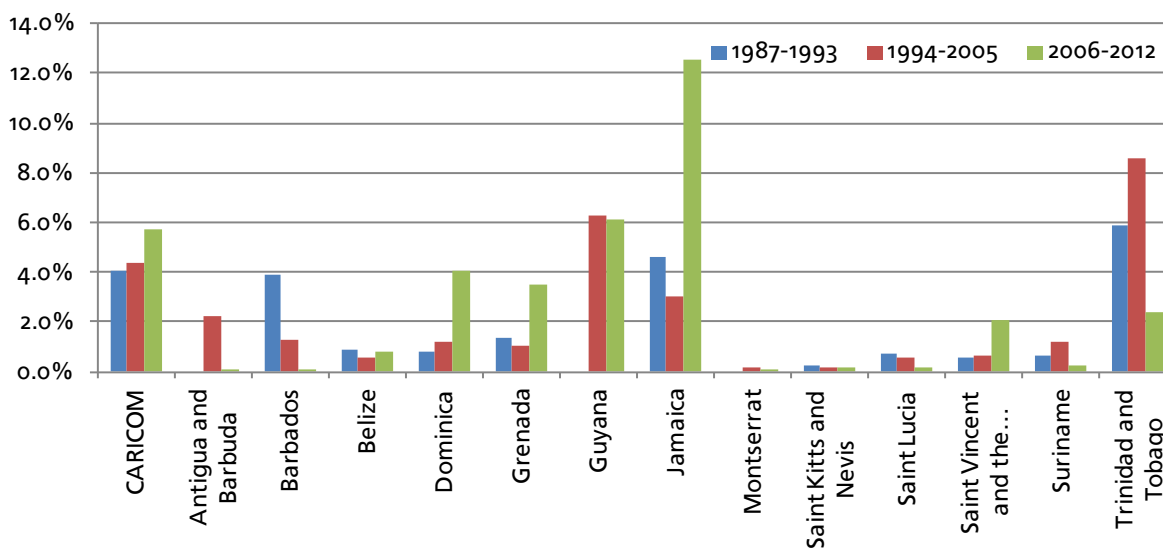
Source: Author's calculations based on UN COMTRADE import data for Venezuela. See annex Table A-1 and Table A-2.

Venezuela is an important (and increasingly important) source of imports for CARICOM overall (Figure 4a), mainly as a result of oil exports. However, this overall picture hides important differences between CARICOM Members: while imports by Jamaica, Dominica and Grenada, as well as at a lower level St. Vincent and the Grenadines, have increased over the past three decades (over the period 2006-2012 more than 12% of total Jamaican imports were sourced from Venezuela, imports by Antigua and Barbuda, Barbados, Montserrat, St. Kitts and Nevis, St. Lucia, Suriname, and Trinidad and Tobago have substantially decreased, or remained at a negligible level.

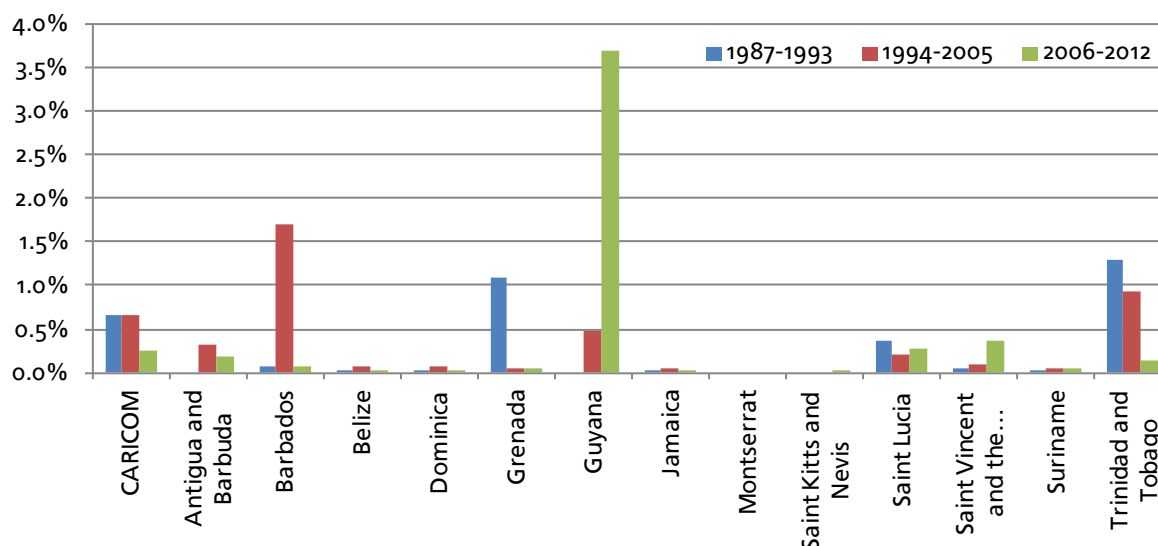
With regard to CARICOM's exports to Venezuela, their share has decreased over time, from about 0.6% in total CARICOM exports until 2005 to less than 0.3% since 2006. In the most recent period 2006 to 2012, only Guyana has had notable exports to Venezuela – 3.7% of total exports – but these are almost exclusively made up by rice, which is exported not under the BTA but under the PetroCaribe agreement. St. Vincent and the Grenadines as well as St. Lucia also maintained some exports (0.3% - 0.4%), but exports from other CARICOM Members have all but ceded.

Figure 4: Bilateral imports and exports between Venezuela and CARICOM, as % of CARICOM's and CARICOM Members' total imports and exports, 1987–1993, 1994–2005 and 2006–2012 (or latest available) compared

a) Imports from Venezuela



b) Exports to Venezuela



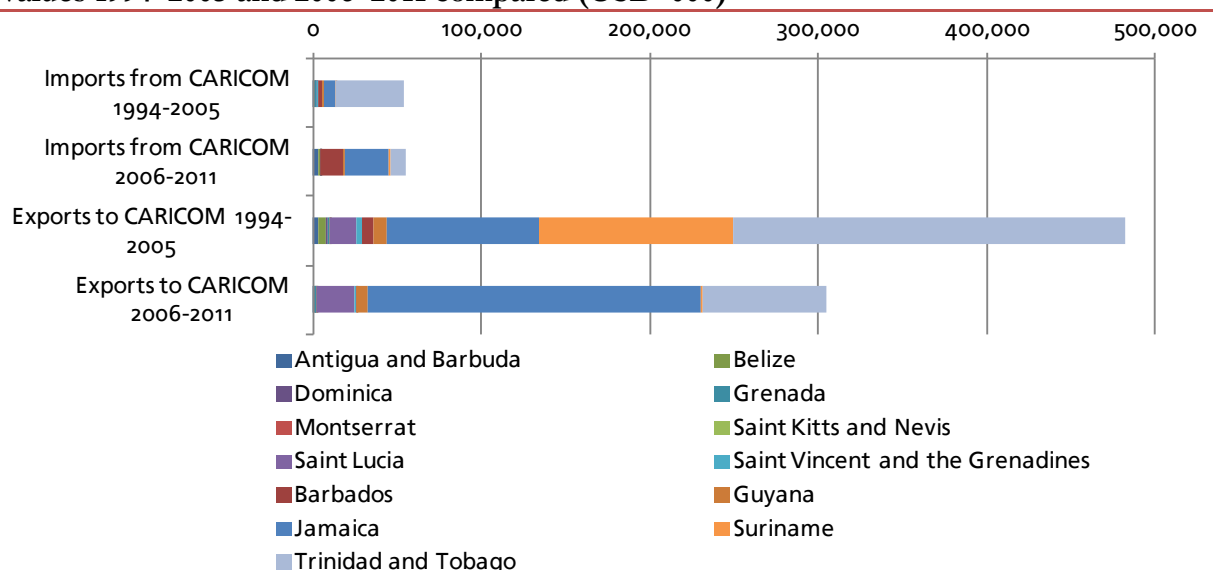
Source: Author's calculations based on UN COMTRADE export data for CARICOM Members.

2.2 Composition of CARICOM–Venezuela bilateral trade by CARICOM member

CARICOM trade with Venezuela is much less concentrated among CARICOM members than trade with any other of the BTA partners. It is also the only trading partner where not Trinidad and Tobago but Jamaica is the most important trader (Figure 5). Trinidad and Tobago's share in Venezuelan imports from CARICOM decreased from 75.1% in 1994–2005 to 17.7% in 2006–2011, whereas Jamaica's share increased from 11.5% to 48.3%, and Barbados' from 4.8% to 21.7%. With regard to the main CARICOM destinations of Venezuela's exports, Jamaica is the most important one (64.5% in 2006–2011, up from 18.8% in 1994–2005), followed by Trinidad and Tobago (24.1%, down from 48.1%) and St. Lucia (7.6%, up from 3.2%). Taken together, CARICOM's MDCs accounted for 92.4% of exports to, and 91.7% of imports from, Venezuela

in the period 2005–2011, both of which are slightly lower than in the first period (94.9% and 94.1%, respectively).

Figure 5: Composition of overall trade between CARICOM and Venezuela, average values 1994–2005 and 2006–2011 compared (USD ‘000)

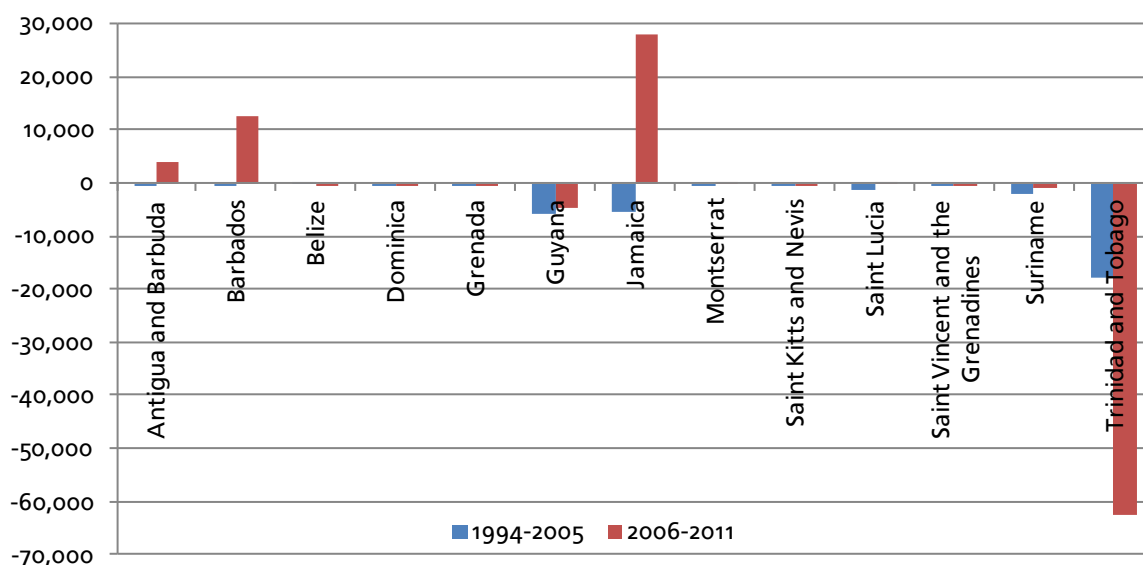


Source: Author's calculations based on UN COMTRADE import data for Venezuela. See annex Table A-3.

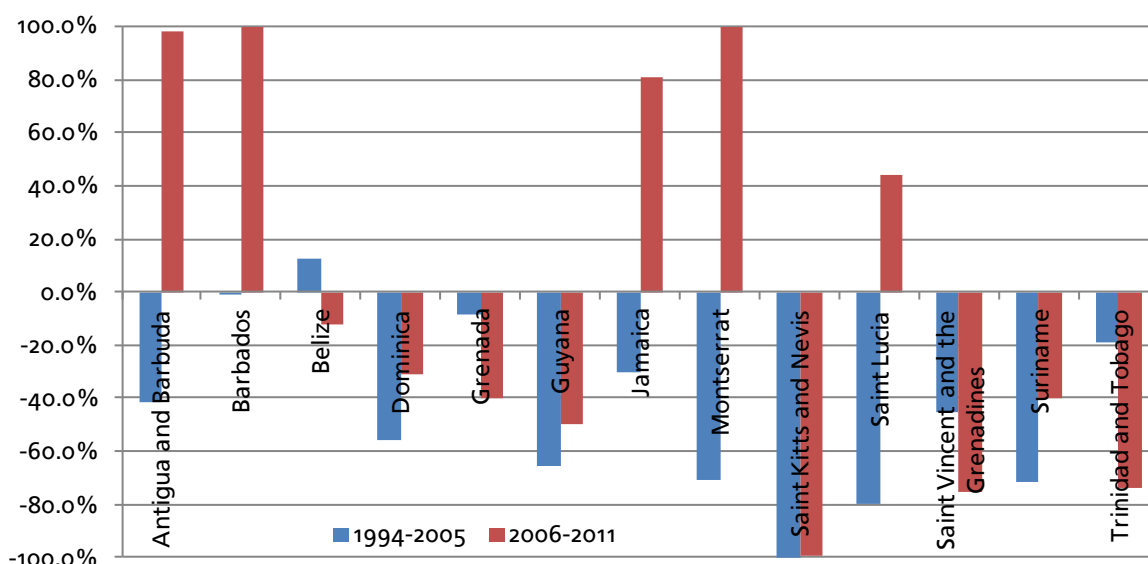
Bilateral trade balances of CARICOM members with Venezuela also look quite different from those with other BTA partners: Trinidad and Tobago has the highest non-oil trade deficit and is the only CARICOM member, in addition to Belize and St. Kitts and Nevis, where the value of the trade deficit increased over time, from an average annual USD 17.9 million in 1994–2005 to USD 62.6 million in 2006–2011 (Figure 6). Jamaica (USD 27.9 million), Barbados (USD 12.7 million), Antigua and Barbuda (USD 4.0 million), St. Lucia (USD 204 thousand) and Montserrat (USD 41 thousand) are the CARICOM members with a trade surplus in 2006–2011. Most other CARICOM members have small trade deficits although these in relation to their trade with Venezuela are still considerable (Figure 6b).

Figure 6: Bilateral non-oil trade balances CARICOM members–Venezuela, averages 1994–2005 vs. 2006–2011

(a) in USD '000



(b) in % of total bilateral non-oil trade



Source: Author's calculations based on UN COMTRADE import data for Venezuela. See annex Table A-4.

2.3 Composition of CARICOM–Venezuela bilateral trade by product groups

As mentioned above, a distinctive feature of CARICOM–Venezuela trade is the relatively low importance of oil and gas exports from CARICOM. As a result, exports to Venezuela are much less concentrated. Over the period 1994–2005, ships, iron and steel, organic chemicals, and machinery and equipment were the four most important CARICOM exports to Venezuela, jointly accounting for 65% of exports (Table 1). Three of these were also among the top four in the period 2006–2011, although they changed places: organic chemicals became by far the largest export (42.6% of total exports to Venezuela), followed by machinery and equipment, ships, and mineral fuels. As a result of the rapid increase in organic chemicals exports, the combined share of the top four product groups increased to 75% of exports.

Comparing average exports in the two periods, cereals and organic chemicals were by far the fastest growing main exports (although cereals were only exported in notable quantities in one year throughout the period considered, i.e. in 2011, and therefore the growth rate might be misleading, if this was a one-off export). On average, exports in the second period were 22% higher than in the first one, but variation across product groups was high, ranging from an 88% contraction (salt/earths/cement) to a growth of 43,000% (cereals). Indeed, exports of eight product groups contracted.

Table 2 shows the performance over time of most product groups exported by CARICOM to Venezuela. As mentioned above, total exports decreased by 9.9% over the period 2005 to 2011, and in fact all exports but 18 product groups (highlighted in green in Table 2) contracted.¹

When further disaggregating the composition of exported products by CARICOM member states, it appears that exports to Venezuela are more consistent than those to other BTA partners. Most CARICOM members have exported at least one or more commodities to Venezuela over several years (see the product groups marked in red in annex Table A-5). There are, however, few product groups that have registered continuous growth in recent years, which is not surprising in view of the fact that exports in general contracted by 68% from 2009 to 2011. The few “success cases” were:

- Machinery and equipment from Antigua and Barbuda;
- Optical equipment; plastics and plastic articles; and tanning and dyeing extracts from Barbados; and
- Wood pulp from St. Lucia.

Conversely, among the product groups which CARICOM members ceded to export to Venezuela during the period 1994–2011 are the following ones:

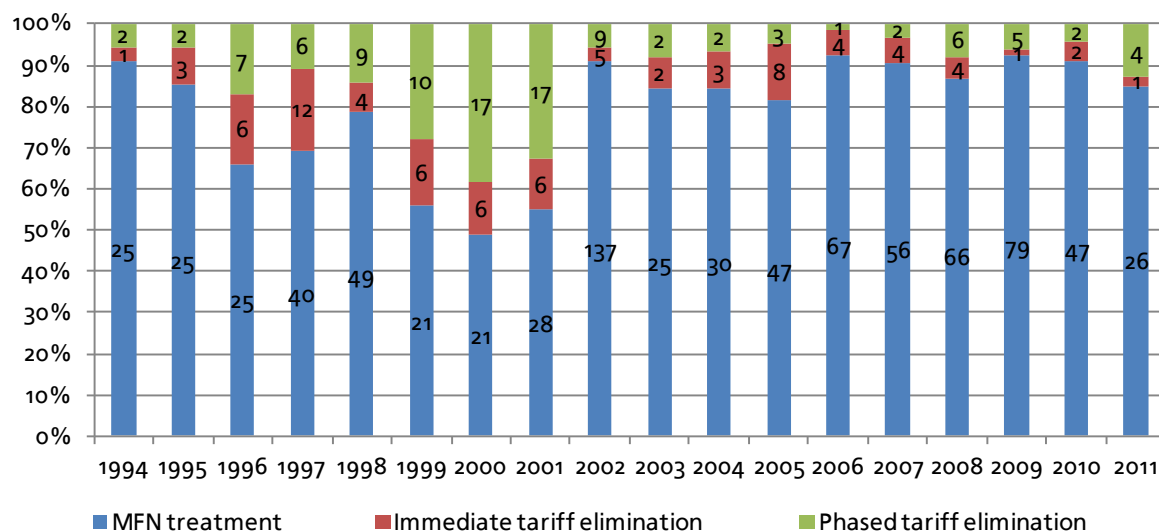
- Beverages; and clothing from Antigua and Barbuda;
- Edible preparations from Barbados;
- Electrical machinery; and vegetables from Belize;
- Pharmaceutical products from Dominica;
- Ships from Grenada;
- Wood and wood articles; ships; fish; ores; inorganic chemicals; and wood pulp from Guyana;
- Ships; miscellaneous chemicals; machinery and equipment; rubber and rubber articles; vehicles; inorganic chemicals; and clothing from Jamaica;
- Wood pulp from St. Vincent and the Grenadines;
- Fish; and machinery and equipment from Suriname; and
- Ships; fish; vehicles; tanning or dyeing extracts; lead and lead articles; wood pulp; inorganic chemicals; edible preparations; furniture; salt/earths/cement; beverages; wadding and felt; organic chemicals; essential oils; dairy products; cocoa; and preparations cereals and flour from Trinidad and Tobago.

Finally, tariff liberalisation under the BTA does not appear to have shifted the composition of products exported from CARICOM to Venezuela (Figure 7): although the share of CARICOM products covered by the Agreement in total CARICOM exports to Venezuela initially increased, since 2002 consistently more than 80% of CARICOM’s exports to Venezuela (in value terms)

¹ Excluding product groups whose average annual value of exports from CARICOM to Venezuela was below USD 10,000 in both periods considered.

were not covered by the Agreement and hence subject to the MFN duty upon importation into Venezuela.²

Figure 7: Non-oil imports by Venezuela from CARICOM – Goods covered by the agreement vs. excluded goods, 1994–2011 (USD ‘000)



Source: Author’s calculations based on UN COMTRADE import data for Venezuela. See annex Table A-6.

² In addition, it should be noted that in this study the determination of goods’ coverage by the Agreement is purely based on the HS code. This overestimates the value of exports actually subject to tariff exemption, because even when a tariff line is exempted from import duties the actual eligibility for this preferential treatment also depends on additional conditions. E.g. exported goods must also comply with rules of origin (thereby excluding, e.g., re-exports), must not be used goods, not be produced in export processing zones, etc. In other words, the share of exports to Venezuela (as to other BTA partners) actually subject to MFN import duties is likely to be higher than reported in this study.

Table 1: Major product groups imported by Venezuela from CARICOM, 1994–2005 and 2006–2011 compared

Annual averages 1994-2005					Annual averages 2006-2011					
Rank	HS Code and description	USD '000	share of total exp.	cumulated	Rank	HS Code and description	USD '000	share of total exp.	cumulated	Growth av 2006-2011 vs av 1994-2005
1	89 Ships, boats and floating structures	12,266	22.9%	22.9%	1	29 Organic chemicals	27,810	42.6%	42.6%	534%
2	72 Iron and steel	9,747	18.2%	41.0%	2	84 Nuclear reactors, boilers, machinery ar	12,053	18.5%	61.1%	39%
3	84 Nuclear reactors, boilers, machinery ar	8,645	16.1%	57.1%	3	89 Ships, boats and floating structures	7,298	11.2%	72.3%	-41%
4	29 Organic chemicals	4,390	8.2%	65.3%	4	27 Mineral fuels, mineral oils and product	2,144	3.3%	75.6%	11%
5	88 Aircraft, spacecraft, and parts thereof	2,152	4.0%	69.3%	5	90 Optical, photographic, cinematographi	1,941	3.0%	78.5%	24%
6	27 Mineral fuels, mineral oils and product	1,924	3.6%	72.9%	6	85 Electrical machinery and equipment ar	1,773	2.7%	81.2%	183%
7	90 Optical, photographic, cinematographi	1,568	2.9%	75.8%	7	72 Iron and steel	1,698	2.6%	83.8%	-83%
8	48 Paper and paperboard; articles of pape	1,374	2.6%	78.4%	8	10 Cereals	1,682	2.6%	86.4%	42949%
9	21 Miscellaneous edible preparations	1,216	2.3%	80.7%	9	87 Vehicles other than railway or tramwa	1,364	2.1%	88.5%	88%
10	47 Pulp of wood or of other fibrous cellul	1,047	2.0%	82.6%	10	38 Miscellaneous chemical products	1,173	1.8%	90.3%	84%
11	25 Salt; sulphur; earths and stone; plaster	855	1.6%	84.2%	11	88 Aircraft, spacecraft, and parts thereof	1,145	1.8%	92.1%	-47%
12	87 Vehicles other than railway or tramwa	725	1.4%	85.6%	12	73 Articles of iron or steel	1,092	1.7%	93.7%	63%
13	26 Ores, slag and ash	708	1.3%	86.9%	13	48 Paper and paperboard; articles of pape	706	1.1%	94.8%	-49%
14	19 Preparations of cereals, flour, starch o	671	1.3%	88.1%	14	03 Fish and crustaceans, molluscs and othe	502	0.8%	95.6%	-7%
15	73 Articles of iron or steel	670	1.2%	89.4%	15	44 Wood and articles of wood; wood char	411	0.6%	96.2%	-24%
16	38 Miscellaneous chemical products	636	1.2%	90.6%	16	47 Pulp of wood or of other fibrous cellul	334	0.5%	96.7%	-68%
17	85 Electrical machinery and equipment ar	626	1.2%	91.8%	17	39 Plastics and articles thereof	283	0.4%	97.2%	17%
18	44 Wood and articles of wood; wood char	538	1.0%	92.8%	18	32 Tanning or dyeing extracts; tannins an	254	0.4%	97.6%	25%
19	03 Fish and crustaceans, molluscs and othe	538	1.0%	93.8%	19	40 Rubber and articles thereof	183	0.3%	97.8%	110%
20	23 Residues and waste from the food ind	528	1.0%	94.7%	20	49 Printed books, newspapers, pictures a	109	0.2%	98.0%	77%
21	28 Inorganic chemicals; organic or inorgan	271	0.5%	95.2%	21	25 Salt; sulphur; earths and stone; plaster	104	0.2%	98.2%	-88%
	<i>Others</i>	2,551	4.8%	100.0%		<i>Others</i>	1,200	1.8%	100.0%	
	Total	53,646	100.0%		Total	65,260	100.0%		22%	

Source: Author's calculations based on UN COMTRADE import data for Venezuela.

Table 2: Major product groups exported from CARICOM to Venezuela, 1994–2011 (USD '000)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 94-05	Av 06-11	CAGR 94-05	CAGR 05-11
29 Organic chemicals	7,160	48	88	776	814	1,840	2,881	372	3,804	2,981	16,348	15,564	21,390	29,818	37,271	47,262	25,988	5,132	4,389.6	27,810.3	7.3%	-16.9%
84 Nuclear reactors, boilers, mac	1,630	2,061	7,532	8,956	8,585	11,053	12,658	15,839	8,496	5,659	7,957	13,311	6,125	9,793	24,639	24,138	5,402	2,223	8,644.7	12,053.4	21.0%	-25.8%
89 Ships, boats and floating stru	1,502	1,174	2,146	7,750	2,271	326	7	1,213	115,281	2,301	2,358	10,863	38,557	3,831	988	409	0		12,266.1	7,297.6	19.7%	-100.0%
27 Mineral fuels, mineral oils an		51	1,167	15,556	1,769	4,358	15	44	6	101	11	8	91	14	1,107	11,648	1		1,923.8	2,143.6	na	-100.0%
90 Optical, photographic, cinemat	760	1,152	1,880	274	1,792	435	346	3,060	1,582	698	1,048	5,783	590	4,662	993	468	569	4,362	1,567.7	1,941.0	20.3%	-4.6%
85 Electrical machinery and equip	484	110	401	607	1,330	519	475	1,512	705	575	307	493	671	4,146	2,030	1,469	1,043	1,278	626.4	1,772.9	0.2%	17.2%
72 Iron and steel	6,004	13,157	11,197	17,369	19,043	10,749	10,464	11,969	6,337	4,603	4,311	1,758	1,771	583	398	1	5,786	1,651	9,746.8	1,698.4	-10.6%	-1.0%
10 Cereals							4	43								0		10,092	3.9	1,682.0	na	na
87 Vehicles other than railway or	363	143	356	138	5,811	167	449	389	412	124	47	305	97	2,422	502	169	4,952	44	725.4	1,364.3	-1.6%	-27.6%
38 Miscellaneous chemical product	92	110	124	2,292	1,571	120	351	330	487	823	728	605	0	2,071	1,407	2,350	1,209	2	636.0	1,173.3	18.7%	-60.4%
88 Aircraft, spacecraft, and part				2,128	7,868	5		168	2,672	8,380		4,600	1,223	839	0	2,756	2,027	27	2,151.8	1,145.2	na	-57.5%
73 Articles of iron or steel	165	81	1,750	755	899	561	1,168	697	558	143	218	1,047	200	701	2,005	689	2,175	785	670.1	1,092.4	18.3%	-4.7%
48 Paper and paperboard; articles	47	577	1,918	1,933	3,643	2,170	3,515	2,018	499	131	8	35	12	61	709	610	363	2,483	1,374.5	706.3	-2.6%	103.2%
03 Fish and crustaceans, molluscs	87	142	79	216	1,258	1,218	675	1,175	1,006	265	16	318	204	451	7	2,348			538.0	501.7	12.5%	-100.0%
44 Wood and articles of wood; woo	21	97	211	208	354	400	1,577	1,621	1,070	675	222	0	5	435	1,142	839	30	13	538.1	410.6	-34.6%	101.0%
47 Pulp of wood or of other fibro	1,967	3,019	1,203	1,565	740	647	662	785	921	439	225	396	233	281	584	281	216	407	1,047.4	333.6	-13.6%	0.4%
39 Plastics and articles thereof	148	130	141	240	375	624	248	296	409	96	5	185	43	85	148	261	293	867	241.3	282.8	2.1%	29.4%
32 Tanning or dyeing extracts; ta	27		95	9	150	34	39	34	446	329	573	706	307	149	45	75	159	789	203.6	254.2	34.6%	1.9%
40 Rubber and articles thereof	285	41	169	12	98	85	45	85	126	29	4	71	54	648	106	36	121	134	87.4	183.1	-11.9%	11.1%
49 Printed books, newspapers, pic	2	367		1	22	155	38	34	94	2	16	8	4	320	157	91	62	20	61.6	108.9	12.5%	15.3%
25 Salt; sulphur; earths and ston	311	664	2,127	1,024	1,473	858	515	1,755	152	611	227	540	0	126	445	56	0		854.8	104.4	5.1%	-100.0%
62 Articles of apparel and clothi	194	1		126	30	121	303	112		7	10	21	9	115	264	159	42	27	77.1	102.5	-18.3%	4.2%
86 Railway or tramway locomotives				7	19				11	2	2	10	2	16	38	494	0		4.2	91.7	na	-100.0%
82 Tools, implements, cutlery, sp	65	151	103	9	100	100	56	74	197	195	129	201	111	78	149	80	67	58	115.0	90.5	10.7%	-18.8%
28 Inorganic chemicals; organic o	106	247	283	1,016	723	487	20	214	28	73	43	12		17	167	1	284	0	271.0	78.1	-18.2%	-60.8%
94 Furniture; bedding, mattresses	11	2	356	3	74	51	165	75	23	5	8	15	73	18	126	39	37	147	65.6	73.3	3.0%	46.7%
26 Ores, slag and ash	314	1,342	468	1,795	744	1,047	792	717	478	8	268	528	381						708.3	63.6	4.9%	-100.0%
30 Pharmaceutical products							39					1	47	5	133	98	69	3	3.3	59.4	na	16.4%
61 Articles of apparel and clothi	34			40	61	48	76	74	5	6	10	65	9	50	125	104	49	16	34.9	58.8	6.2%	-21.0%
78 Lead and articles thereof			34	110	57	55	45	37	25	24	7	11			319	16			33.7	55.8	na	-100.0%
33 Essential oils and resinoids;	6	200	41	11		174	364	1,151	807	89	8	3	99	4	200	3	11	5	237.9	53.5	-6.2%	6.4%
34 Soap, organic surface-active a		40	11	6	8	1	23		23	13		0		5	2	258	1	30	10.3	49.4	na	198.4%
68 Articles of stone, plaster, ce				2		10		10			1		1	1	97	132	3		1.9	38.9	na	na
95 Toys, games and sports requisi	174			13		1	20	132	1		10	1	4	165	24	15	5	2	29.3	36.0	-35.6%	8.5%

(Table continues)

(Table continued)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 94-05	Av 06-11	CAGR 94-05	CAGR 05-11
37 Photographic or cinematographi	5	112					3							0	3	97	2	113	10.1	35.8	-100.0%	na
96 Miscellaneous manufactured art	11	4	6	4		1	14	33	4	4	7	5	0	2	29	4	17	162	7.9	35.7	-6.6%	76.1%
21 Miscellaneous edible preparati	4	1,016	4,349	7,761	233	110	603	325	132	40	12	8	5	50	52	85	1	0	1,215.9	32.1	6.7%	-50.6%
83 Miscellaneous articles of base	15	19			6	2	69	103			5	6	3	6	16	21	5	127	18.6	29.9	-7.8%	65.7%
69 Ceramic products	1	5		2	8	39	11	39	30		37	3	5	75	9	9	63	1	14.6	26.7	11.3%	-21.5%
70 Glass and glassware	7	24	3	3	111	9	51	8	79	40	4	2	83	2	14	10	5	4	28.5	19.6	-10.5%	10.5%
11 Products of the milling indust		170	225				11	452			46				79	0	0	19	75.3	16.3	na	na
55 Man-made staple fibres	80		50	56	7	18	30	16	99	16	47	98	1	0	1	0	89	1	43.0	15.4	1.9%	-52.7%
22 Beverages, spirits and vinegar	18	21	281	29	67	80	308	1,316		26	373	26	71	0	4	2	1	0	212.1	13.1	3.6%	-49.4%
07 Edible vegetables and certain	72	12	5		17	23	28	263	580	12	88			74	0	0	2		91.7	12.8	-100.0%	na
52 Cotton	101	2	90		76			57	8		15	4			0	2	74	0	29.4	12.7	-26.1%	-55.6%
63 Other made up textile articles	4	3	8	50	1	114		39	3		6	158	4	37	9	11	10	2	32.0	12.1	40.9%	-53.3%
76 Aluminum and articles thereof	5	93	6	6	4	26	64	2	1	1	1	1	2	57	4	3	4	3	17.4	12.1	-10.3%	12.0%
56 Wadding, felt and nonwovens; s	131		71	105	91	326	120	8	17				40	25	3	0	0		72.5	11.5	-100.0%	na
42 Articles of leather; saddlery	6			7	3	1	5	3			6	0	2	23	17	13	4	2	2.6	10.3	-29.2%	53.6%
54 Man-made filaments; strip and	37		121	17			1	28	1						2		46		17.0	7.9	-100.0%	na
09 Coffee, tea, maté and spices	3	116	2	19	78	12	85	38	15	8	5	6	13	0	1	26	0	0	32.3	6.7	5.4%	-60.5%
64 Footwear, gaiters and the like	11		144	55	9	4	1	9		3	3	151	1	2	10	14	3	1	32.6	5.1	26.8%	-58.0%
71 Natural or cultured pearls, pr							3	91	53		0			4	6	5	6	2	12.3	3.6	na	na
59 Impregnated, coated, covered o	351		1	1	10	4	2	52		1	33	10		2	8	1	2	2	38.6	2.4	-27.8%	-25.2%
18 Cocoa and cocoa preparations	447	197		113	619	297	502	163	77					1	4	1	1	0	201.3	1.1	-100.0%	na
19 Preparations of cereals, flour	130	53		43	196	441	1,919	2,667	2,334	267	8			0	1	0	0	0	671.4	0.3	-100.0%	na
04 Dairy produce; birds' eggs; na	103	1,111	75		2	73	50								1	0	0	0	117.8	0.2	-100.0%	na
15 Animal or vegetable fats and o					148	441	230							1	0	0	0		68.2	0.2	na	na
12 Oil seeds and oleaginous fruit	518		1	24					6					0	0	0			45.8	0.0	-100.0%	na
31 Fertilisers							359								0	0		0	29.9	0.0	na	na
23 Residues and waste from the fo	3,453	1,448		66	162	621	543			39				0			0		527.6	0.0	-100.0%	na
Others	224	136	85	248	28	45	53	87	44	36	16	61	6	13	50	38	27	15	88.5	24.7		
Total	27,696	29,645	39,401	73,555	63,556	41,116	43,182	51,740	150,144	29,925	35,789	58,006	72,549	62,366	76,572	97,697	51,345	31,029	53,646.3	65,259.7	7.0%	-9.9%

Source: Author's calculations based on UN COMTRADE import data for Venezuela.

2.4 Summary

Overall trade between Venezuela and CARICOM declined over the period 1994 to 2011, while non-oil trade was almost flat. The BTA thus does not seem to have been successful in expanding bilateral trade. Also, while CARICOM exports to Venezuela increased at an average annual rate of 7.0% over the period 1994–2005, they decreased by an average 9.9% in the following six years, primarily as a result of sharp drops in 2010 and 2011 – exports in 2011 were 68% lower than in the peak year 2009. Thus, CARICOM exports to Venezuela in 2011 were only marginally higher than in 1994 – in current figures; meaning that the real value declined. CARICOM’s bilateral trade balance was negative in most years of the period, and the accumulated trade deficit over the 18-year period is USD 530 million.

Trade between CARICOM and Venezuela is quite different from CARICOM’s trade with the other BTA partners. First, CARICOM oil and gas exports play only a minor role. Second, the distribution of costs and benefits, as expressed in bilateral trade balances, is fairly different, with Trinidad and Tobago registering the largest trade deficit, and Jamaica having a sizeable trade surplus. Also, CARICOM’s trade with Venezuela is less concentrated than trade with any other of the BTA partners both in terms of CARICOM members and in terms of products exported. Nevertheless, mainly as a result of the sharp contraction in exports in 2010 and 2011, few export commodities registered consistent growth, and a sizeable number of product groups ceased to be exported by CARICOM members to Venezuela.

3 ANALYSIS OF CARICOM’S TRADE PERFORMANCE UNDER THE BTA WITH COLOMBIA

For the analysis of CARICOM–Colombia trade, three phases have been distinguished: a pre-BTA phase from 1991 (the first year for which disaggregated data are available) to 1994 (the year in which the BTA was signed), a second phase from 1995 to 2005, in which bilateral trade showed limited dynamics, and the most recent phase, 2006 to 2011, during which bilateral trade expanded rapidly.

3.1 Trends in overall trade between CARICOM and Colombia

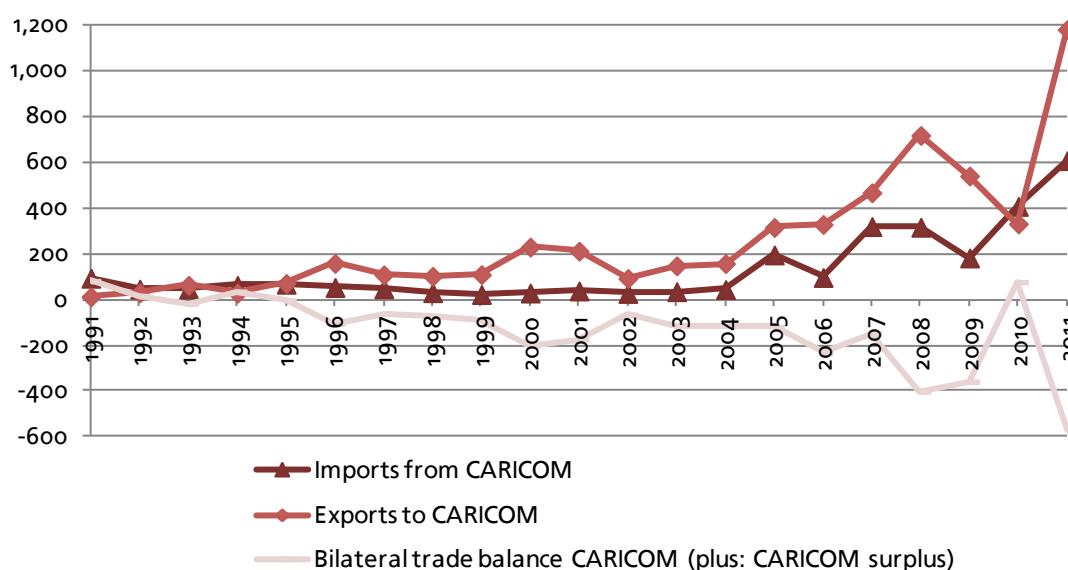
Overall trade between Colombia and CARICOM in the years prior to the signature of the BTA fluctuated around USD 100 million per year (Figure 8). In three out of the four years for which data are available (1991–1994), CARICOM had a trade surplus. For ten years following the signing of the BTA, CARICOM exports to Colombia stagnated or even declined, only starting to increase substantially since 2005. Conversely, Colombian exports to CARICOM were more uneven over this period, although the long-term trend also showed limited dynamics – exports in 2004 were at about the same level as in 1996. However, over the period 1995–2005 CARICOM’s bilateral trade balance registered an average deficit of USD 101 million, compared to a trade surplus of USD 29 million in the four years prior to the signing of the BTA.

Since 2005, both Colombia’s imports from and exports to CARICOM have multiplied: the former reached USD 608 million in 2011 (compared to USD 45 million in 2004), while the latter

exceeded USD 1.2 billion in the same year (up from USD 158 million in 2004). At the same time, volatility also increased.

With both trade flows increasing at similar growth rates over the third phase (Colombian imports from CARICOM increased at an average 21% per year, while exports increased at 25% per year), the by now traditional trade deficit of CARICOM also increased, reaching an average of USD 273 million per year over the years 2006–2011. There was, however, one year (2010) in which CARICOM exports to Colombia exceeded imports by USD 77 million – constituting the first trade surplus since 1994.

Figure 8: Total trade between Colombia and CARICOM, 1991–2011 (USD '000)

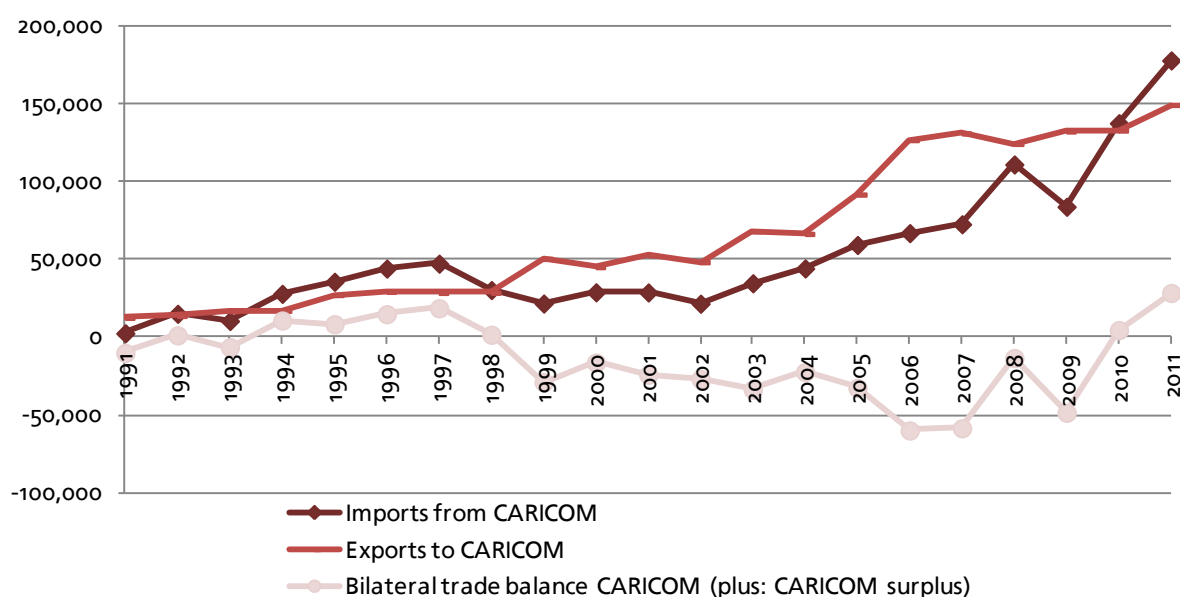


Source: Author's calculations based on UN COMTRADE import data for Colombia. See annex Table A-7.

Looking at overall trade, however, provides a distorting picture as oil and gas trade, which is not a focus of the BTA, dominates. Therefore, an analysis of bilateral trade which aims at assessing the BTA should rather be based on non-oil trade.

Indeed, the evolution of non-oil bilateral trade between Colombia and CARICOM presents a different picture (Figure 9). First of all, volatility of trade is much lower. Secondly, there is an almost consistent positive trend in Colombian exports to CARICOM over the whole 21-year period from 1991 to 2011. Thirdly, Colombian imports from CARICOM increased until 1997 (and in fact surpassed Colombia's exports to CARICOM, thereby yielding a CARICOM trade surplus), but then fell and stagnated until 2002, thereby initiating a decade long phase of bilateral trade deficits for CARICOM. Since 2002, however, Colombian imports from CARICOM have increased at an average rate of 26% per year (double the growth rate of Colombian exports to CARICOM over the same period), reaching USD 178 million in 2011. This has led to CARICOM registering a trade surplus again in 2010 and 2011, for the first time since 1998. In spite of this, CARICOM's average trade deficit from bilateral trade with Colombia over the three phases 1991–1994, 1995–2005 and 2006–2011 increased from USD 1 million to 14 million and finally 24 million.

Figure 9: Total non-oil trade between Colombia and CARICOM, 1991–2011 (USD ‘000)

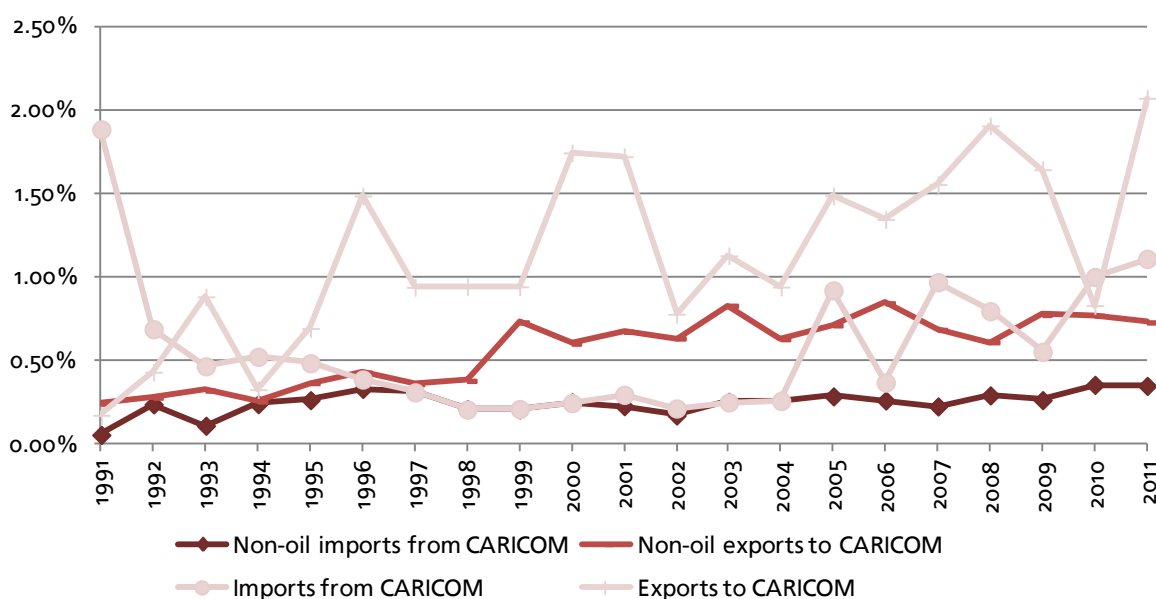


Note: Non-oil trade is defined as total trade less trade in HS27, Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.

Source: Author's calculations based on UN COMTRADE import data for Colombia. See annex Table A-8.

For Colombia, bilateral trade with CARICOM in relation to its overall trade is very limited (Figure 10): excluding oil and gas, since 2006 about 0.7% of Colombia's exports are directed at CARICOM and about 0.3% of its non-oil imports are from CARICOM. However, there is an increasing trend: prior to the signing of the BTA, the respective shares were 0.3% (Colombia's exports) and 0.2%. Thus, although the relative importance of CARICOM as a trading partner for Colombia has remained limited, its share has slightly increased.

Figure 10: Bilateral imports and exports between Colombia and CARICOM, as % of Colombia's total imports and exports, 1991–2011

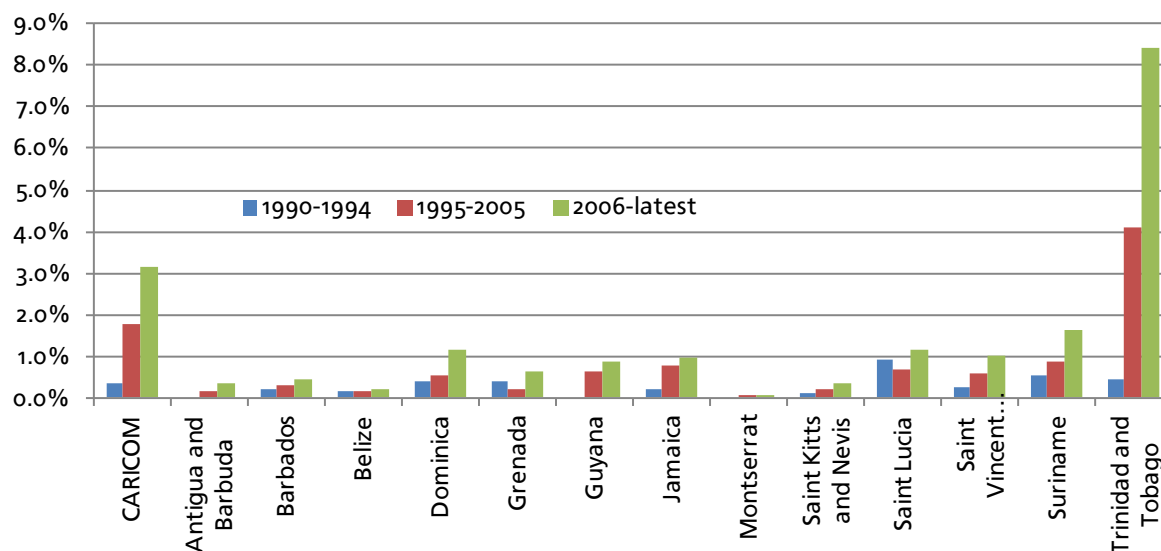


Source: Author's calculations based on UN COMTRADE import data for Colombia. See annex Table A-7 and Table A-8.

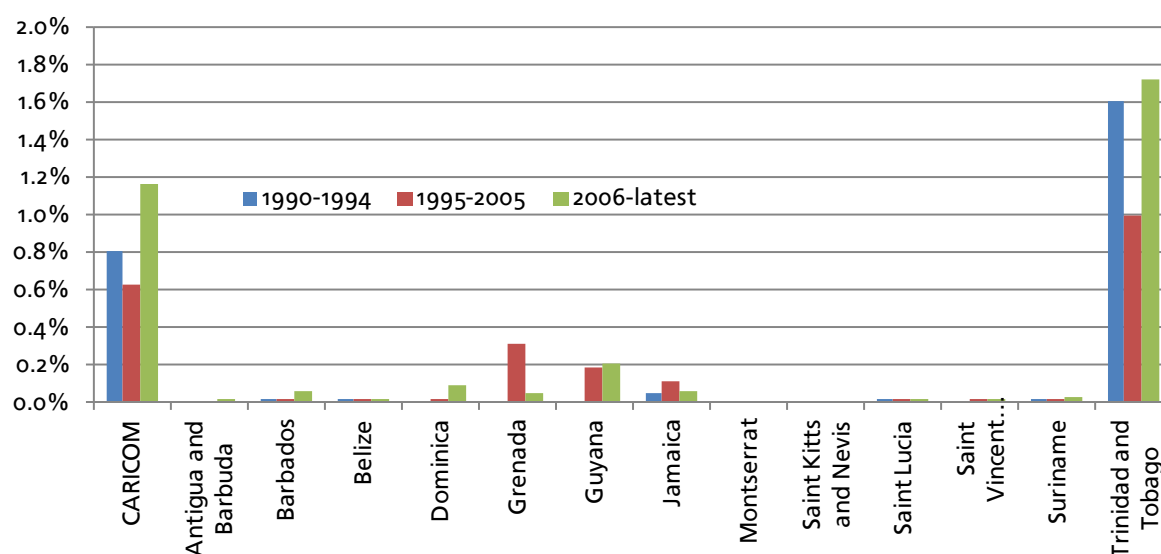
The relative importance of trade with Colombia for CARICOM and its members has increased with regard to imports, while no clear tendency can be observed in relation to CARICOM's exports (Figure 11).

Figure 11: Bilateral imports and exports between Colombia and CARICOM, as % of CARICOM's and CARICOM Members' total imports and exports, 1990–1994, 1995–2005, and 2006–2012 (or latest available) compared

a) Imports from Colombia



b) Exports to Colombia



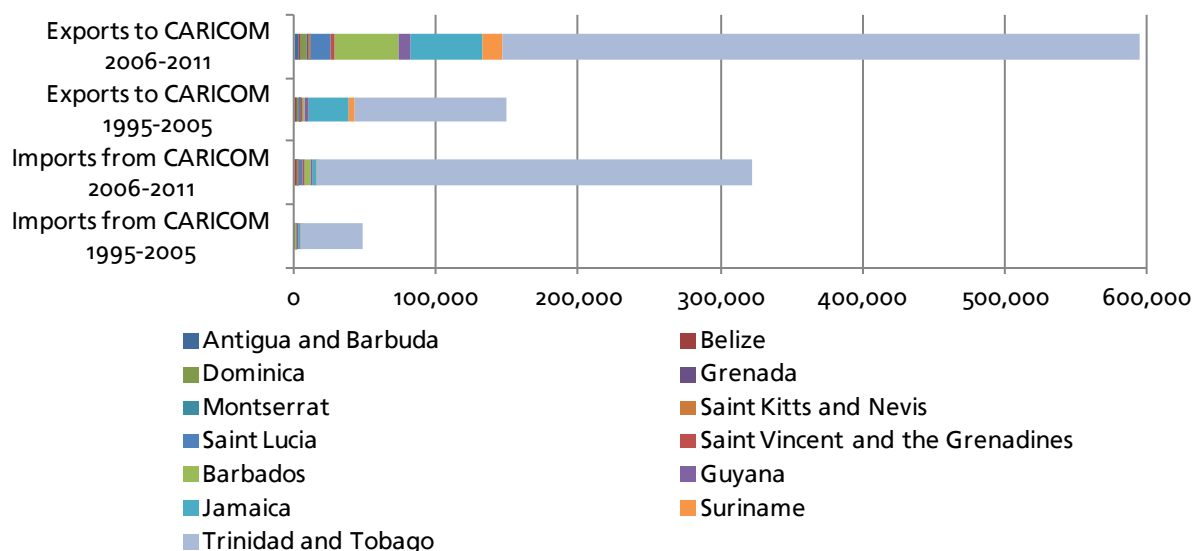
Source: Author's calculations based on UN COMTRADE export data for CARICOM Members.

3.2 Composition of CARICOM–Colombia bilateral trade by CARICOM member

CARICOM's trade with Colombia is highly concentrated on few CARICOM members (Figure 12). Notably, virtually all of Colombia's imports from CARICOM are from Trinidad and Tobago – 90.0 over the period 1995–2005 and 95.0% over the period 2006–2011. Among the importers of goods from Colombia, Trinidad and Tobago is also the most important one (75.4% in the most recent period), followed by Jamaica (8.5%) and Barbados (7.6%). Taken together, in 2006–

2011 CARICOM's MDCs accounted for 97.9% of Colombia's imports from CARICOM and 95.2% of Colombia's exports to CARICOM.

Figure 12: Composition of overall trade between CARICOM and Colombia, average values 1995–2005 and 2006–2011 (USD '000)

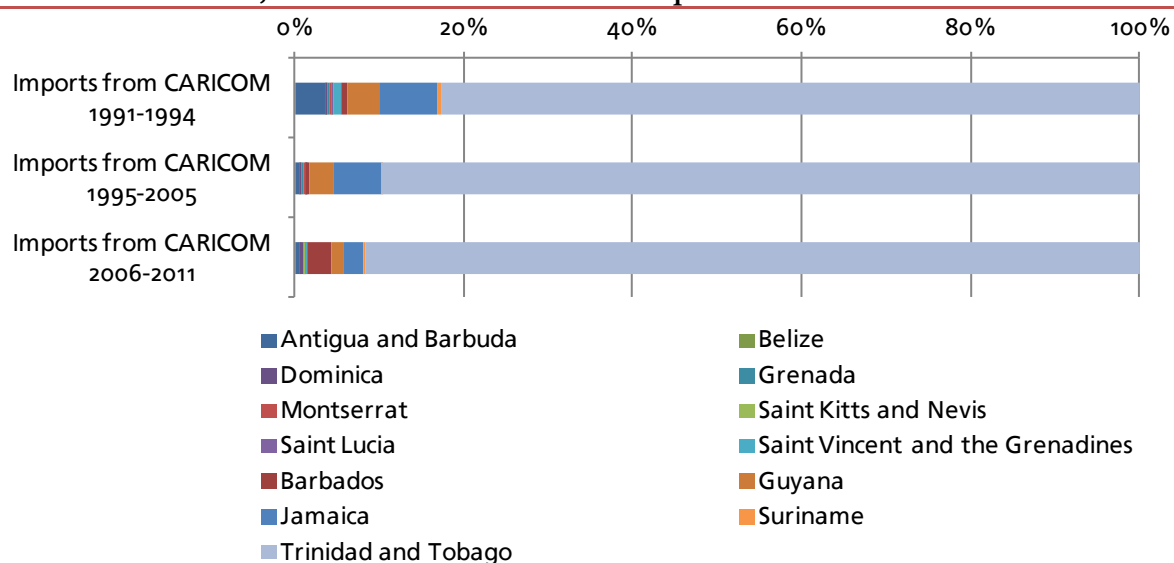


Source: Author's calculations based on UN COMTRADE import data for Colombia. See annex Table A-9.

While it should be little surprising that Trinidad and Tobago dominates overall trade with Colombia, given its oil and gas exports, it is also by far, and increasingly so, the most important CARICOM exporter to Colombia of non-oil goods: its share increased from 82.8% prior to the BTA to 91.7% in 2006–2011 (Figure 13). In absolute terms, this represented an increase in average annual export value from USD 3.9 million to USD 44.4 million in the same periods. The shares in CARICOM exports of all other members except for Barbados, Dominica and St. Kitts and Nevis decreased, although in absolute terms some other CARICOM countries could increase their exports to Colombia – the next largest exporters over the period 2006–2011 were Barbados (annual average of USD 3.1 million, up from USD 120 thousand prior to the BTA), Jamaica (USD 2.6 million, up from USD 1.0 million) and Guyana (USD 1.5 million, up from USD 0.5 million). Other CARICOM members that managed to increase average exports following the signature of the BTA are Antigua and Barbuda, St. Vincent and the Grenadines, and Suriname. Exports from Antigua and Barbuda and Belize stagnated, while those from Grenada, Montserrat and St. Lucia declined.

The MDC share in CARICOM's overall non-oil exports to Colombia slightly increased from 94.6% over the pre-BTA period (1991–1994) to 98.4% over the period 2006–2011. The corresponding share in imports from Colombia also increased, from 78.0% to 89.6%.

Figure 13: Composition of non-oil exports from CARICOM to Colombia by CARICOM members: 1991–1994, 1995–2005 and 2006–2011 compared



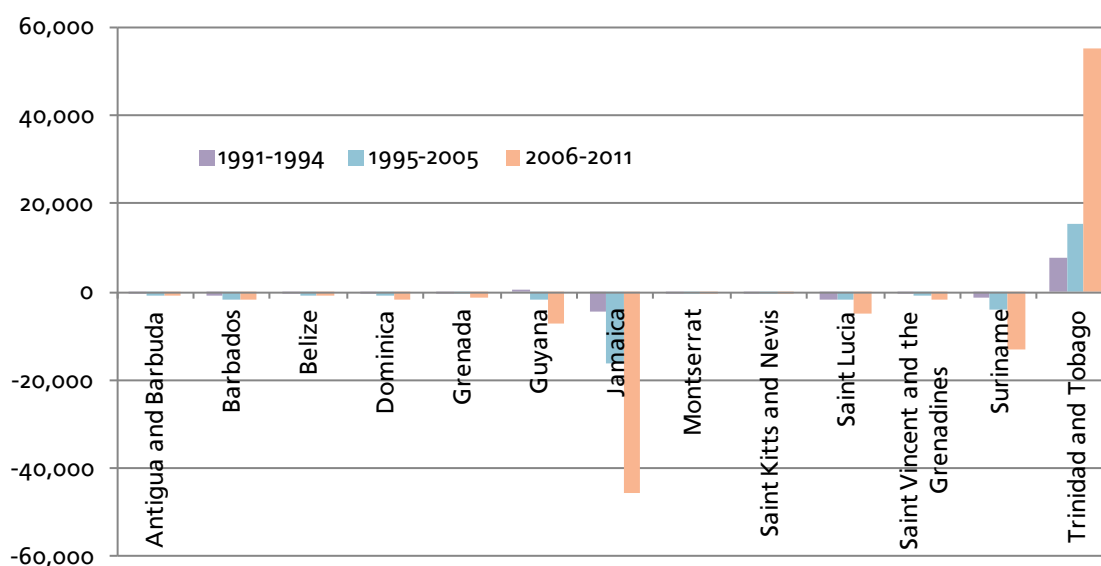
Source: Author's calculations based on UN COMTRADE import data for Colombia. See annex Table A-10.

With the only exception of Trinidad and Tobago, and Guyana over the period 1991–1994, all CARICOM members have bilateral trade deficits with Colombia (Figure 14), if oil trade is excluded. In absolute, by far the largest deficit is registered by Jamaica USD 45.8 million per year over the period 2006–2011), followed by Suriname (USD 13.0 million). Also, the average value of the trade deficit in the post-BTA period has increased in all CARICOM members except for Trinidad and Tobago, which has managed to substantially increase an originally modest average annual trade surplus of USD 7.8 million prior to the BTA, to an average of USD 55.2 million in the most recent period. There has thus been a clearly divergent trend among CARICOM members.

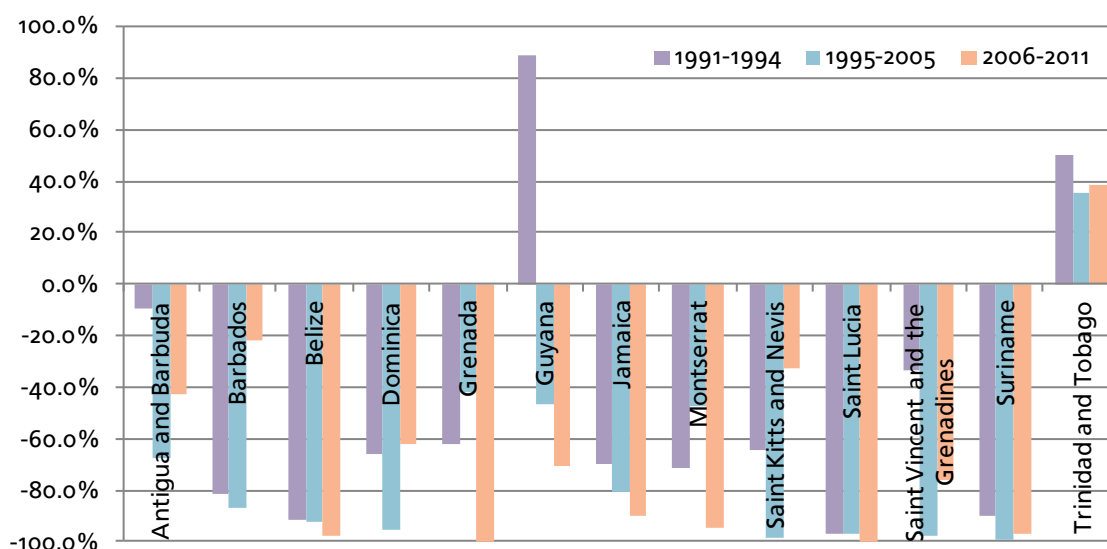
It must be considered, however, that total trade between CARICOM and Costa Rica increased substantially over time and therefore absolute values may be misleading. However, when setting trade deficits in relation with the level of trade, CARICOM's trade performance with the exception of Trinidad and Tobago is still disappointing: overall CARICOM's trade deficit increased from 3.5% of total trade (1991–1994) to 17.0% (1995–2005) and then fell again, as a result of the rapidly increasing exports since 2005 reported above, to 10.1% (2006–2011). However, this recent reduction is almost entirely due to the performance of Trinidad and Tobago, which slightly increased its trade surplus, and to a lesser extent Barbados, which managed to reduce its trade deficit in relation to its overall non-oil trade with Colombia (Figure 14b). Most other CARICOM members had very low exports resulting in trade deficits amounting to close to 100%.

Figure 14: Bilateral non-oil trade balances CARICOM members–Colombia, averages 1991–1994, 1995–2005 and 2006–2011

(a) in USD '000



(b) in % of total bilateral non-oil trade



Source: Author's calculations based on UN COMTRADE import data for Colombia. See annex Table A-10.

3.3 Composition of CARICOM–Colombia bilateral trade by product groups

The most important export commodity of CARICOM in its trade with Colombia are mineral fuels (incl. natural gas), although their value and share has fluctuated substantially over time, from USD 48.1 million (77.3%) in the period 1991–1994 down to USD 17.6 million (32.7%) over the period 1995–2005 and then up again to USD 213.6 million (66.3%) in 2006–2011 (Table 3). Inorganic chemicals, fertilisers and iron and steel have consistently been the next three most important product groups imported by Colombia from CARICOM, and the value of trade of all of those three commodities has consistently increased over time.

The fastest growing product groups, based on a comparison of the periods 2006–2011 and 1995–2005, were fish, boats, organic chemicals, miscellaneous chemicals, and plastic and plastic products. The export values of all of these increased more than tenfold. Conversely, there was only one commodity among the top 20 CARICOM exports to Colombia whose export value decreased, i.e. cereals (average annual import value in Colombia of USD 307 million in 1995–2005, and USD 71 million in 2006–2011).

Also, the product concentration of Colombia's non-oil imports from CARICOM has decreased since the BTA was signed. While over the period 1991–1994 the top three product groups accounted for 83.5% of total non-oil imports (with the largest one, iron and steel, accounting for 54.6%), in the most recent period the top three only account for 68.1% (and the largest one, inorganic chemicals, for 29.6%). The Hirschman-Herfindahl-Index (HHI) of CARICOM's non-oil exports to Colombia decreased from 0.3456 in the period 1991–1994 to 0.2340 in 1995–2005 and 0.1884 over the period 2006–2011.³ This diversification of CARICOM's exports to Colombia is a positive development.

Over the most recent period, 2005–2011, total CARICOM exports to Colombia increased at an average annual rate of 20.8% (Table 4), faster than in the preceding periods. Only six product groups⁴ had higher average growth rates (shown in green in Table 4) while 11 registered negative growth rates (shown in red in Table 4).

³ The HHI is calculated as the sum of the squared export shares of all products exported. It ranges from 0 (multitude of small export items) to 1 (only one commodity exported).

⁴ Excluding product groups whose average annual value of exports from CARICOM to Colombia was below USD 5,000.

Table 3: Major product groups imported by Colombia from CARICOM, 1991–1994, 1995–2005 and 2006–2011 compared

Annual averages 1991-1994					Annual averages 1995-2005					Annual averages 2006-2011					Growth av 2006-2011 vs av 1995-2005
Rank	HS Code and description	USD '000	share of total exp.	share of total non- oil exp.	Rank	HS Code and description	USD '000	share of total exp.	share of total non- oil exp.	Rank	HS Code and description	USD '000	share of total exp.	share of total non- oil exp.	
1	27 Mineral fuels, mineral oils	48,057	77.3%		1	27 Mineral fuels, mineral oils	17,613	32.7%		1	27 Mineral fuels, mineral oils	213,619	66.3%		1113%
2	72 Iron and steel	7,703	12.4%	54.6%	2	28 Inorganic chemicals; organ	11,909	22.1%	32.9%	2	28 Inorganic chemicals; organ	32,092	10.0%	29.6%	169%
3	31 Fertilisers	2,553	4.1%	18.1%	3	72 Iron and steel	10,427	19.4%	28.8%	3	31 Fertilisers	27,960	8.7%	25.7%	307%
4	28 Inorganic chemicals; organ	1,525	2.5%	10.8%	4	31 Fertilisers	6,863	12.8%	19.0%	4	72 Iron and steel	13,943	4.3%	12.8%	34%
5	25 Salt; sulphur; earths and st	561	0.9%	4.0%	5	22 Beverages, spirits and vine	2,228	4.1%	6.2%	5	29 Organic chemicals	11,463	3.6%	10.6%	3324%
6	22 Beverages, spirits and vine	372	0.6%	2.6%	6	25 Salt; sulphur; earths and st	1,866	3.5%	5.2%	6	03 Fish and crustaceans, mollu	6,451	2.0%	5.9%	225546%
7	44 Wood and articles of wood	304	0.5%	2.2%	7	26 Ores, slag and ash	392	0.7%	1.1%	7	22 Beverages, spirits and vine	4,002	1.2%	3.7%	80%
8	15 Animal or vegetable fats a	296	0.5%	2.1%	8	29 Organic chemicals	335	0.6%	0.9%	8	25 Salt; sulphur; earths and st	3,044	0.9%	2.8%	63%
9	84 Nuclear reactors, boilers, n	159	0.3%	1.1%	9	10 Cereals	307	0.6%	0.8%	9	89 Ships, boats and floating st	2,661	0.8%	2.5%	16695%
10	73 Articles of iron or steel	77	0.1%	0.5%	10	19 Preparations of cereals, fld	269	0.5%	0.7%	10	38 Miscellaneous chemical pro	2,564	0.8%	2.4%	13354%
11	03 Fish and crustaceans, mollu	70	0.1%	0.5%	11	73 Articles of iron or steel	209	0.4%	0.6%	11	26 Ores, slag and ash	1,384	0.4%	1.3%	253%
12	48 Paper and paperboard; art	61	0.1%	0.4%	12	48 Paper and paperboard; art	162	0.3%	0.4%	12	73 Articles of iron or steel	495	0.2%	0.5%	136%
13	90 Optical, photographic, cine	56	0.1%	0.4%	13	44 Wood and articles of wood	138	0.3%	0.4%	13	39 Plastics and articles thereo	470	0.1%	0.4%	1777%
14	51 Wool, fine or coarse anima	55	0.1%	0.4%	14	84 Nuclear reactors, boilers, n	137	0.3%	0.4%	14	18 Cocoa and cocoa preparati	458	0.1%	0.4%	310%
15	39 Plastics and articles thereo	38	0.1%	0.3%	15	15 Animal or vegetable fats a	116	0.2%	0.3%	15	84 Nuclear reactors, boilers, n	416	0.1%	0.4%	203%
16	85 Electrical machinery and el	37	0.1%	0.3%	16	09 Coffee, tea, maté and spic	112	0.2%	0.3%	16	19 Preparations of cereals, fld	367	0.1%	0.3%	36%
17	26 Ores, slag and ash	34	0.1%	0.2%	17	18 Cocoa and cocoa preparati	112	0.2%	0.3%	17	23 Residues and waste from t	142	0.0%	0.1%	195%
18	87 Vehicles other than railwa	26	0.0%	0.2%	18	85 Electrical machinery and el	93	0.2%	0.3%	18	90 Optical, photographic, cine	115	0.0%	0.1%	415%
19	32 Tanning or dyeing extracts	21	0.0%	0.1%	19	56 Wadding, felt and nonwov	51	0.1%	0.1%	19	85 Electrical machinery and el	99	0.0%	0.1%	6%
20	29 Organic chemicals	21	0.0%	0.1%	20	23 Residues and waste from t	48	0.1%	0.1%	20	10 Cereals	71	0.0%	0.1%	-77%
21	34 Soap, organic surface-activ	19	0.0%	0.1%	21	16 Preparations of meat, of f	40	0.1%	0.1%	21	47 Pulp of wood or of other f	56	0.0%	0.1%	254%
	Others	127	0.2%	0.9%		Others	392	0.7%	1.1%		Others	337	0.1%	0.3%	
	Total	62,171	100.0%			Total	53,818	100.0%			Total	322,208	100.0%		499%
	Total excl. 27 (oil)	14,115		100.0%		Total excl. 27 (oil)	36,205		100.0%		Total excl. 27 (oil)	108,589		100.0%	200%

Note: Product groups that improved the rank compared to the previous period appear in green, those that moved down in the ranking appear in red.

Source: Author's calculations based on UN COMTRADE import data for Colombia.

Table 4: Major product groups exported from CARICOM to Colombia, 1991–2011 (USD ‘000)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 91-94	Av 95-05	Av 06-11	CAGR 91-94	CAGR 94-05	CAGR 05-11	
27 Mineral fuels, mineral oils an	91,149	30,962	35,481	34,634	31,754	8,926	480	209	828	48	9,183	5,674	115	177	136,348	29,960	247,099	205,653	98,509	270,412	430,079	48,056.7	17,612.7	213,618.5	-27.6%	13.3%	21.1%	
28 Inorganic chemicals; organic o	2,002	2,515	859	723	5,249	10,272	13,794	10,385	8,675	14,434	13,038	4,984	6,657	19,829	23,677	24,198	17,711	44,372	23,034	31,745	51,495	1,524.8	11,908.7	32,092.5	-28.8%	37.3%	13.8%	
31 Fertilisers	118	4,318	1,635	4,142	8,757	12,830	8,062	4,325	3,839	5,459	1,245	2,759	4,750	2,828	20,641	18,580	33,928	23,760	15,059	39,737	36,693	2,553.0	6,863.2	27,959.7	227.5%	15.7%	10.1%	
72 Iron and steel	342	6,781	6,421	17,266	16,265	14,674	15,998	8,218	4,364	4,089	8,728	6,477	13,655	14,574	7,650	15,288	9,928	15,379	11,518	12,860	18,686	7,702.5	10,426.7	13,943.4	269.4%	-7.1%	16.0%	
29 Organic chemicals		70	13			16	6			27	2	261	1,118	2,153	99	16	0	843	10,164	25,240	32,513	20.6	334.7	11,462.5	na	na	162.7%	
03 Fish and crustaceans, molluscs	1		3	278	19										13		118	746	3,544	13,272	11,590	9,437	70.2	2.9	6,451.2	690.6%	-100.0%	
22 Beverages, spirits and vinegar		17		1,469	1,731	2,880	2,447	1,819	2,309	1,329	991	3,090	5,649	249	2,007	3,320	4,201	2,735	4,792	4,006	4,955	371.5	2,227.5	4,001.6	na	2.9%	16.3%	
25 Salt; sulphur; earths and ston	165		923	1,156	2,300	1,493	1,499	1,637	1,772	2,341	2,475	1,645	1,431	1,699	2,237	2,009	3,165	4,787	644	2,805	4,854	561.1	1,866.3	3,044.0	91.2%	6.2%	13.8%	
89 Ships, boats and floating stru	23			24	4		146											11,696	1,397		2,874	5.7	15.8	2,661.2	-100.0%	na	na	
38 Miscellaneous chemical product		3		4		6		4		1	136	4	15	18	26	45	42	372	5	5,085	9,836	1.7	19.1	2,564.0	na	18.0%	169.2%	
26 Ores, slag and ash	138				109	968	162	229	232	231	482	95	643	1,159	333	864	1,191	848	2,560	2,509	34.4	391.7	1,384.2	na	na	na	13.7%	
73 Articles of iron or steel		150	159		16	153	535	873	179	101	64	1	59	62	258	252	516	184	1,804	198	15	77.2	209.3	494.9	na	na	-37.5%	
39 Plastics and articles thereof		93	2	57		153	65	1	1	11	29	0	4	0	10	3	9	146	30	438	2,193	38.1	25.0	470.1	na	-14.8%	146.7%	
18 Cocoa and cocoa preparations											47	371	297	306	206	206	393	623	451	534	541	0.0	111.6	457.8	na	na	17.4%	
84 Nuclear reactors, boilers, mac		380	113	142	19	363	8	60	64	183	23	209	240	165	177	856	341	538	117	388	258	158.6	137.4	416.4	na	2.0%	6.5%	
19 Preparations of cereals, flour		12				3	17			106	529	460	454	719	668	978	327	52		264	578	3.1	268.8	366.5	na	na	-2.4%	
23 Residues and waste from the fo		21					19				147	26	40	270	27	145	37	669				5.3	48.1	141.9	na	na	-100.0%	
90 Optical, photographic, cinemat		48	60	115	5	51	30	15	73	1	4	24	28	1	16	553	24	8	35	61	11	55.8	22.4	115.4	na	-16.5%	-5.7%	
85 Electrical machinery and equip		78	5	63	61	113		328	1	3	16	135	204	81	75	36	320	39	40	87	70	36.6	92.6	98.6	na	1.7%	-1.2%	
10 Cereals						27	1,872	189			628									426		0.0	307.2	71.0	na	na	na	
47 Pulp of wood or of other fibro						23	33	37	58	23									32		51	252	0.0	15.8	55.9	na	na	na
99 Commodities not specified acco											23	5	79	14	17	57	23	70	73	50	50	0.0	12.4	53.9	na	na	20.4%	
87 Vehicles other than railway or	5	19	67	12	9	1	8	2			35	8			0	59	40	25	6	80	77	25.9	5.7	47.8	35.9%	-29.8%	160.4%	
94 Furniture; bedding, mattresses		1		1	20	4	7		11		0	0	0		269		15	0	0	5	180	0.4	28.4	33.4	na	68.3%	-6.5%	
32 Tanning or dyeing extracts; ta		85				3		25	8	66	6	22	0	30	46			1	147			21.2	18.7	24.7	na	na	-100.0%	
70 Glass and glassware		1	6	9				20			29		0		18	1	0	72	23	0	27	4.0	6.2	20.4	na	6.6%	6.5%	
83 Miscellaneous articles of base						1	3	1			1	0		0	1		0	84	29	7	0	0.0	0.6	19.9	na	na	-40.8%	
33 Essential oils and resinoids;		3	3							158	99	8	4	7	0	0	0	55	18	28	13	1.5	25.1	18.9	na	na	163.4%	
15 Animal or vegetable fats and o		1		1,184	848							428					107					296.4	116.0	17.8	na	-100.0%	na	
09 Coffee, tea, matU and spices		26			4	115	33	70	72	347	285	193			117						99	6.4	112.3	16.6	na	na	-2.7%	
30 Pharmaceutical products		3	33				18	7	25	11	0						31			5	44	9.1	5.5	13.4	na	na	na	
40 Rubber and articles thereof			12	1	2	52		297	31	0	1	18			2	32	18	0	11	0	1	3.1	36.6	10.3	na	9.5%	-16.2%	
34 Soap, organic surface-active a		69		9							0		3				0	0	59	0		19.4	0.3	9.9	na	-100.0%	na	
12 Oil seeds and oleaginous fruit							10												48			0.0	0.9	8.0	na	na	na	
71 Natural or cultured pearls, pr		2									55				23	0	14		24	6		0.4	7.1	7.5	na	na	-100.0%	
88 Aircraft, spacecraft, and part																4	22			9		2	0.0	0.0	6.1	na	na	
Others	3	352	266	1,405	478	966	2,061	1,834	106	112	63	80	62	69	51	41	15	46	8	47	10	506.5	534.7	27.9	657.8%	-26.0%	-24.3%	
Total	93,808	46,148	46,061	62,669	67,562	53,238	47,937	30,693	22,627	29,096	38,126	27,366	34,960	44,569	195,825	97,090	319,938	316,977	182,600	408,290	608,353	62,171.4	53,818.0	322,208.0	-12.6%	10.9%	20.8%	

Note: Product groups shown in green had higher average growth rates than total imports; product groups whose imports decreased are shown in red.

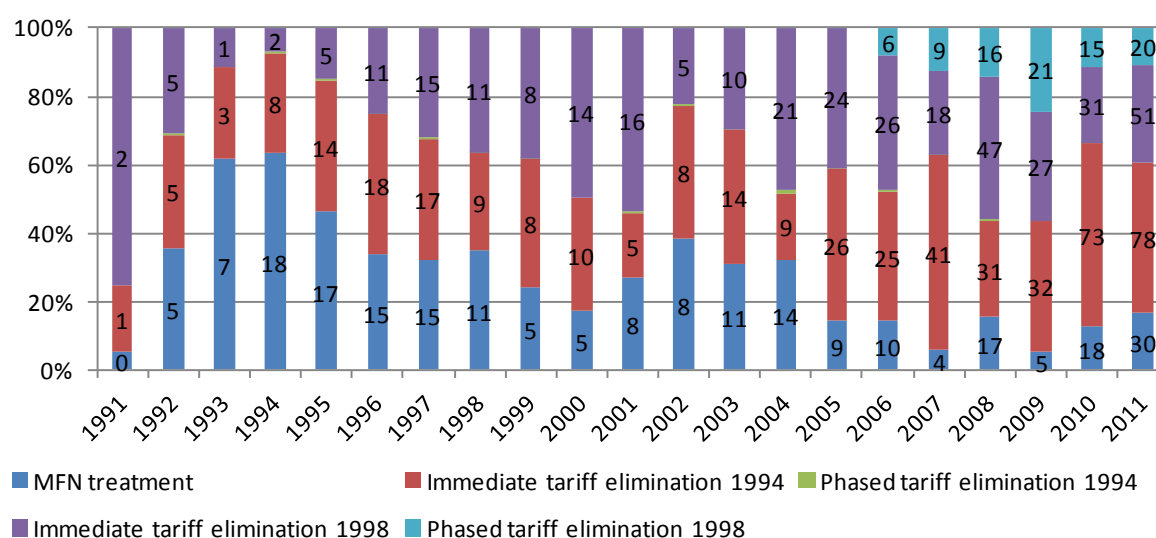
Source: Author's calculations based on UN COMTRADE import data for Colombia.

When further disaggregating the composition exported products by CARICOM member states, it becomes obvious, however, that most of CARICOM's exports (excluding Trinidad and Tobago) to Colombia are ad hoc and do not seem to be driven by any export strategy. Very few product groups are exported consistently over several years in sizeable quantities. Indeed, only Barbados, Guyana, Jamaica and Suriname have exported products with a value of at least USD 10 thousand over at least three consecutive years in recent years (see annex Table A-11). Conversely, some product groups which used to be exported consistently over several years have dried out: examples are machinery and equipment from Antigua and Barbuda (1992–1994), coffee, tea & spices from Grenada (1995–2002), iron and steel from Guyana (1991–1998), inorganic chemicals and iron and steel from Jamaica (1993–2002 and 1993–1998, respectively), fish from Suriname (2006–2008), and articles of iron and steel and electrical machinery from Trinidad and Tobago (1995–2011 and 2000–2009, respectively). Even for most of the other products no clear trend can be determined, and volatility of exports is high. The few exceptions of non-oil products whose exports to Colombia have (more or less) consistently grown are:

- Miscellaneous chemical products, plastics and plastics articles; salt, earths, cement; and beverages from Barbados;
- Ores from Guyana; and
- Inorganic chemicals; fertilisers; iron and steel; organic chemicals; fish; beverages; salt, earths, cement; cocoa and preparations from Trinidad and Tobago.

Finally, tariff liberalisation under the BTA appears to have shifted the composition of products exported from CARICOM – at least some of its members – to Colombia (Figure 15): the share of CARICOM products not covered by the Agreement (and hence subject to the MFN duty upon import into Colombia) decreased from more than 63% in 1994 to 17% in 2000 before temporarily expanding again. Over the most recent five-year period (2007-2011) the average was a low 13%. However, it must be noted that this favourable picture is the exclusively a result of the fact that Guyana's and Trinidad and Tobago's exports are vastly covered by the Agreement – all other CARICOM members primarily export goods to Colombia which are not covered by the agreement and are therefore subjected to MFN import duties (Table A-12).

Figure 15: Non-oil imports by Colombia from CARICOM – Goods covered by the agreement vs. excluded goods, 1991–2011 (USD '000)



Source: Author's calculations based on UN COMTRADE import data for Colombia. See annex Table A-12.

3.4 Summary

Measured by the level of bilateral trade, Colombia is by far the most important of the five BTA partners for CARICOM. Trade increased from an average of USD 100 million prior to the signing of the Agreement to USD 1.8 billion in 2011, with most of the increase having taken place since 2005. At the same time, since the Agreement was signed, CARICOM has had a bilateral trade deficit which increased in line with growing trade, reaching an average of USD 273 million per year over the years 2006–2011.

Non-oil trade with Colombia also increased substantially over the period, and with lower volatility than oil and gas trade. Notably, since 2002 Colombian imports from CARICOM have increased at an average rate of 26% per year (double the growth rate of Colombian exports to CARICOM over the same period), reaching USD 178 million in 2011. This has led to CARICOM registering a trade surplus again in 2010 and 2011, for the first time since 1998. However, exports to Colombia are heavily concentrated on Trinidad and Tobago, with an increasing level of concentration, and Trinidad and Tobago is also the only CARICOM member that has a trade surplus. Almost all other CARICOM members' trade performance in relation to Colombia has deteriorated over time.

Mineral oils, inorganic chemicals, fertilisers and iron and steel have consistently been the four most important product groups imported by Colombia from CARICOM, accounting for 90% of total imports from, and the value of trade of all of those commodities has consistently increased over time. While the same is true for many other product groups, volatility of exports is high.

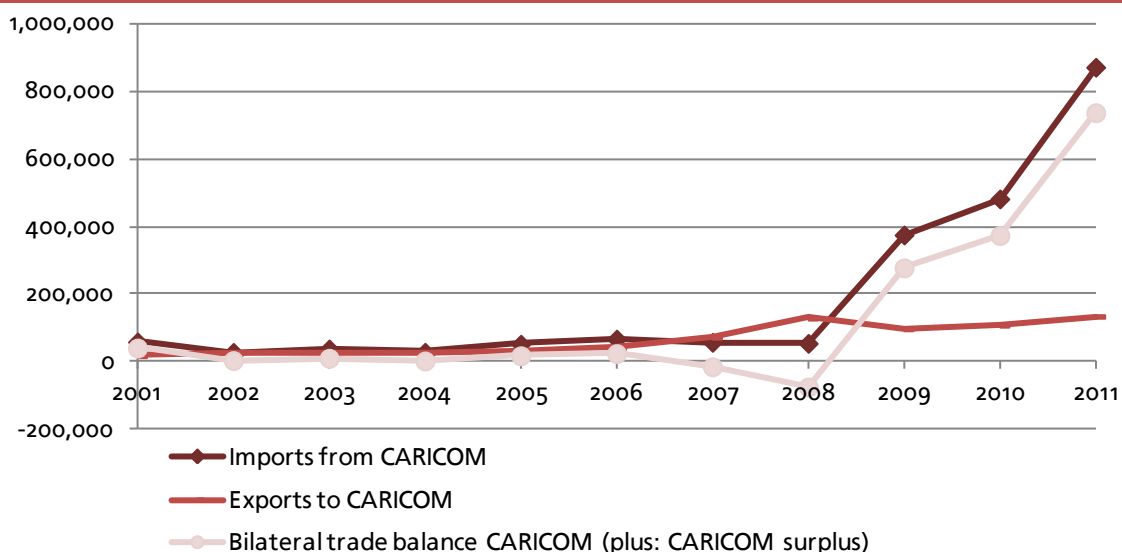
4 ANALYSIS OF CARICOM'S TRADE PERFORMANCE UNDER THE BTA WITH THE DOMINICAN REPUBLIC

As disaggregated trade data for the pre-BTA period are not readily available, the discussion in this section focuses on the period 2001, i.e. just after the BTA was signed, to 2011. However, where it was felt appropriate, considering that the BTA may have needed an adjustment period, the post-BTA period has been split in two periods, the first one being 2001–2006 and the second one 2007–2011.

4.1 Trends in overall trade between CARICOM and the Dominican Republic

Overall trade between the Dominican Republic and CARICOM members showed very little dynamics during the first five years after the BTA was signed (Figure 16). It was not before 2006/07 that exports of the Dominican Republic to CARICOM started to increase substantially, from USD 43 million in 2006 to USD 72 million in 2007 and USD 129 million in 2008, only to stagnate again thereafter. Conversely, Dominican Republic imports from CARICOM stagnated until 2008 but then increased by almost 600% in one year, from USD 55 million in 2008 to USD 376 million in 2009, and further increased to USD 872 million in 2011. This sharp increase in imports from CARICOM also led to an increasingly positive bilateral trade balance for CARICOM. In fact, with the exception of 2007 and 2008 CARICOM members as a group exported more to the Dominican Republic than they imported, leading to an aggregate positive balance over the 11-year period of USD 1.4 billion.

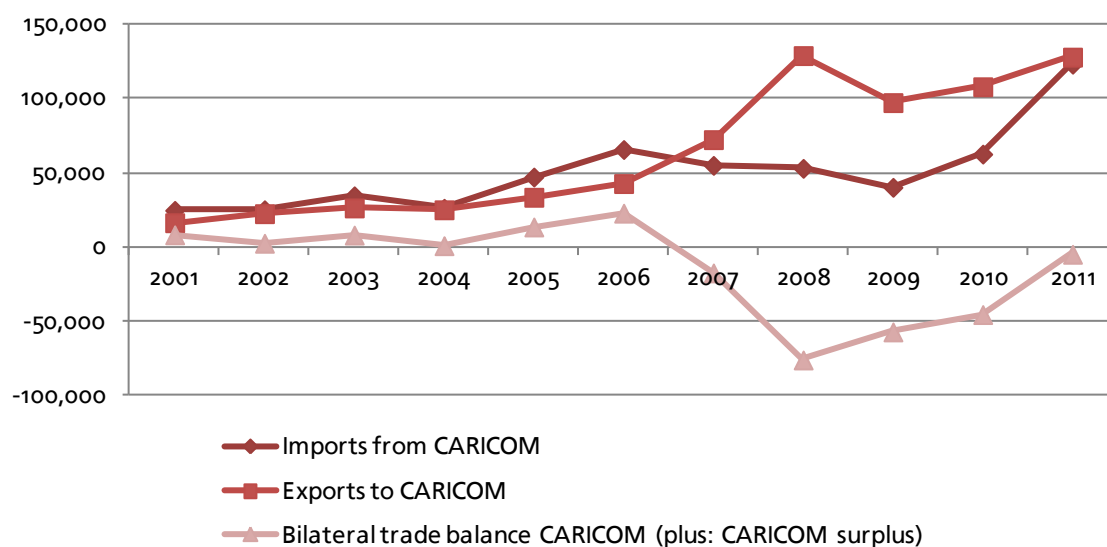
Figure 16: Total trade between the Dominican Republic and CARICOM, 2001–2011 (USD ‘000)



Source: Author's calculations based on UN COMTRADE import data for the Dominican Republic. See annex Table A-13.

However, like with other BTA partners, much of CARICOM's export success in relation to the Dominican Republic is due to oil and gas exports. Nevertheless, even if these are excluded from the analysis, CARICOM's trade with the Dominican Republic has increased substantially since 2001 (Figure 17). Three stages can be distinguished: During 2001–2006, bilateral imports and exports fairly steadily increased in line with each other, at an average annual rate of approx. 21%, thereby resulting in a more or less neutral trade balance (although CARICOM had a small trade surplus in each year). In 2006/07, however, CARICOM exports to the Dominican Republic started to decline (until 2009), while exports of the Dominican Republic to CARICOM sharply increased (until 2008), leading to substantial CARICOM trade deficit, which reached its peak in 2008 at a level of USD 76 million. Thirdly, since 2008 Dominican Republic exports to CARICOM remained more or less at the same level while import from CARICOM started to increase again (since 2009/10), thereby reducing the trade deficit again. Nevertheless, CARICOM registered an aggregate non-oil trade deficit of USD 144 million over the period 2001–2011.

Figure 17: Total non-oil trade between the Dominican Republic and CARICOM, 2000–2011 (USD ‘000)

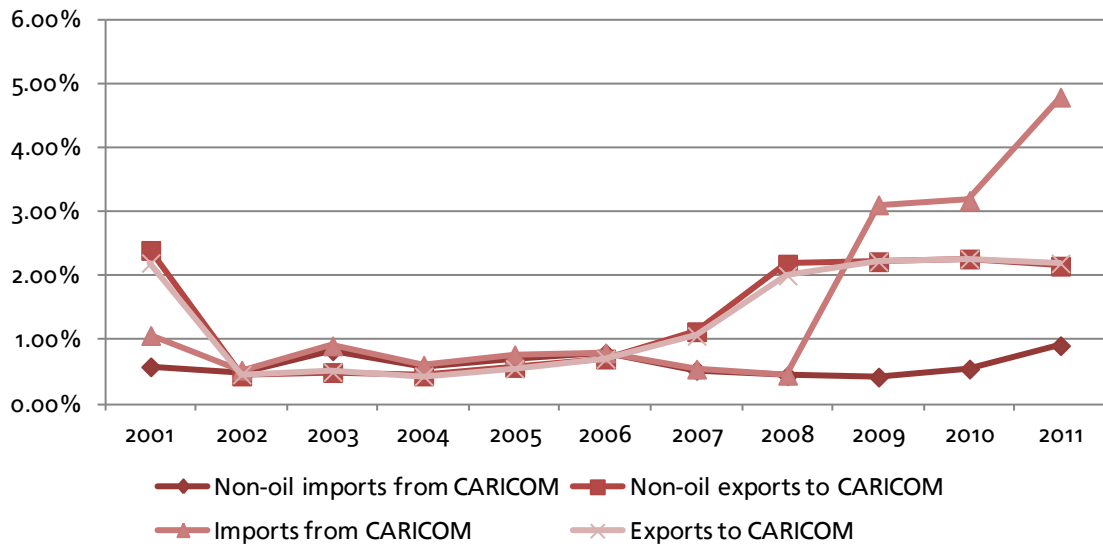


Note: Non-oil trade is defined as total trade less trade in HS27, Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.

Source: Author's calculations based on UN COMTRADE import data for the Dominican Republic. See annex Table A-14.

Among the five BTA partners, the Dominican Republic is the one where the relative importance of bilateral trade with CARICOM is highest when compared with its overall trade (Figure 18). Total imports from CARICOM reached almost 5% of the Dominican Republic's total imports in 2011, although as mentioned above much of this is due to oil and gas imports; non-oil imports from CARICOM never reached 1% of total non-oil imports. What is more, there is no post-BTA trend over time towards CARICOM becoming a more important source of Dominican Republic imports. Conversely, the importance of CARICOM as a market for Dominican Republic's exports has almost quadrupled from about 0.5% (in 2002–2006) to more than 2% (in 2008–2011).

Figure 18: Bilateral imports and exports between the Dominican Republic and CARICOM, as % of the Dominican Republic’s total imports and exports, 2001–2011

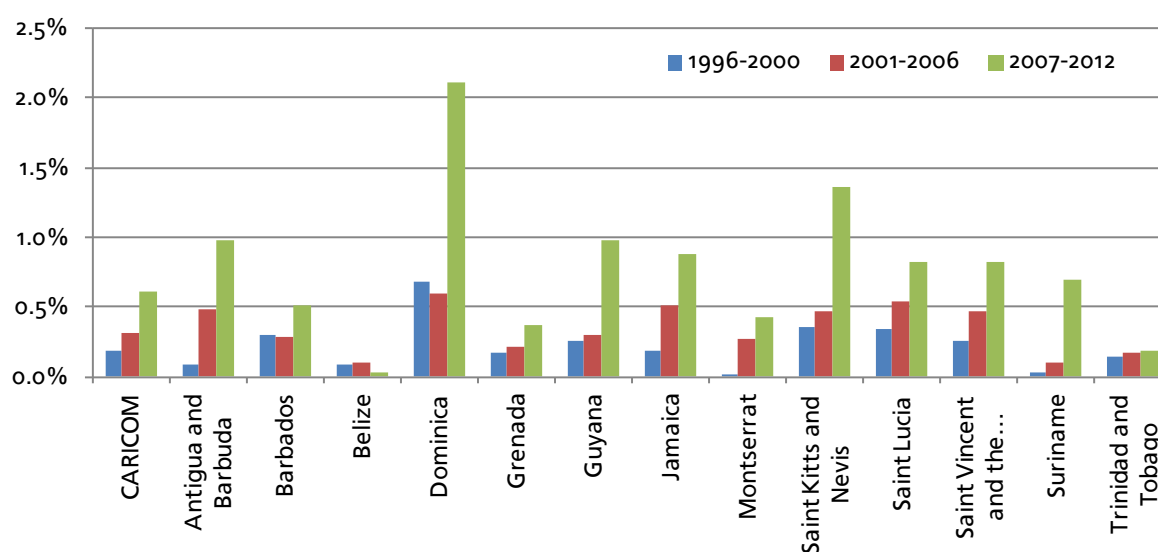


Source: Author’s calculations based on UN COMTRADE import data for the Dominican Republic. See annex Table A-13 and Table A-14.

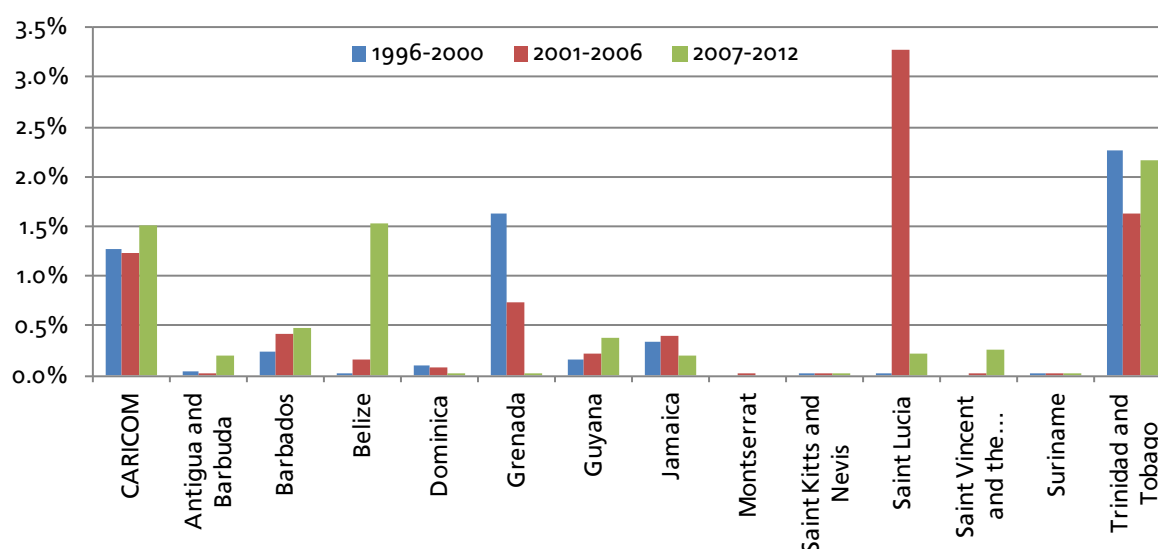
Figure 19 shows the relative importance of the Dominican Republic as a trading partner for CARICOM and its members.

Figure 19: Bilateral imports and exports between the Dominican Republic and CARICOM, as % of CARICOM's and CARICOM Members' total imports and exports, 1996–2000, 2001–2006 and 2007–2012 (or latest available) compared

a) Imports from the Dominican Republic



b) Exports to the Dominican Republic



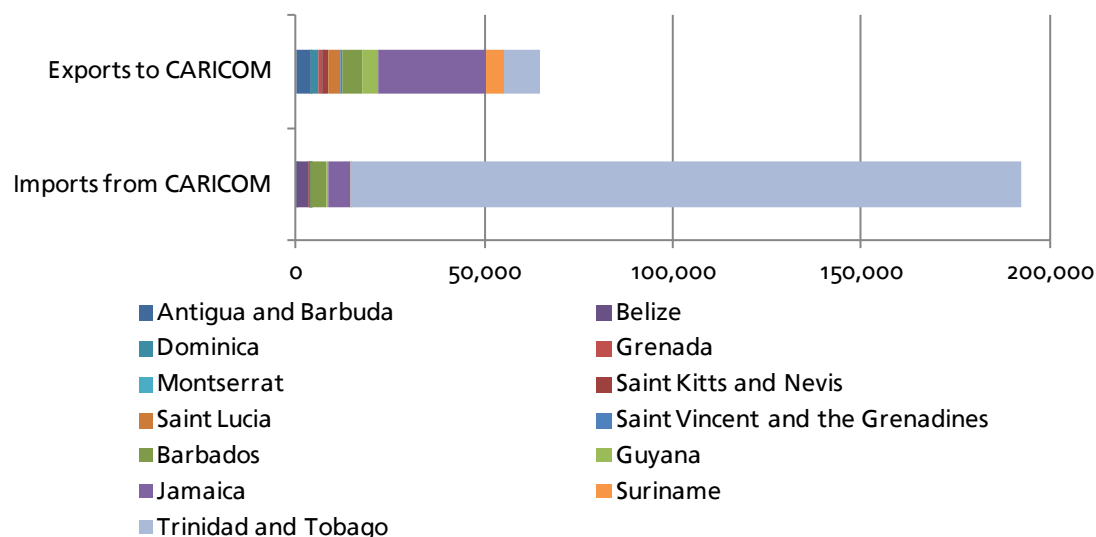
Source: Author's calculations based on UN COMTRADE export data for CARICOM Members.

4.2 Composition of CARICOM–Dominican Republic bilateral trade by CARICOM member

The composition of CARICOM's trade with the Dominican Republic by CARICOM member is quite different between imports and exports. Imports from CARICOM are highly concentrated on few CARICOM members (Figure 20). Virtually all of the Dominican Republic's imports from CARICOM over the period 2001 to 2011 were from Trinidad and Tobago (92.5%); Jamaica (2.9%), Barbados (2.2%) and Belize (1.5%) were the three other CARICOM members that contributed more than 1% of CARICOM exports to the Dominican Republic. Over time, the concentration increased (see Table A-15 in annex), not least as a result of Trinidad and Tobago's large increase in oil exports.

CARICOM importers of goods from the Dominican Republic are much less concentrated. Jamaica is the most important one (44.1%), followed by Trinidad and Tobago (14.8%), Barbados (7.8%), Suriname (7.4%), Guyana (6.7%), and Antigua and Barbuda (5.7%). Taken together, CARICOM’s MDCs accounted for 98.0% of exports to, and 80.8% of imports from, the Dominican Republic.

Figure 20: Composition of overall trade between CARICOM and the Dominican Republic, average values 2001–2011 (USD ‘000)

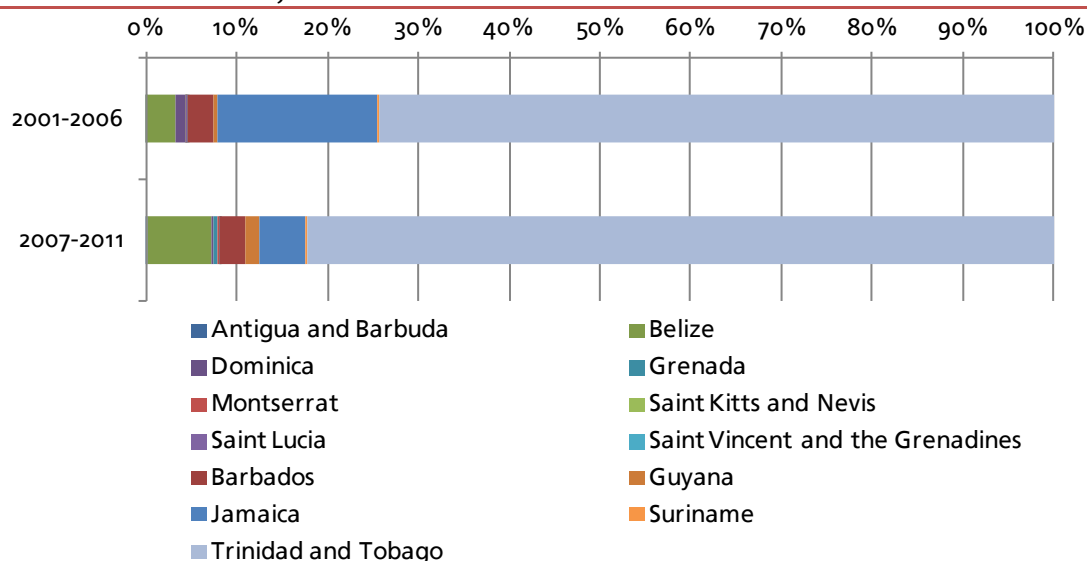


Source: Author’s calculations based on UN COMTRADE import data for the Dominican Republic. See annex Table A-15.

Figure 21 provides a breakdown of the Dominican Republic’s non-oil imports from CARICOM, comparing the two post-BTA periods. The main finding is that concentration increased, primarily as a result of a further increase in Trinidad and Tobago’s share in non-oil CARICOM exports from 74.4% over the period 2001–2006 to 82.2% over the period 2007–2011. In absolute terms, this represented a doubling of average annual export value, from USD 27.8 million to USD 55.1 million. The share in CARICOM exports of a number of other members also increased (which of course means an even stronger increase in absolute value of exports to the Dominican Republic) – by order of magnitude: Montserrat, Grenada, St. Kitts and Nevis, St. Vincent and the Grenadines, Guyana, Belize, Antigua and Barbuda, and Barbados. The remaining four CARICOM members not only lost market share but also decreased exports to the Dominican Republic, most notable Jamaica, whose exports dropped almost by half between the two periods, from an average USD 6.6 million (being the second most important CARICOM exporter to the Dominican Republic) to USD 3.4 million, ranked number three after Trinidad & Tobago and Belize, over 2007–2011.

As a result of both Jamaica’s reduction and Belize’s increase in exports, the MDC share in CARICOM’s overall non-oil exports to the Dominican Republic increased from 95.5% over the first period (2001–2006) to 91.8% over the period 2007–2011. It is also noteworthy that each CARICOM member exported to the Dominican Republic in the period 2007 to 2011, at an average annual value of at least USD 38 thousand.

Figure 21: Composition of non-oil imports by the Dominican Republic from CARICOM, by CARICOM members, 2001–2006 vs. 2007–2011



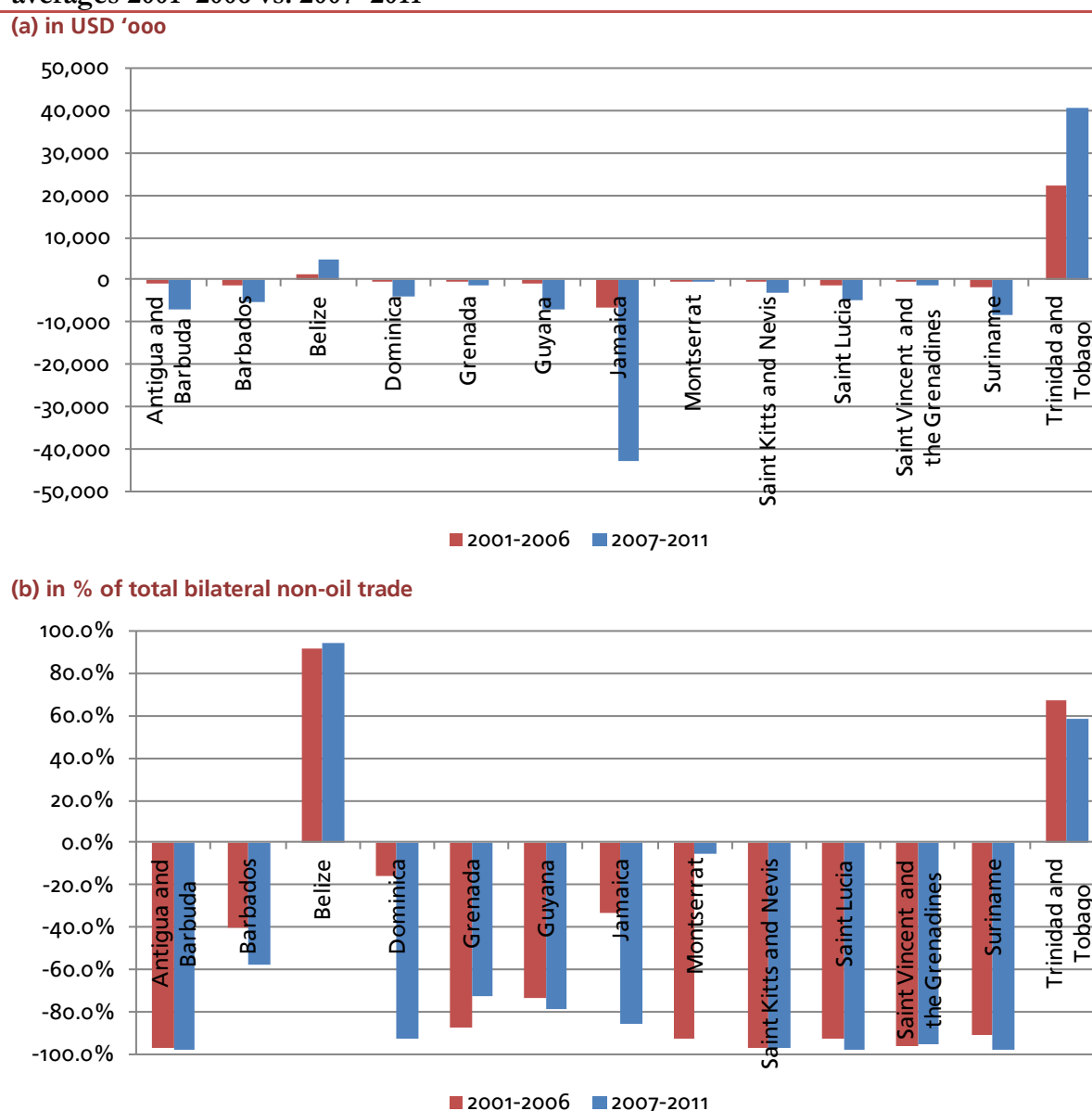
Source: Author's calculations based on UN COMTRADE import data for the Dominican Republic. See annex Table A-16.

In terms of bilateral trade balances, with the exception of Trinidad and Tobago and Belize all CARICOM members have bilateral trade deficits with the Dominican Republic (Figure 22), if oil trade is excluded. In absolute terms, by far the largest deficit is registered by Jamaica, followed by Suriname, Guyana, and Antigua and Barbuda. Also, the average value of the trade surpluses and deficits in the second period has increased in all CARICOM members except Dominica, where it reduced from USD 54 thousand to USD 7 thousand per year. Thus, applying a very narrow approach to measure the benefits and costs of the BTA one could conclude that both the beneficiaries' (Trinidad and Tobago, and Belize) benefits and almost all the losers' costs have increased over time.

It must be considered, however, that total trade between CARICOM and Costa Rica increased substantially over time and therefore absolute values may be misleading. Thus, when setting trade deficits in relation with the level of trade, CARICOM's trade performance appears to have deteriorated over time: CARICOM's trade surplus of 14.5% of total non-oil trade (2001–2006) turned to a trade deficit of 23% (2007–2011). This development is a result of the relative worsening of Trinidad and Tobago (trade surplus reduced from 67% to 59%) as well as Jamaica's weak performance (trade deficit increased from 33% to 86%). The bilateral trade balances of most other CARICOM members⁵ showed few changes over time in relative terms (Figure 22b).

⁵ With the exception of Dominica and Montserrat. However, Montserrat's absolute levels of trade with the Dominican Republic are so low that individual export transactions can have a major impact on overall trade, and levels of the bilateral trade balance are therefore by necessity highly volatile.

Figure 22: Bilateral non-oil trade balances CARICOM members–Dominican Republic, averages 2001–2006 vs. 2007–2011



Source: Author's calculations based on UN COMTRADE import data for the Dominican Republic. See annex Table A-16.

4.3 Composition of CARICOM–Dominican Republic bilateral trade by product groups

By far the most important export commodity of CARICOM in its trade with the Dominican Republic since the FTA was signed are mineral fuels (incl. natural gas), primarily due to their rapid increased in recent years. Thus, as Table 5 shows, while iron and steel imports from CARICOM constituted the most important product group in 2001–2006 (32.7% of Dominican Republic's total imports from CARICOM), followed by oil and gas (18.3%), that ranking was converted in the period 2007–2011, when oil and gas accounted for 81.8% of Dominican Republic's total imports from CARICOM, followed by iron and steel (5.8%). Other important export commodities were fertilisers, electrical machinery and vegetable preparations. The latter were also among the fastest growing exports.

Other products from CARICOM whose exports grew more than on average (shown in green in Table 5) are preparations of cereals and flour, glass and glassware, fruits, inorganic chemicals, and sands and cement.⁶ Conversely, exports of soap, machinery and mechanical appliances, and miscellaneous chemicals declined, while those of iron and steel, paper and paperboard, beverages and, plastics increased only slowly (shown in red in Table 5). However, while there were changes in the commodity composition of CARICOM exports to the Dominican Republic, concentration of (non-oil) exports did not increase.

In line with these observations, the HHI of CARICOM's exports to the Dominican Republic increased from a low 0.1685 in the period 2001–2006 to 0.6762 over the period 2007–2011, indicating a high level of dependency on oil and gas exports. If these are excluded, concentration of CARICOM's (non-oil) exports to the Dominican Republic has been relatively diversified and not changed over time: the corresponding HHI values over the two periods were 0.2022 and 0.1939.

Over the period 2001–2011, total imports by the Dominican Republic from CARICOM increased at an average annual rate of 30.9%. Most of this growth was registered since 2006. Thus, the average annual growth rate 2001–2006 was 2.7%, while it was 66.8% over the period 2006–2011 (Table 6). During that latter period, only nine product groups⁷ had higher average growth rates (shown in green in Table 6) while 41 performed below average, and 24 indeed registered negative growth rates (shown in red in Table 6); thus confirming the increasing concentration of CARICOM's export structure in trade with the Dominican Republic.

⁶ Note that the remaining product groups highlighted in green in the table had relatively low export values and their growth rates are therefore highly volatile.

⁷ Excluding product groups whose average annual value of imports by the Dominican Republic from CARICOM was below USD 5,000 over the period 2007–2011.

Table 5: Major product groups imported by the Dominican Republic from CARICOM, 2001–2006 and 2007–2011 compared

Imports by Dominican Republic from CARICOM, annual averages 2001-2006							Imports by Dominican Republic from CARICOM, annual averages 2007-2011							Growth 2007-11 vs. 2001-06
Rank	HS Code and description	USD'000	share of total exp.	cumulated	share of total non- oil exp.	cumulated	Rank	HS Code and description	USD'000	share of total exp.	cumulated	share of total non- oil exp.	cumulated	
1	72 Iron and steel	14,935	32.7%	32.7%	40.0%	40.0%	1	27 Mineral fuels, mineral o	301,646	81.8%	81.8%			3504%
2	27 Mineral fuels, mineral o	8,369	18.3%	51.0%			2	72 Iron and steel	21,549	5.8%	87.7%	32.2%	32.2%	44%
3	31 Fertilisers	4,679	10.2%	61.2%	12.5%	52.5%	3	31 Fertilisers	17,733	4.8%	92.5%	26.5%	58.7%	279%
4	84 Nuclear reactors, boilers	4,076	8.9%	70.1%	10.9%	63.4%	4	85 Electrical machinery and	5,808	1.6%	94.1%	8.7%	67.4%	432%
5	48 Paper and paperboard; a	3,155	6.9%	77.0%	8.4%	71.9%	5	20 Preparations of vegetab	4,661	1.3%	95.3%	7.0%	74.3%	1656%
6	34 Soap, organic surface-ac	2,221	4.9%	81.9%	5.9%	77.8%	6	48 Paper and paperboard; a	4,176	1.1%	96.5%	6.2%	80.6%	32%
7	22 Beverages, spirits and vi	1,163	2.5%	84.4%	3.1%	80.9%	7	19 Preparations of cereals,	2,291	0.6%	97.1%	3.4%	84.0%	260%
8	85 Electrical machinery and	1,091	2.4%	86.8%	2.9%	83.9%	8	70 Glass and glassware	2,067	0.6%	97.7%	3.1%	87.1%	157%
9	70 Glass and glassware	805	1.8%	88.6%	2.2%	86.0%	9	22 Beverages, spirits and vi	1,760	0.5%	98.1%	2.6%	89.7%	51%
10	39 Plastics and articles ther	771	1.7%	90.3%	2.1%	88.1%	10	34 Soap, organic surface-ac	1,328	0.4%	98.5%	2.0%	91.7%	-40%
11	30 Pharmaceutical product	717	1.6%	91.8%	1.9%	90.0%	11	39 Plastics and articles ther	839	0.2%	98.7%	1.3%	92.9%	9%
12	19 Preparations of cereals,	636	1.4%	93.2%	1.7%	91.7%	12	08 Edible fruit and nuts; pe	791	0.2%	98.9%	1.2%	94.1%	398610%
13	38 Miscellaneous chemical	574	1.3%	94.5%	1.5%	93.2%	13	28 Inorganic chemicals; org	620	0.2%	99.1%	0.9%	95.1%	225%
14	56 Wadding, felt and nonw	572	1.3%	95.7%	1.5%	94.8%	14	25 Salt; sulphur; earths and	574	0.2%	99.3%	0.9%	95.9%	739%
15	20 Preparations of vegetab	265	0.6%	96.3%	0.7%	95.5%	15	84 Nuclear reactors, boilers	438	0.1%	99.4%	0.7%	96.6%	-89%
16	28 Inorganic chemicals; org	191	0.4%	96.7%	0.5%	96.0%	16	38 Miscellaneous chemical	306	0.1%	99.5%	0.5%	97.0%	-47%
17	17 Sugars and sugar confec	134	0.3%	97.0%	0.4%	96.4%	17	23 Residues and waste from	201	0.1%	99.5%	0.3%	97.3%	242%
18	33 Essential oils and resino	98	0.2%	97.2%	0.3%	96.6%	18	69 Ceramic products	160	0.0%	99.6%	0.2%	97.6%	5598%
19	10 Cereals	95	0.2%	97.4%	0.3%	96.9%	19	21 Miscellaneous edible pr	152	0.0%	99.6%	0.2%	97.8%	164%
20	90 Optical, photographic, c	84	0.2%	97.6%	0.2%	97.1%	20	87 Vehicles other than rail	143	0.0%	99.6%	0.2%	98.0%	185%
21	40 Rubber and articles ther	78	0.2%	97.8%	0.2%	97.3%	21	73 Articles of iron or steel	137	0.0%	99.7%	0.2%	98.2%	151%
	Others	1,006	2.2%	100.0%	2.7%	100.0%		Others	1,201	0.3%	100.0%	1.8%	100.0%	
Total		45,712.9	100.0%				Total		368,577.7	100.0%				706%
Total excl. 27 (oil)		37,343.9			100.0%		Total excl. 27 (oil)		66,931.9			100.0%		79%

Note: Product groups that improved the rank compared to the previous period appear in green, those that moved down in the ranking appear in red.

Source: Author's calculations based on UN COMTRADE import data for the Dominican Republic.

Table 6: Major product groups imported by the Dominican Republic from CARICOM, 2001–2011 (USD ‘000)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av. 2007-2011	CAGR 2006-2011
27 Mineral fuels, mineral oils an	34,184	3,035	3,706	2,391	5,182	1,715	2,839	1,783	335,353	419,621	748,634	301,646	237.3%
72 Iron and steel	2,381	5,394	10,744	4,490	24,284	42,315	15,238	9,356	11,544	23,223	48,385	21,549	2.7%
31 Fertilisers	2,542	1,312	6,765	6,816	9,096	1,539	14,984	19,396	10,285	15,795	28,205	17,733	78.9%
85 Electrical machinery and equip	160	360	549	1,058	1,576	2,845	3,232	5,438	3,846	5,288	11,234	5,808	31.6%
20 Preparations of vegetables, fr	11	59	1	20	9	1,492	5,291	2,984	2,802	2,301	9,927	4,661	46.1%
48 Paper and paperboard; articles	4,001	2,495	3,685	3,193	2,149	3,404	4,769	3,870	3,136	4,541	4,564	4,176	6.0%
19 Preparations of cereals, flour	32	287	304	398	1,258	1,536	1,819	1,872	2,216	2,110	3,437	2,291	17.5%
70 Glass and glassware	1,196	2,046	411	345	506	326	695	1,099	322	2,354	5,866	2,067	78.2%
22 Beverages, spirits and vinegar	592	1,652	1,135	817	1,170	1,612	1,254	2,462	2,034	1,015	2,034	1,760	4.8%
34 Soap, organic surface-active a	1	52	1,723	3,275	4,070	4,201	3,130	2,050	1,089	85	284	1,328	-41.6%
39 Plastics and articles thereof	403	1,103	664	469	924	1,061	724	396	437	1,841	796	839	-5.6%
08 Edible fruit and nuts; peel of					1				442	530	2,982	791	na
28 Inorganic chemicals; organic o	237	85	221	168	72	361	286	293	588	551	1,381	620	30.8%
25 Salt; sulphur; earths and ston	281		0	20	98	11		18	1	900	1,953	574	180.6%
84 Nuclear reactors, boilers, mac	7,594	6,482	4,125	3,167	307	2,779	463	707	249	583	189	438	-41.6%
38 Miscellaneous chemical product	1,319	588	278	239	414	607	587	264	301	227	150	306	-24.4%
23 Residues and waste from the fo		110				242	133			347	524	201	16.7%
69 Ceramic products		8	3	0	5	0	136	170	265	224	3	160	70.4%
21 Miscellaneous edible preparati	61	75	29	29	66	85	161	241	107	137	113	152	5.9%
87 Vehicles other than railway or	95	12	36	39	42	77	474	151	19	16	53	143	-7.1%
73 Articles of iron or steel	54	125	32	52	16	49	9	499	2	62	114	137	18.6%
94 Furniture; bedding, mattresses	16	28	57	46	100	149	115	196	36	42	168	111	2.4%
17 Sugars and sugar confectionery	66	67	187	225	119	141	219	114	1		100	87	-6.7%
63 Other made up textile articles	2	6	13	29	2	4	282	15	13	15	32	71	49.6%
10 Cereals			0	477	90		333	9			0	68	na
44 Wood and articles of wood; woo	9	7	1	0	0	0	81	100	26	30	79	63	566.3%
95 Toys, games and sports requisi	11	10	14	1	6	1	7	289	12	3	4	63	30.2%
09 Coffee, tea, matU and spices			0		9	104	151	79	55	18		61	-100.0%
52 Cotton		1		28	2	214	9	36	7	0	208	52	-0.6%
03 Fish and crustaceans, molluscs	30	353	78	1			4	155	44	10		43	na
35 Albuminoidal substances; modif	98	86	47	7	14	9	10	199		3		42	-100.0%
33 Essential oils and resinoids;	115	272	87	49	47	19	2	138	53	0	16	42	-3.7%
76 Aluminum and articles thereof	1	30	0	24	1	0	3	1	16	36	141	39	360.3%
04 Dairy produce; birds' eggs; na		36	38	2	0	47				168	3	34	-41.6%
24 Tobacco and manufactured tobac	11			1			60	1	11		99	34	na
30 Pharmaceutical products	2,968	1,298	12	1	2	22	4	86	26	30	14	32	-8.7%
15 Animal or vegetable fats and o	34	12	4	21	33	58	68	55	19	1	6	30	-37.1%
90 Optical, photographic, cinemat	35	369	7	27	4	62	15	11	51	40	28	29	-14.9%
56 Wadding, felt and nonwovens; s	221	211	2,677	293	8	20	134	0	9			29	-100.0%
47 Pulp of wood or of other fibro			125	147	70	20	34	29	40	21	6	26	-20.7%
83 Miscellaneous articles of base	68	38	1	1	2	1	1	40	45	6	14	21	66.2%
07 Edible vegetables and certain		54			0	20		98	0	2	1	20	-46.0%
29 Organic chemicals	61	2	209	16	11	65	29	44	3	18	2	19	-50.7%
41 Raw hides and skins(other than									91		0	18	na
16 Preparations of meat, of fish	22				67	5	76		10		0	17	-49.7%
55 Man-made staple fibres			7	0	126	27		34	2		42	15	8.8%
40 Rubber and articles thereof	13	44	44	168	151	47	31	3	7	24	10	15	-26.9%
61 Articles of apparel and clothi	55	0	3	6	4	22	5	3	22	16	24	14	1.0%
74 Copper and articles thereof	1						1	0	0		56	11	na
13 Lac; gums, resins and other ve	12	0	0	4	4	17	13	17	11	12		11	-100.0%
49 Printed books, newspapers, pic	3	5	20	5	44	20	8	19	7	6	6	9	-20.7%
97 Works of art, collectors' pic		1	6	0	8	0	7	37	0	0	0	9	6.0%
59 Impregnated, coated, covered o				1	1		38		1	0	2	8	na
96 Miscellaneous manufactured art		1	1	0	1	30	3	4	0	34	1	8	-51.2%
62 Articles of apparel and clothi		1	0	8	0	1	2	1	0	14	17	7	71.7%
32 Tanning or dyeing extracts; ta	3	0	20	29	51	0			8	5	19	6	149.3%
18 Cocoa and cocoa preparations	5		2	6	29	25		6	4	8	8	5	-20.9%
Others	17	71	268	20	212	128	19	47	23	39	24	30	
Total	59,021	28,285	38,343	28,629	52,464	67,536	57,986	54,907	375,691	482,349	871,955	368,578	66.8%

Note: Product groups shown in green had higher average growth rates than total imports; product groups whose imports decreased are shown in red.

Source: Author's calculations based on UN COMTRADE import data for the Dominican Republic.

When further disaggregating the composition of products imported by the Dominican Republic by CARICOM members, a number of success cases appear to exist, i.e. new exports which were

successfully introduced since the BTA was signed, as well as traditional exports that performed consistent and above average. These include (see annex Table A-17):

- Paper and paperboard; plastics and plastic articles; and glass and glassware from Barbados;
- Vegetables preparations; and residues from the food industry from Belize;
- Fruits; and wood and wood articles from Guyana;
- Salt/earth/cement from Jamaica; and
- Fertilisers from Trinidad and Tobago.

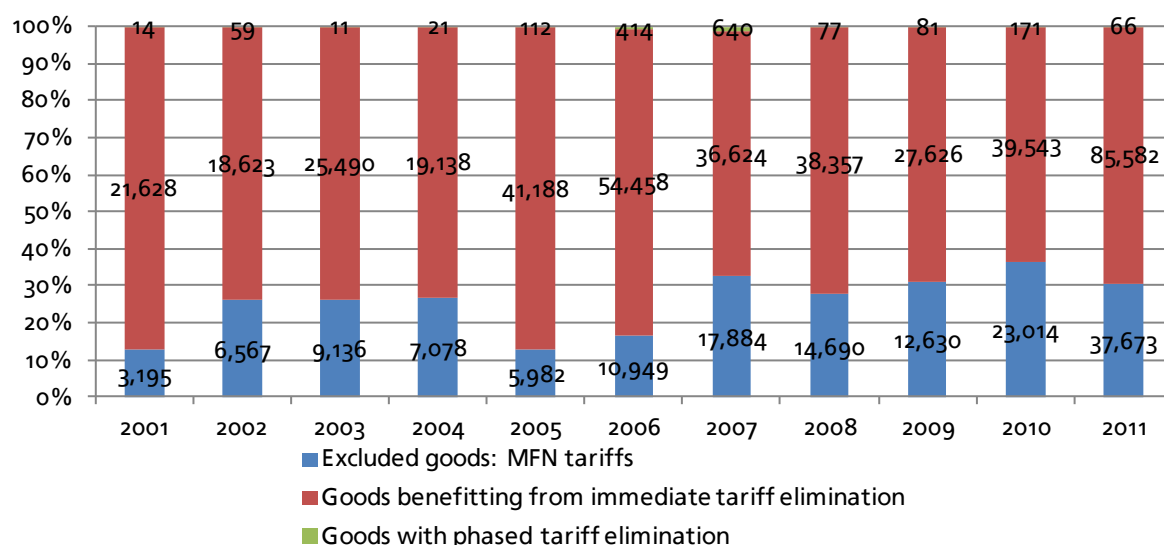
On the other hand, most of the LDCs as well as Suriname hardly export any product groups consistently over several years in sizeable quantities, with exports generally appearing to be opportunistic and extremely volatile (see annex Table A-17). Such volatility also characterises a large number of exports of the MDCs, apart from the main export commodities.

Also, exports of a number of product groups have declined substantially or faded altogether since the BTA was signed. These include:

- Pharmaceutical products; and machinery and equipment from Belize;
- Animal or vegetable fats from Dominica;
- Cereals; and salt/earth/cement from Guyana;
- Machinery and mechanical appliances; soaps and washing agents; modified starch and glues; rubber and rubber articles; essential oils; coffee/tea; vehicles; organic chemicals iron and steel; animal or vegetable fats; wadding and felt; glass and glassware; furniture; glass and glassware; dairy products from Jamaica;
- Fish from Suriname; and
- Wadding and felt; wood pulp; soap and washing agents; articles of iron or steel; and optical equipment from Trinidad and Tobago.

Finally, tariff liberalisation under the BTA appears to not have had any major impact on the composition of products exported from CARICOM (Figure 23). In fact, the share of excluded goods, which are subject to the payment of MFN upon import into the Dominican Republic, increased, rather than decreased over time, from 13% in 2001 to 30% in 2011.

Figure 23: Non-oil imports by the Dominican Republic from CARICOM – Goods covered by the agreement vs. excluded goods, 2001–2011 (USD ‘000)



Source: Author's calculations based on UN COMTRADE import data for the Dominican Republic. See annex Table A-18.

4.4 Summary

Following the first five years after the BTA between CARICOM and the Dominican Republic was signed, bilateral trade between the parties hardly increased. CARICOM exports dramatically increased since 2009 – however this was mostly a result of oil and gas exports from Trinidad and Tobago. Non-oil trade between CARICOM and the Dominican Republic almost steadily increased from USD 41 million in 2001 to USD 251 million in 2011. CARICOM exports to the Dominican Republic increased from 2001 to 2006 but then fell for three consecutive years before picking up again. During the period of export weakness, CARICOM's trade balance with the Dominican Republic switched from the traditional surplus to deficit, reaching an all-time high of USD 76 million in 2008, although this deficit was reduced again since 2008 to less than USD 5 million in 2011.

Similar to the other BTA partners, CARICOM's trade with the Dominican Republic is highly concentrated, although Trinidad and Tobago's share in exports of about 80% is less pronounced. Belize and Jamaica are also notable exporters to the Dominican Republic and Belize in particular could expand its share in recent years. Belize is also the only other CARICOM member apart from Trinidad and Tobago with a non-oil trade surplus in relation to the Dominican Republic. The trade performance, as measured by the bilateral trade balance, of CARICOM members is diverging: while the trade surpluses of Belize and Trinidad and Tobago have increased, the trade deficits of all other CARICOM members except for Montserrat have also increased.

With the exception of the dominance of oil and gas exports, CARICOM's export product portfolio to the Dominican Republic is relatively diversified, although volatility of non-core exports is high, like in trade under the other BTAs, and export in a number of commodities actually declined following the signing of the BTA.

5 ANALYSIS OF CARICOM'S TRADE PERFORMANCE UNDER THE BTA WITH CUBA

The analysis of CARICOM trade with Cuba is affected by the limited availability of trade data. Data on Cuban imports are only available for the period 1999 to 2006, thereby inhibiting any analysis of recent developments in bilateral trade. The data do allow, however, to compare trade performance before (1999–2000) and after (2001–2006) the signing of the BTA.

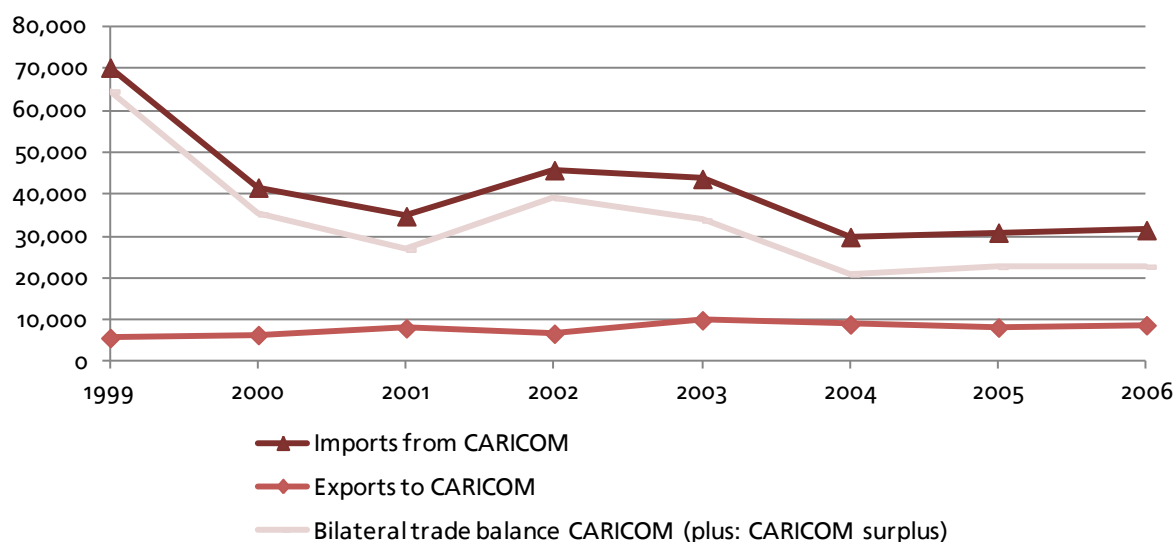
5.1 Trends in overall trade between CARICOM and Cuba

Over time, CARICOM trade with Cuba showed little dynamism (Figure 24). It contracted almost by half in the three years preceding the signature of the BTA, from USD 76 million in 1999 to USD 43 million in 2001, then slightly recovered before falling again at staying at a low level of around USD 40 million per year. Most of the fluctuations over time are the result of changes in the level of CARICOM exports to Cuba: while Cuban exports to CARICOM remained almost flat throughout the whole period, with export values between USD 6 million and USD 10 million, imports from CARICOM dropped from USD 70 million (1999) to USD 35 million (2001), then, after a slightly temporary increase, stabilising at approx. USD 30 million in 2004–

2006. Thus, average annual Cuban imports from CARICOM in the post-BTA period, at USD 36 million, were 26% lower than in the pre-BTA period (USD 56 million).

On the other hand, Cuba is the only of the five BTA partners with which CARICOM has had a constant trade surplus, although this has decreased from USD 65 million in 1999 to USD 23 million in 2006.

Figure 24: Total trade between Cuba and CARICOM, 1999–2006 (USD ‘000)

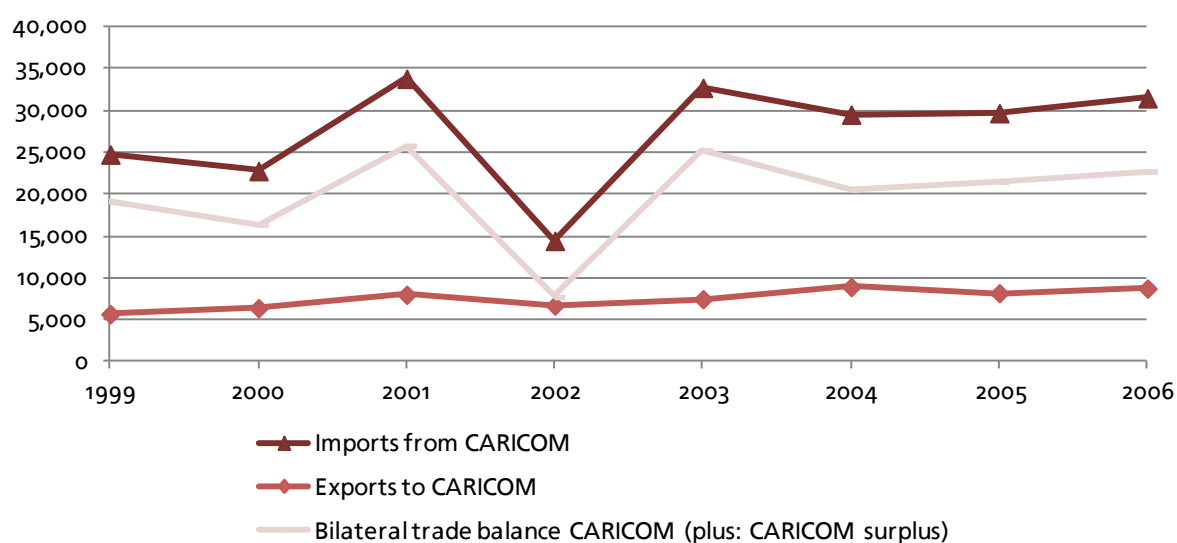


Source: Author's calculations based on UN COMTRADE import data for Cuba. See annex Table A-19.

When comparing bilateral overall trade with a CARICOM's non-oil trade with Cuba, it becomes clear that the share of CARICOM oil and gas exports in total CARICOM exports to Cuba reduced substantially: while these constituted 60% in 1999, in 2004–2006 their share was less than 1%. This also means that much of the above described reduction in CARICOM exports to Cuba over 1999 to 2004 was actually due to reduced oil and gas exports.

Figure 25 thus shows that CARICOM's non-oil exports to Cuba roughly remained at the same level through the whole period 1999–2006, with the exception of a sharp drop in one year, 2002. Thus, average annual exports slightly increased from USD 23.8 million in the pre-BTA period to USD 28.6 million after the Agreement entered into force. CARICOM's average trade surplus in the same periods increased from USD 17.7 million to USD 20.6 million.

Figure 25: Total non-oil trade between Cuba and CARICOM, 1999–2006 (USD ‘000)

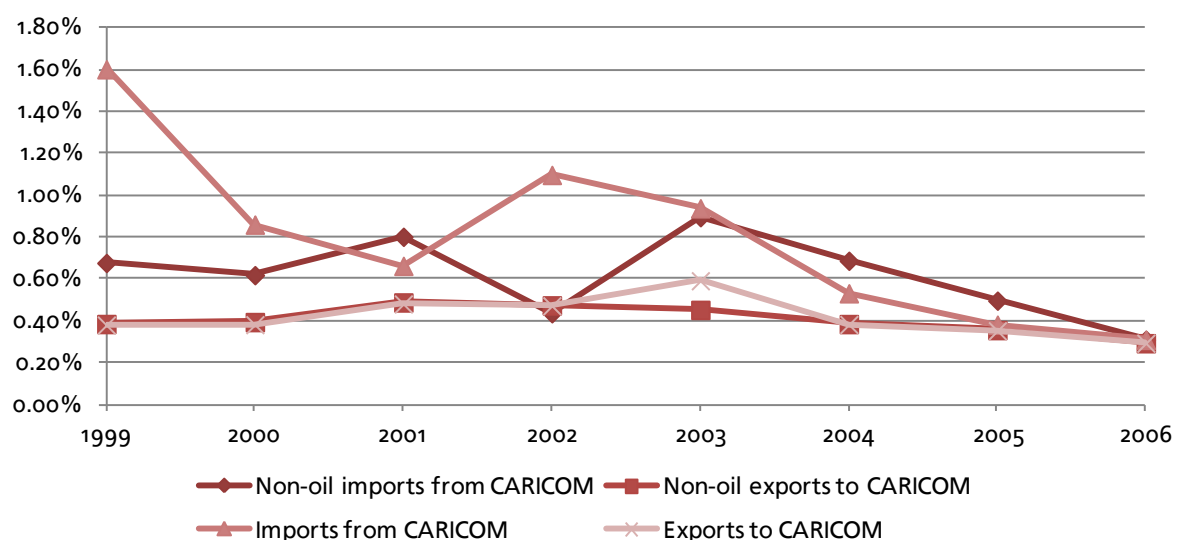


Note: Non-oil trade is defined as total trade less trade in HS27, Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.

Source: Author's calculations based on UN COMTRADE import data for Cuba. See annex Table A-20.

Given the decline respectively stagnation of bilateral trade between Cuba and CARICOM, it is unsurprising that the relative importance of bilateral trade in Cuba's total trade is very limited, with a declining trend (Figure 26). With the exception of total imports from CARICOM (including oil and gas), none of the bilateral trade flows never exceeded 0.9% of Cuba's trade with the world. The share of non-oil imports from CARICOM declined from 0.9% in 2003 to 0.3% in 2006.

Figure 26: Bilateral imports and exports between Cuba and CARICOM, as % of Cuba's total imports and exports, 2000–2011

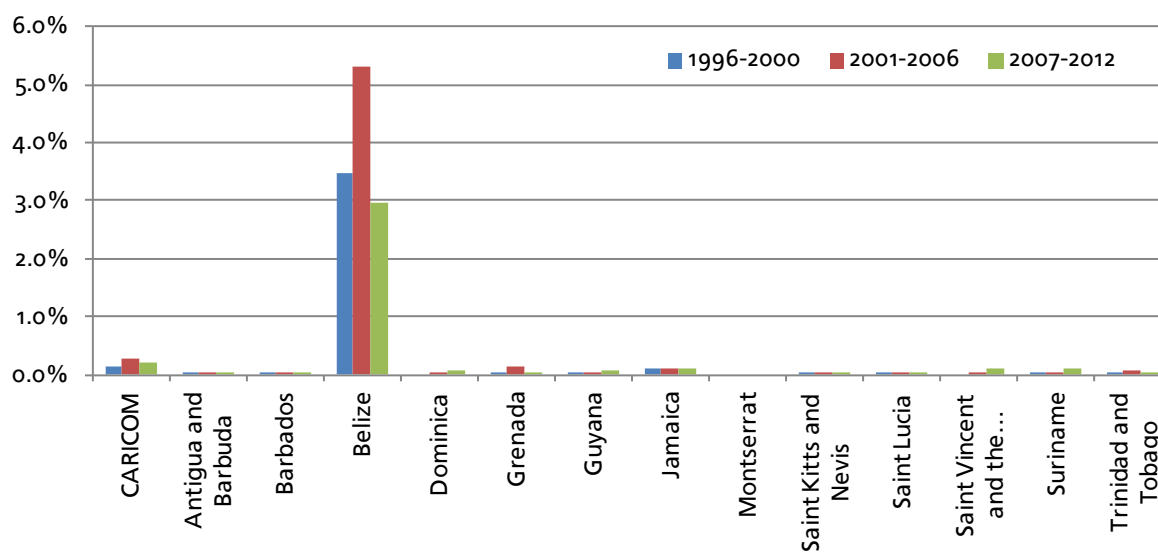


Source: Author's calculations based on UN COMTRADE import data for Cuba. See annex Table A-19 and Table A-20.

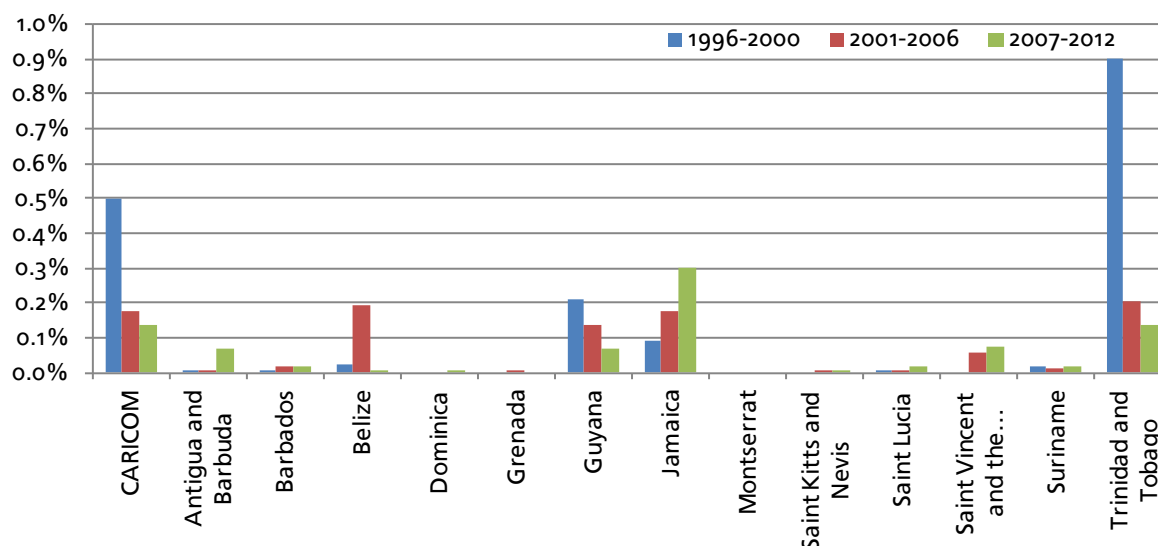
Figure 27 shows the relative importance of Cuba as a trading partner for CARICOM and its members.

Figure 27: Bilateral imports and exports between Cuba and CARICOM, as % of CARICOM's and CARICOM Members' total imports and exports, 1996–2000, 2001–2006 and 2007–2012 (or latest available) compared

a) Imports from Cuba



b) Exports to Cuba

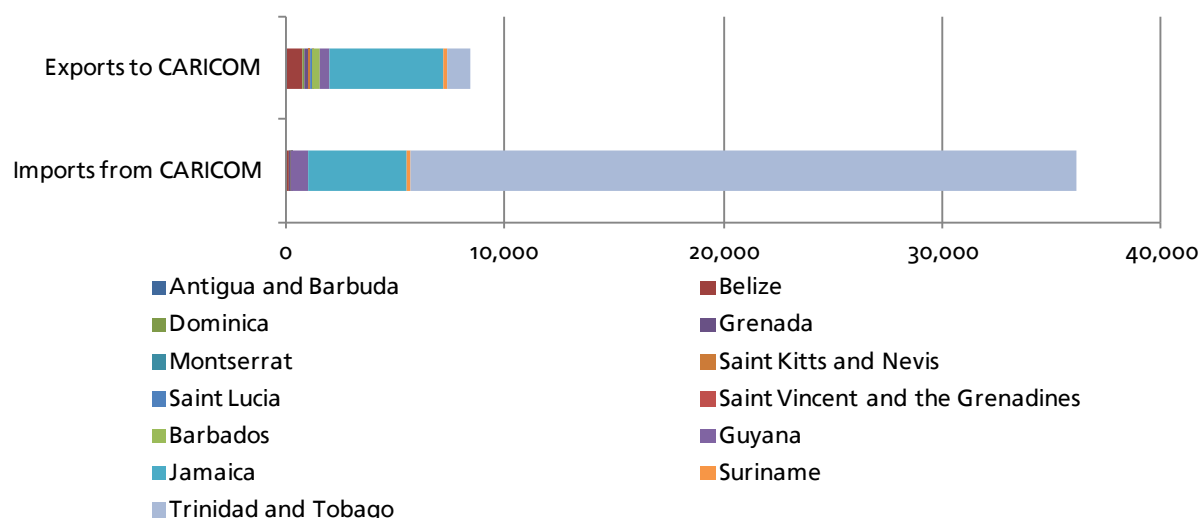


Source: Author's calculations based on UN COMTRADE export data for CARICOM Members.

5.2 Composition of CARICOM–Cuba bilateral trade by CARICOM member

Compared with other BTA partners, the composition of CARICOM's trade with Cuba by CARICOM members is different, especially when Cuba's exports to CARICOM are considered (Figure 28): Jamaica is CARICOM's largest importer of Cuban goods (61.9%), followed by Trinidad and Tobago (12.8%), Belize (7.6%) and Guyana (5.5%). With regard to Cuban imports from CARICOM, as with all other BTA partners, Trinidad and Tobago is the most important supplier country accounting for 84.1% of Cuban imports from CARICOM, followed by Jamaica (12.4%) and Guyana (2.2%). Taken together, CARICOM's MDCs accounted for 99.4% of exports to, and 85.4% of imports from, Cuba.

Figure 28: Composition of overall trade between CARICOM and Cuba, average values 2001–2006 (USD ‘000)

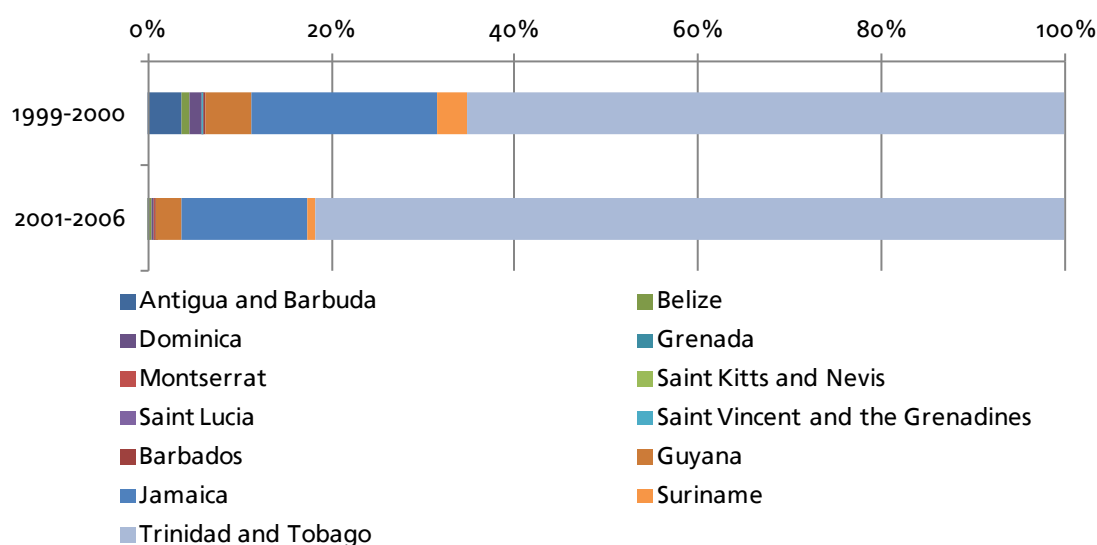


Source: Author’s calculations based on UN COMTRADE import data for Cuba. See annex Table A-21.

Figure 29 provides a further breakdown of Cuba’s non-oil imports from CARICOM, comparing the pre- and post-BTA periods. The main finding, as with other BTA partner, is that Trinidad and Tobago increased its share in non-oil CARICOM exports from 65.1% over the period 1999–2000 to 81.8% over the period 2001–2006. In absolute terms, this represented an increase in export value from USD 15.5 million to USD 23.4 million. The share in CARICOM exports, as well as absolute export values of all other members decreased.

As a result of Trinidad and Tobago’s increase in exports, the MDC share in CARICOM’s overall non-oil exports to Cuba increased from 94.0% over the pre-BTA period to 99.2% over the period 2001–2006.

Figure 29: Composition of non-oil exports from CARICOM to Cuba by CARICOM members, 1999–2000 vs. 2001–2006

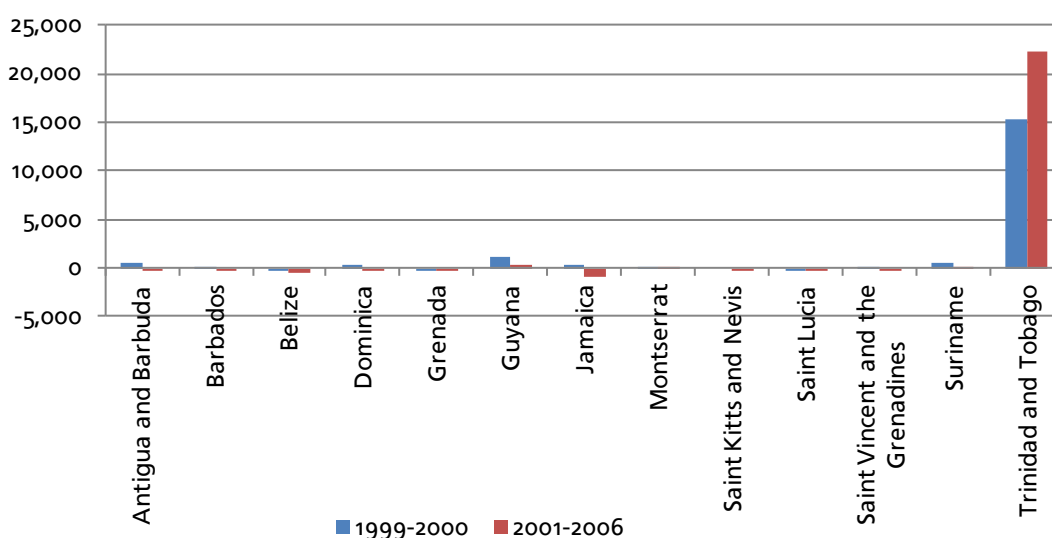


Source: Author’s calculations based on UN COMTRADE import data for Cuba. See annex Table A-22.

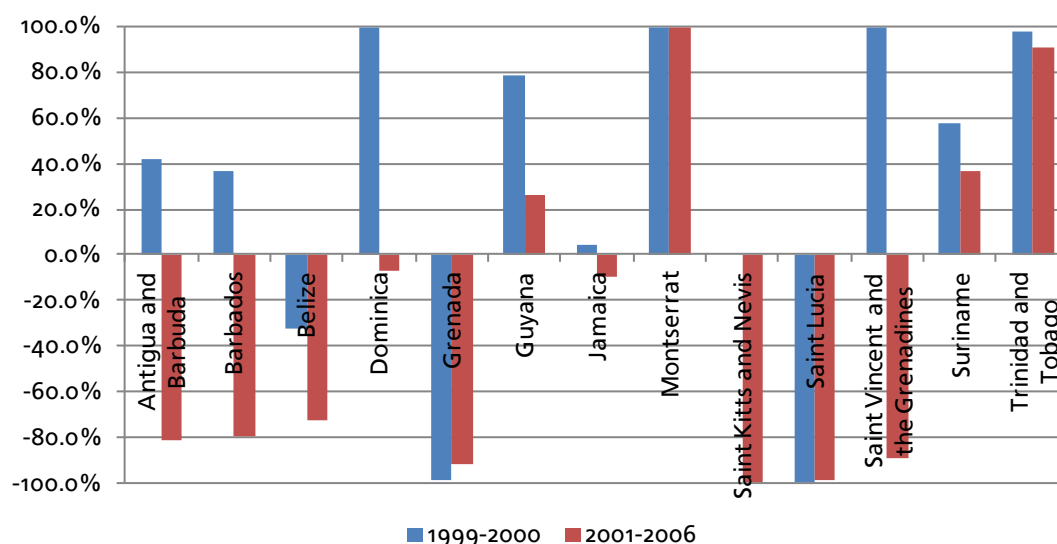
Given the limited level of trade with Cuba, the bilateral non-oil trade balance of no CARICOM member except for Trinidad and Tobago exceeds a value of USD 1.0 million (Figure 30). Thus, Trinidad and Tobago’s total trade surplus with Cuba – an annual average of USD 15.4 million in 1999–2001 and USD 22.3 million in 2002–2006 – is almost identical to CARICOM’s bilateral trade surplus with Cuba. It can also be noted, however, that the trade balances of all other CARICOM members except for Grenada (which could reduce its trade deficit from USD 346 thousand to USD 183 thousand) have deteriorated over the two periods. This is also confirmed when looking at the relative importance of trade deficits in relation with the level of trade (Figure 30b).

Figure 30: Bilateral non-oil trade balances CARICOM members–Cuba, averages 1999–2000 vs. 2001–2006

(a) in USD '000



(b) in % of total bilateral non-oil trade



Source: Author’s calculations based on UN COMTRADE import data for Cuba. See annex Table A-22.

5.3 Composition of CARICOM–Cuba bilateral trade by product groups

Unlike with most other BTAs, oil and gas do not dominate CARICOM's exports to Cuba, especially in the post-BTA period (presumably, primarily a result of replacement of oil and gas imports from Trinidad and Tobago by Venezuela as the main source for Cuban imports) – in fact, they were replaced as the number one commodity by inorganic chemicals (Table 7). Taken together, these two products account for about three quarters of CARICOM exports to Cuba. The third most important export product, accounting about 6% of total Cuban imports from CARICOM, is iron and steel, although the absolute export value of this product group is already quite limited, not exceeding USD 3.6 million in either period. The rank of other commodities in CARICOM exports shifted considerably over time, which can be explained by the low absolute levels of export values, which are thus easily affected by singular export transactions.

Table 7: Major product groups imported by Cuba from CARICOM, 1999–2000 and 2001–2006 compared

Imports by Cuba from CARICOM, annual averages 1999-2000							Imports by Cuba from CARICOM, annual averages 2001-2006							Growth
Rank	HS Code and description	USD '000	share of total exp.	cumul.	share of total non-oil exp.	cumul.	Rank	HS Code and description	USD '000	share of total exp.	cumul.	share of total non-oil exp.	cumul.	Post BTA/ pre BTA
1	27 Mineral fuels, mineral oils and products	32,217.5	57.5%	57.5%			1	28 Inorganic chemicals; organic or inorganic	20,052.5	55.6%	55.6%	70.1%	70.1%	68%
2	28 Inorganic chemicals; organic or inorganic	11,919.2	21.3%	78.8%	50.1%	50.1%	2	27 Mineral fuels, mineral oils and products	7,469.4	20.7%	76.2%			-77%
3	72 Iron and steel	3,548.8	6.3%	85.2%	14.9%	65.0%	3	72 Iron and steel	2,193.7	6.1%	82.3%	7.7%	77.7%	-38%
4	38 Miscellaneous chemical products	2,793.9	5.0%	90.1%	11.7%	76.8%	4	44 Wood and articles of wood; wood charcoal	943.8	2.6%	84.9%	3.3%	81.0%	-45%
5	44 Wood and articles of wood; wood charcoal	1,731.4	3.1%	93.2%	7.3%	84.1%	5	23 Residues and waste from the food industry	849.0	2.4%	87.3%	3.0%	84.0%	na
6	84 Nuclear reactors, boilers, machinery and apparatus	828.9	1.5%	94.7%	3.5%	87.6%	6	84 Nuclear reactors, boilers, machinery and apparatus	643.6	1.8%	89.1%	2.2%	86.2%	-22%
7	85 Electrical machinery and equipment and apparatus	409.0	0.7%	95.4%	1.7%	89.3%	7	38 Miscellaneous chemical products	456.7	1.3%	90.3%	1.6%	87.8%	-84%
8	61 Articles of apparel and clothing accessories	378.8	0.7%	96.1%	1.6%	90.9%	8	25 Salt; sulphur; earths and stone; plastering materials	434.1	1.2%	91.5%	1.5%	89.3%	na
9	03 Fish and crustaceans, molluscs and other aquatic invertebrates	337.8	0.6%	96.7%	1.4%	92.3%	9	85 Electrical machinery and equipment and apparatus	394.8	1.1%	92.6%	1.4%	90.7%	-3%
10	39 Plastics and articles thereof	265.3	0.5%	97.2%	1.1%	93.4%	10	39 Plastics and articles thereof	394.7	1.1%	93.7%	1.4%	92.1%	49%
11	40 Rubber and articles thereof	137.1	0.2%	97.4%	0.6%	94.0%	11	90 Optical, photographic, cinematographic, cinematographic	229.8	0.6%	94.4%	0.8%	92.9%	9621%
12	34 Soap, organic surface-active agents, washing preparations	125.6	0.2%	97.7%	0.5%	94.5%	12	99 Commodities not specified according to other chapters	198.8	0.6%	94.9%	0.7%	93.6%	19686%
13	29 Organic chemicals	108.3	0.2%	97.9%	0.5%	95.0%	13	31 Fertilisers	189.1	0.5%	95.4%	0.7%	94.3%	na
14	62 Articles of apparel and clothing accessories	95.7	0.2%	98.0%	0.4%	95.4%	14	56 Wadding, felt and nonwovens; special yarns	179.5	0.5%	95.9%	0.6%	94.9%	226%
15	48 Paper and paperboard; articles of paper	94.0	0.2%	98.2%	0.4%	95.8%	15	63 Other made up textile articles; sets; worn	168.7	0.5%	96.4%	0.6%	95.5%	159%
16	73 Articles of iron or steel	92.0	0.2%	98.4%	0.4%	96.2%	16	87 Vehicles other than railway or tramway	118.3	0.3%	96.7%	0.4%	95.9%	1152%
17	94 Furniture; bedding, mattresses, mattress covers	91.7	0.2%	98.5%	0.4%	96.5%	17	61 Articles of apparel and clothing accessories	94.4	0.3%	97.0%	0.3%	96.2%	-75%
18	83 Miscellaneous articles of base metal	78.6	0.1%	98.7%	0.3%	96.9%	18	94 Furniture; bedding, mattresses, mattress covers	82.4	0.2%	97.2%	0.3%	96.5%	-10%
19	15 Animal or vegetable fats and oils and their preparations	78.3	0.1%	98.8%	0.3%	97.2%	19	73 Articles of iron or steel	69.8	0.2%	97.4%	0.2%	96.7%	-24%
20	63 Other made up textile articles; sets; worn	65.2	0.1%	98.9%	0.3%	97.5%	20	48 Paper and paperboard; articles of paper	65.9	0.2%	97.6%	0.2%	97.0%	-30%
21	22 Beverages, spirits and vinegar	62.7	0.1%	99.0%	0.3%	97.7%	21	82 Tools, implements, cutlery, spoons and	60.6	0.2%	97.8%	0.2%	97.2%	2762%
	Others	538.8	1.0%	100.0%	2.3%	100.0%		Others	804.9	2.2%	100.0%	2.8%	100.0%	
Total		55,998.7	100.0%				Total		36,094.6	100.0%				-36%
Total excl. 27 (oil)		23,781.1			100.0%		Total excl. 27 (oil)		28,625.2			100.0%		20%

Source: Author's calculations based on UN COMTRADE import data for Cuba.

Since the BTA was signed in 2001 and until 2006, total CARICOM exports to Cuba decreased at an average annual rate of 4.6% (Table 8). Only 18 product groups⁸ positive growth rates (shown in green in Table 8), but for most of these the export value in 2006 was still below, or only marginally above the level in 1999. Notable exceptions are inorganic chemicals; plastics and plastic articles; optical and medical instruments; wadding, felt and ropes, furniture; and articles of iron and steel.

When further disaggregating the composition of products exported by CARICOM member states, it becomes obvious that most of CARICOM's exports to Cuba are ad hoc and do not seem to be driven by any export strategy, with the possible exception of Jamaica and Trinidad and Tobago. Very few product groups are exported consistently over several years in sizeable quantities. Indeed, only Guyana, Jamaica and Trinidad and Tobago have exported products with a value of at least USD 10 thousand over at least three consecutive years in the period 1999–2006 (see annex Table A-23).

Furthermore, some exports have dried out since the BTA with Cuba was signed. Examples are:

- Virtually all exports of Antigua and Barbuda;
- Wood and wood articles from Belize; and
- Made up textile articles; copper and copper articles; paper and paperboard; animal or vegetable fats; essential oils; and books and newspapers from Jamaica.

Even for most of the other products no clear trend can be determined, and volatility of exports is high. The few exceptions of products whose exports to Cuba have (more or less) consistently grown and/or have been exported for the first time since the BTA was signed are:

- Tools of base metal from Belize;
- Plastics and articles thereof; and rubber and rubber articles from Jamaica;
- Salt, earth or cement; cocoa and cocoa preparations; vegetable preparations; and other edible preparations from Trinidad and Tobago.

Finally, it is difficult to assess if tariff liberalisation under the BTA has had an impact on the composition of products exported from CARICOM. Although the share of excluded goods in CARICOM's exports to Cuba that are subject to the payment of MFN upon import into Cuba declined from 1999 to 2000 (Figure 31), this decline took place before the Agreement was actually implemented, and the share remained relatively constant thereafter, oscillating between 9% and 17%.

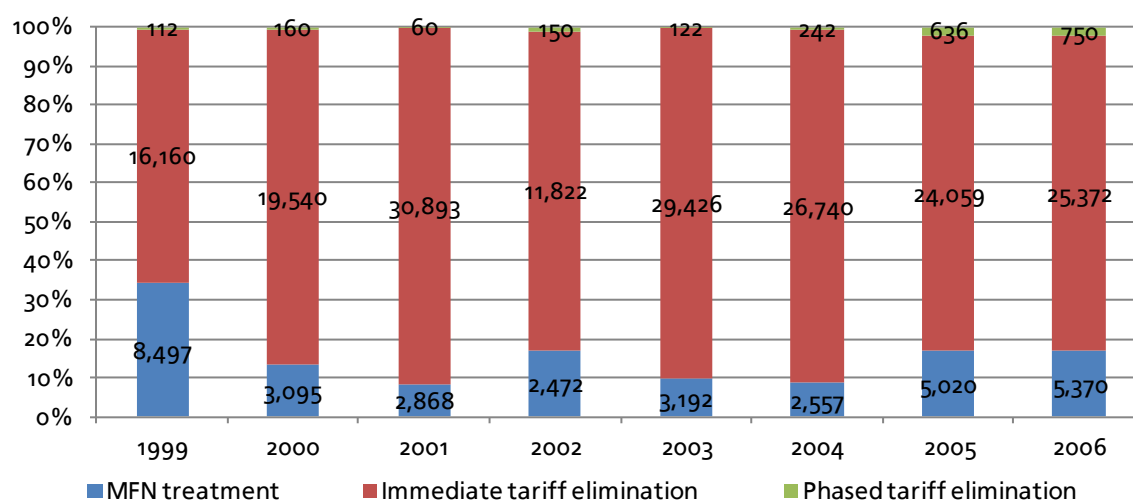
⁸ Excluding product groups whose average annual value of exports from CARICOM to Cuba was below USD 10,000 in both periods.

Table 8: Major product groups imported by Cuba from CARICOM, 1999–2006 (USD ‘000)

Product group	1999	2000	2001	2002	2003	2004	2005	2006	Av 99-00	Av 01-06	CAGR 2000-2006
28 Inorganic chemicals; organic o	9,265	14,574	27,691	8,931	24,468	21,415	20,095	17,716	11,919.2	20,052.5	3.3%
27 Mineral fuels, mineral oils an	45,574	18,861	989	31,382	10,985	296	1,164		32,217.5	7,469.4	-100.0%
72 Iron and steel	4,051	3,046	1,684	0	2,744	2,198	2,731	3,805	3,548.8	2,193.7	3.8%
44 Wood and articles of wood; woo	1,862	1,601	1,356	1,114	468	171	985	1,569	1,731.4	943.8	-0.3%
23 Residues and waste from the fo				1,117	1,084	1,101		1,792	0.0	849.0	na
84 Nuclear reactors, boilers, mac	767	891	516	329	515	637	1,594	270	828.9	643.6	-18.1%
38 Miscellaneous chemical product	5,416	172	82	678	153	571	577	680	2,793.9	456.7	25.7%
25 Salt; sulphur; earths and ston			7	15		603	725	1,255	0.0	434.1	na
85 Electrical machinery and equip	509	309	386	419	590	239	287	449	409.0	394.8	6.4%
39 Plastics and articles thereof	320	210	251	125	317	392	591	693	265.3	394.7	22.0%
90 Optical, photographic, cinemat	3	2	235	47	68	9	68	951	2.4	229.8	185.7%
99 Commodities not specified acco		2	69	100	7	67	696	254	1.0	198.8	124.1%
31 Fertilisers						1,135			0.0	189.1	na
56 Wadding, felt and nonwovens; s	34	76	48	92	122	215	268	331	55.0	179.5	27.8%
63 Other made up textile articles	81	49	53	160	756	1	41		65.2	168.7	-100.0%
87 Vehicles other than railway or	16	3	391		244	17	35	22	9.4	118.3	43.8%
61 Articles of apparel and clothi	533	225	89	55	13		102	309	378.8	94.4	5.4%
94 Furniture; bedding, mattresses	52	132	26	70	94	63	83	158	91.7	82.4	3.1%
73 Articles of iron or steel	16	168	20	30	16	46	47	260	92.0	69.8	7.6%
48 Paper and paperboard; articles	81	107	213	5	126	49	0	2	94.0	65.9	-47.3%
82 Tools, implements, cutlery, sp	2	3		1	4	0	128	230	2.1	60.6	111.2%
74 Copper and articles thereof	82	21	143	103	54	44		0	51.3	57.4	-70.4%
18 Cocoa and cocoa preparations	2	1	28	29	22	1	178	81	1.8	56.6	96.2%
40 Rubber and articles thereof	162	113	11	0	2	7	101	191	137.1	52.1	9.3%
19 Preparations of cereals, flour			82	57	33	32	61	44	0.0	51.4	na
76 Aluminum and articles thereof			56	95	16	66	52	3	0.0	48.1	na
47 Pulp of wood or of other fibro		101	35		7	70	71	99	50.7	47.1	-0.4%
24 Tobacco and manufactured tobac					270				0.0	45.1	na
34 Soap, organic surface-active a	251			141	7	65	46	1	125.6	43.3	na
55 Man-made staple fibres				145	98		0		0.0	40.5	na
08 Edible fruit and nuts; peel of		24	3	237	2				12.2	40.4	-100.0%
70 Glass and glassware	3		169	14	3	13		2	1.3	33.5	na
20 Preparations of vegetables, fr				41		22	58	72	0.0	32.2	na
15 Animal or vegetable fats and o		157	40	106				26	78.3	28.7	-26.0%
33 Essential oils and resinoids;	7			22	77	59	1	0	3.6	26.4	na
52 Cotton		11		27	105		0		5.3	22.0	-100.0%
22 Beverages, spirits and vinegar	51	74	61	2	2	36	13	15	62.7	21.5	-23.7%
89 Ships, boats and floating stru		85		33		89			42.7	20.4	-100.0%
58 Special woven fabrics; tufted				1	84				0.0	14.1	na
83 Miscellaneous articles of base	157	1	7	3	45	26	4		78.6	14.0	-100.0%
32 Tanning or dyeing extracts; ta	44	67	1	5	2		0	69	55.7	12.7	0.4%
62 Articles of apparel and clothi	110	82	2	13	18		1	38	95.7	12.1	-11.8%
17 Sugars and sugar confectionery		2		30	31		0		1.0	10.3	-100.0%
29 Organic chemicals	149	68	23			0	32		108.3	9.3	-100.0%
21 Miscellaneous edible preparati	29	26				0	11	45	27.2	9.3	9.8%
65 Headgear and parts thereof	23	14	12	4	2	4	0	17	18.8	6.5	3.1%
04 Dairy produce; birds' eggs; na	1	25		11			6		12.7	2.8	-100.0%
10 Cereals	64		4	8					32.2	2.1	na
68 Articles of stone, plaster, ce		67	8	0	0		0	0	33.3	1.5	-72.0%
03 Fish and crustaceans, molluscs	552	123		1	8				337.8	1.5	-100.0%
49 Printed books, newspapers, pic	35	23	2	2	2	0		0	28.8	1.0	-70.9%
54 Man-made filaments; strip and	12	36			0				24.4	0.0	-100.0%
02 Meat and edible meat offal		84							42.1	0.0	-100.0%
Others	27	20	17	25	62	74	27	42	23.8	41.2	
Total	70,342	41,655	34,810	45,826	43,725	29,835	30,879	31,492	55,998.7	36,094.6	-4.6%

Source: Author's calculations based on UN COMTRADE import data for Cuba.

Figure 31: Non-oil imports by Cuba from CARICOM – Goods covered by the agreement vs. excluded goods, 1999–2006 (USD ‘000)



Source: Author's calculations based on UN COMTRADE import data for Cuba. See annex Table A-24.

5.4 Summary

Over the period 1999 to 2006, trade between CARICOM and Cuba showed a lack of dynamism: both non-oil exports and imports were flat, and as a result of declining oil and gas exports from Trinidad and Tobago the overall trade value decreased. On the other hand, CARICOM had a consistent trade surplus, which however is entirely attributable to the performance of Trinidad and Tobago. Other CARICOM members have low trade surpluses or deficits, and over time the tendency was that trade balances worsened in all CARICOM members except Grenada. The main export products are oil and gas, inorganic chemicals, and iron and steel. Trade is heavily concentrated among CARICOM members, with the MDCs accounting for almost the totality of exports to Cuba and 85% of imports. Very few commodities registered growth in exports to Cuba over the period 1999–2006.

The main issues for CARICOM in its trade with Cuba are:

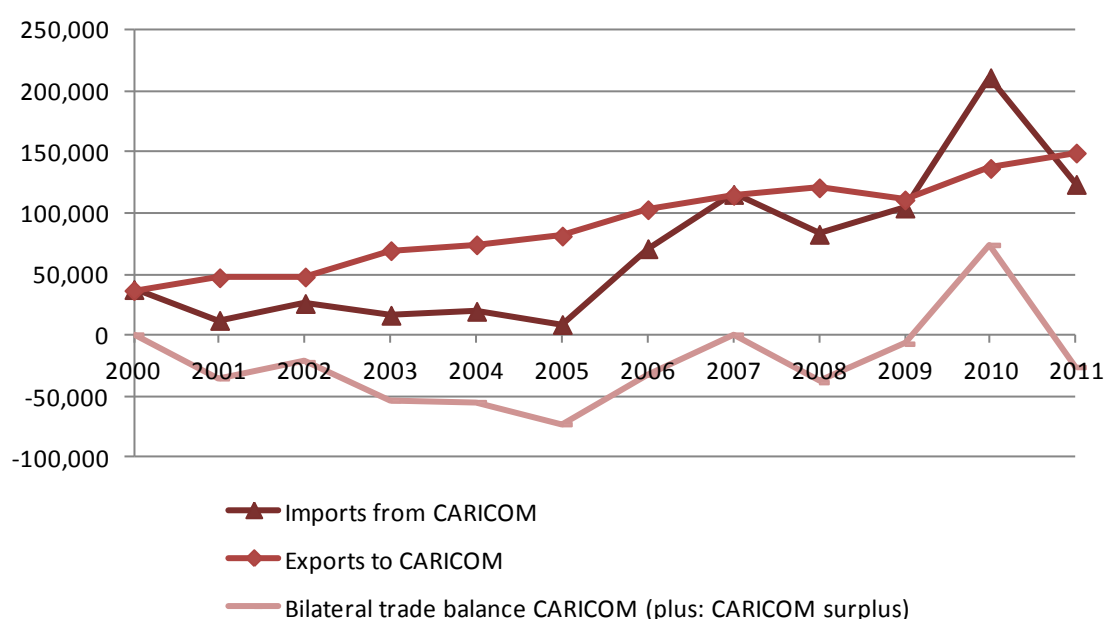
- The lack of dynamism over time: why have both exports to and imports from Cuba stagnated?
- The low absolute level of trade and its very limited, and declining importance when measured against overall trade of the partners;
- The fact that trade performance (measured by the bilateral trade balance) of all CARICOM members, except for Trinidad and Tobago (and, in relative terms, Grenada) has worsened over time;
- The high and increasing concentration of exports on Trinidad and Tobago;
- The weak export performance of most export commodities apart from the few modest successes.

6 ANALYSIS OF CARICOM'S TRADE PERFORMANCE UNDER THE BTA WITH COSTA RICA

6.1 Trends in overall trade between CARICOM and Costa Rica

Overall trade between Costa Rica and CARICOM members almost steadily increased since 2000 (Figure 32). This increase was particularly strong since 2005, i.e. in the period since the BTA was signed: while the average annual growth of overall trade was 4.0% between 2000 and 2005, from 2005 to 2011 it was 20.2%. What is more, CARICOM exports to Costa Rica grew stronger than imports, thereby reducing the bilateral trade deficit from an average of USD 32.7 million over the period 2000–2004 to USD 14.3 million over the period 2005–2011. At the same time, CARICOM exports were rather volatile and in effect dropped by 41.4% in 2011.

Figure 32: Total trade between Costa Rica and CARICOM, 2000–2011 (USD '000)

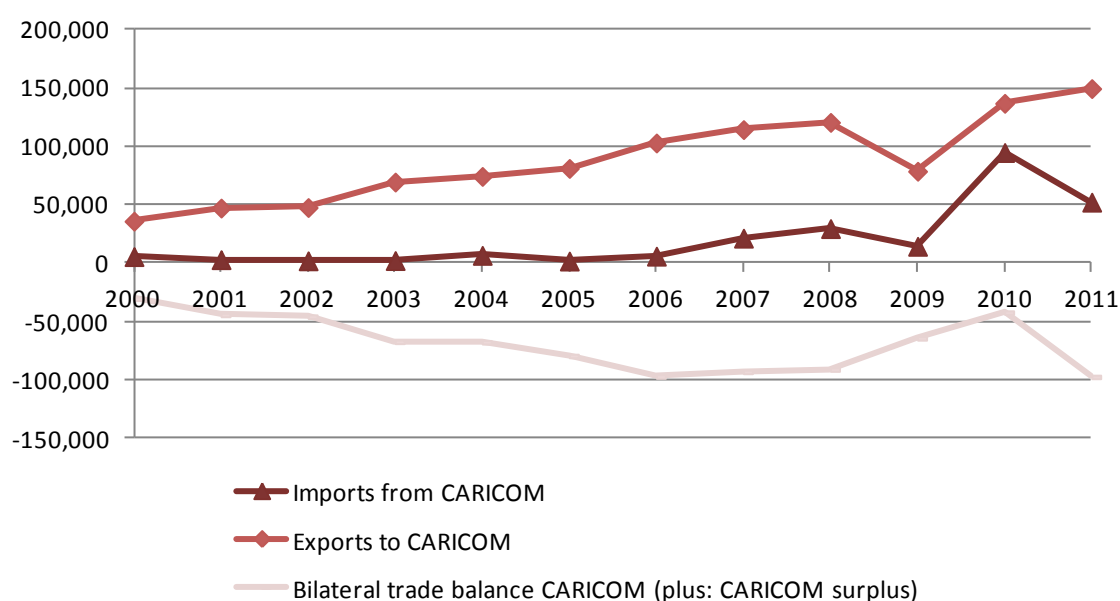


Source: Author's calculations based on UN COMTRADE import data for Costa Rica. See annex Table A-25.

What is more, much of CARICOM's export success in relation to Costa Rica must be attributed to oil and gas exports, which are hardly affected by the BTA. If these are excluded from the analysis, CARICOM's trade performance has been much less impressive (Figure 33). Although overall non-oil trade also almost consistently increased, from USD 41.9 million in 2000 to USD 202.0 million in 2011, there was no significant change in the overall trend of trade following the signing of the BTA: the average growth over the period 2000–2005 was 14.7% and hardly changed in the post BTA period to 15.9%.

CARICOM non-oil exports to Costa Rica were very low until including 2006, never exceeding USD 7 million, and slightly increased in the following years, reaching a peak of USD 94.9 million in 2010 (which requires further explanation; see below), but dropping sharply again in 2011. Despite the sharp increase in CARICOM exports in the post-BTA period in percentage terms – the average annual increase over the period 2005–2011 was 92%, but from a very low base level – the trade deficit worsened from an average of USD 51.0 million (2000–2004) to USD 90.5 million (2005–2011).

Figure 33: Total non-oil trade between Costa Rica and CARICOM, 2000–2011 (USD ‘000)

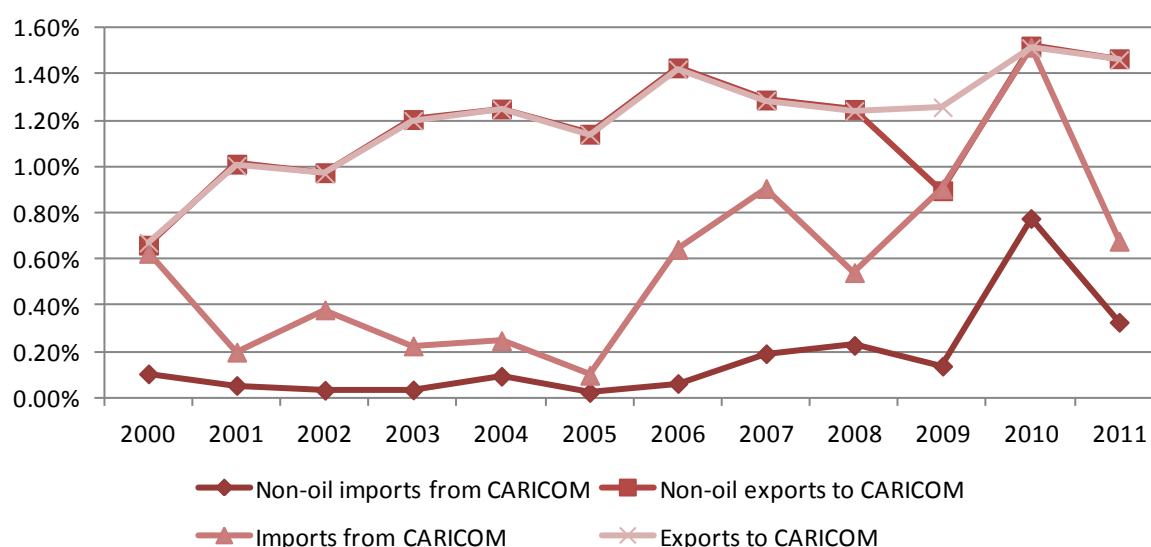


Note: Non-oil trade is defined as total trade less trade in HS27, Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.

Source: Author's calculations based on UN COMTRADE import data for Costa Rica. See annex Table A-26.

For Costa Rica, bilateral trade with CARICOM in relation to its overall trade is minimal (Figure 34): about 1.5% of Costa Rica's exports are directed at CARICOM and less than 0.4% of its non-oil imports (except for the year 2010) are from CARICOM. Although the post-BTA shares are higher than pre-BTA shares, the relative importance of CARICOM as a trading partner for Costa Rica has remained limited.

Figure 34: Bilateral imports and exports between Costa Rica and CARICOM, as % of Costa Rica's total imports and exports, 2000–2011

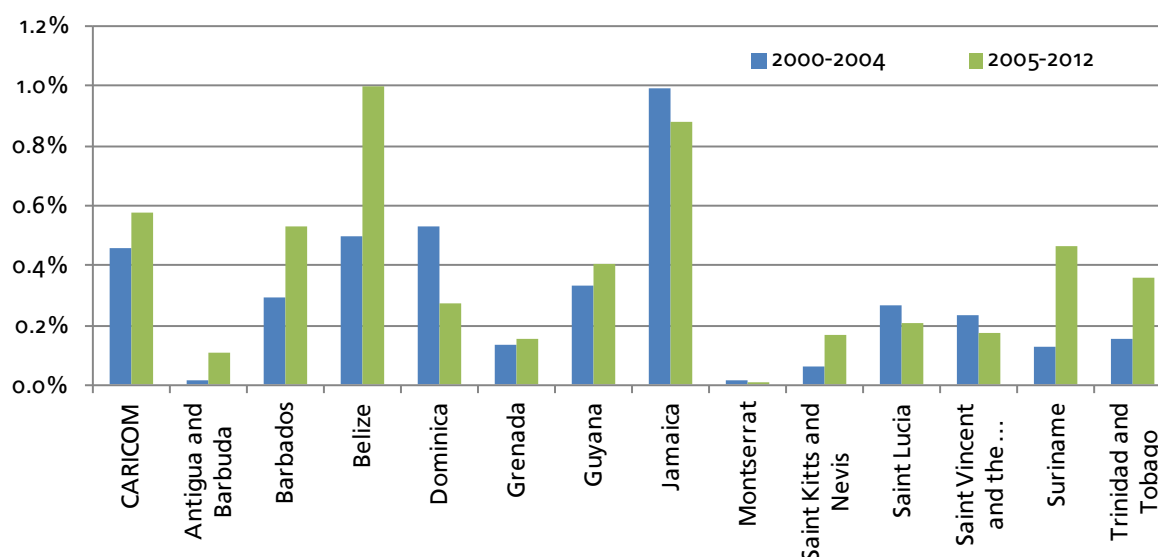


Source: Author's calculations based on UN COMTRADE import data for Costa Rica. See annex Table A-25 and Table A-26.

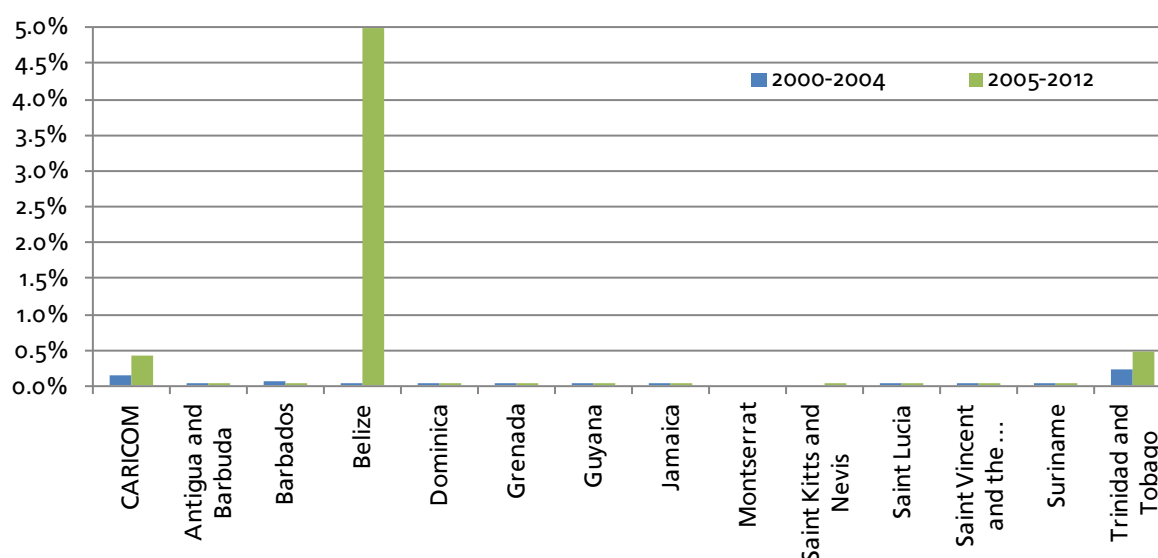
Figure 35 shows the relative importance of Costa Rica as a trading partner for CARICOM and its members.

Figure 35: Bilateral imports and exports between Costa Rica and CARICOM, as % of CARICOM's and CARICOM Members' total imports and exports, 2000–2004 and 2005–2012 (or latest available) compared

a) Imports from Costa Rica



b) Exports to Costa Rica

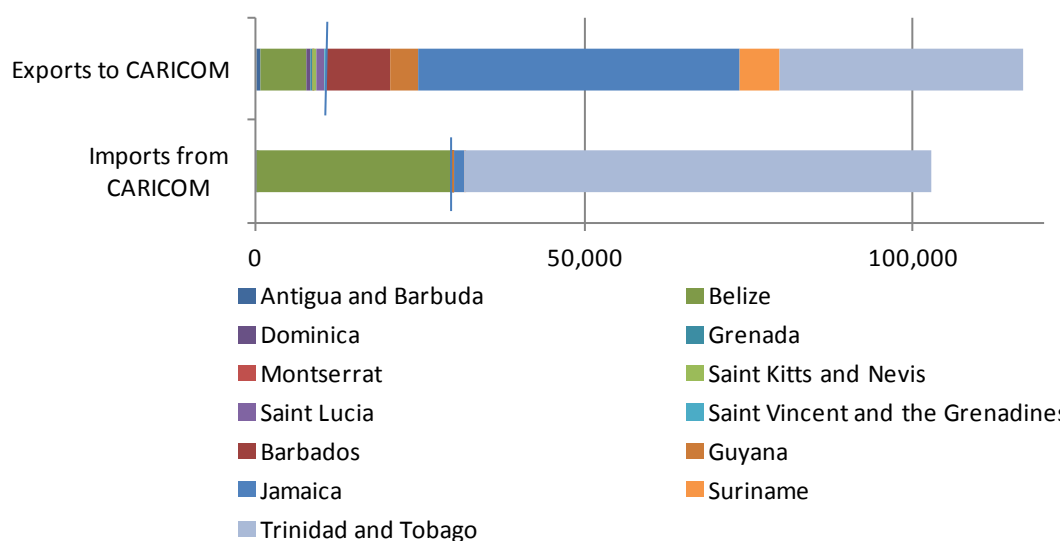


Source: Author's calculations based on UN COMTRADE export data for CARICOM Members.

6.2 Composition of CARICOM–Costa Rica bilateral trade by CARICOM member

CARICOM's trade with Costa Rica is highly concentrated on few CARICOM members (Figure 36). Notably, virtually all of Costa Rica's imports from CARICOM over the period 2005 to 2011 were from Trinidad and Tobago (69.0%) and Belize (28.9%). Among the importers of goods from Costa Rica, Jamaica is the most important one (41.8%), followed by Trinidad and Tobago (31.7%), Barbados (8.3%), Belize (5.9%) and Suriname (5.3%). Taken together, CARICOM's MDCs accounted for 71.0% of exports to, and 90.8% of imports from, Costa Rica.

Figure 36: Composition of overall trade between CARICOM and Costa Rica, average values 2005–2011 (USD ‘000)

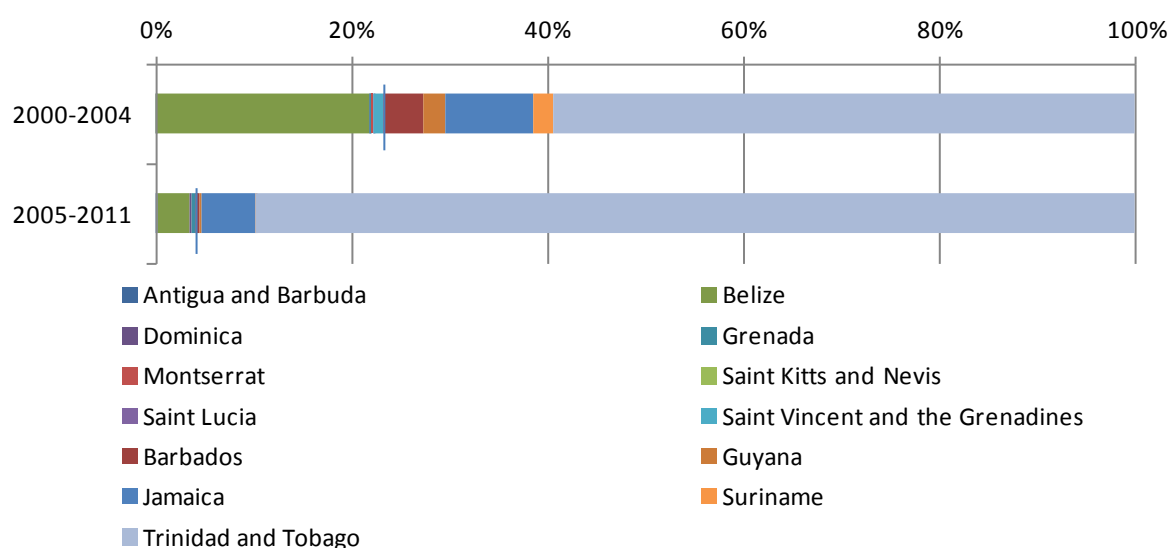


Source: Author’s calculations based on UN COMTRADE import data for Costa Rica. See annex Table A-27.

Figure 37 provides a further breakdown of Costa Rica’s non-oil imports from CARICOM, comparing the pre- and post-BTA periods. The main finding is that Trinidad and Tobago substantially increased its share in non-oil CARICOM exports from 60% over the period 2000–2004 to 89.8% over the period 2005–2011. In absolute terms, this represented an increase in export value from USD 2.4 million to USD 28.4 million. The share in CARICOM exports of all other members reduced, although in absolute terms some could increase their exports to Costa Rica – the next largest exporters are Jamaica, which increased exports from USD 0.4 million (9.2%) to USD 1.7 million (5.5%), and Belize which could slightly increase non-oil exports from USD 0.9 million (21.9%) to USD 1.1 million (3.4%). Other CARICOM members that managed to increase average exports following the signature of the BTA are Antigua and Barbuda, Dominica and Grenada. Exports from Barbados and St. Lucia stagnated, while those from Guyana, Montserrat, St. Vincent and the Grenadines and Suriname declined. St. Kitts and Nevis did not export to Costa Rica.

As a result of Trinidad and Tobago’s increase in exports, the MDC share in CARICOM’s overall non-oil exports to Costa Rica increased from 77.1% over the pre-BTA period (2000–2004) to 96.1% over the period 2005–2011. Compared to total exports, the concentration of non-oil exports on MDCs is even higher.

Figure 37: Composition of non-oil exports from CARICOM to Costa Rica by CARICOM members, 2000–2004 vs. 2005–2011



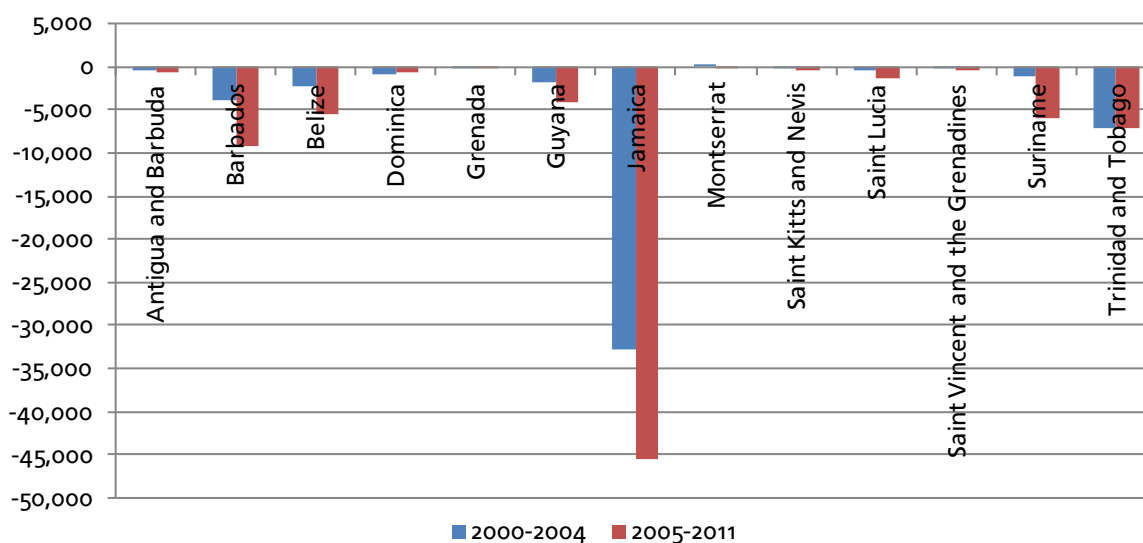
Source: Author's calculations based on UN COMTRADE import data for Costa Rica. See annex Table A-28.

With the only exception of Montserrat over the period 2000–2004, all CARICOM members have bilateral trade deficits with Costa Rica (Figure 38), if oil trade is excluded. In absolute, by far the largest deficit is registered by Jamaica, followed by Barbados, Trinidad and Tobago, and Suriname. Also, the average value of the trade deficit in the post-BTA period has increased in all CARICOM members except Dominica, where it reduced from USD 777 thousand to USD 607 thousand per year, and Trinidad and Tobago, where it very slightly reduced from USD 7.1 million to USD 7.0 million per year.

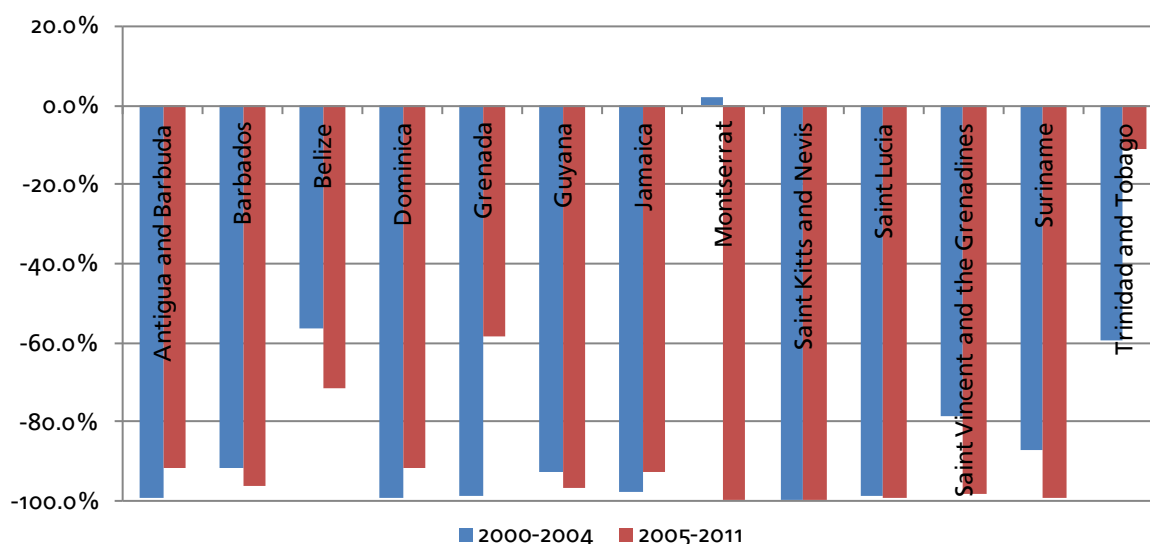
It must be considered, however, that total trade between CARICOM and Costa Rica increased substantially over time and therefore absolute values may be misleading. However, when setting trade deficits in relation with the level of trade, CARICOM's trade performance is still disappointing: although CARICOM's trade deficit reduced from 86% of total trade (2000–2004) to 56% (2005–2011), this reduction is almost entirely due to the improved performance of CARICOM's largest economy, Trinidad and Tobago, which managed to cut back the trade deficit from almost 60% prior to the BTA to 11% in the period 2005–2011 (Figure 38b). Most other CARICOM members had very low exports resulting in trade deficits amounting to close to 100%.

Figure 38: Bilateral non-oil trade balances CARICOM members–Costa Rica, averages 2000–2004 vs. 2005–2011

(a) in USD '000



(b) in % of total bilateral non-oil trade



Source: Author's calculations based on UN COMTRADE import data for Costa Rica. See annex Table A-28.

6.3 Composition of CARICOM–Costa Rica bilateral trade by product groups

By far the most important export commodity of CARICOM in its trade with Costa Rica are mineral fuels (incl. natural gas), although their share has declined since the BTA was signed, from 81.9% in the period 2000–2004 to 67.4% over the period 2005–2011 (Table 9). The second most important export commodity, as well as one of the fastest growing, is iron and steel, whose share in total CARICOM exports to Costa Rica increased from 7.6% in the pre-BTA period to 24.6% after the signing of the BTA, equivalent to an increase of 1,290% in value terms.

Other products from CARICOM whose exports grew more than on average (shown in green in Table 9) are fertilisers, plastics and plastic articles, locomotives and railway tracks, glass and

glassware, steel and iron articles, sands and cement, furniture and related products, and man-made filaments. Conversely, exports of machinery and mechanical appliances, electrical machinery, preparation of food, essential oils, wood and wood articles, beverages, and pharmaceuticals and increased lower than average or even declined (shown in red in Table 9). What is more, the concentration of Costa Rica's non-oil imports from CARICOM has increased substantially since the BTA was signed. While over the period 2000–2004 80% of imports were made up of the top seven import commodities (with the largest one, iron and steel, accounting for 42%), in the post-BTA period the two most important imports (iron and steel, and fertilisers) account for almost 88% of imports from CARICOM. Given the production structure of these two industries, it is evident that the benefits of these exports for CARICOM are heavily concentrated.

In line with this observed concentration, the HHI of CARICOM's non-oil exports to Costa Rica increased from a relatively low 0.2175 in the period 2000–2004 to 0.5855 over the period 2005–2011.

Table 9: Major product groups imported by Costa Rica from CARICOM, 2000–2004 and 2005–2011 compared

CARICOM Exports to Costa Rica, averages 2000-2004						CARICOM Exports to Costa Rica, averages 2005-2011						Growth Post BTA/ pre BTA		
Rank	HS Code and description	USD'000	Share of total exp.	Cumul.	Share of total non-oil exp.	Cumul.	Rank	HS Code and description	USD'000	Share of total exp.	Cumul.		Share of total non-oil exp.	Cumul.
1	27 Mineral fuels, mineral oils etc.	18,548.3	81.9%	81.9%			1	27 Mineral fuels, mineral oils etc.	65,384.6	67.4%	67.4%			253%
2	72 Iron and steel	1,715.9	7.6%	89.5%	42.0%	42.0%	2	72 Iron and steel	23,855.8	24.6%	92.0%	75.4%	75.4%	1290%
3	28 Inorganic chemicals; etc.	680.4	3.0%	92.5%	16.7%	58.7%	3	31 Fertilisers	3,908.1	4.0%	96.0%	12.4%	87.8%	na
4	03 Fish and crustaceans, molluscs etc.	264.6	1.2%	93.7%	6.5%	65.1%	4	03 Fish and crustaceans, molluscs etc.	800.4	0.8%	96.8%	2.5%	90.3%	203%
5	19 Preparations of cereals, flour, starch or milk; etc.	177.0	0.8%	94.5%	4.3%	69.5%	5	39 Plastics and articles thereof	493.9	0.5%	97.3%	1.6%	91.9%	202%
6	84 Machinery and mechanical appliances etc.	171.9	0.8%	95.2%	4.2%	73.7%	6	86 Locomotives; railway track fixtures etc.	384.5	0.4%	97.7%	1.2%	93.1%	25742%
7	39 Plastics and articles thereof	163.6	0.7%	96.0%	4.0%	77.7%	7	84 Machinery and mechanical appliances etc.	356.0	0.4%	98.1%	1.1%	94.2%	107%
8	85 Electrical machinery & equipment; TVs etc.	144.0	0.6%	96.6%	3.5%	81.2%	8	70 Glass and glassware	312.4	0.3%	98.4%	1.0%	95.2%	1254%
9	33 Essential oils; cosmetic or toilet preparations	132.0	0.6%	97.2%	3.2%	84.4%	9	73 Articles of iron or steel	183.8	0.2%	98.6%	0.6%	95.8%	2237%
10	30 Pharmaceutical products	94.8	0.4%	97.6%	2.3%	86.7%	10	25 Salt; sulphur; earths, stone; lime and cement	168.7	0.2%	98.8%	0.5%	96.3%	554897%
11	44 Wood and articles of wood; wood charcoal	72.1	0.3%	97.9%	1.8%	88.5%	11	85 Electrical machinery & equipment; TVs etc.	139.1	0.1%	98.9%	0.4%	96.8%	-3%
12	22 Beverages, spirits and vinegar	64.8	0.3%	98.2%	1.6%	90.1%	12	19 Preparations of cereals, flour, starch or milk; etc.	114.2	0.1%	99.1%	0.4%	97.1%	-35%
13	47 Pulp of wood etc.; recovered paper etc.	59.5	0.3%	98.5%	1.5%	91.6%	13	94 Furniture; bedding; lamps; prefab. buildings; etc.	108.7	0.1%	99.2%	0.3%	97.5%	458%
14	48 Paper and paperboard; articles of paper etc.	27.7	0.1%	98.6%	0.7%	92.2%	14	48 Paper and paperboard; articles of paper etc.	100.4	0.1%	99.3%	0.3%	97.8%	262%
15	89 Ships, boats and floating structures	26.0	0.1%	98.7%	0.6%	92.9%	15	33 Essential oils; cosmetic or toilet preparations	85.1	0.1%	99.4%	0.3%	98.0%	-36%
16	21 Miscellaneous edible preparations	24.4	0.1%	98.8%	0.6%	93.5%	16	44 Wood and articles of wood; wood charcoal	68.1	0.1%	99.4%	0.2%	98.3%	-6%
17	55 Man-made staple fibres	23.2	0.1%	98.9%	0.6%	94.0%	17	99 Commodities not specified according to kind	64.9	0.1%	99.5%	0.2%	98.5%	na
18	70 Glass and glassware	23.1	0.1%	99.0%	0.6%	94.6%	18	22 Beverages, spirits and vinegar	62.2	0.1%	99.6%	0.2%	98.7%	-4%
19	23 Residues and waste from the food industries etc.	22.5	0.1%	99.1%	0.5%	95.1%	19	30 Pharmaceutical products	56.2	0.1%	99.6%	0.2%	98.8%	-41%
20	94 Furniture; bedding; lamps; prefab. buildings; etc.	19.5	0.1%	99.2%	0.5%	95.6%	20	21 Miscellaneous edible preparations	48.2	0.0%	99.7%	0.2%	99.0%	98%
21	40 Rubber and articles thereof	16.0	0.1%	99.3%	0.4%	96.0%	21	54 Man-made filaments etc.	41.9	0.0%	99.7%	0.1%	99.1%	198%
	Others	162.7	0.7%	100.0%	4.0%	100.0%		Others	277.9	0.3%	100.0%	0.9%	100.0%	
	Total	22,633.9	100.0%					Total	97,015.2	100.0%				329%
	Total excl. 27 (oil)	4,085.6	100.0%	100.0%	100.0%			Total excl. 27 (oil)	31,630.6	100.0%	100.0%	100.0%		674%

Source: Author's calculations based on UN COMTRADE import data for Costa Rica.

Since the BTA was signed in 2004 and until 2011, total imports by Costa Rica from CARICOM increased at an average annual rate of 29.8% (Table 10). Only 13 product groups⁹ had higher average growth rates (shown in green in Table 10) while 34 performed below average, and 24 indeed registered negative growth rates (shown in red in Table 10).

Table 10: Major product groups imported by Costa Rica from CARICOM, 2000–2011 (USD '000)

Product group	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	CAGR 2004-2011
27 Mineral fuels, mineral oils an	31,954	9,302	24,145	14,283	13,058	7,086	65,073	94,156	53,253	50,143	116,444	71,537	27.5%
72 Iron and steel	1,783	1,829	107	40	4,820		1,032	18,192	27,392	2,580	84,554	33,240	31.8%
31 Fertilisers							2,971	994		8,833	6,974	7,584	na
03 Fish and crustaceans, molluscs	29	159	328	359	449	320	480	598	920	1,461	578	1,246	15.7%
39 Plastics and articles thereof	130	95	388	82	124	113	78	230	137	70	39	2,790	56.1%
86 Railway or tramway locomotives	5			3		26		20		3	4	2,638	na
84 Nuclear reactors, boilers, mac	171	109	285	211	84	186	278	230	187	645	545	420	25.9%
70 Glass and glassware	11	26	25	1	53	5	60	0	1	42	486	1,592	62.5%
73 Articles of iron or steel	7	15	8	3	6	147	449	54	125	401	50	60	39.1%
25 Salt; sulphur; earths and ston					0	3	0	0	91	0	4	1,083	255.1%
85 Electrical machinery and equip	47	34	45	363	232	60	119	329	113	118	123	113	-9.8%
19 Preparations of cereals, flour	260	175	111	182	157	86	105	129	135	32	124	189	2.7%
94 Furniture; bedding, mattresses	5	8	54	5	25	153	71	4	59	44	41	388	47.8%
48 Paper and paperboard; articles	1	25	63	10	40	80	129	61	157	79	98	99	13.8%
33 Essential oils and resinoids;	3	316	89	144	108	93	102	117	68	16	91	109	0.2%
44 Wood and articles of wood; woo	67		3	272	19	0	0	20	90	0	65	301	48.4%
99 Commodities not specified acco										61	394		na
22 Beverages, spirits and vinegar	40	36	31	44	174	48	82	80	43	27	41	115	-5.7%
30 Pharmaceutical products	121	93	242	13	5	19	40	313	0	1	20	0	-48.7%
21 Miscellaneous edible preparati		2	45	15	59	306	7	2	21	1	0	0	-51.1%
54 Man-made filaments; strip and		9	18	19	26	23		29	20		107	115	23.9%
69 Ceramic products			1	9	2	0	0	19	82	41	15	24	44.2%
23 Residues and waste from the fo				0	112	33		5			0	132	2.3%
40 Rubber and articles thereof		18		59	3	2	16	17	2	1	122	2	-3.5%
87 Vehicles other than railway or	25	1		18	27	5	3	32	21	72	15	3	-26.9%
90 Optical, photographic, cinemat	14		3	4	1	1	24	9	2	5	73	26	53.0%
29 Organic chemicals	16		1		0	77		1			34	27	116.7%
34 Soap, organic surface-active a	2			0	0	23	1	0	0	29	64	0	-6.4%
56 Wadding, felt and nonwovens; s				0	0	0	84	1			0		-100.0%
38 Miscellaneous chemical product			18		34	59	1	6	0	0	2	14	-12.2%
49 Printed books, newspapers, pic		2	2	10	21	26	6	14	3	5	8	2	-29.0%
55 Man-made staple fibres				71	45	22	2		34				-100.0%
91 Clocks and watches and parts t				0	1	2	0	0	0		51	0	-24.0%
95 Toys, games and sports requisit		10	1	6	4	12	3	1	1	0	16	16	24.1%
10 Cereals					0							46	212.2%
63 Other made up textile articles		3	5	4	16	1	1	1	6	11	25	0	-41.3%
32 Tanning or dyeing extracts; ta	33	3	2		6				2	6	32		-100.0%
83 Miscellaneous articles of base	22			0	2	3	0	15	2	7	10	1	-12.3%
28 Inorganic chemicals; organic o	2,835	35	218	303	11	9	5		22		0	0	-37.6%
35 Albuminoid substances; modif					0	21	0	9	0	0	2	0	4.7%
62 Articles of apparel and clothi	4		10	3	9	5	1	2	6	1	13	4	-10.9%
61 Articles of apparel and clothi				1	2	3	14	7	1	1		1	-11.5%
36 Explosives; pyrotechnic produc					0			17					-100.0%
64 Footwear, gaiters and the like				1	0	0	0	3	0	6	8		-100.0%
01 Live animals; animal products						0			14		1	1	na
47 Pulp of wood or of other fibro	73	35		74	116						14		-100.0%
71 Natural or cultured pearls, pr	5	8	8	3	3		0	1	0	0	12		-100.0%
68 Articles of stone, plaster, ce				4	0	1	0	2	9	1	0		-100.0%
52 Cotton				15	19	4		0	3		3	3	-24.3%
Others	94	132	74	59	44	8	5	5	10	21	37	9	
Total	37,755	12,478	26,328	16,693	19,916	9,074	71,242	115,725	83,032	64,766	211,339	123,928	29.8%

Source: Author's calculations based on UN COMTRADE import data for Costa Rica.

When further disaggregating the composition exported products by CARICOM member states (and based on exports reported by CARICOM, rather than on reported imports by Costa Rica), it

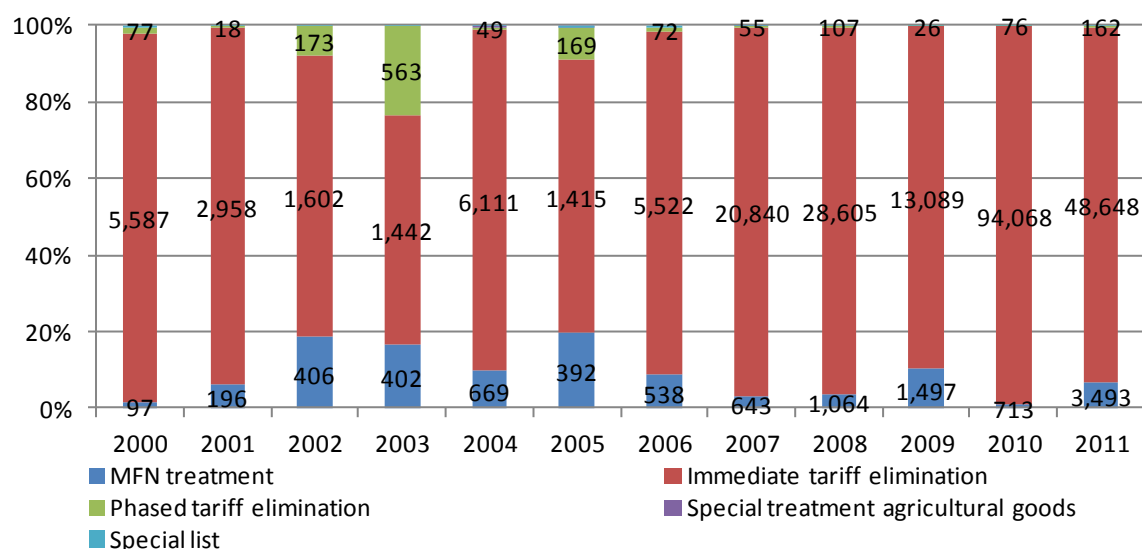
⁹ Excluding product groups whose average annual value of exports from CARICOM to Costa Rica was below USD 1,000.

becomes obvious that most of CARICOM's exports to Costa Rica are ad hoc and do not seem to be driven by any export strategy. Very few product groups are exported consistently over several years in sizeable quantities. Indeed, only Barbados, Belize, Jamaica, and Trinidad and Tobago have exported products with a value of at least USD 10 thousand over at least three consecutive years in the period 2000–2011 (see annex Table A-29). What is more, some of these exports have petered out since the BTA with Costa Rica was signed: examples are beverages from Barbados; furniture from Belize; articles of iron and steel, and inorganic chemicals from Jamaica; and inorganic chemicals from Trinidad and Tobago. Even for most of the other products no clear trend can be determined, and volatility of exports is high. The few exceptions of products whose exports to Costa Rica have (more or less) consistently grown since the BTA was signed are:

- Fish and machinery from Belize;
- Glass and glassware; and beverages from Jamaica;
- Iron and steel; fertilisers; and man-made filaments from Trinidad and Tobago.

Finally, tariff liberalisation under the BTA appears to have shifted the composition of products exported from CARICOM to Costa Rica (Figure 39): the share of CARICOM products excluded from the agreement (and hence subject to the MFN duty upon import into Costa Rica) decreased from an average of 8.7% in the five years prior to the signing of the agreement to an average of 3.8% over the period 2005-2011.

Figure 39: Non-oil imports by Costa Rica from CARICOM – Goods covered by the agreement vs. excluded goods, 2000–2011 (USD '000)



Source: Author's calculations based on UN COMTRADE import data for Costa Rica. See annex Table A-30.

6.4 Summary

Since the BTA between CARICOM and Costa Rica was signed in 2004, bilateral trade between the parties increased substantially. CARICOM's bilateral trade deficit decreased but only as a consequence of the increase in exports of oil and gas; excluding trade in mineral oils, CARICOM's structural trade deficit with Costa Rica persisted and even increased. CARICOM's non-oil exports, which were very low prior to the signing of the BTA, increased but remained volatile and heavily concentrated on few commodities – primarily iron and steel, and fertilisers – produced in few CARICOM member states. The main issues for CARICOM in its trade with Costa Rica are:

- High volatility of (non-oil) exports;
- High and increasing concentration of exports on few commodities;
- High and increasing concentration of exports on few CARICOM member states;
- Weak export performance of most export commodities apart from the few “success cases” (such as iron and steel, fertilisers, glass and glassware) – distinguishing between commodities with stagnating export values and those that have disappeared (or virtually disappeared) as exports.

ANNEXES

Annex A – Tables

Trade CARICOM–Venezuela

Table A-1: Total trade CARICOM–Venezuela, 1994–2011 (USD '000)

Total trade Venezuela-CARICOM	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Imports from																		
CARICOM	27,696	29,645	39,401	73,555	63,556	41,116	43,182	51,740	150,144	29,925	35,789	58,006	72,549	62,366	76,572	97,697	51,345	31,029
Antigua and Barbuda	245	49	144	47	673	943	638	1,404		84	72	740	21,557	38	304	15	168	203
Barbados	268	1,732	5,951	9,415	2,431	2,297	2,236	1,055	1,066	100	86	4,105	550	7,635	25,299	34,593	9,140	7,763
Belize	21	149	24	21	3	41	466	293	794	351	270	3,157		669	393	59	460	578
Dominica	383	188	5	1,335	37	15	517	143	65	58	700	52	87	611	158	575	329	49
Grenada	85	849	358	2,391	8,457		103	241			8	1,603	235	40	17	177		0
Guyana	489	1,859	1,021	2,416	1,566	1,705	2,435	2,524	1,670	754	937	536	6	1,626	1,675	913	65	9,985
Jamaica	3,832	1,754	2,879	2,927	9,290	2,383	3,696	3,312	4,803	3,828	17,084	18,550	35,664	35,078	37,420	48,491	26,987	5,329
Montserrat		54								2					5	5	2	200
Saint Kitts and Nevis																3		
Saint Lucia	315	434	64	286	138	141		12	93	32	4	165	181	1,130	243	298	216	377
Saint Vincent and the Grenadines	898	115	81	555	24	24	83	1,097				40		89	287			32
Suriname	207	126	566	1,213	417	441	374	660	287	185	21		27	151	10	3,084		780
Trinidad and Tobago	20,952	22,336	28,308	52,950	40,521	33,127	32,635	40,997	141,367	24,530	16,607	29,057	14,243	15,299	10,762	9,483	13,978	5,733
World	8,036,688	10,791,265	8,902,212	13,158,796	14,250,361	13,553,949	14,584,165	16,435,556	11,673,346	8,357,705	14,697,161	21,848,134	30,559,000	41,911,000	47,450,067	38,676,637	32,342,887	36,387,614
Exports to																		
CARICOM	1,143,192	553,134	343,203	215,522	228,743	341,504	690,041	605,247	445,156	466,556	223,068	530,882	624,591	na	605,504	45,704	43,768	207,247
Antigua and Barbuda	155	322	266	225	118	1,971	8,580	13,541	5,400	952	1,870	1,709	1,409	na	52	402	145	49
Barbados	18,987	6,571	24,372	17,096	5,109	2,457	2,093	1,775	1,449	380	652	900	283	na	383	142	52	32
Belize	170	21,512	28,421	334	233	234	177	163	975	887	679	1,059	519	na	1,346	69		
Dominica	322	727	459	701	664	581	1,181	2,731	2,279	598	1,230	1,208	977	na	74	1,355		11
Grenada	2,120	1,129	890	1,183	914	1,620	839	2,069	2,760	1,261	1,114	1,069	302	na	349	206	7	114
Guyana	9,585	7,690	12,056	8,029	12,049	8,150	6,026	8,105	6,207	5,159	9,941	7,971	15,919	na	7,180	3,571	5,762	4,296
Jamaica	67,727	49,024	42,861	68,738	46,337	38,741	113,755	102,119	103,606	69,625	139,721	245,145	421,722	na	555,868	913	3,177	2,892
Montserrat				3		29		298						na	7	0		
Saint Kitts and Nevis	35	218	6	6	27									na	924	744	1	
Saint Lucia	532	601	1,140	1,543	1,300	1,058	14,572	52,137	1,313	1,106	12,869	98,112	115,739	na	215	13		
Saint Vincent and the Grenadines	355	488	670	569	515	557	874	897	1,034	1,206	557	29,598	122	na	62	1,080	823	226
Suriname	888,388	388,972	86,438	5,438	6,148	1,513	1,887	1,215	1,263	1,135	1,906	2,572	568	na	522	236	6,546	1,006
Trinidad and Tobago	154,817	75,881	145,624	111,658	155,328	284,594	540,056	420,197	318,870	384,247	52,528	141,539	67,032	na	38,523	36,975	27,255	198,621
World	16,649,651	19,093,023	23,072,342	22,889,847	17,054,108	20,076,192	30,948,104	25,304,270	23,987,236	24,974,276	39,886,652	55,412,877	61,385,240	na	83,477,843	56,583,100	66,962,673	91,338,260
Bilateral trade balance CARICOM (plus: CARICOM surplus)																		
	-1,115,496	-523,488	-303,802	-141,966	-165,187	-300,388	-646,859	-553,507	-295,011	-436,631	-187,279	-472,876	-552,042	na	-528,932	51,993	7,577	-176,218
Share of trade with CARICOM/World																		
Imports from CARICOM	0.34%	0.27%	0.44%	0.56%	0.45%	0.30%	0.30%	0.31%	1.29%	0.36%	0.24%	0.27%	0.24%	0.15%	0.16%	0.25%	0.16%	0.09%
Exports to CARICOM	6.87%	2.90%	1.49%	0.94%	1.34%	1.70%	2.23%	2.39%	1.86%	1.87%	0.56%	0.96%	1.02%	na	0.73%	0.08%	0.07%	0.23%

Source: UN COMTRADE import data for Venezuela and author's calculations.

Table A-2: Total non-oil trade CARICOM–Venezuela, 1994–2011 (USD ‘000)

Total trade Venezuela-CARICOM, excl.	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Imports from																		
CARICOM	27,696	29,595	38,234	57,999	61,787	36,759	43,167	51,696	150,138	29,823	35,778	57,998	72,458	62,352	75,465	86,049	51,343	31,029
Antigua and Barbuda	245		144	47	673	943	638	1,404		84	72	739	21,557	38	304	15	168	203
Barbados	268	1,732	5,951	9,415	2,431	2,297	2,236	1,055	1,066	100	86	4,105	550	7,635	24,192	22,949	9,139	7,763
Belize	21	149	24	21	3	41	466	293	794	351	270	3,157		669	393	59	460	578
Dominica	383	188	5	1,335	37	15	517	143	65	58	700	52	87	611	158	575	329	49
Grenada	85	849	358	2,391	8,457		103	241			8	1,603	235	40	17	177		0
Guyana	489	1,859	1,021	2,416	1,566	1,705	2,435	2,524	1,670	754	937	536	6	1,626	1,675	913	65	9,985
Jamaica	3,832	1,754	2,879	2,927	9,290	2,383	3,696	3,312	4,803	3,828	17,084	18,550	35,664	35,065	37,420	48,491	26,987	5,329
Montserrat		54								2					5	5	2	200
Saint Kitts and Nevis								12	93	32	4	165	181	1,130	243	298	216	377
Saint Lucia	315	434	64	286	138	141								89	287			32
Saint Vincent and the Grenadines	898	115	81	555	24	24	83	1,097				40						
Suriname	207	126	566	1,213	417	441	374	660	287	185	21		27	151	10	3,084		780
Trinidad and Tobago	20,952	22,334	27,141	37,394	38,752	28,770	32,620	40,954	141,361	24,429	16,596	29,050	14,152	15,298	10,762	9,480	13,976	5,733
World	7,915,734	10,670,491	8,774,156	12,719,997	13,966,349	13,212,557	14,052,310	15,739,174	11,367,675	8,199,636	14,460,263	21,671,056	30,406,038	41,743,932	47,093,202	37,228,956	32,042,470	36,086,125
Exports to																		
CARICOM	54,618	54,893	50,719	68,646	69,915	61,570	68,565	74,614	83,221	199,080	82,032	159,948	89,691	na	53,235	45,704	43,768	207,247
Antigua and Barbuda	155	322	266	225	118	693	156	5,372	172	952	1,870	1,709	1,409	na	52	402	145	49
Barbados	3,816	4,712	5,217	3,408	5,041	2,457	1,733	1,627	1,441	380	652	900	283	na	383	142	52	32
Belize	170	90	189	334	233	234	177	163	141	887	679	1,059	519	na	1,346	69		
Dominica	322	727	458	697	664	581	1,169	2,699	2,066	598	1,230	1,208	977	na	74	1,355		11
Grenada	2,120	1,129	890	1,183	902	1,620	763	2,030	2,738	1,261	1,114	1,069	302	na	349	206	7	114
Guyana	7,422	6,281	7,058	7,850	7,891	7,963	5,906	7,807	6,185	5,095	9,196	7,536	15,830	na	7,180	3,571	5,762	4,296
Jamaica	14,170	10,538	7,947	10,172	9,023	10,372	12,977	12,521	15,266	11,447	11,706	11,980	3,159	na	4,280	913	3,177	2,892
Montserrat				3		29		298						na	7	0		
Saint Kitts and Nevis	35	218	6	6	27									na	924	744	1	
Saint Lucia	532	523	1,140	1,543	1,300	1,058	689	1,233	1,313	1,106	1,535	3,258	66	na	215	13		
Saint Vincent and the Grenadines	355	488	670	569	490	557	856	864	1,034	1,206	557	130	122	na	62	1,080	823	226
Suriname	1,216	2,129	2,610	3,998	5,978	1,335	1,887	1,215	1,256	1,133	1,889	2,525	518	na	522	236	6,546	1,006
Trinidad and Tobago	24,306	27,738	24,267	38,659	38,248	34,672	42,253	38,786	51,610	175,015	51,603	128,574	66,506	na	37,842	36,975	27,255	198,621
World	4,005,444	4,528,909	4,437,738	4,824,554	5,005,732	3,732,597	4,306,127	4,290,144	4,768,139	4,433,181	6,610,683	6,744,210	4,565,699	na	5,278,314	2,350,945	4,421,604	3,095,958
Bilateral trade balance CARICOM (plus: CARICOM surplus)	-26,922	-25,298	-12,485	-10,647	-8,128	-24,812	-25,398	-22,918	66,917	-169,257	-46,254	-101,951	-17,232	na	22,230	40,345	7,575	-176,218
Share of trade with CARICOM/World																		
Imports from CARICOM	0.35%	0.28%	0.44%	0.46%	0.44%	0.28%	0.31%	0.33%	1.32%	0.36%	0.25%	0.27%	0.24%	0.15%	0.16%	0.23%	0.16%	0.09%
Exports to CARICOM	1.36%	1.21%	1.14%	1.42%	1.40%	1.65%	1.59%	1.74%	1.75%	4.49%	1.24%	2.37%	1.96%	na	1.01%	1.94%	0.99%	6.69%

Source: UN COMTRADE import data for Venezuela and author's calculations.

Table A-3: Composition of total trade CARICOM–Venezuela, by CARICOM members

Total trade 1994-2005	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	420	0.78%	2,926	0.61%	-2,506	-74.90%
Barbados	2,562	4.78%	6,820	1.41%	-4,258	-45.39%
Belize	466	0.87%	4,570	0.95%	-4,105	-81.50%
Dominica	292	0.54%	1,057	0.22%	-765	-56.75%
Grenada	1,175	2.19%	1,414	0.29%	-239	-9.25%
Guyana	1,493	2.78%	8,414	1.74%	-6,921	-69.86%
Jamaica	6,195	11.55%	90,617	18.79%	-84,422	-87.20%
Montserrat	5	0.01%	27	0.01%	-23	-70.64%
Saint Kitts and Nevis	0	0.00%	24	0.01%	-24	-100.00%
Saint Lucia	140	0.26%	15,524	3.22%	-15,383	-98.21%
Saint Vincent and the Grenadines	243	0.45%	3,110	0.64%	-2,867	-85.50%
Suriname	375	0.70%	115,573	23.97%	-115,198	-99.35%
Trinidad and Tobago	40,282	75.09%	232,112	48.14%	-191,829	-70.42%
MDCs	50,907	94.89%	453,535	94.06%	-402,629	-79.82%
LDCs	2,740	5.11%	28,652	5.94%	-25,912	-82.54%
CARICOM	53,646	100.00%	482,187	100.00%	-428,541	-79.98%

Total trade 2006-2011	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	3,714	5.69%	411	0.13%	3,303	80.06%
Barbados	14,163	21.70%	178	0.06%	13,985	97.51%
Belize	360	0.55%	387	0.13%	-27	-3.60%
Dominica	301	0.46%	483	0.16%	-182	-23.18%
Grenada	78	0.12%	196	0.06%	-117	-42.90%
Guyana	2,378	3.64%	7,345	2.41%	-4,967	-51.08%
Jamaica	31,495	48.26%	196,914	64.49%	-165,420	-72.42%
Montserrat	35	0.05%	1	0.00%	34	92.53%
Saint Kitts and Nevis	0	0.00%	334	0.11%	-333	-99.72%
Saint Lucia	408	0.62%	23,193	7.60%	-22,786	-96.55%
Saint Vincent and the Grenadines	68	0.10%	463	0.15%	-395	-74.40%
Suriname	675	1.03%	1,776	0.58%	-1,100	-44.90%
Trinidad and Tobago	11,583	17.75%	73,681	24.13%	-62,098	-72.83%
MDCs	60,295	92.39%	279,895	91.66%	-219,600	-64.55%
LDCs	4,965	7.61%	25,468	8.34%	-20,503	-67.37%
CARICOM	65,260	100.00%	305,363	100.00%	-240,103	-64.78%

Source: Author's calculations based on UN COMTRADE import data for Venezuela.

Table A-4: Composition of non-oil trade CARICOM–Venezuela, by CARICOM members

Non-oil trade 1994-2005	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	416	0.80%	1,001	1.17%	-585	-41.31%
Barbados	2,562	4.95%	2,615	3.05%	-53	-1.03%
Belize	466	0.90%	363	0.42%	103	12.40%
Dominica	292	0.56%	1,035	1.21%	-743	-56.04%
Grenada	1,175	2.27%	1,402	1.64%	-227	-8.81%
Guyana	1,493	2.89%	7,183	8.39%	-5,690	-65.59%
Jamaica	6,195	11.98%	11,510	13.44%	-5,315	-30.02%
Montserrat	5	0.01%	27	0.03%	-23	-70.64%
Saint Kitts and Nevis	0	0.00%	24	0.03%	-24	-100.00%
Saint Lucia	140	0.27%	1,269	1.48%	-1,129	-80.10%
Saint Vincent and the Grenadines	243	0.47%	648	0.76%	-405	-45.45%
Suriname	375	0.72%	2,264	2.64%	-1,890	-71.60%
Trinidad and Tobago	38,363	74.17%	56,311	65.74%	-17,948	-18.96%
MDCs	48,987	94.71%	79,883	93.26%	-30,896	-23.97%
LDCs	2,736	5.29%	5,769	6.74%	-3,034	-35.67%
CARICOM	51,723	100.00%	85,652	100.00%	-33,929	-24.70%

Non-oil trade 2006-2011	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	3,714	5.88%	411	0.47%	3,303	80.06%
Barbados	12,038	19.07%	178	0.20%	11,860	97.08%
Belize	360	0.57%	387	0.44%	-27	-3.60%
Dominica	301	0.48%	483	0.55%	-182	-23.18%
Grenada	78	0.12%	196	0.22%	-117	-42.90%
Guyana	2,378	3.77%	7,328	8.33%	-4,949	-50.99%
Jamaica	31,493	49.90%	2,884	3.28%	28,608	83.22%
Montserrat	35	0.06%	1	0.00%	34	92.53%
Saint Kitts and Nevis	0	0.00%	334	0.38%	-333	-99.72%
Saint Lucia	408	0.65%	59	0.07%	349	74.82%
Saint Vincent and the Grenadines	68	0.11%	463	0.53%	-395	-74.40%
Suriname	675	1.07%	1,766	2.01%	-1,090	-44.67%
Trinidad and Tobago	11,567	18.33%	73,440	83.52%	-61,873	-72.79%
MDCs	58,151	92.13%	85,596	97.35%	-27,444	-19.09%
LDCs	4,965	7.87%	2,333	2.65%	2,631	36.05%
CARICOM	63,116	100.00%	87,929	100.00%	-24,813	-16.43%

Source: Author's calculations based on UN COMTRADE import data for Venezuela.

Table A-5: Venezuela – imports from individual CARICOM members by HS 2-digit product group, 1994–2011 (USD ‘000)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 94-05	Av 06-11
Antigua and Barbuda	245	49	144	47	673	943	638	1,404		84	72	740	21,557	38	304	15	168	203	419.8	3,713.9
89 Ships, boats and floating stru					342								21,500						28.5	3,583.3
84 Nuclear reactors, boilers, mac			10		89	487	86	6			0	59	25	22	85	5	85	132	61.4	59.0
94 Furniture; bedding, mattresses						43		8				9	1	1	1		17	68	4.9	14.5
30 Pharmaceutical products															79				0.0	13.1
90 Optical, photographic, cinemat														4	68				0.0	12.0
87 Vehicles other than railway or					48	7	78	61			6			4	27	9			16.7	6.7
85 Electrical machinery and equip				4	5	2	3	1				235	21	0	0	1		3	20.9	4.2
63 Other made up textile articles	4					114		21			1	150	0	0	0			0	24.1	0.2
48 Paper and paperboard; articles			134			3				20					0				13.1	0.0
04 Dairy produce; birds' eggs; na						73	50												10.3	0.0
22 Beverages, spirits and vinegar						31	219	1,188											119.8	0.0
61 Articles of apparel and clothi	34				61	43				6	9	64							18.1	0.0
62 Articles of apparel and clothi	193			43	29	2		21		2	5	18							26.0	0.0
64 Footwear, gaiters and the like	2				1	4						150							13.2	0.0
<i>Others</i>	13	49	0	0	97	133	202	98	0	56	50	56	9	6	43	0	66	0	62.9	20.6

Notes: See end of table.

(Continues)

(Table continued)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 94-05	Av 06-11
Barbados	268	1,732	5,951	9,415	2,431	2,297	2,236	1,055	1,066	100	86	4,105	550	7,635	25,299	34,593	9,140	7,763	2,561.8	14,163.5
84 Nuclear reactors, boilers, mac	35		1		10	84			514	2	52	4,021	158	3,126	18,869	17,916	1,686	1,159	393.2	7,152.4
27 Mineral fuels, mineral oils an														0	1,107	11,644	0		0.0	2,125.3
87 Vehicles other than railway or			24				325		1					2,094	197	116	4,817	43	29.2	1,211.1
85 Electrical machinery and equip	2		7	39	26	52	4	4	4				89	1,652	1,506	1,260	616	993	11.5	1,019.3
90 Optical, photographic, cinemat					17	86		5				9		80	424	187	309	3,403	9.7	733.9
48 Paper and paperboard; articles	8	351	1,551	1,389	2,028	882	416	83					12	61	592	431	350	216	559.1	277.1
38 Miscellaneous chemical product							107	182	124	23				3	171	1,311	156	2	36.3	273.8
29 Organic chemicals				13											1,136	320	2	35	1.1	248.7
39 Plastics and articles thereof						26	14	14						10	87	122	165	709	4.4	182.3
32 Tanning or dyeing extracts; ta														0	45	49	3	789	0.0	147.9
73 Articles of iron or steel					2						0	70	70	105	143	284	88	13	6.1	117.1
49 Printed books, newspapers, pic		366									0		0	311	147	83	60	19	30.5	103.4
72 Iron and steel				10											10	0	512	16	0.8	89.7
62 Articles of apparel and clothi													6	6	259	135	38	5	0.0	74.8
33 Essential oils and resinoids;								440	301	55			80	4	198	3	11	5	66.3	49.9
34 Soap, organic surface-active a														0	2	236	1	30	0.0	44.8
61 Articles of apparel and clothi							20						8	6	116	73	5	16	1.7	37.3
40 Rubber and articles thereof				7										98	54	25	22	18	0.6	36.1
37 Photographic or cinematographi														0	3	96	2	113	0.0	35.8
82 Tools, implements, cutlery, sp							2			19			5	17	36	30	49	31	1.8	28.0
28 Inorganic chemicals; organic o						9			10						0	1	143	0	1.6	24.0
68 Articles of stone, plaster, ce														0	9	132	3		0.0	23.9
70 Glass and glassware					49	1	4				2		82	1	6	9	5	4	4.7	17.8
94 Furniture; bedding, mattresses														7	3	5	5	80	0.0	16.7
30 Pharmaceutical products												1		5	28	11	14	3	0.1	10.3
47 Pulp of wood or of other fibro				188	51	1					8		35				0		20.7	5.9
21 Miscellaneous edible preparati		1,015	4,348	7,757	232	88	552	319	109	20				1	1	1	1	0	1,203.4	0.7
89 Ships, boats and floating stru	221														1	1	0		18.4	0.4
15 Animal or vegetable fats and o						441	230							1	0		0		55.9	0.2
23 Residues and waste from the fo						621	517							0			0		94.8	0.0
<i>Others</i>	3	0	20	12	15	6	45	8	3	0	5	4	6	46	149	112	76	61	10.0	75.0

Notes: See end of table.

(Continues)

(Table continued)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 94-05	Av 06-11
Belize	21	149	24	21	3	41	466	293	794	351	270	3,157		669	393	59	460	578	465.8	359.8
84 Nuclear reactors, boilers, mac	12	4	6	12		31			134	193	132	23		468	211	8	6	53	45.6	124.3
96 Miscellaneous manufactured art		2										5						160	0.6	26.7
90 Optical, photographic, cinemat						2									27	0		114	0.2	23.4
85 Electrical machinery and equip	1	14				1			103	42	45			126	4	0	0		17.2	21.8
83 Miscellaneous articles of base																0		126	0.0	21.0
40 Rubber and articles thereof												3					55	50	0.3	17.5
48 Paper and paperboard; articles											0				50	50	1		0.0	16.8
68 Articles of stone, plaster, ce						6									89				0.5	14.8
55 Man-made staple fibres																	88		0.0	14.7
87 Vehicles other than railway or															12	0	65		0.0	12.8
07 Edible vegetables and certain						1	13	263	580	12	88				74				79.8	12.4
52 Cotton																	74		0.0	12.3
39 Plastics and articles thereof								2		14		23					68		3.3	11.3
11 Products of the milling indust							452												37.7	0.0
88 Aircraft, spacecraft, and part												3,000							250.0	0.0
Others	8	128	18	8	3	0	0	28	79	28	8	58	0	0	0	0	104	76	30.6	30.0
Dominica	383	188	5	1,335	37	15	517	143	65	58	700	52	87	611	158	575	329	49	291.5	301.5
89 Ships, boats and floating stru	215	167		1,242										575					135.2	95.8
90 Optical, photographic, cinemat													0			195	0		0.0	32.6
48 Paper and paperboard; articles												35			65	122			2.9	31.2
84 Nuclear reactors, boilers, mac			1				1	17	34	20	56	13	50	36	48	25	20	5	11.8	30.6
30 Pharmaceutical products															26	87	51		0.0	27.4
32 Tanning or dyeing extracts; ta	19															0	156		1.6	25.9
29 Organic chemicals							509			31	537						84	36	89.7	20.0
85 Electrical machinery and equip		22				1		98	6		4	1	5		6	7	16	6	10.8	6.6
47 Pulp of wood or of other fibro	149			14	37			6											17.2	0.0
Others	0	0	3	79	0	15	7	23	26	7	103	4	31	0	12	140	2	3	22.3	31.3
Grenada	85	849	358	2,391	8,457		103	241			8	1,603	235	40	17	177		0	1,174.6	78.2
89 Ships, boats and floating stru	85	827	358	674	587			55						38		151			215.5	31.5
84 Nuclear reactors, boilers, mac		22									0		141					0	1.9	23.5
85 Electrical machinery and equip											0	0	94		17				0.0	18.5
88 Aircraft, spacecraft, and part				1,717	7,868			168				1,600							946.1	0.0
Others	0	0	0	0	1	0	103	18	0	0	8	3	0	2	0	26	0	0	11.1	4.7

Notes: See end of table.

(Continues)

(Table continued)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 94-05	Av 06-11
Guyana	489	1,859	1,021	2,416	1,566	1,705	2,435	2,524	1,670	754	937	536	6	1,626	1,675	913	65	9,985	1,492.7	2,378.2
10 Cereals							4											9,897	0.3	1,649.5
44 Wood and articles of wood; woo	21	30	201	193	350	365	1,549	1,581	1,036	671	221		4	434	1,129	836	27		518.3	405.3
88 Aircraft, spacecraft, and part														750					0.0	125.0
89 Ships, boats and floating stru	12	20									440			325	100	38			39.3	77.2
25 Salt; sulphur; earths and ston		1				2	4	134							424				11.8	70.7
84 Nuclear reactors, boilers, mac				18	14	14			120			8		37	20	0	1	29	14.5	14.6
11 Products of the milling indust														79					0.0	13.2
03 Fish and crustaceans, molluscs	6	21	31	80	429	243	78	107	36	14									87.0	0.0
26 Ores, slag and ash	314	1,342	468	1,795	744	1,047	774	579	478		268	528							694.5	0.0
28 Inorganic chemicals; organic o		240	240	241						67									65.7	0.0
47 Pulp of wood or of other fibro	123	103	81	83	16														33.8	0.0
72 Iron and steel		93			14	14													10.1	0.0
<i>Others</i>	<i>13</i>	<i>9</i>	<i>0</i>	<i>6</i>	<i>0</i>	<i>20</i>	<i>26</i>	<i>123</i>	<i>1</i>	<i>2</i>	<i>8</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>1</i>	<i>38</i>	<i>37</i>	<i>58</i>	<i>17.3</i>	<i>22.6</i>

Notes: See end of table.

(Continues)

(Table continued)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 94-05	Av 06-11	
Jamaica	3,832	1,754	2,879	2,927	9,290	2,383	3,696	3,312	4,803	3,828	17,084	18,550	35,664	35,078	37,420	48,491	26,987	5,329	6,194.9	31,494.9	
29 Organic chemicals	679		88	755	806	595	1,170	352	3,763	2,948	15,811	15,564	21,383	29,818	36,136	46,895	25,902	5,061	3,544.3	27,532.6	
89 Ships, boats and floating stru										285		1,890	14,000	390		28			181.3	2,403.0	
38 Miscellaneous chemical product	80			4						80	641	399	0	2,029	1,228	1,038	972		100.3	878.0	
84 Nuclear reactors, boilers, mac	298	91	21	196	443	57	66	257	441	42	9	2	7	934	1	480			160.4	236.8	
85 Electrical machinery and equip	461	41	3	71	121	53	6	37		29	6	17	67	965	5	7	2	173	70.2	203.4	
40 Rubber and articles thereof	261	21	118		25	4		80	54				55	50	547				51.5	99.5	
87 Vehicles other than railway or	160	123	18		5,741	82		92			0	0	71	99					5	518.1	29.1
95 Toys, games and sports requis	171										1	0	1	145					1	14.3	24.3
39 Plastics and articles thereof	116	94	79		35	37	11	33	98		0	110	15	0	1	0			95	51.0	18.7
28 Inorganic chemicals; organic o		2		734	705	445													100	157.1	16.6
69 Ceramic products	1	5									1	0	0	74	1	0				0.6	12.6
25 Salt; sulphur; earths and ston	294	663	1,816	765	1,288	795	463	1,244	18	417	141	508		24	4					701.0	4.7
33 Essential oils and resinoids;		184	35	11		174	329	683	335	3	0	0	19							146.1	3.1
94 Furniture; bedding, mattresses	9	2		1			164	30	2		0	0	2	1	9	1				17.4	2.1
73 Articles of iron or steel	6	5		62	20	3	834	2	49	1	0			12		0				81.8	2.0
61 Articles of apparel and clothi				27		3	54	36					0		4		7			10.0	1.9
62 Articles of apparel and clothi	1	1		39		84	259	89		4	4	2	0				3			40.3	0.5
76 Aluminum and articles thereof	4	91			4	19			1	1	0	1	0	1		1				10.0	0.2
70 Glass and glassware	7	24			60	8	34						0	0	1					11.1	0.1
82 Tools, implements, cutlery, sp	37	73			1	3			6		0	1	0							10.0	0.0
22 Beverages, spirits and vinegar			260				9	35								0	0			25.3	0.0
48 Paper and paperboard; articles						1	261	159						0						35.1	0.0
09 Coffee, tea, maté and spices		114							12											10.5	0.0
11 Products of the milling indust			225																	18.7	0.0
41 Raw hides and skins(other than				140																11.7	0.0
47 Pulp of wood or of other fibro	193	98		20				7		14										27.6	0.0
54 Man-made filaments; strip and	37		99	17			1	13												13.9	0.0
56 Wadding, felt and nonwovens; s	131								16											12.2	0.0
59 Impregnated, coated, covered o	351																			29.2	0.0
72 Iron and steel	48			17				129			457									54.3	0.0
<i>Others</i>	488	123	118	68	44	20	35	36	7	3	11	1	48	35	35	25	10	0		79.6	25.4
Montserrat		54								2					5	5	2	200		4.7	35.3
10 Cereals																			195	0.0	32.5
<i>Others</i>	0	54	0	0	0	0	0	0	0	2	0	0	0	0	5	5	2	5		4.7	2.7

Notes: See end of table.

(Continues)

(Table continued)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 94-05	Av 06-11
Saint Kitts and Nevis																3			0.0	0.5
83 Miscellaneous articles of base																3			0.0	0.5
Saint Lucia	315	434	64	286	138	141		12	93	32	4	165	181	1,130	243	298	216	377	140.3	407.6
47 Pulp of wood or of other fibro	310	434	64	114	138	141		12		32		163	141	281	243	281	216	377	117.3	256.5
85 Electrical machinery and equip	1			74							1	0	4	819		0			6.3	137.2
Others	4	0	0	98	0	0	0	0	93	0	3	2	36	30	0	17	0	0	16.7	13.9
Saint Vincent and the Grenadines	898	115	81	555	24	24	83	1,097				40		89	287			32	243.0	67.9
89 Ships, boats and floating stru	830							885							172				142.9	28.7
47 Pulp of wood or of other fibro	68	115	81	184								40			115			29	40.7	24.1
88 Aircraft, spacecraft, and part				344										89					28.6	14.8
48 Paper and paperboard; articles								185											15.4	0.0
Others	0	0	0	27	24	24	83	27	0	0	0	0	0	0	0	0	0	2	15.4	0.4
Suriname	207	126	566	1,213	417	441	374	660	287	185	21		27	151	10	3,084		780	374.7	675.3
03 Fish and crustaceans, molluscs	26	59	12	136	384	413	348	541	287	90						2,298			191.3	383.0
88 Aircraft, spacecraft, and part																750			0.0	125.0
90 Optical, photographic, cinemat										1								746	0.1	124.3
89 Ships, boats and floating stru														150					0.0	25.0
84 Nuclear reactors, boilers, mac				53	33	28	26	89		89	0			1		31			26.4	5.4
72 Iron and steel			526	1,020															128.8	0.0
87 Vehicles other than railway or	164							22			16								16.8	0.0
Others	16	67	28	4	0	0	0	9	0	6	6	0	27	0	10	5	0	35	11.3	12.7
Trinidad and Tobago	20,952	22,336	28,308	52,950	40,521	33,127	32,635	40,997	141,367	24,530	16,607	29,057	14,243	15,299	10,762	9,483	13,978	5,733	40,282.3	11,583.2
84 Nuclear reactors, boilers, mac	1,282	1,905	7,494	8,631	7,995	10,350	12,474	15,471	7,252	5,314	7,707	9,184	5,743	5,144	5,405	5,673	3,604	841	7,921.5	4,401.9
72 Iron and steel	5,954	12,983	10,670	16,322	19,029	10,729	10,464	11,841	6,337	4,603	3,854	1,758	1,771	583	388		5,274	1,635	9,545.4	1,608.6
89 Ships, boats and floating stru	140	160	1,788	5,835	1,341	326	7	273	115,281	2,016	1,918	8,973	3,057	2,353	715	190			11,504.9	1,052.6
90 Optical, photographic, cinemat	712	1,151	1,879	274	1,756	340	344	3,054	1,582	696	1,045	5,774	590	4,578	469	87	258	100	1,550.7	1,013.6
73 Articles of iron or steel	139	76	1,749	693	877	557	295	696	447	124	205	977	117	583	1,820	384	2,087	705	569.5	949.5
88 Aircraft, spacecraft, and part						5			2,672	8,380			1,223			2,003	2,022		921.4	874.6
48 Paper and paperboard; articles	39	226	233	543	1,615	1,285	2,837	1,591	499	111	7	0	0	0	1	7	12	2,266	748.9	381.1
85 Electrical machinery and equip	20	33	363	411	1,178	411	462	1,369	695	439	252	195	391	584	491	190	407	100	485.8	360.6
03 Fish and crustaceans, molluscs	55	63	36		446	562	248	527	682	161	16	318	204	451	7	51			259.6	118.7
87 Vehicles other than railway or	28	20	311	127	7	58	18	122	410	124	19	305	10	225	266	13	47		129.1	93.4
86 Railway or tramway locomotives				7	19				11	2		10	2	13	6	480			4.0	83.6
32 Tanning or dyeing extracts; ta	8		18	3	148	25		34	446	329	573	706	307	137		27			191.0	78.5
26 Ores, slag and ash							18	139		8			381						13.7	63.6

Notes: See end of table.

(Continues)

(Table continued)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 94-05	Av 06-11
82 Tools, implements, cutlery, sp	28	78	103	9	99	91	54	69	183	182	109	168	102	61	112	45	18	27	97.8	60.7
78 Lead and articles thereof			14	97	38	53	45	37	25	24	7	11			319	16			29.3	55.7
39 Plastics and articles thereof	31	35	61	240	341	558	214	241	312	81	2	51	20	73	54	82	59	28	180.6	52.9
47 Pulp of wood or of other fibro	1,124	2,269	978	962	497	505	662	741	921	393	216	194	57		227				788.5	47.2
28 Inorganic chemicals; organic o	106	6	43	41	18	29	20	214	19	6	43	12		17	167		41		46.3	37.5
21 Miscellaneous edible preparati	4	1	1	4	1	21	51	6	23	20	12	8	5	49	51	84	0		12.5	31.4
94 Furniture; bedding, mattresses	1		356	1	73			4	8	5	2	4	24	8	109	10	8		37.9	26.6
25 Salt; sulphur; earths and ston	17		312	259	185	61	40	350	55	194	16	32	0	101	9	41			126.6	25.4
38 Miscellaneous chemical product	12	110	124	2,288	1,569	120	244	148	361	720	86	206		39	8	0	81		499.1	21.4
40 Rubber and articles thereof	24	19	51	5	74	80	20	1	72	29	4	13	1	3	51	9	39	20	32.7	20.7
62 Articles of apparel and clothi						33	41	2		1	0	0	1	109	5	0	3		6.5	19.6
27 Mineral fuels, mineral oils an		1	1,167	15,556	1,769	4,358	15	44	6	101	11	7	91	1		3	1		1,919.6	16.1
22 Beverages, spirits and vinegar	18	21	21	29	67	49	80	93		26	373		71						64.7	11.8
56 Wadding, felt and nonwovens; s			71	105	91	326	120	8	1				40	25					60.2	10.9
76 Aluminum and articles thereof	1	2	6	6			64	2			0	0	1	55	2	2	1	2	6.8	10.6
29 Organic chemicals	6,481					1,233	1,202	20	41	2			7			47			748.2	9.0
95 Toys, games and sports requisi				13			9	122	1		1	1	1	15	16	9	0		12.1	6.9
49 Printed books, newspapers, pic		1		1	22	153	16	29	94	2	1	7	2	1	9	7	1	0	27.0	3.2
69 Ceramic products				2	8	5	10	34	30		35	3	2	0	4	4	2	0	10.6	2.1
70 Glass and glassware			3	3	2		13		79	37	2	2	0		7	1	0	0	11.8	1.4
55 Man-made staple fibres			50	56	7		30	16	99		47	98	1	0	1	0	1	1	33.5	0.8
64 Footwear, gaiters and the like			144	55	8			9			1	0	1	0	3	1	0		18.1	0.7
33 Essential oils and resinoids;		4	7				7	29	171	31	8	3			3				21.7	0.5
44 Wood and articles of wood; woo			9	3	4	9	28	39	33	4	1	0	0	0	1		1		11.0	0.3
52 Cotton	29	2	90		76			1	8		15	4				2			18.8	0.3
83 Miscellaneous articles of base		6			1	1	67	100			0	0	0	0	1	0		0	14.6	0.2
02 Meat and edible meat offal		126																	10.5	0.0
04 Dairy produce; birds' eggs; na	103	1,111	75		2														107.5	0.0
11 Products of the milling indust		170				11				46									18.9	0.0
12 Oil seeds and oleaginous fruit	495		1	24															43.4	0.0
15 Animal or vegetable fats and o					148														12.3	0.0
18 Cocoa and cocoa preparations	447	197		113	619	280	470	163	77										197.1	0.0
19 Preparations of cereals, flour	130	53		43	196	439	1,919	2,667	2,334	267									670.6	0.0
23 Residues and waste from the fo	3,453	1,448		66	162														427.4	0.0
31 Fertilisers								359											29.9	0.0
Others	73	59	80	125	34	62	25	333	98	53	16	30	19	89	36	15	9	6	82.3	29.0
Total	27,696	29,645	39,401	73,555	63,556	41,116	43,182	51,740	150,144	29,925	35,789	58,006	72,549	62,366	76,572	97,697	51,345	31,029	53,646.3	65,259.7

Notes: Product groups with an export value of at least USD 10,000 per year over a period of at least three years are shown in red. Product groups with an average export value of less than USD 10,000 per year in both periods 1994–2005 and 2006–2011 have been summarised in “others”.

Source: Author’s calculations based on UN COMTRADE import data for Venezuela.

Table A-6: Venezuelan non-oil imports from CARICOM – goods covered by the BTA vs. excluded goods, 1994–2011 (USD '000)

in USD '000	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
CARICOM total	27,636	29,595	38,234	57,999	61,787	36,759	43,167	51,696	150,138	29,823	35,778	57,998	72,458	62,352	75,465	86,049	51,343	31,029
MFN treatment	25,180	25,202	25,280	40,116	48,543	20,532	21,065	28,390	136,880	25,140	30,158	47,154	66,886	56,387	65,611	79,366	46,765	26,389
Immediate tariff elimination	908	2,721	6,386	11,694	4,345	5,953	5,548	6,387	4,674	2,305	3,251	8,066	4,398	3,921	3,774	1,276	2,388	605
Phased tariff elimination	1,548	1,672	6,568	6,189	8,900	10,274	16,554	16,920	8,585	2,379	2,369	2,778	1,174	2,044	6,079	5,407	2,191	4,035
Antigua and Barbuda	245		144	47	673	943	638	1,404		84	72	739	21,557	38	304	15	168	203
MFN treatment	12			4	430	225	534	1,335		56	57	305	21,532	30	192	13	42	69
Immediate tariff elimination					146	11	47	10						2	52	2		132
Phased tariff elimination	233		144	43	96	706	57	59		28	15	434	25	5	59	0	125	3
Barbados	268	1,732	5,951	9,415	2,431	2,297	2,236	1,055	1,066	100	86	4,105	550	7,635	24,192	22,949	9,139	7,763
MFN treatment	260	366	51	257	168	1,199	1,010	806	1,063	100	86	4,101	454	7,312	22,324	21,399	8,454	6,786
Immediate tariff elimination		1,015	4,348	7,757	232	168	560	157						52	281	72	86	50
Phased tariff elimination	8	351	1,552	1,401	2,031	930	666	91	3		0	4	96	271	1,587	1,478	599	927
Belize	21	149	24	21	3	41	466	293	794	351	270	3,157		669	393	59	460	578
MFN treatment	15	149	24	21	2	40	452	31	134	234	137	146		476	338	9	401	556
Immediate tariff elimination	2									5		3,000						
Phased tariff elimination	3				1	1	13	263	659	112	133	11		193	55	50	59	22
Dominica	383	188	5	1,335	37	15	517	143	65	58	700	52	87	611	158	575	329	49
MFN treatment	383	167	5	1,335	37	9	517	118	28	42	686	15	76	611	89	401	301	47
Immediate tariff elimination								10	32	10	9		5		1	2	17	1
Phased tariff elimination		22				6		15	6	7	6	37	7		69	172	11	1
Grenada	85	849	358	2,391	8,457		103	241			8	1,603	235	40	17	177		0
MFN treatment	85	849	358	2,391	8,457		7	223			6	1,602	155	40	17	151		0
Immediate tariff elimination							80	18			0					26		
Phased tariff elimination							16				1	1	80		0			
Guyana	486	1,859	1,021	2,416	1,566	1,705	2,435	2,524	1,670	754	937	536	6	1,626	1,675	913	65	9,985
MFN treatment	462	1,496	580	1,977	968	1,147	809	852	615	15	708	536	1	1,192	542	71	31	9,963
Immediate tariff elimination		240	240	241		2				67	8				2			20
Phased tariff elimination	24	124	201	198	598	555	1,627	1,672	1,054	672	221		4	434	1,131	842	34	1

(Continues)

(Table continued)

in USD '000	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Jamaica	3,808	1,754	2,879	2,927	9,290	2,383	3,696	3,312	4,803	3,828	17,084	18,550	35,664	35,065	37,420	48,491	26,987	5,329
MFN treatment	3,498	1,690	2,879	2,718	9,144	2,124	1,922	2,578	4,519	3,815	17,075	18,534	35,660	34,562	37,410	48,477	26,987	5,329
Immediate tariff elimination	64	24			46	156	207	284	231	3		0	0	480		0		
Phased tariff elimination	246	40		209	100	103	1,567	451	52	9	10	15	3	23	10	14		
Montserrat		54								2					5	5	2	200
MFN treatment		54								2					5	3	2	200
Immediate tariff elimination																		
Phased tariff elimination																2		
Saint Kitts and Nevis																3		
MFN treatment																3		
Immediate tariff elimination																		
Phased tariff elimination																		
Saint Lucia	315	434	64	286	138	141		12	93	32	4	165	181	1,130	243	298	216	377
MFN treatment	314	434	64	186	138	141		12	93	32	2	164	165	1,130	243	292	216	377
Immediate tariff elimination												1	1			0		
Phased tariff elimination	1			100							2		16			7		
Saint Vincent and the Grenadines	898	115	81	555	24	24	83	1,097				40		89	287			32
MFN treatment	898	115		535	21	23	62	912				40		89	287			32
Immediate tariff elimination					1													
Phased tariff elimination			81	19	3	1	20	185										
Suriname	196	126	566	1,213	417	441	374	660	287	185	21		27	151	10	3,084		780
MFN treatment	164	47	31	193	176	256	328	470	143	168	18		27	151		783		780
Immediate tariff elimination											0							
Phased tariff elimination	32	79	534	1,020	241	185	46	190	145	17	3				10	2,301		
Trinidad and Tobago	20,931	22,334	27,141	37,394	38,752	28,770	32,620	40,954	141,361	24,429	16,596	29,050	14,152	15,298	10,762	9,480	13,976	5,733
MFN treatment	19,089	19,836	21,287	30,500	29,001	15,368	15,423	21,053	130,285	20,676	11,383	21,709	8,816	10,795	4,165	7,765	10,329	2,250
Immediate tariff elimination	841	1,442	1,798	3,696	3,920	5,615	4,655	5,907	4,410	2,219	3,234	5,065	4,392	3,386	3,439	1,174	2,285	402
Phased tariff elimination	1,000	1,057	4,056	3,199	5,831	7,786	12,542	13,994	6,666	1,533	1,979	2,276	944	1,117	3,158	541	1,363	3,081

Source: Author's calculations based on UN COMTRADE import data for Venezuela.

Trade CARICOM–Colombia

Table A-7: Total trade CARICOM–Colombia, 1991–2011 (USD ‘000)

Total trade Colombia-CARICOM	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Imports from																						
CARICOM	93,808	46,148	46,061	62,669	67,562	53,238	47,937	30,693	22,627	29,096	38,126	27,366	34,960	44,569	195,825	97,090	319,938	316,977	182,600	408,290	608,353	
Antigua and Barbuda		13,640	6,520	11,424	11,161	146	40	377	66	126	49	329		2	682	21	235	3,312	60	125	8	
Barbados		261	217	2	61	47	342	39	7	56	184	451	34	186	14,968	135	65	2,020	3,303	6,685	17,922	
Belize		5		30	24	97	52	5	1	23	2	5	109	0	4	0	6,566	12	36	10	19	
Dominica			87	9		7	14	31	46	25	45	0	6	2	115	20	312	947	1,064	52	507	
Grenada	98		32	6	4	115	33	74	70	347	285	193			123						2	0
Guyana	129	465	126	1,401	346	455	4,157	1,461	229	232	865	236	95	1,276	1,159	1,041	984	1,202	889	2,015	2,613	
Jamaica	166	59	1,209	2,373	4,026	2,208	2,752	2,616	1,973	2,815	2,583	1,432	1,111	1,981	1,537	1,148	1,850	9,208	537	965	2,074	
Montserrat			58	68	115	172	85	22	18	59		30			0	0	1				0	
Saint Kitts and Nevis		82								1					10	504	84	2	0	0	1,051	
Saint Lucia		84	21		2	53	1		56	41	122		0	39	0	0	1	1	5	24,061	2	
Saint Vincent and the Grenadines	28	432	15	6										77				1,523	362			
Suriname		109	160		127	52					16	2	28	3	3	793	69	63	3	1	136	
Trinidad and Tobago	93,387	31,011	37,617	47,351	51,696	49,886	40,461	26,066	20,161	25,371	33,975	24,688	33,576	41,003	177,223	93,428	309,773	298,688	176,343	374,373	584,021	
World	4,966,978	6,683,928	9,829,161	11,934,947	13,883,488	13,680,470	15,378,804	14,677,125	10,659,187	11,757,001	12,820,352	12,689,965	13,880,613	17,099,537	21,204,162	26,162,440	32,897,045	39,668,840	32,897,671	40,682,508	54,674,822	
Exports to																						
CARICOM	12,699	29,942	63,035	28,018	70,896	158,583	108,743	102,377	109,745	230,001	212,221	92,852	148,081	157,820	315,887	329,011	467,615	718,612	541,182	331,630	1,181,822	
Antigua and Barbuda	384	1,291	415	348	186	128	199	270	173	273	196	603	3,738	2,497	1,366	1,933	11,200	2,402	1,735	674	664	
Barbados	586	1,133	1,218	1,837	702	3,057	1,592	914	954	1,912	3,020	1,830	2,463	1,941	3,258	36,509	32,890	117,862	73,797	5,307	5,171	
Belize	6	17	317	479	371	307	1,163	361	376	1,001	352	1,153	1,266	1,021	537	967	817	1,748	1,518	716	741	
Dominica	198	39	62	167	212	4,478	261	483	480	985	678	1,039	1,251	1,184	1,109	1,900	2,620	1,913	1,675	2,141	18,526	
Grenada	352	36	60	136	186	732	249	132	171	172	515	228	397	223	204	1,088	296	4,271	710	1,272	1,395	
Guyana	28	33	10	54	1,417	4,138	1,285	1,580	1,177	2,389	2,541	2,880	3,228	3,784	4,905	5,762	7,556	6,318	10,502	9,963	10,713	
Jamaica	3,306	19,544	8,443	6,475	7,557	7,612	11,008	10,448	16,380	21,668	27,636	22,162	29,512	68,312	92,914	59,445	45,605	39,884	48,448	51,380	60,062	
Montserrat	164	270	167	140	95	98	263	440		7	253										58	
Saint Kitts and Nevis	159	153	56	12	5	2	2		245	652	486	205		52	67	118	971	289	268	817	776	
Saint Lucia	2,071	2,142	1,436	1,299	1,350	1,754	2,617	1,789	1,548	1,812	1,935	1,141	1,403	1,642	3,259	3,594	5,168	5,974	5,733	4,196	66,466	
Saint Vincent and the Grenadines	367	307	117	182	417	823	1,118	360	486	399	480	363	1,197	1,012	1,388	1,972	2,388	2,761	1,729	2,104	2,833	
Suriname	1,348	891	903	1,969	2,656	4,082	4,372	4,310	2,967	3,298	3,005	3,699	5,219	5,614	9,135	9,159	15,838	12,396	16,016	12,956	13,559	
Trinidad and Tobago	3,730	4,086	49,831	14,921	55,740	131,373	84,615	81,291	84,788	195,441	171,370	57,295	98,408	70,537	197,745	206,563	342,267	522,794	378,992	240,103	1,000,916	
World	7,268,635	6,916,043	7,123,439	8,537,517	10,201,048	10,647,555	11,549,019	10,821,222	11,617,030	13,158,401	12,301,486	11,897,488	13,092,218	16,729,678	21,190,439	24,390,975	29,991,332	37,625,882	32,852,986	39,819,529	56,953,516	
Bilateral trade balance CARICOM (plus)	81,110	16,206	-16,974	34,651	-3,334	-105,345	-60,806	-71,684	-87,118	-200,905	-174,095	-65,486	-113,121	-113,251	-120,062	-231,921	-147,677	-401,635	-358,582	76,660	-573,470	
Share of trade with CARICOM/World																						
Imports from CARICOM	1.89%	0.69%	0.47%	0.53%	0.49%	0.39%	0.31%	0.21%	0.21%	0.25%	0.30%	0.22%	0.25%	0.26%	0.92%	0.37%	0.97%	0.80%	0.56%	1.00%	1.11%	
Exports to CARICOM	0.17%	0.43%	0.88%	0.33%	0.69%	1.49%	0.94%	0.95%	0.94%	1.75%	1.73%	0.78%	1.13%	0.94%	1.49%	1.35%	1.56%	1.91%	1.65%	0.83%	2.08%	

Source: UN COMTRADE import data for Colombia and author's calculations.

Table A-8: Total non-oil trade CARICOM–Colombia, 1991–2011 (USD ‘000)

Total trade Colombia-CARICOM, excl. ¹	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Imports from																					
CARICOM	2,659	15,185	10,580	28,034	35,808	44,312	47,458	30,484	21,799	29,048	28,943	21,692	34,845	44,392	59,477	67,130	72,839	111,324	84,091	137,878	178,274
Antigua and Barbuda		631	128	1,241		146	40	377	66	126	49	329		2	682	21	235	3,312	60	46	8
Barbados		261	217	2	61	47	342	39	7	56	184	451	34	186	90	135	65	697	168	6,090	11,300
Belize		5		30	24	97	52	5	1	23	2	5	109	0	4	0	1	12	36	10	19
Dominica			87	9		7	14	31	46	25	45	0	6	2	115	20	312	947	1,064	52	507
Grenada	98		32	6	4	115	33	74	70	347	285	193			123					2	0
Guyana	129	465	126	1,401	346	455	4,157	1,461	229	232	865	236	95	1,276	1,159	1,041	984	1,202	889	2,015	2,613
Jamaica	166	59	1,209	2,373	4,026	2,208	2,752	2,616	1,973	2,815	2,583	1,432	1,111	1,981	1,537	1,148	1,850	9,208	537	965	2,074
Montserrat			58	68	115	172	85	22	18	59		19			0	0	1				0
Saint Kitts and Nevis		82								1					10	504	84	2	0	0	1,051
Saint Lucia		84	21		2	53	1		56	41	122		0	39	0	0	1	1	5	5	2
Saint Vincent and the Grenadines	28	432	15	6										77				1,523	362		
Suriname		109	160		127	52					16	2	28	3	3	793	69	63	3	1	136
Trinidad and Tobago	2,238	13,058	8,527	22,899	31,104	40,960	39,982	25,857	19,333	25,323	24,792	19,026	33,462	40,826	55,753	63,468	69,239	94,358	80,968	128,691	160,564
World	4,669,648	6,321,306	9,457,253	11,619,394	13,496,290	13,319,695	14,927,021	14,363,102	10,396,122	11,515,714	12,623,452	12,494,031	13,636,361	16,831,476	20,652,893	25,475,125	31,983,234	37,853,652	31,658,435	38,601,395	50,820,589
Exports to																					
CARICOM	12,655	13,868	16,910	17,172	27,319	29,364	28,687	28,764	50,589	45,273	52,930	48,433	68,368	66,630	91,956	127,036	131,320	124,585	132,583	133,185	149,667
Antigua and Barbuda	384	1,291	415	348	186	128	199	270	173	273	196	603	3,738	2,493	1,366	1,933	1,786	2,402	1,735	674	664
Barbados	542	1,133	1,218	1,837	702	3,057	1,592	914	954	1,912	3,020	1,830	2,463	1,941	3,258	4,112	5,697	4,857	4,715	4,839	4,564
Belize	6	17	317	479	371	307	1,163	361	376	1,001	352	1,153	1,266	1,021	536	967	817	1,748	1,518	716	741
Dominica	198	39	62	167	212	4,478	261	483	480	985	678	1,039	1,251	1,184	1,109	1,891	2,620	1,913	1,675	2,141	2,143
Grenada	352	36	60	136	186	732	249	132	171	172	515	228	397	223	204	1,088	296	4,271	710	1,272	1,395
Guyana	28	33	10	54	1,417	4,138	1,285	1,580	1,177	2,371	2,541	2,880	3,228	3,784	4,905	5,758	7,417	6,318	10,469	9,963	10,713
Jamaica	3,306	3,470	8,443	6,456	7,557	5,690	9,827	10,187	16,142	18,470	23,781	22,075	28,768	29,567	35,432	50,924	45,372	39,566	48,348	49,104	56,967
Montserrat	164	270	167	140	95	98	263	440		7	253									58	
Saint Kitts and Nevis	159	153	56	12	5	2	2		245	652	486	205		52	67	118	971	289	268	817	776
Saint Lucia	2,071	2,142	1,433	1,299	1,350	1,754	2,617	1,789	1,548	1,812	1,935	1,141	1,403	1,642	3,259	3,594	5,168	5,974	5,733	4,196	4,359
Saint Vincent and the Grenadines	367	307	117	182	417	823	1,118	360	486	399	480	363	1,197	1,012	1,388	1,972	2,388	2,761	1,729	2,104	2,833
Suriname	1,348	891	903	1,969	2,656	4,082	4,372	4,294	2,967	3,289	2,997	3,690	5,209	5,558	9,122	9,128	15,680	12,301	15,890	12,814	13,372
Trinidad and Tobago	3,730	4,086	3,708	4,094	12,163	4,076	5,740	7,954	25,870	13,938	15,943	12,972	19,449	18,154	31,308	45,550	43,108	42,186	39,733	44,544	51,139
World	5,177,771	4,944,297	5,235,518	6,672,425	7,423,124	6,819,859	7,926,454	7,547,357	6,914,562	7,489,825	7,836,193	7,624,059	8,223,167	10,555,139	12,874,109	15,017,107	19,119,177	20,330,870	17,072,086	17,255,083	20,464,373
Bilateral trade balance CARICOM (plus)	-9,996	1,317	-6,330	10,862	8,489	14,948	18,770	1,720	-28,790	-16,225	-23,987	-26,741	-33,523	-22,238	-32,479	-59,905	-58,481	-13,261	-48,491	4,693	28,607
Share of trade with CARICOM/World																					
Imports from CARICOM	0.06%	0.24%	0.11%	0.24%	0.27%	0.33%	0.32%	0.21%	0.21%	0.25%	0.23%	0.17%	0.26%	0.26%	0.29%	0.26%	0.23%	0.29%	0.27%	0.36%	0.35%
Exports to CARICOM	0.24%	0.28%	0.32%	0.26%	0.37%	0.43%	0.36%	0.38%	0.73%	0.60%	0.68%	0.64%	0.83%	0.63%	0.71%	0.85%	0.69%	0.61%	0.78%	0.77%	0.73%

Source: UN COMTRADE import data for Colombia and author's calculations.

Table A-9: Composition of total trade CARICOM–Colombia, by CARICOM members

Total trade 1991-1994 (pre BTA)	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	7,896	12.70%	609	1.82%	7,287	85.67%
Barbados	120	0.19%	1,194	3.57%	-1,073	-81.71%
Belize	9	0.01%	205	0.61%	-196	-91.83%
Dominica	24	0.04%	116	0.35%	-93	-66.02%
Grenada	34	0.05%	146	0.44%	-112	-62.27%
Guyana	530	0.85%	31	0.09%	499	88.93%
Jamaica	952	1.53%	9,442	28.25%	-8,490	-81.69%
Montserrat	31	0.05%	185	0.55%	-154	-71.10%
Saint Kitts and Nevis	21	0.03%	95	0.28%	-74	-64.40%
Saint Lucia	26	0.04%	1,737	5.20%	-1,711	-97.03%
Saint Vincent and the Grenadines	120	0.19%	244	0.73%	-123	-33.85%
Suriname	67	0.11%	1,278	3.82%	-1,211	-90.01%
Trinidad and Tobago	52,342	84.19%	18,142	54.28%	34,200	48.52%
MDCs	54,011	86.87%	30,086	90.02%	23,924	28.45%
LDCs	8,161	13.13%	3,337	9.98%	4,824	41.95%
CARICOM	62,171	100.00%	33,424	100.00%	28,748	30.07%

Total trade 1995-2005	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	165	0.35%	858	0.58%	-693	-67.72%
Barbados	1,483	3.11%	1,904	1.28%	-421	-12.43%
Belize	27	0.06%	685	0.46%	-658	-92.39%
Dominica	27	0.06%	1,086	0.73%	-1,060	-95.22%
Grenada	113	0.24%	275	0.18%	-162	-41.83%
Guyana	924	1.94%	2,537	1.71%	-1,613	-46.60%
Jamaica	1,910	4.01%	27,968	18.80%	-26,058	-87.22%
Montserrat	35	0.07%	96	0.06%	-61	-46.62%
Saint Kitts and Nevis	1	0.00%	155	0.10%	-154	-98.73%
Saint Lucia	28	0.06%	1,718	1.16%	-1,690	-96.75%
Saint Vincent and the Grenadines	7	0.01%	693	0.47%	-686	-97.99%
Suriname	10	0.02%	4,155	2.79%	-4,145	-99.54%
Trinidad and Tobago	42,946	90.08%	106,624	71.68%	-63,677	-42.57%
MDCs	47,273	99.15%	143,187	96.26%	-95,915	-50.36%
LDCs	403	0.85%	5,568	3.74%	-5,165	-86.50%
CARICOM	47,676	100.00%	148,755	100.00%	-101,079	-51.46%

Total trade 2006-2011	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	627	0.19%	3,101	0.52%	-2,475	-66.37%
Barbados	5,022	1.56%	45,256	7.61%	-40,234	-80.02%
Belize	1,107	0.34%	1,085	0.18%	23	1.03%
Dominica	484	0.15%	4,796	0.81%	-4,312	-81.68%
Grenada	0	0.00%	1,506	0.25%	-1,505	-99.94%
Guyana	1,457	0.45%	8,469	1.42%	-7,012	-70.64%
Jamaica	2,630	0.82%	50,804	8.54%	-48,174	-90.16%
Montserrat	0	0.00%	10	0.00%	-9	-94.92%
Saint Kitts and Nevis	273	0.08%	540	0.09%	-266	-32.75%
Saint Lucia	4,012	1.25%	15,189	2.55%	-11,177	-58.21%
Saint Vincent and the Grenadines	314	0.10%	2,298	0.39%	-1,984	-75.95%
Suriname	177	0.06%	13,321	2.24%	-13,143	-97.37%
Trinidad and Tobago	306,104	95.00%	448,606	75.40%	-142,502	-18.88%
MDCs	315,390	97.88%	566,455	95.21%	-251,065	-28.47%
LDCs	6,817	2.12%	28,523	4.79%	-21,706	-61.42%
CARICOM	322,208	100.00%	594,979	100.00%	-272,771	-29.74%

Source: Author's calculations based on UN COMTRADE import data for Colombia.

Table A-10: Composition of non-oil trade CARICOM–Colombia, by CARICOM members

Non-oil trade 1991-1994 (pre BTA)	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	500	3.54%	609	4.02%	-109	-9.84%
Barbados	120	0.85%	1,183	7.80%	-1,062	-81.56%
Belize	9	0.06%	205	1.35%	-196	-91.83%
Dominica	24	0.17%	116	0.77%	-93	-66.02%
Grenada	34	0.24%	146	0.96%	-112	-62.27%
Guyana	530	3.76%	31	0.21%	499	88.93%
Jamaica	952	6.74%	5,419	35.77%	-4,467	-70.12%
Montserrat	31	0.22%	185	1.22%	-154	-71.10%
Saint Kitts and Nevis	21	0.15%	95	0.63%	-74	-64.40%
Saint Lucia	26	0.19%	1,736	11.46%	-1,710	-97.03%
Saint Vincent and the Grenadines	120	0.85%	244	1.61%	-123	-33.85%
Suriname	67	0.48%	1,278	8.43%	-1,211	-90.01%
Trinidad and Tobago	11,681	82.75%	3,904	25.77%	7,776	49.89%
MDCs	13,350	94.58%	11,815	77.98%	1,535	6.10%
LDCs	765	5.42%	3,337	22.02%	-2,572	-62.69%
CARICOM	14,115	100.00%	15,151	100.00%	-1,037	-3.54%

Non-oil trade 1995-2005	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	165	0.50%	858	1.85%	-693	-67.70%
Barbados	130	0.40%	1,904	4.10%	-1,773	-87.18%
Belize	27	0.08%	685	1.47%	-658	-92.39%
Dominica	27	0.08%	1,086	2.34%	-1,060	-95.22%
Grenada	113	0.34%	275	0.59%	-162	-41.83%
Guyana	924	2.80%	2,535	5.46%	-1,611	-46.58%
Jamaica	1,910	5.80%	18,176	39.13%	-16,266	-80.98%
Montserrat	34	0.10%	96	0.21%	-62	-47.73%
Saint Kitts and Nevis	1	0.00%	155	0.33%	-154	-98.74%
Saint Lucia	28	0.09%	1,718	3.70%	-1,690	-96.75%
Saint Vincent and the Grenadines	7	0.02%	693	1.49%	-686	-97.99%
Suriname	10	0.03%	4,144	8.92%	-4,134	-99.54%
Trinidad and Tobago	29,574	89.75%	14,128	30.41%	15,446	35.35%
MDCs	32,548	98.78%	40,886	88.01%	-8,339	-11.36%
LDCs	402	1.22%	5,568	11.99%	-5,165	-86.53%
CARICOM	32,950	100.00%	46,454	100.00%	-13,504	-17.01%

Non-oil trade 2006-2011	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	614	0.57%	1,532	1.15%	-919	-42.81%
Barbados	3,076	2.83%	4,797	3.61%	-1,721	-21.86%
Belize	13	0.01%	1,085	0.82%	-1,072	-97.63%
Dominica	484	0.45%	2,064	1.55%	-1,580	-62.03%
Grenada	0	0.00%	1,506	1.13%	-1,505	-99.94%
Guyana	1,457	1.34%	8,440	6.34%	-6,983	-70.55%
Jamaica	2,630	2.42%	48,380	36.36%	-45,750	-89.69%
Montserrat	0	0.00%	10	0.01%	-9	-94.92%
Saint Kitts and Nevis	273	0.25%	540	0.41%	-266	-32.75%
Saint Lucia	2	0.00%	4,837	3.64%	-4,835	-99.90%
Saint Vincent and the Grenadines	314	0.29%	2,298	1.73%	-1,984	-75.95%
Suriname	177	0.16%	13,197	9.92%	-13,020	-97.35%
Trinidad and Tobago	99,548	91.67%	44,377	33.35%	55,171	38.33%
MDCs	106,889	98.43%	119,191	89.58%	-12,303	-5.44%
LDCs	1,701	1.57%	13,871	10.42%	-12,170	-78.16%
CARICOM	108,589	100.00%	133,063	100.00%	-24,473	-10.13%

Source: Author's calculations based on UN COMTRADE import data for Colombia.

Table A-11: Colombia – imports from CARICOM members by HS 2-digit product group, 1991–2011 (USD ‘000)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 1991-94	Av 1995-05	Av 2006-11	
Antigua and Barbuda		13,640	6,520	11,424	11,161	146	40	377	66	126	49	329		2	682	21	235	3,312	60	125	8	7,896.0	1,179.9	626.8	
89 Ships, boats and floating stru																		3,274				0.0	0.0	545.7	
84 Nuclear reactors, boilers, mac		297	19	56						7					1	0	90			10	6	92.9	0.8	17.8	
15 Animal or vegetable fats and o				1,184													106					296.1	0.0	17.6	
27 Mineral fuels, mineral oils an		13,009	6,391	10,183	11,161															79		7,395.8	1,014.6	13.2	
12 Oil seeds and oleaginous fruit																				48		0.0	0.0	8.0	
29 Organic chemicals		7										261				16		15				1.7	23.7	5.2	
94 Furniture; bedding, mattresses															266		15			5		0.0	24.2	3.4	
85 Electrical machinery and equip		21					14				12					1	14			1	1	5.2	2.4	2.8	
35 Albuminoidal substances; modif		8														4	9					2.1	0.0	2.1	
31 Fertilisers															395					11		0.0	35.9	1.8	
39 Plastics and articles thereof		90								0	9				0					9		22.4	0.8	1.8	
38 Miscellaneous chemical product		3																5		3		0.7	0.0	1.3	
91 Clocks and watches and parts t																	1	7	0	0		0.0	0.0	1.3	
71 Natural or cultured pearls, pr		2																		6		0.4	0.0	1.1	
Others	0	204	110	1	0	146	40	364	66	119	28	68	0	2	19	1	0	11	2	9	0	78.8	77.4	3.8	
Barbados		261	217	2	61	47	342	39	7	56	184	451	34	186	14,968	135	65	2,020	3,303	6,685	17,922	120.1	1,488.4	5,021.5	
38 Miscellaneous chemical product																		367				5,082	9,685	0.0	
27 Mineral fuels, mineral oils an															14,878			1,323	3,134	594	6,622	0.0	1,352.5	1,945.5	
39 Plastics and articles thereof						6	1			11	19			0	1	2	9	28	22	437	589	0.0	3.5	181.2	
25 Salt; sulphur; earths and ston																		52	15	42	560	0.0	0.0	111.5	
22 Beverages, spirits and vinegar				2	2	5					0		1	102		62		28	29	32	64	0.5	9.9	35.8	
47 Pulp of wood or of other fibro																		32		28	144	0.0	0.0	34.0	
84 Nuclear reactors, boilers, mac			2							2		3		33		1	0			181	4	0.6	3.4	31.0	
94 Furniture; bedding, mattresses											0				3						180	0.0	0.3	30.0	
73 Articles of iron or steel																				164		0.0	0.0	27.7	
85 Electrical machinery and equip			2		59			5				0			25	17	27			12	69	37	0.5	8.1	27.2
33 Essential oils and resinoids;																		55	16	28	12	0.0	0.0	18.4	
70 Glass and glassware											29				18			70	23		4	0.0	4.3	16.2	
90 Optical, photographic, cinemat						21					3	20			14	48	9	7	7	2	10	0.0	5.4	13.9	
83 Miscellaneous articles of base																		37	29	7		0.0	0.0	12.2	
86 Railway or tramway locomotives																		19				0.0	0.0	3.1	
71 Natural or cultured pearls, pr											55											0.0	7.1	2.4	
68 Articles of stone, plaster, ce																				11		0.0	0.0	1.9	
99 Commodities not specified acco											5		2								11	0.0	0.6	1.8	
10 Cereals																				9		0.0	0.0	1.5	
87 Vehicles other than railway or																				6		0.0	0.0	1.0	
Others	0	261	213	0	0	15	342	33	7	42	71	428	31	51	5	5	3	2	1	8	0	118.6	93.2	2.8	
Belize		5		30	24	97	52	5	1	23	2	5	109	0	4	0	6,566	12	36	10	19	8.7	29.3	1,107.2	
27 Mineral fuels, mineral oils an																	6,565					0.0	0.0	1,094.2	
99 Commodities not specified acco													13							8	6	9	0.0	1.2	3.8
85 Electrical machinery and equip						95		5	1				83							16	0	5	0.0	16.7	3.5
88 Aircraft, spacecraft, and part																				9		0.0	0.0	1.5	
73 Articles of iron or steel																		9				0.0	0.0	1.4	
61 Articles of apparel and clothi											2							1	1	2	3	0.0	0.2	1.2	
Others	0	5	0	30	24	2	52	0	0	23	0	5	13	0	4	0	0	2	0	1	6	8.7	11.2	1.6	

Notes: See end of table.

(Continues)

(Table continued)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 1991-94	Av 1995-05	Av 2006-11
Dominica			87	9		7	14	31	46	25	45	0	6	2	115	20	312	947	1,064	52	507	23.8	26.6	483.7
89 Ships, boats and floating stru																		535	1,035			0.0	0.0	261.7
25 Salt; sulphur; earths and ston																	1	287			487	0.0	0.0	129.1
85 Electrical machinery and equip			3								4		0	2	34	4	223		5	3	20	0.6	3.6	42.6
39 Plastics and articles thereof															8			118				0.0	0.7	19.7
84 Nuclear reactors, boilers, mac			5							13	5				3	4	22	6	1	29	0	1.2	1.9	10.2
30 Pharmaceutical products			8							11							31			5		2.0	1.0	6.0
87 Vehicles other than railway or			23				8				7						31					5.7	1.3	5.1
90 Optical, photographic, cinemat									1	1					0				22			0.0	0.2	3.6
48 Paper and paperboard; articles							2				0									15		0.0	0.2	2.6
82 Tools, implements, cutlery, sp											0				17	7			1			0.0	1.6	1.3
<i>Others</i>	0	0	49	9	0	7	4	31	46	0	29	0	6	0	54	5	4	1	0	0	0	14.4	16.1	1.8
Grenada	98	32	6	4	115	33	74	70	347	285	193				123					2	0	33.9	113.1	0.4
84 Nuclear reactors, boilers, mac			32												1					2		8.0	0.1	0.4
09 Coffee, tea, maté and spices					4	115	33	70	70	347	285	193			117							0.0	112.2	0.0
<i>Others</i>	98	0	0	6	0	0	0	4	0	0	0	0	0	0	5	0	0	0	0	0	0	25.9	0.8	0.1
Guyana	129	465	126	1,401	346	455	4,157	1,461	229	432	865	236	95	1,276	4,159	1,041	984	1,202	889	2,015	2,613	530.1	955.5	1,457.1
26 Ores, slag and ash		138				109	968	162	229	232	231	232	95	643	1,159	333	864	1,191	436	1,995	2,509	34.4	368.9	1,221.3
72 Iron and steel	129	327	126	187	182	341	879	176								433						192.1	143.4	72.1
10 Cereals							1,860	140			628			585					417			0.0	292.1	69.5
84 Nuclear reactors, boilers, mac																122	37	8			4	0.0	0.0	28.5
73 Articles of iron or steel																34	20	1		0	1	0.0	0.0	9.5
99 Commodities not specified acco										6	5								36	20		0.0	0.9	9.2
87 Vehicles other than railway or																43	9	2				0.0	0.0	9.0
03 Fish and crustaceans, molluscs																					53	0.0	0.0	8.9
30 Pharmaceutical products																					44	0.0	0.0	7.4
40 Rubber and articles thereof																32	11	0	0	0	0	0.0	0.0	7.3
23 Residues and waste from the fo								19						48			37					0.0	6.1	6.2
22 Beverages, spirits and vinegar																28						0.0	0.0	4.6
85 Electrical machinery and equip																9	2					0.0	0.0	1.8
<i>Others</i>	0	0	0	1,214	164	6	451	964	0	0	0	0	0	0	0	8	2	0	0	0	0	303.6	144.0	1.7

Notes: See end of table.

(Continues)

(Table continued)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 1991-94	Av 1995-05	Av 2006-11	
Jamaica	166	59	1,209	2,373	4,026	2,208	2,752	2,616	1,973	2,815	2,583	1,432	1,111	1,981	1,537	1,148	1,850	9,208	537	965	2,074	951.7	2,275.9	2,630.2	
89 Ships, boats and floating stru																		6,365				0.0	0.0	1,060.8	
25 Salt; sulphur; earths and ston	165		896	1,154	2,300	1,493	1,499	1,637	1,608	2,054	1,918	973	1,051	1,660	1,491	962	1,733	1,449	313	878	910	554.1	1,607.6	1,040.9	
28 Inorganic chemicals; organic o			279	723	491	334	359	305	340	630	396	150						540			933	250.6	273.3	245.5	
23 Residues and waste from the fo											147			200		145		669				0.0	31.5	135.6	
32 Tanning or dyeing extracts; ta																			147			0.0	0.0	24.5	
84 Nuclear reactors, boilers, mac				10				1					0	2	34	0	111	1		18	12	2.6	3.4	23.5	
47 Pulp of wood or of other fibro																				23	109	0.0	0.0	22.0	
72 Iron and steel			18	120	347	272	664	107						97								34.6	135.2	21.3	
87 Vehicles other than railway or												6									17	77	0.0	0.5	15.6
73 Articles of iron or steel										7												0.0	0.7	11.6	
83 Miscellaneous articles of base						1								0	1			44				0.0	0.1	7.3	
22 Beverages, spirits and vinegar				1			33				6	28	6	7	3	12	2	2	4	6		0.2	7.5	4.3	
85 Electrical machinery and equip				4				304					3			2	4	2			12	8	1.1	28.1	4.2
70 Glass and glassware				9																	0	21	2.3	0.0	3.6
99 Commodities not specified acco										9		52	4	3				1	13		6	0.0	6.1	3.3	
61 Articles of apparel and clothi										0		1	1	1	0	16						0.0	0.3	2.7	
<i>Others</i>	1	59	15	351	888	108	198	261	25	124	107	272	1	8	2	6	2	0	3	6	4	106.3	181.3	3.4	
Montserrat			58	68	115	172	85	22	18	59		30			0	0	1			0		31.3	45.5	0.3	
15 Animal or vegetable fats and o																	1					0.0	0.0	0.2	
<i>Others</i>	0	0	58	68	115	172	85	22	18	59	0	30	0	0	0	0	0	0	0	0	0	31.3	45.5	0.1	
Saint Kitts and Nevis		82								1					10	504	84	2	0	0	1,051	20.5	1.0	273.4	
89 Ships, boats and floating stru																					1,035	0.0	0.0	172.5	
90 Optical, photographic, cinemat																500	12					0.0	0.0	85.3	
85 Electrical machinery and equip																		50		0	0	0.0	0.0	8.4	
88 Aircraft, spacecraft, and part																4	22					0.0	0.0	4.2	
73 Articles of iron or steel																					14	0.0	0.0	2.3	
<i>Others</i>	0	82	0	0	0	0	0	0	0	1	0	0	0	0	10	0	0	2	0	0	2	20.5	1.0	0.7	
Saint Lucia		84	21		2	53	1		56	41	122		0	39	0	0	1	1	5	24,061	2	26.2	28.6	4,011.7	
27 Mineral fuels, mineral oils an																					24,056	0.0	0.0	4,009.4	
85 Electrical machinery and equip					2								0	0	0	0	1	0	4	1	1	0.0	0.3	1.2	
<i>Others</i>	0	84	21	0	0	53	1	0	56	41	122	0	0	39	0	0	0	0	1	4	2	26.2	28.3	1.2	
Saint Vincent and the Grenadines	28	432	15	6										77				1,523	362			120.4	7.0	314.0	
89 Ships, boats and floating stru	23																				1,523	362	5.7	0.0	314.0
<i>Others</i>	5	432	15	6	0	0	0	0	0	0	0	0	0	77	0	0	0	1,523	362	0	0	114.7	7.0	0.0	
Suriname	109	160			127	52					16	2	28	3	3	793	69	63	3	1	136	67.2	21.0	177.5	
72 Iron and steel		95			127											637						23.8	11.5	106.1	
03 Fish and crustaceans, molluscs																118	69	62			22	0.0	0.0	45.2	
09 Coffee, tea, maté and spices																					99	0.0	0.0	16.6	
99 Commodities not specified acco																21					7	0.0	0.0	4.7	
87 Vehicles other than railway or																16						0.0	0.0	2.7	
<i>Others</i>	0	14	160	0	0	52	0	0	0	0	16	2	28	3	3	0	0	1	3	1	8	43.4	9.5	2.2	

Notes: See end of table.

(Continues)

(Table continued)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 1991-94	Av 1995-05	Av 2006-11
Trinidad and Tobago	93,387	31,011	37,617	47,351	51,696	49,886	40,461	26,066	20,161	25,371	33,975	24,688	33,576	41,003	177,223	93,428	309,773	298,688	176,343	374,373	584,021	52,341.5	47,646.2	306,104.3
27 Mineral fuels, mineral oils an	91,149	17,953	29,089	24,452	20,593	8,926	480	209	828	48	9,183	5,663	115	177	121,471	29,960	240,533	204,330	95,375	245,683	423,457	40,660.9	15,244.6	206,556.3
28 Inorganic chemicals; organic o	2,002	2,510	555		4,758	9,938	13,435	10,080	8,335	13,804	12,642	4,834	6,652	19,829	23,677	24,198	17,711	43,831	23,034	31,742	50,562	1,266.6	11,634.9	31,846.4
31 Fertilisers	118	4,143	1,635	4,142	8,757	12,824	8,062	4,325	3,839	5,459	1,245	2,759	4,750	2,828	20,246	18,580	33,928	23,760	15,059	39,726	36,693	2,509.4	6,826.8	27,957.8
72 Iron and steel	115	6,359	6,108	16,960	15,582	14,054	14,433	7,935	4,310	4,074	8,728	6,472	13,655	14,477	7,650	14,217	9,928	15,253	11,518	12,860	18,686	7,385.2	10,124.6	13,743.9
29 Organic chemicals			2										1,118	2,153	99			827	10,163	25,240	32,513	0.6	306.4	11,457.0
03 Fish and crustaceans, molluscs																	677	3,482	13,272	11,590	9,361	0.0	0.0	6,397.1
22 Beverages, spirits and vinegar				1,466	1,730	2,870	2,409	1,816	2,309	1,271	985	3,063	5,643	140	2,003	3,219	4,199	2,705	4,759	3,968	4,891	366.5	2,203.4	3,956.9
25 Salt; sulphur; earths and ston									146	287	556	673	379		746	1,048	1,431	2,999	316	1,885	2,897	0.0	253.4	1,762.5
18 Cocoa and cocoa preparations											0	371	297	306	206	206	393	623	451	534	541	0.0	107.3	457.8
73 Articles of iron or steel					16	146	535	873	179	93	64	1	59	62	251	217	494	175	1,735	32	0	0.0	207.3	442.0
19 Preparations of cereals, flour										106	529	460	454	719	668	978	327	52		264	578	0.0	267.1	366.5
89 Ships, boats and floating stru						4															1,839	0.0	0.4	306.5
84 Nuclear reactors, boilers, mac				26	19	362	3	58	62	160	19	206	239	128	124	729	82	521	115	148	231	6.6	125.5	304.2
39 Plastics and articles thereof						1			1			0	4			1					1,598	0.0	0.5	266.4
26 Ores, slag and ash																			412	565		0.0	0.0	162.9
38 Miscellaneous chemical product				4		6		4		1	14	4	15	18	26	44	38			5	151	1.0	8.0	39.7
99 Commodities not specified acco											4		12	9	14	30	22	57	30	18	24	0.0	3.5	30.2
87 Vehicles other than railway or												2			0			21		63		0.0	0.2	13.9
90 Optical, photographic, cinemat		37	53	115		29	17	15	73		0		15		1		2	1	6	55		51.2	13.7	10.6
34 Soap, organic surface-active a													3						59			0.0	0.2	9.8
85 Electrical machinery and equip				59		5			3	0	130	121	79	14	2	0	38		1			14.7	32.0	6.9
71 Natural or cultured pearls, pr																			22			0.0	0.0	3.7
40 Rubber and articles thereof				1												0	5			10		0.2	0.0	2.5
02 Meat and edible meat offal																		11				0.0	0.0	1.9
Others	3	10	175	126	242	719	1,087	752	79	65	7	50	45	78	28	1	3	0	0	0	0	78.6	286.3	0.6
Total	93,808	46,148	46,061	62,669	67,562	53,238	47,937	30,693	22,627	29,096	38,126	27,366	34,960	44,569	195,825	97,090	319,938	316,977	182,600	408,290	608,353	62,171.4	53,818.0	322,208.0

Notes: Product groups with an average export value of less than USD 1,000 per year over the period 2006–2011 have been summarised in “others”.

Source: Author’s calculations based on UN COMTRADE import data for Colombia.

Table A-12: Colombian non-oil imports from CARICOM – goods covered by the BTA vs. excluded goods, 1993–2011 (USD ‘000)

in USD ‘000	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
CARICOM total	2,659	15,176	10,580	28,034	35,808	44,312	47,458	30,484	21,799	29,048	28,943	21,692	34,845	44,392	59,477	67,130	72,839	111,324	84,091	137,878	178,274
MFN treatment	146	5,438	6,515	17,741	16,521	14,895	15,303	10,605	5,294	4,960	7,835	8,363	10,897	14,360	8,723	9,699	4,318	17,110	4,544	17,862	29,786
Immediate tariff elimination 1994	511	5,001	2,830	8,208	13,685	18,180	16,818	8,763	8,143	9,749	5,386	8,357	13,517	8,599	26,225	25,145	41,380	31,324	32,235	73,348	78,337
Phased tariff elimination 1994		38	26	146	199	148	277	31	19		150	112	133	432	234	468	159	688			5
Immediate tariff elimination 1998	2,002	4,695	1,204	1,939	5,397	11,087	15,060	11,084	8,343	14,327	15,554	4,860	10,297	20,989	24,294	26,285	17,711	46,518	26,798	31,278	50,613
Phased tariff elimination 1998		3	6	1	6	3				13	18	1	0	13	1	5,532	9,271	15,684	20,514	15,385	19,537
Antigua and Barbuda		631	128	1,241		146	40	377	66	126	49	329		2	682	21	235	3,312	60	46	8
MFN treatment		603	103	1,241		139	12	377	66	41	37	320		2	287	4	220	3,299	58	23	8
Immediate tariff elimination 1994		18				7	27			86		8			395			0	2	18	
Phased tariff elimination 1994		11	25																		
Immediate tariff elimination 1998																17		13			
Phased tariff elimination 1998											12						15				5
Barbados		261	217	2	61	47	342	39	7	56	184	451	34	186	90	135	65	697	168	6,090	11,300
MFN treatment		86	207			36	320	6		55	101	431	33	71	68	72	38	511	88	5,988	10,896
Immediate tariff elimination 1994		175	11	2	61	5	22	18	7	0	83	20	1	102	21	62	26	185	80	88	224
Phased tariff elimination 1994											0										
Immediate tariff elimination 1998						6		16											1	1	
Phased tariff elimination 1998												0		13	1	2					14
Belize		5		30	24	97	52	5	1	23	2	5	109	0	4	0	1	12	36	10	19
MFN treatment		5		30	24	66		5			0	5	109	0	4	0	1	12	20	10	19
Immediate tariff elimination 1994						31			1	23	1							0	16		
Phased tariff elimination 1994							52				1										
Immediate tariff elimination 1998																					
Phased tariff elimination 1998																					
Dominica			87	9		7	14	31	46	25	45	0	6	2	115	20	312	947	1,064	52	507
MFN treatment			62			7	10	7	39	25	41		0	2	82	20	301	947	1,064	44	506
Immediate tariff elimination 1994			14	9				24			2		6		34		2			2	
Phased tariff elimination 1994							4				1						10			5	
Immediate tariff elimination 1998			10						8												0
Phased tariff elimination 1998										1	0										1
Grenada	98		32	6	4	115	33	74	70	347	285	193			123					2	0
MFN treatment			32	6				4							2						2
Immediate tariff elimination 1994	98				4	115	33	70	70	347	285	193			117						0
Phased tariff elimination 1994															5						
Immediate tariff elimination 1998																					
Phased tariff elimination 1998																					
Guyana	129	465	126	1,401	346	455	4,157	1,461	229	232	865	236	95	1,276	1,159	1,041	984	1,202	889	2,015	2,613
MFN treatment				499	164		451	983			634	5		633		240	115	11	36	20	6
Immediate tariff elimination 1994	129	465	126	902	182	455	3,706	478	229	232	231	232	95	643	1,159	795	867	1,191	853	1,995	2,553
Phased tariff elimination 1994																2	1				
Immediate tariff elimination 1998																					0
Phased tariff elimination 1998																4	1				53

(Continues)

(Table continued)

in USD '000	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Jamaica	166	59	1,209	2,373	4,026	2,208	2,752	2,616	1,973	2,815	2,583	1,432	1,111	1,981	1,537	1,148	1,850	9,208	537	965	2,074
MFN treatment		33	291	784	1,345	409	418	620	363	671	413	181	53	7	43	12	114	6,963	219	59	1,246
Immediate tariff elimination 1994	166	26	917	1,569	2,681	1,796	2,298	1,997	1,610	2,131	2,023	1,251	1,058	1,772	1,494	974	1,735	1,577	317	907	341
Phased tariff elimination 1994				18			37				147			202	0	162		669			
Immediate tariff elimination 1998																					486
Phased tariff elimination 1998			1	1		3				13				0	0						
Montserrat			58	68	115	172	85	22	18	59		19			0	0	1			0	
MFN treatment			55	44	95	157	79	19	12			19			0	0	1				0
Immediate tariff elimination 1994			3	21	14	16	6	4	6	59											0
Phased tariff elimination 1994				1	5																
Immediate tariff elimination 1998				1																	
Phased tariff elimination 1998												0									
Saint Kitts and Nevis		82								1					10	504	84	2	0	0	1,051
MFN treatment		82								1					10	504	75	2	0	0	1,049
Immediate tariff elimination 1994																	8		0		2
Phased tariff elimination 1994																					
Immediate tariff elimination 1998																					
Phased tariff elimination 1998																					
Saint Lucia		84	21		2	53	1		56	41	122		0	39	0	0	1	1	5	5	2
MFN treatment		69	21		2	53	1		56	41	122		0	0	0	0	1	1	5	5	2
Immediate tariff elimination 1994		15												39				0		0	0
Phased tariff elimination 1994																					
Immediate tariff elimination 1998																					
Phased tariff elimination 1998													0								
Saint Vincent and the Grenadines	28	422	15	6										77				1,523	362		
MFN treatment	28	313	7	6										77				1,523	362		
Immediate tariff elimination 1994		58	3																		
Phased tariff elimination 1994			27																		
Immediate tariff elimination 1998			21																		
Phased tariff elimination 1998			3	5																	
Suriname		109	160		127	52					16	2	28	3	3	793	69	63	3	1	136
MFN treatment		6	160			52					16	2	28	3	3	38		1	2	1	114
Immediate tariff elimination 1994		103			127											637				1	
Phased tariff elimination 1994																					
Immediate tariff elimination 1998																					
Phased tariff elimination 1998																118	69	62			22
Trinidad and Tobago	2,238	13,058	8,527	22,899	31,104	40,960	39,982	25,857	19,333	25,323	24,792	19,026	33,462	40,826	55,753	63,468	69,239	94,358	80,968	128,691	160,564
MFN treatment	118	4,241	5,577	15,129	14,890	13,976	14,012	8,584	4,758	4,126	6,471	7,401	10,673	13,564	8,225	8,809	3,452	3,841	2,691	11,709	15,941
Immediate tariff elimination 1994	118	4,143	1,757	5,707	10,617	15,754	10,725	6,173	6,221	6,871	2,761	6,653	12,358	6,044	23,005	22,678	38,742	28,371	30,966	70,339	75,215
Phased tariff elimination 1994			1	126	194	148	184	31	19		2	112	133	230	230	305	148	20			
Immediate tariff elimination 1998	2,002	4,674	1,193	1,937	5,397	11,081	15,060	11,069	8,335	14,327	15,554	4,860	10,297	20,989	24,294	26,268	17,711	46,504	26,798	31,278	50,126
Phased tariff elimination 1998					6						5					5,408	9,187	15,622	20,514	15,364	19,281

Source: Author's calculations based on UN COMTRADE import data for Colombia.

Trade CARICOM–Dominican Republic

Table A-13: Total trade CARICOM–Dominican Republic, 2001–2011 (USD '000)

Total trade Dominican Republic-CARICOM	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Imports from											
CARICOM	59,021	28,285	38,343	28,629	52,464	67,536	57,986	54,907	375,691	482,349	871,955
Antigua and Barbuda		44	34	20	0	1	60	9	608	3,615	102
Barbados	1,028	3,307	3,112	1,542	4,849	3,175	3,239	2,083	4,018	5,069	15,532
Belize	3,045	2,163	294	0	1	1,529	5,106	3,378	2,787	2,509	10,302
Dominica	35	22	20	3	106	2,387	20	15	4	17	764
Grenada	1	1	3	13	33	65	29	1,133	0	22	758
Guyana		0	10	498	317	136	541	86	474	579	3,258
Jamaica	9,044	7,413	5,980	6,565	4,898	5,540	5,230	4,769	5,097	1,932	5,308
Montserrat	12								0	1	351
Saint Kitts and Nevis	14		1	11		0	2	126	5	5	109
Saint Lucia	29	0	232	14	7	14	58	1	4	4	122
Saint Vincent and the Grenadines	2			27	1	0		9	1	177	6
Suriname	1	353	41	72	17	70	80	190	57	0	22
Trinidad and Tobago	45,810	14,982	28,615	19,863	42,234	54,619	43,621	43,109	362,634	468,420	835,323
World	5,496,744	5,329,778	4,208,657	4,703,854	6,804,052	8,421,973	10,594,387	12,167,110	12,054,439	15,138,223	18,156,133
Exports to											
CARICOM	17,980	24,162	27,522	25,859	34,222	42,911	72,480	129,152	97,495	108,236	134,588
Antigua and Barbuda	492	422	425	1,413	2,551	1,007	8,167	13,338	6,451	3,197	3,463
Barbados	1,399	1,813	2,181	2,116	3,443	3,959	3,801	6,277	5,225	5,716	19,454
Belize	39	25	113	58	8	47	87	156	254	94	109
Dominica	708	568	490	628	612	598	3,210	4,906	4,506	3,539	4,697
Grenada	58	99	261	228	289	857	1,032	1,604	1,735	2,131	1,834
Guyana	585	536	634	1,248	1,293	2,039	5,906	8,126	8,942	8,331	9,891
Jamaica	8,319	14,063	15,336	9,813	13,783	22,431	28,909	60,255	40,536	50,813	51,107
Montserrat		1	46	114	174		33	59	73	106	118
Saint Kitts and Nevis	373	194	204	98	398	451	2,758	5,442	2,359	2,648	2,137
Saint Lucia	710	746	687	985	3,070	1,788	4,817	7,353	4,862	4,170	4,156
Saint Vincent and the Grenadines	172	251	154	53	219	651	590	1,274	3,002	1,860	1,680
Suriname	1,385	1,515	1,572	1,735	2,528	2,619	3,874	5,036	8,240	11,516	13,130
Trinidad and Tobago	3,740	3,928	5,420	7,372	5,854	6,463	9,297	15,325	11,310	14,114	22,813
World	814,349	5,229,322	5,496,364	5,938,370	6,183,383	6,079,884	6,793,734	6,421,634	4,374,408	4,766,734	6,112,524
Bilateral trade balance CARICOM (plus: CARICOM surplus)	41,041	4,123	10,821	2,770	18,242	24,626	-14,493	-74,245	278,196	374,113	737,368
Share of trade with CARICOM/World											
Imports from CARICOM	1.07%	0.53%	0.91%	0.61%	0.77%	0.80%	0.55%	0.45%	3.12%	3.19%	4.80%
Exports to CARICOM	2.21%	0.46%	0.50%	0.44%	0.55%	0.71%	1.07%	2.01%	2.23%	2.27%	2.20%

Source: UN COMTRADE import data for the Dominican Republic and author's calculations.

Table A-14: Total non-oil trade CARICOM–Dominican Republic, 2001–2011 (USD ‘000)

Total trade Dominican Republic-CARICOM, excl. 27 Mineral f	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Imports from											
CARICOM	24,837	25,250	34,636	26,237	47,282	65,821	55,148	53,124	40,338	62,728	123,322
Antigua and Barbuda		44	34	20	0	1	60	9	20	74	102
Barbados	1,028	915	541	518	875	2,411	971	2,082	1,130	2,592	2,798
Belize	3,045	2,163	294	0	1	1,529	5,106	3,378	2,787	2,509	10,302
Dominica	35	22	20	3	106	2,387	20	15	4	17	764
Grenada	1	1	3	13	33	65	29	1,133	0	22	121
Guyana	0	0	10	498	317	136	541	86	474	579	3,258
Jamaica	9,044	7,413	5,980	6,565	4,873	5,540	5,230	4,769	2,379	1,905	2,863
Montserrat	12								0	1	351
Saint Kitts and Nevis	14		1	11		0	2	126	5	5	109
Saint Lucia	29	0	232	14	7	14	58	1	4	4	122
Saint Vincent and the Grenadines	2			27	1	0		9	1	177	6
Suriname	1	353	41	72	17	70	80	190	57	0	22
Trinidad and Tobago	11,626	14,339	27,480	18,496	41,051	53,669	43,051	41,327	33,476	54,844	102,504
World	4,257,080	5,277,933	4,147,708	4,628,832	6,713,532	8,295,080	10,427,051	11,981,596	9,531,853	11,427,843	13,486,361
Exports to											
CARICOM	16,486	22,598	26,468	25,210	33,645	42,892	72,480	129,126	97,427	108,113	128,086
Antigua and Barbuda	492	422	425	1,413	2,551	1,007	8,167	13,338	6,451	3,197	3,463
Barbados	1,399	1,813	2,174	2,050	3,443	3,959	3,801	6,277	5,224	5,711	15,105
Belize	39	25	113	58	8	47	87	156	254	94	109
Dominica	668	567	475	628	612	598	3,210	4,906	4,506	3,539	4,697
Grenada	58	99	261	228	289	857	1,032	1,604	1,735	2,131	1,782
Guyana	585	536	634	1,248	1,293	2,039	5,906	8,126	8,908	8,316	9,798
Jamaica	6,877	12,501	14,382	9,331	13,251	22,431	28,909	60,251	40,503	50,779	50,533
Montserrat		1	46	114	174		33	59	73	106	118
Saint Kitts and Nevis	373	194	204	98	398	451	2,758	5,442	2,359	2,648	2,137
Saint Lucia	710	746	687	985	3,070	1,788	4,817	7,352	4,862	4,170	4,156
Saint Vincent and the Grenadines	172	251	154	53	219	651	590	1,274	3,002	1,860	1,066
Suriname	1,385	1,515	1,572	1,735	2,528	2,619	3,874	5,036	8,240	11,516	13,087
Trinidad and Tobago	3,728	3,928	5,343	7,271	5,809	6,444	9,297	15,304	11,310	14,047	22,036
World	685,617	5,126,239	5,354,088	5,717,100	5,859,113	6,079,329	6,398,630	5,894,813	4,372,751	4,761,980	5,933,395
Bilateral trade balance CARICOM (plus: CARICOM surplus)	8,351	2,651	8,168	1,027	13,637	22,929	-17,332	-76,002	-57,090	-45,385	-4,764
Share of trade with CARICOM/World											
Imports from CARICOM	0.58%	0.48%	0.84%	0.57%	0.70%	0.79%	0.53%	0.44%	0.42%	0.55%	0.91%
Exports to CARICOM	2.40%	0.44%	0.49%	0.44%	0.57%	0.71%	1.13%	2.19%	2.23%	2.27%	2.16%

Source: UN COMTRADE import data for the Dominican Republic and author's calculations.

Table A-15: Composition of total trade CARICOM–Dominican Republic, by CARICOM members

Total trade 2001-2006	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	17	0.04%	1,052	3.65%	-1,035	-96.91%
Barbados	2,836	6.20%	2,485	8.64%	351	6.59%
Belize	1,172	2.56%	48	0.17%	1,124	92.07%
Dominica	429	0.94%	601	2.09%	-172	-16.69%
Grenada	19	0.04%	299	1.04%	-279	-87.78%
Guyana	160	0.35%	1,056	3.67%	-896	-73.66%
Jamaica	6,573	14.38%	13,957	48.50%	-7,384	-35.97%
Montserrat	2	0.00%	56	0.19%	-54	-93.07%
Saint Kitts and Nevis	4	0.01%	286	0.99%	-282	-97.02%
Saint Lucia	49	0.11%	1,331	4.63%	-1,282	-92.86%
Saint Vincent and the Grenadines	5	0.01%	250	0.87%	-245	-96.07%
Suriname	92	0.20%	1,892	6.58%	-1,800	-90.69%
Trinidad and Tobago	34,354	75.15%	5,463	18.98%	28,891	72.56%
MDCs	44,015	96.29%	24,854	86.37%	19,162	27.82%
LDCs	1,698	3.71%	3,922	13.63%	-2,225	-39.58%
CARICOM	45,713	100.00%	28,776	100.00%	16,937	22.74%

Total trade 2007-2011	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	879	0.24%	6,923	6.39%	-6,044	-77.47%
Barbados	5,988	1.62%	8,095	7.47%	-2,107	-14.96%
Belize	4,816	1.31%	140	0.13%	4,676	94.35%
Dominica	164	0.04%	4,171	3.85%	-4,008	-92.44%
Grenada	388	0.11%	1,667	1.54%	-1,279	-62.22%
Guyana	988	0.27%	8,239	7.60%	-7,252	-78.59%
Jamaica	4,467	1.21%	46,324	42.74%	-41,857	-82.41%
Montserrat	70	0.02%	78	0.07%	-7	-4.96%
Saint Kitts and Nevis	49	0.01%	3,069	2.83%	-3,020	-96.85%
Saint Lucia	38	0.01%	5,072	4.68%	-5,034	-98.52%
Saint Vincent and the Grenadines	39	0.01%	1,681	1.55%	-1,643	-95.52%
Suriname	70	0.02%	8,359	7.71%	-8,289	-98.34%
Trinidad and Tobago	350,621	95.13%	14,572	13.44%	336,050	92.02%
MDCs	362,135	98.25%	85,589	78.96%	276,546	61.77%
LDCs	6,443	1.75%	22,801	21.04%	-16,358	-55.94%
CARICOM	368,578	100.00%	108,390	100.00%	260,188	54.55%

Source: Author's calculations based on UN COMTRADE import data for the Dominican Republic.

Table A-16: Composition of non-oil trade CARICOM–Dominican Republic, by CARICOM members

Non-oil trade 2001-2006	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	17	0.04%	1,052	3.77%	-1,035	-96.91%
Barbados	1,048	2.81%	2,473	8.87%	-1,425	-40.47%
Belize	1,172	3.14%	48	0.17%	1,124	92.07%
Dominica	429	1.15%	591	2.12%	-162	-15.93%
Grenada	19	0.05%	299	1.07%	-279	-87.78%
Guyana	160	0.43%	1,056	3.79%	-896	-73.66%
Jamaica	6,569	17.59%	13,129	47.08%	-6,560	-33.30%
Montserrat	2	0.01%	56	0.20%	-54	-93.07%
Saint Kitts and Nevis	4	0.01%	286	1.03%	-282	-97.02%
Saint Lucia	49	0.13%	1,331	4.77%	-1,282	-92.86%
Saint Vincent and the Grenadines	5	0.01%	250	0.90%	-245	-96.07%
Suriname	92	0.25%	1,892	6.79%	-1,800	-90.69%
Trinidad and Tobago	27,777	74.38%	5,421	19.44%	22,356	67.34%
MDCs	35,646	95.45%	23,970	85.97%	11,676	19.58%
LDCs	1,698	4.55%	3,913	14.03%	-2,215	-39.48%
CARICOM	37,344	100.00%	27,883	100.00%	9,461	14.50%

Non-oil trade 2007-2011	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	53	0.08%	6,923	6.47%	-6,870	-98.48%
Barbados	1,915	2.86%	7,224	6.75%	-5,309	-58.09%
Belize	4,816	7.20%	140	0.13%	4,676	94.35%
Dominica	164	0.24%	4,171	3.90%	-4,008	-92.44%
Grenada	261	0.39%	1,657	1.55%	-1,396	-72.77%
Guyana	988	1.48%	8,211	7.67%	-7,223	-78.52%
Jamaica	3,429	5.12%	46,195	43.15%	-42,766	-86.18%
Montserrat	70	0.11%	78	0.07%	-7	-4.96%
Saint Kitts and Nevis	49	0.07%	3,069	2.87%	-3,020	-96.85%
Saint Lucia	38	0.06%	5,071	4.74%	-5,034	-98.52%
Saint Vincent and the Grenadines	39	0.06%	1,559	1.46%	-1,520	-95.17%
Suriname	70	0.10%	8,350	7.80%	-8,280	-98.34%
Trinidad and Tobago	55,040	82.23%	14,399	13.45%	40,642	58.53%
MDCs	61,442	91.80%	84,379	78.82%	-22,937	-15.73%
LDCs	5,490	8.20%	22,668	21.18%	-17,178	-61.01%
CARICOM	66,932	100.00%	107,046	100.00%	-40,115	-23.06%

Source: Author's calculations based on UN COMTRADE import data for the Dominican Republic.

Table A-17: Dominican Republic – imports from individual CARICOM members by HS 2-digit product group, 2001–2011 (USD ‘000)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 01-06	Av 07-11	Growth 07-11 vs 01-06	CAGR 01-06	CAGR 06-11
Antigua and Barbuda		44	34	20	0	1	60	9	608	3,615	102	16.5	878.7	5218%	na	137%
27 Mineral fuels, mineral oils an									588	3,541		0.0	825.9	na	na	na
85 Electrical machinery and equip		0	1	0	0	0	50	1	0	2	0	0.2	10.6	5252%	na	-6%
<i>Others</i>	0	44	34	19	0	1	10	8	20	72	102	16.3	42.3	159%	na	139%
Barbados	1,028	3,307	3,112	1,542	4,849	3,175	3,239	2,083	4,018	5,069	15,532	2,835.8	5,988.1	111%	25%	37%
27 Mineral fuels, mineral oils an		2,392	2,571	1,024	3,974	764	2,268	0	2,888	2,477	12,734	1,787.8	4,073.4	128%	na	76%
22 Beverages, spirits and vinegar	123	583	219	373	678	776	361	1,391	506	210	914	458.6	676.4	47%	45%	3%
48 Paper and paperboard; articles	15	1	77	56	28	433	104	159	134	343	985	101.7	345.0	239%	96%	18%
39 Plastics and articles thereof		13	0	0	0	83	68	245	166	1,407	252	16.1	427.7	2556%	na	25%
38 Miscellaneous chemical product	392	217	201	88	89	275	164	219	119	152	111	210.2	153.1	-27%	-7%	-17%
84 Nuclear reactors, boilers, mac	149	7	1		16	279	33	5	76	324	22	75.5	92.1	22%	13%	-40%
25 Salt; sulphur; earths and ston	270									47	98	45.0	29.0	-36%	-100%	na
87 Vehicles other than railway or	1				0	21	200	8			0	3.7	41.7	1032%	84%	-62%
85 Electrical machinery and equip	12	2	2		0	171	1	3			4	31.0	1.7	-94%	70%	-52%
72 Iron and steel		64						6			116	10.7	24.4	127%	na	na
70 Glass and glassware	11	2			0	0	7	1	51	39	54	2.2	30.3	1304%	-72%	385%
73 Articles of iron or steel	6	1	0		0	24	0	0		5	92	5.2	19.4	276%	32%	31%
76 Aluminum and articles thereof								0	10		73	0.0	16.7	na	na	na
52 Cotton						83						13.9	0.0	-100%	na	-100%
33 Essential oils and resinoids;	15		0				0		53		7	2.5	12.1	380%	-100%	na
40 Rubber and articles thereof						20	27	0	2	22		3.4	10.3	205%	na	-100%
34 Soap, organic surface-active a	1					69						11.7	0.0	-100%	133%	-100%
90 Optical, photographic, cinemat			0	0		11	1	1	3	27	20	1.8	10.3	472%	na	14%
<i>Others</i>	33	26	40	1	63	165	5	43	10	15	49	54.7	24.5	-55%	38%	-22%

Notes: See end of table.

(Continues)

(Table continued)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 01-06	Av 07-11	Growth 07-11 vs 01-06	CAGR 01-06	CAGR 06-11
Belize	3,045	2,163	294	0	1	1,529	5,106	3,378	2,787	2,509	10,302	1,172.2	4,816.4	311%	-13%	46%
20 Preparations of vegetables, fr						1,492	5,083	2,979	2,586	1,936	9,927	248.6	4,502.1	1711%	na	46%
30 Pharmaceutical products	2,967	1,265				4		0		13		705.9	2.5	-100%	-73%	-100%
84 Nuclear reactors, boilers, mac	36	531			1	1	0	0	2	94	2	94.8	19.7	-79%	-50%	9%
23 Residues and waste from the fo										347	253	0.0	120.0	na	na	na
85 Electrical machinery and equip		24	294					3	1	2	4	52.9	1.9	-96%	na	na
90 Optical, photographic, cinemat		326			0					0	0	54.3	0.1	-100%	na	na
95 Toys, games and sports requis		0	0					286	0		3	0.1	57.9	64845%	na	na
69 Ceramic products		1	0					0	142	100		0.1	48.4	49940%	na	na
07 Edible vegetables and certain						20		98		2	1	3.3	20.2	504%	na	-46%
21 Miscellaneous edible preparati	1							1		1	59	0.2	12.2	7215%	-100%	na
<i>Others</i>	41	17	0	0	1	12	23	10	56	15	54	11.9	31.4	164%	-22%	35%
Dominica	35	22	20	3	106	2,387	20	15	4	17	764	428.9	163.8	-62%	133%	-20%
84 Nuclear reactors, boilers, mac	2		9		1	2,374				0	10	397.8	2.2	-99%	312%	-66%
85 Electrical machinery and equip			0		5		8	4	0	15	705	0.8	146.4	17252%	na	na
15 Animal or vegetable fats and o	30	12	4		21	13						13.2	0.0	-100%	-16%	-100%
<i>Others</i>	3	10	7	3	79	0	12	11	4	1	48	17.0	15.2	-11%	-35%	168%
Grenada	1	1	3	13	33	65	29	1,133	0	22	758	19.4	388.3	1898%	130%	64%
27 Mineral fuels, mineral oils an											636	0.0	127.2	na	na	na
84 Nuclear reactors, boilers, mac					33		26	445		12	31	5.4	102.8	1794%	na	na
73 Articles of iron or steel			0		1		0	468	0	0	14	0.1	96.4	97979%	na	na
85 Electrical machinery and equip					0			198	0	0	3	0.0	40.3	142181%	na	na
22 Beverages, spirits and vinegar				0							68	0.0	13.7	163808%	na	na
94 Furniture; bedding, mattresses				13		51		2				10.7	0.4	-96%	na	-100%
<i>Others</i>	1	1	3	0	0	13	3	20	0	9	5	3.2	7.5	136%	68%	-17%
Guyana		0	10	498	317	136	541	86	474	579	3,258	160.1	987.7	517%	na	89%
08 Edible fruit and nuts; peel of									439	530	2,977	0.0	789.1	na	na	na
10 Cereals				477	90		333	9				94.6	68.2	-28%	na	na
52 Cotton						90					167	15.0	33.4	122%	na	13%
44 Wood and articles of wood; woo							35	76	26	30	78	0.0	48.8	na	na	na
87 Vehicles other than railway or						3	170					0.4	34.0	7523%	na	-100%
25 Salt; sulphur; earths and ston				20	98	11						21.5	0.0	-100%	na	-100%
22 Beverages, spirits and vinegar				0	105						0	17.4	0.0	-100%	na	na
<i>Others</i>	0	0	10	1	25	32	3	2	10	19	37	11.1	14.1	27%	na	3%

Notes: See end of table.

(Continues)

(Table continued)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 01-06	Av 07-11	Growth 07-11 vs 01-06	CAGR 01-06	CAGR 06-11
Jamaica	9,044	7,413	5,980	6,565	4,898	5,540	5,230	4,769	5,097	1,932	5,308	6,573.1	4,467.3	-32%	-9%	-1%
84 Nuclear reactors, boilers, mac	7,262	5,637	3,288	2,647	127	77	336	246	162	120	70	3,173.1	186.7	-94%	-60%	-2%
34 Soap, organic surface-active a		21	1,696	3,258	4,062	4,126	3,130	1,972	1,073	76	284	2,194.0	1,306.8	-40%	na	-41%
27 Mineral fuels, mineral oils an				0	25	0	0		2,719	27	2,445	4.1	1,038.1	25182%	na	860%
25 Salt; sulphur; earths and ston	11		0							853	1,855	1.8	541.6	29426%	-100%	na
28 Inorganic chemicals; organic o	232	78	218	130	67	359	281	221	200	99	333	180.7	226.8	25%	9%	-2%
85 Electrical machinery and equip	40	168	22	39	37	53	70	1,367	195	71	8	59.9	341.9	471%	6%	-32%
38 Miscellaneous chemical product	821	233	39	2					65	30	0	182.5	19.1	-90%	-100%	na
20 Preparations of vegetables, fr		58	0	20	4		181	4	216	321		13.7	144.5	952%	na	na
21 Miscellaneous edible preparati	30	39	15	20	58	68	65	119	57	77	42	38.4	71.6	87%	18%	-9%
23 Residues and waste from the fo		110				242	133					58.7	26.6	-55%	na	-100%
39 Plastics and articles thereof	106	22	33	34	0	94	46	30	48	8	52	48.1	36.9	-23%	-2%	-11%
35 Albuminoidal substances; modif	98	86	47	7	8	9		188				42.5	37.7	-11%	-38%	-100%
40 Rubber and articles thereof	1	44	44	165	151	14	4	2	2	1	3	69.6	2.4	-96%	68%	-27%
33 Essential oils and resinoids;	41	265	76	8	9	9						68.1	0.0	-100%	-26%	-100%
09 Coffee, tea, maté and spices					5	104	141	79	55	18		18.1	58.5	223%	na	-100%
87 Vehicles other than railway or	71	12	27	28	42	16	80	73	16	13	0	32.6	36.4	11%	-26%	-71%
29 Organic chemicals	61	0	200	1	1	30	18	27	3	13	2	48.9	12.6	-74%	-13%	-42%
72 Iron and steel	24			0		55	184	83		1		13.2	53.5	305%	18%	-100%
63 Other made up textile articles		2	2	26	2	2	271	7	2	9	3	5.7	58.4	925%	na	13%
56 Wadding, felt and nonwovens; s	10	211	59	0								46.8	0.0	-100%	-100%	na
24 Tobacco and manufactured tobac	11						59		8		99	1.8	33.0	1701%	-100%	na
73 Articles of iron or steel	44	106	6	4	1	1	4	2	1	4	1	27.0	2.2	-92%	-58%	7%
15 Animal or vegetable fats and o				19	11	31	55	39	10			10.2	20.9	104%	na	-100%
70 Glass and glassware		21	1	69	13	17	0	22	7		0	20.2	5.8	-71%	na	-58%
55 Man-made staple fibres			7	0	126			11			0	22.1	2.2	-90%	na	na
90 Optical, photographic, cinemat	25	0	0	0		43	14	6	48	3	0	11.5	14.0	23%	11%	-61%
94 Furniture; bedding, mattresses	16	17	50	2	13	3	3	15	8	10	3	16.7	7.7	-54%	-30%	1%
30 Pharmaceutical products		29	0	1		0	4	86		10	3	5.0	20.6	309%	na	72%
22 Beverages, spirits and vinegar	15	20	16	26	20	7	4			0	20	17.4	4.9	-72%	-14%	23%
04 Dairy produce; birds' eggs; na		36	38	2	0	47						20.3	0.0	-100%	na	-100%
83 Miscellaneous articles of base	39	27	1	1			0		45	0	0	11.2	9.2	-17%	-100%	na
52 Cotton		1		28	2			36	3		41	5.1	15.9	209%	na	na
16 Preparations of meat, of fish	22						73		10			3.7	16.7	354%	-100%	na
41 Raw hides and skins(other than									91			0.0	18.3	na	na	na
13 Lac; gums, resins and other ve	12	0	0	4	4	16	13	17	11	12		6.2	10.5	71%	6%	-100%
03 Fish and crustaceans, molluscs	30		51	1								13.6	0.0	-100%	-100%	na
31 Fertilisers						24				57		3.9	11.4	191%	na	-100%
<i>Others</i>	22	171	43	23	108	93	61	119	44	101	44	76.7	73.8	-4%	33%	-14%

Notes: See end of table.

(Continues)

(Table continued)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 01-06	Av 07-11	Growth 07-11 vs 01-06	CAGR 01-06	CAGR 06-11
Montserrat	12								0	1	351	2.0	70.3	3416%	-100%	na
72 Iron and steel											227	0.0	45.4	na	na	na
76 Aluminum and articles thereof											67	0.0	13.4	na	na	na
74 Copper and articles thereof											56	0.0	11.3	na	na	na
40 Rubber and articles thereof	12								0			2.0	0.0	-98%	-100%	na
85 Electrical machinery and equip										1	0	0.0	0.2	na	na	na
Saint Kitts and Nevis	14		1	11		0	2	126	5	5	109	4.3	49.2	1037%	-64%	321%
22 Beverages, spirits and vinegar								102				0.0	20.4	na	na	na
72 Iron and steel											100	0.0	20.0	na	na	na
<i>Others</i>	14	0	1	11	0	0	2	25	5	5	8	4.3	8.8	103%	-64%	153%
Saint Lucia	29	0	232	14	7	14	58	1	4	4	122	49.3	37.9	-23%	-14%	55%
88 Aircraft, spacecraft, and part			231									38.5	0.0	-100%	na	na
22 Beverages, spirits and vinegar				0							114	0.0	22.8	360326%	na	na
<i>Others</i>	29	0	1	14	7	14	58	1	4	4	8	10.8	15.1	40%	-14%	-10%
Saint Vincent and the Grenadines	2			27	1	0		9	1	177	6	5.0	38.5	669%	-31%	81%
72 Iron and steel										60		0.0	12.0	na	na	na
94 Furniture; bedding, mattresses				26							28	4.3	5.6	29%	na	na
73 Articles of iron or steel										46		0.0	9.2	na	na	na
39 Plastics and articles thereof										34		0.0	6.9	na	na	na
<i>Others</i>	2	0	0	1	1	0	0	9	1	9	6	0.7	4.9	616%	-31%	81%
Suriname	1	353	41	72	17	70	80	190	57	0	22	92.4	70.0	-24%	134%	-21%
03 Fish and crustaceans, molluscs		353	27					155	44			63.3	39.8	-37%	na	na
48 Paper and paperboard; articles						70	0	0			3	11.7	0.6	-94%	na	-47%
44 Wood and articles of wood; woo							43	24				0.0	13.3	na	na	na
84 Nuclear reactors, boilers, mac				19		0	36	1			2	3.2	7.7	137%	na	86%
06 Live trees and other plants; b				14	17							5.1	0.0	-100%	na	na
<i>Others</i>	1	0	14	39	0	0	2	10	14	0	17	9.0	8.6	-4%	-75%	602%

Notes: See end of table.

(Continues)

(Table continued)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Av 01-06	Av 07-11	Growth 07-11 vs 01-06	CAGR 01-06	CAGR 06-11
Trinidad and Tobago	45,810	14,982	28,615	19,863	42,234	54,619	43,621	43,109	362,634	468,420	835,323	34,353.9	350,621.4	921%	4%	73%
27 Mineral fuels, mineral oils an	34,184	643	1,135	1,367	1,183	951	571	1,782	329,158	413,576	732,819	6,577.2	295,581.0	4394%	-51%	278%
72 Iron and steel	2,357	5,329	10,715	4,490	24,284	42,259	15,032	9,267	11,544	23,162	47,942	14,905.7	21,389.4	43%	78%	3%
31 Fertilisers	2,542	1,312	6,765	6,816	9,096	1,516	14,984	19,396	10,285	15,738	28,205	4,674.6	17,721.5	279%	-10%	79%
48 Paper and paperboard; articles	3,977	2,455	3,607	3,136	2,116	2,899	4,665	3,683	2,995	4,192	3,557	3,031.9	3,818.4	26%	-6%	4%
85 Electrical machinery and equip	106	167	231	1,005	1,533	2,619	3,101	3,854	3,648	5,193	10,506	943.5	5,260.6	458%	90%	32%
19 Preparations of cereals, flour	25	281	304	397	1,233	1,536	1,816	1,849	2,210	2,108	3,403	629.4	2,277.1	262%	128%	17%
70 Glass and glassware	1,185	2,022	410	276	493	310	687	1,076	264	2,315	5,812	782.7	2,030.9	159%	-24%	80%
22 Beverages, spirits and vinegar	454	1,050	900	384	349	829	889	969	1,521	804	867	660.8	1,010.1	53%	13%	1%
39 Plastics and articles thereof	289	1,068	621	435	923	883	610	108	186	389	427	703.1	343.8	-51%	25%	-14%
56 Wadding, felt and nonovens; s	196		2,618	293	8	20	134		8			522.5	28.5	-95%	-36%	-100%
84 Nuclear reactors, boilers, mac	145	307	826	499	128	46	3	8	4	1	48	325.3	13.0	-96%	-21%	1%
28 Inorganic chemicals; organic o	5		3	38	5	2	0	72	387	452	1,049	8.8	391.9	4374%	-20%	266%
38 Miscellaneous chemical product	106	135	37	142	320	331	421	45	114	45	33	178.6	131.4	-26%	26%	-37%
17 Sugars and sugar confectionery	66	67	174	225	119	133	219	114			100	130.7	86.4	-34%	15%	-6%
94 Furniture; bedding, mattresses		9	5	87	89	111	175	26	0	159		32.5	94.3	190%	na	12%
69 Ceramic products		0	0	0	2	0	135	146	119	121	1	0.4	104.6	29649%	na	52%
47 Pulp of wood or of other fibro			125	145	43	20	34	29	37	21		55.6	24.3	-56%	na	-100%
21 Miscellaneous edible preparati	30	34	14	10	8	17	97	121	51	54	11	18.8	66.7	254%	-11%	-9%
33 Essential oils and resinoids;	25	7	10	41	37	10		136	0	0	7	21.7	28.7	32%	-18%	-7%
23 Residues and waste from the fo											271	0.0	54.1	na	na	na
34 Soap, organic surface-active a		31	27	17	8	5		79	16	0		14.8	18.9	27%	na	-100%
04 Dairy produce; birds' eggs; na										168	3	0.0	34.3	na	na	na
87 Vehicles other than railway or	9	0	8	0	0	28	2	70	3	3	32	7.6	21.9	189%	26%	2%
73 Articles of iron or steel	3	19	26	45	14	17	4	15		2	0	20.5	4.1	-80%	42%	-65%
93 Arms and ammunition; parts and				144								23.9	0.0	-100%	na	na
83 Miscellaneous articles of base	29	11		0	2	0	1	39		1		7.1	8.0	14%	-78%	-100%
32 Tanning or dyeing extracts; ta	1			29	50				1	0		13.3	0.2	-99%	-100%	na
20 Preparations of vegetables, fr		0	1			1	27			44	0	0.3	14.3	4344%	na	-46%
61 Articles of apparel and clothi	54	0	2	4	4	0	0			0	1	10.6	0.3	-97%	-73%	74%
15 Animal or vegetable fats and o		0		2		14	13	16	9	1	6	2.6	8.9	250%	na	-16%
29 Organic chemicals			9	8	9		11	17		3		4.4	6.3	45%	na	na
90 Optical, photographic, cinemat	10	0	6	24	0	8		1	1			8.1	0.3	-96%	-3%	-100%
49 Printed books, newspapers, pic	3	4	15	4	0	2	7	9	2	0	2	4.9	3.9	-20%	-4%	-5%
76 Aluminum and articles thereof		20	0	23	1		0	1	0			7.4	0.1	-98%	na	na
55 Man-made staple fibres									2		41	0.0	8.6	na	na	na
52 Cotton						40				0	0	6.7	0.0	-99%	na	-67%
30 Pharmaceutical products				2	1				25		1	0.4	5.2	1339%	na	13%
35 Albuminoidal substances; modif				6			10	10				1.0	4.1	321%	na	na
Others	9	9	21	2	27	32	37	25	18	25	20	16.6	25.2	52%	29%	-9%
Total	59,021	28,285	38,343	28,629	52,464	67,536	57,986	54,907	375,691	482,349	871,955	45,712.9	368,577.7	706%	3%	67%

Notes: Product groups with an export value of at least USD 10,000 per year over a period of at least three years are shown in red. Product groups with an average export value of less than USD 5,000 in either of the periods 2001–2006 or 2007–2011 have been summarised in “others”.

Source: Author's calculations based on UN COMTRADE import data for the Dominican Republic.

Table A-18: Dominican Republican non-oil imports from CARICOM – goods covered by the FTA vs. excluded goods, 2001–2011 (USD '000)

in USD '000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
CARICOM TOTAL	24,837	25,250	34,636	26,237	47,282	65,821	55,148	53,124	40,338	62,728	123,322
Excluded goods: MFN tariffs	3,195	6,567	9,136	7,078	5,982	10,949	17,884	14,690	12,630	23,014	37,673
Goods benefitting from immediate tariff elimination	21,628	18,623	25,490	19,138	41,188	54,458	36,624	38,357	27,626	39,543	85,582
Goods with phased tariff elimination	14	59	11	21	112	414	640	77	81	171	66
Antigua and Barbuda		44	34	20	0	1	60	9	20	74	102
Excluded goods: MFN tariffs				17				0	0	10	1
Goods benefitting from immediate tariff elimination		44	34	3	0	1	60	9	20	65	100
Goods with phased tariff elimination			0			0					
Barbados	1,028	915	541	518	875	2,411	971	2,082	1,130	2,592	2,798
Excluded goods: MFN tariffs	275		0	0	1	68			1		0
Goods benefitting from immediate tariff elimination	753	910	541	518	874	2,343	971	2,082	1,127	2,588	2,773
Goods with phased tariff elimination		5	0		0		0		2	4	24
Belize	3,045	2,163	294	0	1	1,529	5,106	3,378	2,787	2,509	10,302
Excluded goods: MFN tariffs	21					1,512	4,585	3,013	2,586	1,936	9,902
Goods benefitting from immediate tariff elimination	3,024	2,163	294	0	1	17	521	364	201	572	400
Goods with phased tariff elimination		1						1	0		
Dominica	35	22	20	3	106	2,387	20	15	4	17	764
Excluded goods: MFN tariffs	30	12	4		21	13					0
Goods benefitting from immediate tariff elimination	5	10	16	3	85	2,374	20	15	4	17	762
Goods with phased tariff elimination		0									1
Grenada	1	1	3	13	33	65	29	1,133	0	22	121
Excluded goods: MFN tariffs		1		0				2			68
Goods benefitting from immediate tariff elimination	1	0	3	13	33	65	29	1,131	0	22	53
Goods with phased tariff elimination							0				
Guyana		0	10	498	317	136	541	86	474	579	3,258
Excluded goods: MFN tariffs				477	90		333	9	439	530	2,977
Goods benefitting from immediate tariff elimination		0	10	21	123	136	209	77	36	49	281
Goods with phased tariff elimination				0	105						0
Jamaica	9,044	7,413	5,980	6,565	4,873	5,540	5,230	4,769	2,379	1,905	2,863
Excluded goods: MFN tariffs	42	201	1,823	3,286	4,096	4,205	3,362	2,010	1,293	1,250	2,238
Goods benefitting from immediate tariff elimination	8,995	7,194	4,148	3,259	773	1,333	1,855	2,736	1,080	650	592
Goods with phased tariff elimination	7	18	9	21	4	2	13	22	6	5	32
Montserrat	12								0	1	351
Excluded goods: MFN tariffs											
Goods benefitting from immediate tariff elimination	12								0	1	351
Goods with phased tariff elimination											
Saint Kitts and Nevis	14		1	11		0	2	126	5	5	109
Excluded goods: MFN tariffs											0
Goods benefitting from immediate tariff elimination	14		1	11		0	1	126	5	4	104
Goods with phased tariff elimination							0			1	5
Saint Lucia	29	0	232	14	7	14	58	1	4	4	122
Excluded goods: MFN tariffs				0	1						
Goods benefitting from immediate tariff elimination	29	0	232	14	6	14	58	1	4	4	121
Goods with phased tariff elimination											1
Saint Vincent and the Grenadines	2			27	1	0		9	1	177	6
Excluded goods: MFN tariffs											2
Goods benefitting from immediate tariff elimination	2			27	1	0		9	1	177	5
Goods with phased tariff elimination											0
Suriname	1	353	41	72	17	70	80	190	57	0	22
Excluded goods: MFN tariffs	1	353	27					155	44		1
Goods benefitting from immediate tariff elimination			13	72	17	70	80	35	14	0	17
Goods with phased tariff elimination								0			3
Trinidad and Tobago	11,626	14,339	27,480	18,496	41,051	53,669	43,051	41,327	33,476	54,844	102,504
Excluded goods: MFN tariffs	2,826	6,001	7,282	3,298	1,773	5,152	9,604	9,501	8,268	19,287	22,483
Goods benefitting from immediate tariff elimination	8,793	8,302	20,197	15,198	39,274	48,105	32,820	31,773	25,134	35,395	80,021
Goods with phased tariff elimination	7	35	2	0	4	412	627	54	74	162	0

Source: Author's calculations based on UN COMTRADE import data for the Dominican Republic.

Trade CARICOM–Cuba

Table A-19: Total trade CARICOM–Cuba, 1999–2006 (USD '000)

Total trade Cuba-CARICOM	1999	2000	2001	2002	2003	2004	2005	2006
Import from								
CARICOM	70,342	41,655	34,810	45,826	43,725	29,835	30,879	31,492
Antigua and Barbuda	1,197	540	6	11	7	24		8
Barbados	91	69	23	22	2	15	141	15
Belize	136	242	15	1	244		113	224
Dominica	220	396	5	220	52	47	112	74
Grenada		2		4	1		40	
Guyana	1,036	1,337	1,348	1,133	716	175	899	431
Jamaica	8,924	2,256	2,906	3,851	7,748	3,237	2,779	6,244
Montserrat	45	12	55	0				23
Saint Kitts and Nevis								
Saint Lucia							2	
Saint Vincent and the Grenadines	64			22				
Suriname	1,132	410	31	175	52		102	1,138
Trinidad and Tobago	57,497	36,391	30,421	40,384	34,902	26,338	26,691	23,334
World	4,391,242	4,843,241	5,250,845	4,176,548	4,661,954	5,609,561	8,084,336	10,173,591
Exports to								
CARICOM	5,687	6,404	8,005	6,713	9,927	8,931	8,188	8,745
Antigua and Barbuda	317	397	7			236		305
Barbados	49	26	81	115	263	593	856	1
Belize	214	523	1,399	949	1,037	119	29	290
Dominica		1	11			39	254	282
Grenada		693	132	149	277	204	7	375
Guyana	173	107	140	60	1,030	107	182	1,255
Jamaica	4,452	4,377	6,095	4,725	6,977	4,880	4,727	3,861
Montserrat								
Saint Kitts and Nevis				32	6			370
Saint Lucia	39	52	4	3	7	1		474
Saint Vincent and the Grenadines						16	15	372
Suriname	411		16		24	1	38	611
Trinidad and Tobago	34	228	120	681	306	2,735	2,079	549
World	1,495,833	1,676,060	1,664,827	1,421,666	1,676,913	2,332,101	2,318,592	2,980,152
Bilateral trade balance CARICOM (plus: CARICOM surplus)	64,655	35,251	26,805	39,112	33,798	20,905	22,691	22,747
Antigua and Barbuda	880	143	-1	11	7	-212	0	-297
Barbados	43	43	-58	-93	-261	-578	-716	14
Belize	-78	-282	-1,385	-947	-792	-119	84	-66
Dominica	220	395	-6	220	52	8	-142	-208
Grenada	0	-691	-132	-145	-276	-204	33	-375
Guyana	862	1,230	1,209	1,073	-314	68	717	-824
Jamaica	4,472	-2,121	-3,189	-874	771	-1,643	-1,948	2,383
Montserrat	45	12	55	0	0	0	0	23
Saint Kitts and Nevis	0	0	0	-32	-6	0	0	-370
Saint Lucia	-39	-52	-4	-3	-7	-1	2	-474
Saint Vincent and the Grenadines	64	0	0	22	0	-16	-15	-372
Suriname	722	410	16	175	27	-1	64	527
Trinidad and Tobago	57,464	36,164	30,301	39,704	34,597	23,603	24,611	22,785
World	2,895,408	3,167,181	3,586,019	2,754,882	2,985,041	3,277,460	5,765,744	7,193,440
Share of trade with CARICOM/World								
Imports from CARICOM	1.60%	0.86%	0.66%	1.10%	0.94%	0.53%	0.38%	0.31%
Exports to CARICOM	0.38%	0.38%	0.48%	0.47%	0.59%	0.38%	0.35%	0.29%

Source: UN COMTRADE import data for Cuba and author's calculations.

Table A-20: Total non-oil trade CARICOM–Cuba, 1999–2006 (USD ‘000)

Total trade Cuba-CARICOM, excl. 27 Mineral fuels, mineral o	1999	2000	2001	2002	2003	2004	2005	2006
Imports from								
CARICOM	24,768	22,794	33,821	14,444	32,740	29,539	29,715	31,492
Antigua and Barbuda	1,197	540	6	11	7	24		8
Barbados	91	69	23	22	2	15	141	15
Belize	136	242	15	1	244		113	224
Dominica	220	396	5	220	52	47	112	74
Grenada		2		4	1		40	
Guyana	1,036	1,337	1,348	1,133	716	175	899	431
Jamaica	7,471	2,177	2,906	3,851	4,533	3,237	2,779	6,244
Montserrat	45	12	55	0				23
Saint Kitts and Nevis								
Saint Lucia							2	
Saint Vincent and the Grenadines	64			22				
Suriname	1,132	410	31	175	52		102	1,138
Trinidad and Tobago	13,376	17,609	29,432	9,002	27,133	26,042	25,527	23,334
World	3,660,451	3,685,167	4,219,001	3,308,251	3,656,362	4,299,144	5,983,277	10,163,059
Exports to								
CARICOM	5,687	6,404	8,005	6,713	7,477	8,931	8,188	8,745
Antigua and Barbuda	317	397	7			236		305
Barbados	49	26	81	115	263	593	856	1
Belize	214	523	1,399	949	1,037	119	29	290
Dominica		1	11			39	254	282
Grenada		693	132	149	277	204	7	375
Guyana	173	107	140	60	1,030	107	182	1,255
Jamaica	4,452	4,377	6,095	4,725	4,527	4,880	4,727	3,861
Montserrat								
Saint Kitts and Nevis				32	6			370
Saint Lucia	39	52	4	3	7	1		474
Saint Vincent and the Grenadines						16	15	372
Suriname	411		16		24	1	38	611
Trinidad and Tobago	34	228	120	681	306	2,735	2,079	549
World	1,476,899	1,623,672	1,640,087	1,415,955	1,651,784	2,320,436	2,299,074	2,980,144
Bilateral trade balance CARICOM (plus: CARICOM surplus)								
CARICOM	19,081	16,390	25,816	7,730	25,264	20,608	21,527	22,747
Antigua and Barbuda	880	143	-1	11	7	-212	0	-297
Barbados	43	43	-58	-93	-261	-578	-716	14
Belize	-78	-282	-1,385	-947	-792	-119	84	-66
Dominica	220	395	-6	220	52	8	-142	-208
Grenada	0	-691	-132	-145	-276	-204	33	-375
Guyana	862	1,230	1,209	1,073	-314	68	717	-824
Jamaica	3,019	-2,200	-3,189	-874	6	-1,643	-1,948	2,383
Montserrat	45	12	55	0	0	0	0	23
Saint Kitts and Nevis	0	0	0	-32	-6	0	0	-370
Saint Lucia	-39	-52	-4	-3	-7	-1	2	-474
Saint Vincent and the Grenadines	64	0	0	22	0	-16	-15	-372
Suriname	722	410	16	175	27	-1	64	527
Trinidad and Tobago	13,342	17,382	29,312	8,322	26,827	23,306	23,447	22,785
World	2,183,552	2,061,495	2,578,914	1,892,296	2,004,579	1,978,708	3,684,203	7,182,915
Share of trade with CARICOM/World								
Imports from CARICOM	0.68%	0.62%	0.80%	0.44%	0.90%	0.69%	0.50%	0.31%
Exports to CARICOM	0.39%	0.39%	0.49%	0.47%	0.45%	0.38%	0.36%	0.29%

Source: UN COMTRADE import data for Cuba and author's calculations.

Table A-21: Composition of total trade CARICOM–Cuba, by CARICOM members

Total trade 1999-2000	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	868	1.55%	357	5.90%	512	41.77%
Barbados	80	0.14%	37	0.61%	43	36.59%
Belize	189	0.34%	369	6.10%	-180	-32.22%
Dominica	308	0.55%	1	0.01%	307	99.64%
Grenada	1	0.00%	347	5.73%	-346	-99.42%
Guyana	1,187	2.12%	140	2.32%	1,046	78.85%
Jamaica	5,590	9.98%	4,414	73.02%	1,176	11.75%
Montserrat	28	0.05%	0	0.00%	28	100.00%
Saint Kitts and Nevis	0	0.00%	0	0.00%	0	na
Saint Lucia	0	0.00%	46	0.75%	-46	-100.00%
Saint Vincent and the Grenadines	32	0.06%	0	0.00%	32	100.00%
Suriname	771	1.38%	205	3.40%	566	57.95%
Trinidad and Tobago	46,944	83.83%	131	2.16%	46,814	99.45%
MDCs	54,572	97.45%	4,928	81.51%	49,644	83.44%
LDCs	1,427	2.55%	1,118	18.49%	309	12.14%
CARICOM	55,999	100.00%	6,046	100.00%	49,953	80.51%

Total trade 2001-2006	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	9	0.03%	91	1.09%	-82	-81.63%
Barbados	36	0.10%	318	3.78%	-282	-79.49%
Belize	100	0.28%	637	7.57%	-537	-72.94%
Dominica	85	0.24%	98	1.16%	-13	-6.91%
Grenada	8	0.02%	191	2.26%	-183	-92.36%
Guyana	784	2.17%	462	5.49%	322	25.81%
Jamaica	4,461	12.36%	5,211	61.90%	-750	-7.76%
Montserrat	13	0.04%	0	0.00%	13	100.00%
Saint Kitts and Nevis	0	0.00%	68	0.81%	-68	-100.00%
Saint Lucia	0	0.00%	81	0.97%	-81	-99.12%
Saint Vincent and the Grenadines	4	0.01%	67	0.80%	-63	-89.43%
Suriname	250	0.69%	115	1.37%	134	36.86%
Trinidad and Tobago	30,345	84.07%	1,078	12.81%	29,267	93.14%
MDCs	35,876	99.39%	7,185	85.35%	28,691	66.63%
LDCs	219	0.61%	1,233	14.65%	-1,014	-69.86%
CARICOM	36,095	100.00%	8,418	100.00%	27,676	62.18%

Source: Author's calculations based on UN COMTRADE import data for Cuba.

Table A-22: Composition of non-oil trade CARICOM–Cuba, by CARICOM members

Non-oil trade 1999-2000	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	868	3.65%	357	5.90%	512	41.77%
Barbados	80	0.34%	37	0.61%	43	36.59%
Belize	189	0.79%	369	6.10%	-180	-32.22%
Dominica	308	1.29%	1	0.01%	307	99.64%
Grenada	1	0.00%	347	5.73%	-346	-99.42%
Guyana	1,187	4.99%	140	2.32%	1,046	78.85%
Jamaica	4,824	20.28%	4,414	73.02%	410	4.44%
Montserrat	28	0.12%	0	0.00%	28	100.00%
Saint Kitts and Nevis	0	0.00%	0	0.00%	0	na
Saint Lucia	0	0.00%	46	0.75%	-46	-100.00%
Saint Vincent and the Grenadines	32	0.14%	0	0.00%	32	100.00%
Suriname	771	3.24%	205	3.40%	566	57.95%
Trinidad and Tobago	15,493	65.15%	131	2.16%	15,362	98.33%
MDCs	22,354	94.00%	4,928	81.51%	17,427	63.88%
LDCs	1,427	6.00%	1,118	18.49%	309	12.14%
CARICOM	23,781	100.00%	6,046	100.00%	17,736	59.46%

Non-oil trade 2001-2006	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	9	0.03%	91	1.14%	-82	-81.64%
Barbados	36	0.13%	318	3.97%	-282	-79.49%
Belize	100	0.35%	637	7.95%	-537	-72.94%
Dominica	85	0.30%	98	1.22%	-13	-6.91%
Grenada	8	0.03%	191	2.38%	-183	-92.36%
Guyana	784	2.74%	462	5.77%	322	25.81%
Jamaica	3,925	13.71%	4,803	59.96%	-878	-10.06%
Montserrat	13	0.05%	0	0.00%	13	100.00%
Saint Kitts and Nevis	0	0.00%	68	0.85%	-68	-100.00%
Saint Lucia	0	0.00%	81	1.02%	-81	-99.12%
Saint Vincent and the Grenadines	4	0.01%	67	0.84%	-63	-89.43%
Suriname	250	0.87%	115	1.44%	134	36.86%
Trinidad and Tobago	23,412	81.79%	1,078	13.46%	22,333	91.19%
MDCs	28,406	99.24%	6,777	84.60%	21,630	61.48%
LDCs	219	0.76%	1,233	15.40%	-1,014	-69.86%
CARICOM	28,625	100.00%	8,010	100.00%	20,615	56.27%

Source: Author's calculations based on UN COMTRADE import data for Cuba.

Table A-23: Cuba – imports from individual CARICOM members by HS 2-digit product group, 1999–2006 (USD ‘000)

	1999	2000	2001	2002	2003	2004	2005	2006	Total
Antigua and Barbuda	1,197	540	6	11	7	24		8	1,792
03 Fish and crustaceans, molluscs	552	123		1	7				683
84 Nuclear reactors, boilers, mac	98	140							238
40 Rubber and articles thereof	162	64							225
83 Miscellaneous articles of base	157								157
85 Electrical machinery and equip	115	6							120
15 Animal or vegetable fats and o		105							105
29 Organic chemicals		60							60
94 Furniture; bedding, mattresses	41	2		10					53
72 Iron and steel	41								41
69 Ceramic products						24			24
73 Articles of iron or steel		21							21
68 Articles of stone, plaster, ce		17							17
38 Miscellaneous chemical product	7							5	12
<i>Others</i>	24	1	6	0	0	0	0	3	35
Barbados	91	69	23	22	2	15	141	15	378
22 Beverages, spirits and vinegar	21	67	6	0		4	13	15	126
40 Rubber and articles thereof							66		66
85 Electrical machinery and equip	38				1				39
87 Vehicles other than railway or							35		35
84 Nuclear reactors, boilers, mac	29			0	1		1		31
95 Toys, games and sports requisi							23		23
18 Cocoa and cocoa preparations			16						16
70 Glass and glassware	2					11			13
25 Salt; sulphur; earths and ston				11					11
04 Dairy produce; birds' eggs; na				11					11
<i>Others</i>	1	2	0	0	0	0	3	0	7
Belize	136	242	15	1	244		113	224	976
44 Wood and articles of wood; woo	131	225	8						364
82 Tools, implements, cutlery, sp		1					113	193	307
87 Vehicles other than railway or					239				239
39 Plastics and articles thereof				1				31	31
84 Nuclear reactors, boilers, mac	5	5			5				15
<i>Others</i>	0	10	7	1	0	0	0	1	19

Notes: See end of table.

(Continues)

(Table continued)

	1999	2000	2001	2002	2003	2004	2005	2006	Total
Dominica	220	396	5	220	52	47	112	74	1,126
84 Nuclear reactors, boilers, mac	113	12		7	2		2		136
89 Ships, boats and floating stru		85				45			130
34 Soap, organic surface-active a				121					121
39 Plastics and articles thereof		68	3	17	0			21	110
18 Cocoa and cocoa preparations							92	0	92
32 Tanning or dyeing extracts; ta	26	57			2				85
48 Paper and paperboard; articles	2	63			2			2	68
21 Miscellaneous edible preparati	26	26				0		14	65
83 Miscellaneous articles of base				3	42				45
63 Other made up textile articles		44							44
20 Preparations of vegetables, fr				41					41
73 Articles of iron or steel	1			30					30
85 Electrical machinery and equip		23	1		1		1	6	30
15 Animal or vegetable fats and o								26	26
61 Articles of apparel and clothi	20			1				3	24
38 Miscellaneous chemical product	19				1		2		22
54 Man-made filaments; strip and	11	6							17
52 Cotton		9							9
<i>Others</i>	2	3	2	0	3	2	16	3	31
Grenada		2		4	1		40		47
84 Nuclear reactors, boilers, mac				1	1		19		21
82 Tools, implements, cutlery, sp				1			11		12
<i>Others</i>	0	2	0	3	0	0	10	0	15
Guyana	1,036	1,337	1,348	1,133	716	175	899	431	7,076
44 Wood and articles of wood; woo	1,036	1,337	1,348	939	413	142	883	431	6,529
55 Man-made staple fibres				143	98				241
52 Cotton				27	105				132
84 Nuclear reactors, boilers, mac				19	17	33	16		86
58 Special woven fabrics; tufted					84				84
<i>Others</i>	0	0	0	4	0	0	0	0	4

Notes: See end of table.

(Continues)

(Table continued)

	1999	2000	2001	2002	2003	2004	2005	2006	Total
Jamaica	8,924	2,256	2,906	3,851	7,748	3,237	2,779	6,244	37,944
38 Miscellaneous chemical product	5,389	172	24	558	87	490	552	663	7,935
23 Residues and waste from the fo				1,117	1,084	1,101		1,792	5,094
27 Mineral fuels, mineral oils an	1,453	79			3,216				4,747
85 Electrical machinery and equip	356	174	348	413	588	201	283	401	2,764
28 Inorganic chemicals; organic o	349	118	128	272	413	280	245	348	2,151
84 Nuclear reactors, boilers, mac	88	274	376	293	431	208	45	233	1,948
39 Plastics and articles thereof	25	141	64	99	300	369	590	218	1,805
90 Optical, photographic, cinemat	3		229	42	67	3	66	919	1,329
61 Articles of apparel and clothi	513	225	85	54	12		82	304	1,275
99 Commodities not specified acco			69	99	7	67	693	254	1,189
63 Other made up textile articles	81	5	53	160	755	1			1,056
72 Iron and steel		231	317					250	797
94 Furniture; bedding, mattresses	10	130	26	60	94	63	32	143	558
73 Articles of iron or steel	16	142	17	0	11	9	6	260	462
87 Vehicles other than railway or	13	1	391		4	17	1	22	449
74 Copper and articles thereof	77	18	143	103	54	44			439
48 Paper and paperboard; articles	79	44	213	4	75	12	0		428
34 Soap, organic surface-active a	251				7	65	46		369
40 Rubber and articles thereof		49	11	0	2	7	35	191	295
76 Aluminum and articles thereof			46	95	16	66	52	3	278
24 Tobacco and manufactured tobac					270				270
08 Edible fruit and nuts; peel of		24	3	237					265
62 Articles of apparel and clothi	110	82	1	13	18			38	260
15 Animal or vegetable fats and o		52	19	106					178
70 Glass and glassware			151	13	1			1	166
33 Essential oils and resinoids;	7			22	77	59	1		165
32 Tanning or dyeing extracts; ta	10	10	1	5			0	69	95
44 Wood and articles of wood; woo		3		0	56	29			88
02 Meat and edible meat offal		84							84
89 Ships, boats and floating stru				33		44			77
47 Pulp of wood or of other fibro		70						7	77
65 Headgear and parts thereof	23	14	12	2	2	4		17	74
19 Preparations of cereals, flour			69						69
25 Salt; sulphur; earths and ston								68	68
29 Organic chemicals	6	8	23			0	29		66
22 Beverages, spirits and vinegar		4	54	2	2	2			64
49 Printed books, newspapers, pic	35	23	2	2	1			0	63
17 Sugars and sugar confectionery				30	31				61
68 Articles of stone, plaster, ce		49	5		0		0	0	54
35 Albuminoidal substances; modif	12	1		0	0	3		34	51
83 Miscellaneous articles of base		1	7	0	3	26	4		40
11 Products of the milling indust	7				26				33
95 Toys, games and sports requis				1	0	26	0	4	32
20 Preparations of vegetables, fr						22	5		27
37 Photographic or cinematographi		1	1		25				26
04 Dairy produce; birds' eggs; na	1	25							25
96 Miscellaneous manufactured art	1	1		10	1	8	1	0	22
82 Tools, implements, cutlery, sp				0	4		4	5	13
30 Pharmaceutical products		1	5	3	2	2			13
<i>Others</i>	<i>10</i>	<i>3</i>	<i>14</i>	<i>2</i>	<i>5</i>	<i>9</i>	<i>8</i>	<i>0</i>	<i>50</i>

Notes: See end of table.

(Continues)

(Table continued)

	1999	2000	2001	2002	2003	2004	2005	2006	Total
Montserrat	45	12	55	0				23	135
85 Electrical machinery and equip			38					23	61
39 Plastics and articles thereof	45								45
70 Glass and glassware			18						18
11 Products of the milling indust		12							12
73 Articles of iron or steel				0					0
Saint Lucia							2		2
85 Electrical machinery and equip							2		2
Saint Vincent and the Grenadines	64			22					87
10 Cereals	64			8					73
39 Plastics and articles thereof				8					8
11 Products of the milling indust				6					6
Suriname	1,132	410	31	175	52		102	1,138	3,040
44 Wood and articles of wood; woo	695	35		174			102	1,138	2,144
84 Nuclear reactors, boilers, mac	434	232							666
85 Electrical machinery and equip		106					0		106
48 Paper and paperboard; articles					49				49
54 Man-made filaments; strip and		31							31
15 Animal or vegetable fats and o			21						21
76 Aluminum and articles thereof			11						11
<i>Others</i>	3	7	0	0	2	0	0	0	13
Trinidad and Tobago	57,497	36,391	30,421	40,384	34,902	26,338	26,691	23,334	275,959
28 Inorganic chemicals; organic o	8,916	14,456	27,563	8,659	24,055	21,135	19,845	17,369	141,997
27 Mineral fuels, mineral oils an	44,121	18,782	989	31,382	7,769	296	1,164		104,504
72 Iron and steel	4,010	2,816	1,367		2,744	2,198	2,731	3,555	19,422
25 Salt; sulphur; earths and ston			7	2		603	725	1,187	2,524
84 Nuclear reactors, boilers, mac		228	139	9	58	396	1,511	37	2,378
56 Wadding, felt and nonwovens; s	34	76	48	92	122	215	259	331	1,178
31 Fertilisers						1,135			1,135
39 Plastics and articles thereof	243		185	0	16	23		423	891
38 Miscellaneous chemical product			58	119	65	81	23	12	359
47 Pulp of wood or of other fibro		31	35		7	70	71	92	307
19 Preparations of cereals, flour			13	57	33	32	61	43	239
18 Cocoa and cocoa preparations			12	29	22	1	86	81	231
29 Organic chemicals	143								143
20 Preparations of vegetables, fr							53	72	125
73 Articles of iron or steel						4	37	39	80
94 Furniture; bedding, mattresses							51	15	66
22 Beverages, spirits and vinegar	30	3	1				31		65
85 Electrical machinery and equip				3	0	38	1	18	60
90 Optical, photographic, cinemat				5	1	6		31	43
63 Other made up textile articles					1		41		43
21 Miscellaneous edible preparati							10	31	42
48 Paper and paperboard; articles						37		1	38
82 Tools, implements, cutlery, sp								33	33
61 Articles of apparel and clothi			3		1		18		22
34 Soap, organic surface-active a				20	0			1	21
<i>Others</i>	0	0	2	6	3	2	1	2	15
Total	70,342	41,655	34,810	45,826	43,725	29,835	30,879	31,492	328,565

Notes: Product groups with an export value of at least USD 10,000 per year over a period of at least three years are shown in red. Product groups with an average export value of less than USD 1,000 per year over the period 2000–2011 have been summarised in “others”.

Source: Author’s calculations based on UN COMTRADE import data for the Cuba.

Table A-24: Cuban non-oil imports from CARICOM – goods covered by the BTA vs. excluded goods, 1999–2006 (USD '000)

in USD '000	1999	2000	2001	2002	2003	2004	2005	2006
CARICOM total	24,768	22,794	33,821	14,444	32,740	29,539	29,715	31,492
MFN treatment	8,497	3,095	2,868	2,472	3,192	2,557	5,020	5,370
Immediate tariff elimination	16,160	19,540	30,893	11,822	29,426	26,740	24,059	25,372
Phased tariff elimination	112	160	60	150	122	242	636	750
Antigua and Barbuda	1,197	540	6	11	7	24		8
MFN treatment	1,129	487	6	1	7			6
Immediate tariff elimination	54	52		10		24		2
Phased tariff elimination	15							
Barbados	91	69	23	22	2	15	141	15
MFN treatment	91	63	6	22	2	15	141	15
Immediate tariff elimination		6	16	0	0			0
Phased tariff elimination					0			
Belize	136	242	15	1	244		113	224
MFN treatment	5	58	7	1	244		113	194
Immediate tariff elimination	131	184	8	0				
Phased tariff elimination				1				31
Dominica	220	396	5	220	52	47	112	74
MFN treatment	127	272	1	125	7	1	18	4
Immediate tariff elimination	83	58	4	95	43	46	94	49
Phased tariff elimination	10	67			2			21
Grenada		2		4	1		40	
MFN treatment		2		4	1		36	
Immediate tariff elimination				0			5	
Phased tariff elimination								
Guyana	1,036	1,337	1,348	1,133	716	175	899	431
MFN treatment		142		166	221	33	16	
Immediate tariff elimination	1,036	1,195	1,348	968	495	142	883	431
Phased tariff elimination								
Jamaica	7,471	2,177	2,906	3,851	4,533	3,237	2,779	6,244
MFN treatment	6,336	1,591	2,492	1,936	2,442	1,541	2,048	3,402
Immediate tariff elimination	1,048	495	366	1,832	2,025	1,545	185	2,652
Phased tariff elimination	87	92	48	84	66	151	546	189
Montserrat	45	12	55	0				23
MFN treatment	45		38	0				23
Immediate tariff elimination		12	18					
Phased tariff elimination								
Saint Kitts and Nevis							2	
MFN treatment								
Immediate tariff elimination							2	
Phased tariff elimination								
Saint Lucia	64			22				
MFN treatment	64							
Immediate tariff elimination				14				
Phased tariff elimination				8				
Saint Vincent and the Grenadines	1,132	410	31	175	52		102	1,138
MFN treatment	421	371	31	0	51		0	
Immediate tariff elimination	711	38		174	0		102	1,138
Phased tariff elimination		1						
Suriname	13,376	17,609	29,432	9,002	27,133	26,042	25,527	23,334
MFN treatment	278	110	288	216	216	967	2,648	1,726
Immediate tariff elimination	13,097	17,500	29,132	8,729	26,863	24,983	22,789	21,099
Phased tariff elimination			13	57	54	92	90	509
Trinidad and Tobago	5,054	5,054	347	463	742	5,639	579	4,651
MFN treatment			3	20	2	50	60	2
Immediate tariff elimination	5,046	5,046	334	443	738	5,573	516	4,645
Phased tariff elimination	7	7	8	1	0	2	1	0

Source: Author's calculations based on UN COMTRADE import data for Cuba.

Trade CARICOM–Costa Rica

Table A-25: Total trade CARICOM–Costa Rica, 2000–2011 (USD '000)

Total trade Costa Rica-CARICOM	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Imports from												
CARICOM	37,755	12,478	26,328	16,693	19,916	9,074	71,242	115,725	83,032	104,562	211,339	123,928
Antigua and Barbuda		2		2	5	0	3	41	45	28	90	2
Barbados	69	366	191	120	95	151	125	214	210	207	107	196
Belize	403	2,124	812	539	618	623	19,317	46,887	30,708	43,258	46,774	19,817
Dominica		1	2	0	16	32	40	13	16	64	21	12
Grenada			7,376		1		1	4	9	602	43	2
Guyana	79		1	268	7	4	0	0	4	168	66	403
Jamaica	168	166	4,779	732	412	593	587	648	386	725	1,024	8,170
Montserrat		8								0		
Saint Kitts and Nevis						1		0	0	0		
Saint Lucia	5	1			5		3	1	4	1	2	14
Saint Vincent and the Grenadines	14	132		1	16			1	23	0	1	0
Suriname	10	45	307	7	44	6	4	25	30	4	47	38
Trinidad and Tobago	37,008	9,632	12,861	15,024	18,697	7,664	51,163	67,890	51,597	59,504	163,164	95,274
World	6,028,836	6,272,249	6,894,239	7,388,170	8,003,129	9,173,270	11,070,461	12,757,849	15,289,400	11,550,461	13,920,244	18,263,805
Exports to												
CARICOM	36,922	47,413	48,062	69,613	74,414	81,592	103,184	114,940	121,118	111,187	137,012	149,636
Antigua and Barbuda	120	136	243	309	1,029	292	463	638	526	737	1,530	1,045
Barbados	2,925	2,943	3,164	4,756	6,167	6,238	9,239	9,424	8,260	7,302	15,375	12,018
Belize	2,085	2,347	2,735	4,372	4,577	5,752	5,693	5,867	7,209	7,811	7,108	8,898
Dominica	1,272	681	812	514	625	563	577	392	1,205	696	464	680
Grenada	81	100	132	392	261	107	299	366	243	451	614	599
Guyana	1,611	1,371	908	2,388	3,227	3,917	5,280	3,270	4,314	3,297	3,228	6,468
Jamaica	23,593	32,590	32,292	39,356	38,729	43,636	48,244	49,273	52,296	41,320	54,148	53,523
Montserrat				8	9	9		2		18		
Saint Kitts and Nevis	17	54	104	75	50	79	172	255	1,164	281	350	501
Saint Lucia	197	289	407	677	561	691	1,090	840	1,149	1,569	1,607	1,996
Saint Vincent and the Grenadines	120	146	160	397	523	366	343	398	578	386	352	277
Suriname	717	898	226	1,836	2,319	2,984	4,592	5,307	8,253	9,265	5,326	7,950
Trinidad and Tobago	4,183	5,858	6,879	14,542	16,337	16,956	27,192	38,908	35,921	38,055	46,909	55,682
World	5,486,873	4,715,784	4,950,394	5,800,404	5,952,582	7,150,688	7,254,866	8,927,619	9,744,538	8,836,345	9,044,841	10,222,241
Bilateral trade balance CARICOM (plus: CARICOM surplus)	833	-34,935	-21,733	-52,921	-54,498	-72,518	-31,942	785	-38,086	-6,626	74,328	-25,708
Share of trade with CARICOM/World												
Imports from CARICOM	0.63%	0.20%	0.38%	0.23%	0.25%	0.10%	0.64%	0.91%	0.54%	0.91%	1.52%	0.68%
Exports to CARICOM	0.67%	1.01%	0.97%	1.20%	1.25%	1.14%	1.42%	1.29%	1.24%	1.26%	1.51%	1.46%

Source: UN COMTRADE import data for Costa Rica and author's calculations.

Table A-26: Total non-oil trade CARICOM–Costa Rica, 2000–2011 (USD ‘000)

Total non-oil trade Costa Rica-CARICOM	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Costa Rican imports from												
CARICOM	5,801	3,175	2,184	2,410	6,858	1,988	6,170	21,570	29,779	14,622	94,895	52,390
Antigua and Barbuda		2		2	5	0	3	41	45	28	90	2
Barbados	69	366	191	120	95	151	125	214	210	189	107	196
Belize	403	2,107	805	539	618	623	757	626	1,223	1,495	956	1,888
Dominica		1	2	0	16	32	40	13	16	64	21	12
Grenada			5		1		1	4	9	602	43	2
Guyana	79		1	268	7	4	0	0	4	3	66	403
Jamaica	168	166	409	732	412	592	586	648	386	675	1,024	8,170
Montserrat		8										
Saint Kitts and Nevis						1		0	0	0		
Saint Lucia	5	1			5		3	1	4	0	2	14
Saint Vincent and the Grenadines	14	132		1	16			1	23	0	1	0
Suriname	10	45	307	7	44	6	4	25	30	3	47	38
Trinidad and Tobago	5,054	347	463	742	5,639	579	4,651	19,995	27,829	11,563	92,538	41,666
World	5,529,695	5,802,007	6,424,752	6,811,478	7,247,569	8,182,044	9,758,242	11,222,965	13,055,215	10,561,213	12,211,416	15,965,045
Costa Rican exports to												
CARICOM	36,089	47,342	47,795	69,587	74,410	81,269	103,038	114,493	120,692	78,849	137,012	149,609
Antigua and Barbuda	120	136	243	309	1,029	292	463	638	526	435	1,530	1,045
Barbados	2,925	2,943	3,164	4,756	6,167	6,238	9,239	9,303	8,260	5,032	15,375	12,018
Belize	2,012	2,300	2,683	4,369	4,577	5,663	5,693	5,866	6,925	5,315	7,108	8,898
Dominica	1,272	681	812	514	625	563	577	392	1,205	567	464	680
Grenada	81	100	132	392	261	107	299	366	243	306	614	599
Guyana	1,587	1,371	908	2,388	3,227	3,917	5,280	3,270	4,314	2,518	3,228	6,468
Jamaica	22,858	32,567	32,078	39,356	38,729	43,636	48,192	49,039	52,296	29,098	54,148	53,496
Montserrat					8	9		2		18		
Saint Kitts and Nevis	17	54	104	75	50	79	172	255	1,164	174	350	501
Saint Lucia	197	289	407	677	561	691	1,090	840	1,149	1,142	1,607	1,996
Saint Vincent and the Grenadines	120	146	160	397	523	366	343	398	578	254	352	277
Suriname	717	898	226	1,836	2,319	2,984	4,534	5,242	8,156	7,185	5,326	7,950
Trinidad and Tobago	4,183	5,858	6,879	14,518	16,333	16,723	27,156	38,882	35,877	26,805	46,909	55,682
World	5,453,030	4,675,884	4,900,067	5,772,182	5,948,150	7,115,856	7,210,652	8,876,197	9,662,351	8,786,484	8,993,848	10,188,980
Bilateral trade balance CARICOM (plus: CARICOM surplus)	-30,287	-44,167	-45,612	-67,177	-67,552	-79,281	-96,868	-92,923	-90,913	-64,227	-42,116	-97,219
Share of trade with CARICOM/World												
Non-oil imports from CARICOM	0.10%	0.05%	0.03%	0.04%	0.09%	0.02%	0.06%	0.19%	0.23%	0.14%	0.78%	0.33%
Non-oil exports to CARICOM	0.66%	1.01%	0.98%	1.21%	1.25%	1.14%	1.43%	1.29%	1.25%	0.90%	1.52%	1.47%

Source: UN COMTRADE import data for Costa Rica and author's calculations.

Table A-27: Composition of total trade CARICOM–Costa Rica, by CARICOM members

Total trade 2000-2004	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	2	0.01%	367	0.66%	-366	-99.11%
Barbados	168	0.74%	3,991	7.22%	-3,823	-91.91%
Belize	899	3.97%	3,223	5.83%	-2,324	-56.37%
Dominica	4	0.02%	781	1.41%	-777	-99.01%
Grenada	1,475	6.52%	193	0.35%	1,282	76.84%
Guyana	71	0.31%	1,901	3.44%	-1,830	-92.81%
Jamaica	1,251	5.53%	33,312	60.26%	-32,061	-92.76%
Montserrat	2	0.01%	2	0.00%	0	2.02%
Saint Kitts and Nevis	0	0.00%	60	0.11%	-60	-100.00%
Saint Lucia	2	0.01%	426	0.77%	-424	-99.00%
Saint Vincent and the Grenadines	33	0.14%	269	0.49%	-236	-78.35%
Suriname	82	0.36%	1,199	2.17%	-1,117	-87.13%
Trinidad and Tobago	18,644	82.37%	9,560	17.29%	9,084	32.21%
MDCs	20,217	89.32%	49,963	90.37%	-29,746	-42.39%
LDCs	2,417	10.68%	5,321	9.63%	-2,905	-37.54%
CARICOM	22,634	100.00%	55,285	100.00%	-32,651	-41.90%

Total trade 2005-2011	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	30	0.03%	747	0.64%	-718	-92.34%
Barbados	173	0.17%	9,694	8.29%	-9,521	-96.49%
Belize	29,626	28.85%	6,905	5.90%	22,721	62.19%
Dominica	28	0.03%	654	0.56%	-626	-91.71%
Grenada	94	0.09%	383	0.33%	-288	-60.41%
Guyana	92	0.09%	4,253	3.64%	-4,161	-95.75%
Jamaica	1,733	1.69%	48,920	41.83%	-47,187	-93.16%
Montserrat	0	0.00%	4	0.00%	-4	-98.72%
Saint Kitts and Nevis	0	0.00%	400	0.34%	-400	-99.86%
Saint Lucia	3	0.00%	1,277	1.09%	-1,274	-99.47%
Saint Vincent and the Grenadines	4	0.00%	386	0.33%	-382	-98.13%
Suriname	22	0.02%	6,240	5.34%	-6,218	-99.30%
Trinidad and Tobago	70,894	69.03%	37,089	31.71%	33,805	31.31%
MDCs	72,914	71.00%	106,196	90.80%	-33,282	-18.58%
LDCs	29,786	29.00%	10,757	9.20%	19,029	46.94%
CARICOM	102,700	100.00%	116,953	100.00%	-14,252	-6.49%

Source: Author's calculations based on UN COMTRADE import data for Costa Rica.

Table A-28: Composition of non-oil trade CARICOM–Costa Rica, by CARICOM members

Non-oil trade 2000-2004	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	2	0.04%	367	0.67%	-366	-99.11%
Barbados	168	4.12%	3,991	7.25%	-3,823	-91.91%
Belize	894	21.89%	3,188	5.79%	-2,294	-56.19%
Dominica	4	0.10%	781	1.42%	-777	-99.01%
Grenada	1	0.03%	193	0.35%	-192	-98.69%
Guyana	71	1.74%	1,896	3.44%	-1,825	-92.79%
Jamaica	377	9.23%	33,118	60.17%	-32,740	-97.75%
Montserrat	2	0.04%	2	0.00%	0	2.02%
Saint Kitts and Nevis	0	0.00%	60	0.11%	-60	-100.00%
Saint Lucia	2	0.05%	426	0.77%	-424	-99.00%
Saint Vincent and the Grenadines	33	0.80%	269	0.49%	-236	-78.35%
Suriname	82	2.02%	1,199	2.18%	-1,117	-87.13%
Trinidad and Tobago	2,449	59.94%	9,554	17.36%	-7,105	-59.20%
MDCs	3,148	77.05%	49,758	90.40%	-46,610	-88.10%
LDCs	938	22.95%	5,286	9.60%	-4,349	-69.87%
CARICOM	4,086	100.00%	55,045	100.00%	-50,959	-86.18%

Non-oil trade 2005-2011	Imports from CARICOM		Exports to CARICOM		Trade balance	
	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of CARICOM total	Value (USD '000)	% of bilateral X+M
Antigua and Barbuda	30	0.09%	704	0.63%	-675	-91.90%
Barbados	170	0.54%	9,352	8.34%	-9,182	-96.42%
Belize	1,081	3.42%	6,495	5.79%	-5,414	-71.46%
Dominica	28	0.09%	635	0.57%	-607	-91.48%
Grenada	94	0.30%	362	0.32%	-268	-58.61%
Guyana	69	0.22%	4,142	3.69%	-4,073	-96.74%
Jamaica	1,726	5.46%	47,129	42.03%	-45,403	-92.93%
Montserrat	0	0.00%	4	0.00%	-4	-100.00%
Saint Kitts and Nevis	0	0.00%	385	0.34%	-385	-99.85%
Saint Lucia	3	0.01%	1,216	1.08%	-1,213	-99.45%
Saint Vincent and the Grenadines	4	0.01%	367	0.33%	-363	-98.04%
Suriname	22	0.07%	5,911	5.27%	-5,889	-99.27%
Trinidad and Tobago	28,403	89.80%	35,433	31.60%	-7,030	-11.01%
MDCs	30,390	96.08%	101,968	90.93%	-71,578	-54.08%
LDCs	1,241	3.92%	10,170	9.07%	-8,929	-78.25%
CARICOM	31,631	100.00%	112,137	100.00%	-80,507	-56.00%

Source: Author's calculations based on UN COMTRADE import data for Costa Rica.

Table A-29: Costa Rica – imports from CARICOM members by HS 2-digit product group, 2000–2011 (USD '000)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Antigua and Barbuda		2		2	5	0	3	41	45	28	90	2	216
39 Plastics and articles thereof									36				36
29 Organic chemicals											34		34
32 Tanning or dyeing extracts; ta											32		32
34 Soap, organic surface-active a										27			27
69 Ceramic products								19					19
85 Electrical machinery and equip				1	0	0		14	0				16
84 Nuclear reactors, boilers, mac		2			4			1	8	0			15
62 Articles of apparel and clothi											12		12
Others	0	0	0	0	1	0	3	7	0	1	12	2	25
Barbados	69	366	191	120	95	151	125	214	210	189	107	196	2,034
48 Paper and paperboard; articles		13	61	8	38	78	52	52	61	76	57	26	522
33 Essential oils and resinoids;		316	89	12			7	17	0			0	441
70 Glass and glassware		25	25	0	1	0			0			146	198
30 Pharmaceutical products					1		6	112		1	1		120
22 Beverages, spirits and vinegar			1	8	22	22	37	27	1			1	120
84 Nuclear reactors, boilers, mac	33		1	9	1	3				66	1	0	115
39 Plastics and articles thereof						27		0	46	0	0	0	73
25 Salt; sulphur; earths and ston									73				73
90 Optical, photographic, cinemat	6		1	3		0	20			1	19	20	71
40 Rubber and articles thereof				57									57
85 Electrical machinery and equip		1	1	2	29	6	2	2	4	1	5	0	53
71 Natural or cultured pearls, pr	5	8	8	2	3								26
73 Articles of iron or steel				1						23	1	1	26
19 Preparations of cereals, flour											23	0	24
28 Inorganic chemicals; organic o							0		22				22
87 Vehicles other than railway or		1								20			22
95 Toys, games and sports requisi				5		11							16
11 Products of the milling indust	15												15
82 Tools, implements, cutlery, sp	4		3	6	1	0							14
Others	7	2	1	6	0	2	1	5	3	0	0	1	28
Belize	403	2,124	812	539	618	623	19,317	46,887	30,708	31,310	46,774	19,817	199,932
27 Mineral fuels, mineral oils an		17	7			0	18,561	46,261	29,484	29,815	45,818	17,929	187,892
03 Fish and crustaceans, molluscs	10	156	328	359	449	263	480	484	895	1,430	500	1,192	6,547
72 Iron and steel	5	1,829	107	40									1,981
84 Nuclear reactors, boilers, mac	79	55	54	18	24	109	110	32	20	12	243	371	1,126
30 Pharmaceutical products	100	8	223	12		16		18					378
94 Furniture; bedding, mattresses		5	1	1	14	150	70	1	44		2	1	288
39 Plastics and articles thereof	62	10	22	1	45	4	34	33	5	3	5	54	278
85 Electrical machinery and equip	43	5		57	12	28	27	12	19	5	43	22	273
73 Articles of iron or steel	7	15	6	3	3	0	1	11	95	9	12	59	222
48 Paper and paperboard; articles	1	12	1	2	2	0	0	1	94	0	35	1	149
23 Residues and waste from the fo											0	132	132
87 Vehicles other than railway or	13			17	26	5	3	5	15	11	10	3	108
34 Soap, organic surface-active a					0	23	0			3	64	0	90
21 Miscellaneous edible preparati				15	5	21			12		0		53
32 Tanning or dyeing extracts; ta	33		2		6								41
90 Optical, photographic, cinemat	6		2		0		3	6	2	2	12	3	37
83 Miscellaneous articles of base	22				0	0	0	3	0	6	0	0	31
82 Tools, implements, cutlery, sp	2	1	25	1	2	0	0		0		0	0	31
95 Toys, games and sports requisi		10		0	1	0	2	0	0	0	0	16	29
29 Organic chemicals				1	0			1				27	29
38 Miscellaneous chemical product			18				0	1		0	2	4	26
40 Rubber and articles thereof				1	3	1	16	1	0	1		1	25
63 Other made up textile articles			1	1	12	0	0	0	0	4	4	0	22
62 Articles of apparel and clothi	4		6	2	5	0	0	1	0	1	0	0	19
12 Oil seeds and oleaginous fruit	8		1	4	4		1		2				16
01 Live animals; animal products									14				14
19 Preparations of cereals, flour				0							13		13
Others	9	2	8	8	5	2	10	17	4	9	10	1	85

Notes: See end of table.

(Continues)

(Table continued)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Dominica		1	2	0	16	32	40	13	16	64	21	12	217
39 Plastics and articles thereof		1			0		4	1	0	63			68
21 Miscellaneous edible preparati					13	20		1	9				44
30 Pharmaceutical products							7	0	0		19		27
61 Articles of apparel and clothi				0	0		14	5	0			0	20
22 Beverages, spirits and vinegar							9	1	2				12
Others	0	0	2	0	3	11	6	4	5	2	2	11	47
Grenada			7,376		1		1	4	9	602	43	2	8,038
27 Mineral fuels, mineral oils an			7,371										7,371
84 Nuclear reactors, boilers, mac									7	394	0	0	402
73 Articles of iron or steel									1	173			174
87 Vehicles other than railway or										34	0		35
90 Optical, photographic, cinemat											32		32
Others	0	0	5	0	1	0	1	4	1	1	11	2	25
Guyana	79		1	268	7	4	0	0	4	3	66	403	835
44 Wood and articles of wood; woo	67			263	0						65	143	538
25 Salt; sulphur; earths and ston								0				210	210
10 Cereals													46
22 Beverages, spirits and vinegar			1	5	6	0			2		0		15
87 Vehicles other than railway or	12												12
Others	0	0	0	0	0	4	0	0	2	3	1	4	14
Jamaica	168	166	4,779	732	412	593	587	648	386	675	1,024	8,170	18,339
27 Mineral fuels, mineral oils an			4,370		0	0	0	0			0	0	4,370
39 Plastics and articles thereof	23	31	35	60	20	9	16	167	3	1	0	2,627	2,992
86 Railway or tramway locomotives				3		26		20		2		2,638	2,689
70 Glass and glassware				0	51	5	60	0	1	40	478	1,432	2,067
85 Electrical machinery and equip		1	42	292	166	22	33	284	59	74	26	84	1,082
25 Salt; sulphur; earths and ston									16			873	889
73 Articles of iron or steel			1		2	126	413	43	0	195	19		800
22 Beverages, spirits and vinegar	39	36	28	31	98	22	30	44	37	24	39	112	540
28 Inorganic chemicals; organic o	22	10	172	295	11	9	0						520
94 Furniture; bedding, mattresses			33	1	8	0	0	1	15	38	1	378	476
84 Nuclear reactors, boilers, mac	34		22	4	8	19	1	8	140	168	22	22	449
99 Commodities not specified acco										47	293		340
21 Miscellaneous edible preparati		2	45	0		264	1	0	0	0			312
69 Ceramic products				7	1		0	0	82	41			131
30 Pharmaceutical products		64	10	1	0	3	23	17	0		0		119
40 Rubber and articles thereof		18						15	1		64		99
29 Organic chemicals	16					77							93
91 Clocks and watches and parts t				0	0			0	0		51		51
44 Wood and articles of wood; woo			3	8	18		0	0	0	0	0		30
87 Vehicles other than railway or					1			21	1	7			30
16 Preparations of meat, of fish	27			0									27
63 Other made up textile articles			1	1	2	1	1	0	6	6			18
83 Miscellaneous articles of base					1		0	12	2	1	1	1	17
09 Coffee, tea, maté and spices			14			2		0					16
52 Cotton				15				0					15
24 Tobacco and manufactured tobac				0	14	0	0		1	0			15
47 Pulp of wood or of other fibro											14		14
62 Articles of apparel and clothi	1			0	3	1	1	1	6				13
49 Printed books, newspapers, pic		1	1	0	2	1	1	1	2	3	0	1	12
82 Tools, implements, cutlery, sp	2			5	1	0	0	1	0	4			12
Others	4	3	1	8	5	6	6	10	15	24	15	2	100
Montserrat		8											8
85 Electrical machinery and equip		8											8
Saint Kitts and Nevis						1		0	0	0			2
49 Printed books, newspapers, pic						1		0					1
Others	0	0	0	0	0	0	0	0	0	0	0	0	1
Saint Lucia	5	1			5		3	1	4	0	2	14	34
70 Glass and glassware												14	14
85 Electrical machinery and equip					5		3	1	4	0			12
Others	5	1	0	0	0	0	0	0	0	0	2	0	8

Notes: See end of table.

(Continues)

(Table continued)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Saint Vincent and the Grenadines	14	132		1	16			1	23	0	1	0	189
89 Ships, boats and floating stru		130											130
44 Wood and articles of wood; woo									20				20
85 Electrical machinery and equip				1	16			0	2	0	1		20
03 Fish and crustaceans, molluscs	14	2											16
Others	0	0	0	0	0	0	0	1	1	0	0	0	2
Suriname	10	45	307	7	44	6	4	25	30	3	47	38	565
39 Plastics and articles thereof			306	2		0		0	0	0	0	0	309
44 Wood and articles of wood; woo				0		0		18	28				46
21 Miscellaneous edible preparati					41								41
03 Fish and crustaceans, molluscs										3	35		38
84 Nuclear reactors, boilers, mac		33		3		0	1						37
69 Ceramic products				0		0		0				23	23
85 Electrical machinery and equip		12	1	1	0	0	2	0	1	0	0		18
Others	10	0	0	1	3	5	0	7	0	0	11	15	52
Trinidad and Tobago	37,008	9,632	12,861	15,024	18,697	7,664	51,163	67,890	51,597	31,891	163,164	95,274	561,865
27 Mineral fuels, mineral oils an	31,954	9,285	12,397	14,283	13,058	7,085	46,512	47,895	23,769	20,328	70,626	53,608	350,800
72 Iron and steel	1,778				4,820			1,032	18,192	27,392	2,580	84,554	33,240
31 Fertilisers							2,971	990		8,833	6,974	7,584	27,353
28 Inorganic chemicals; organic o	2,813	25	46	8							0		2,892
19 Preparations of cereals, flour	260	175	111	182	156	79	104	128	135	32	87	188	1,639
84 Nuclear reactors, boilers, mac	25	20	208	177	46	54	161	190	9	4	279	22	1,196
33 Essential oils and resinoids;				132	108	93	91	98	68	16	91	105	802
39 Plastics and articles thereof	46	53	18	19	59	69	24	29	46	3	33	109	507
54 Man-made filaments; strip and		9	18	19	26	23		29	20		107	115	364
03 Fish and crustaceans, molluscs						57		114	25	29	43	54	321
47 Pulp of wood or of other fibro	73	35		74	116								298
30 Pharmaceutical products	21	19	8		4		5	160	0	0		0	218
44 Wood and articles of wood; woo				0	0	0			41		0	158	200
85 Electrical machinery and equip	3	6	1	9	3	2	51	16	17	36	44	2	189
55 Man-made staple fibres				71	45	22	2		34				174
48 Paper and paperboard; articles				0	0	2	73	4	1	1	6	65	153
23 Residues and waste from the fo				0	112	33							145
99 Commodities not specified acco										14	100		114
73 Articles of iron or steel			1	0	0	21	35	0	28	0	16	0	102
38 Miscellaneous chemical product					31	59	0	5	0			0	95
56 Wadding, felt and nonwovens; s				0		0	84	0			0		84
94 Furniture; bedding, mattresses		3	20	2	2	1	0	1	0	6	38	8	83
49 Printed books, newspapers, pic		2	1	7	14	23	1	12	1	2	8	0	70
22 Beverages, spirits and vinegar	1				47	3	5	8	1	3	1	0	69
40 Rubber and articles thereof						0			1		57	1	59
20 Preparations of vegetables, fr			18	36		1	0		0	0		0	55
12 Oil seeds and oleaginous fruit	30												30
52 Cotton					19	3			3		1	3	29
63 Other made up textile articles		2	2	2	2	0		0	0	0	21		29
35 Albuminoidal substances; modif						21	0	0	0	0	0	0	22
36 Explosives; pyrotechnic produc					0			17					17
69 Ceramic products			1	0	0	0		0			14	0	16
53 Other vegetable textile fibres			3		6				2				14
07 Edible vegetables and certain					14								14
83 Miscellaneous articles of base				0	1	3					9		13
95 Toys, games and sports requisi			1	1	1	0		0	0		9		13
Others	3	1	7	3	6	12	8	1	5	3	43	7	99
Total	37,755	12,478	26,328	16,693	19,916	9,074	71,242	115,725	83,032	64,766	211,339	123,928	792,276

Notes: Product groups with an export value of at least USD 10,000 per year over a period of at least three years are shown in red. Product groups with an average export value of less than USD 1,000 per year over the period 2000–2011 have been summarised in “others”.

Source: Author's calculations based on UN COMTRADE import data for Costa Rica.

Table A-30: Costa Rican non-oil imports from CARICOM – goods covered by the FTA vs. excluded goods, 2000–2011 (USD '000)

in USD '000	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
CARICOM total	5,801	3,175	2,184	2,410	6,858	1,988	6,170	21,570	29,779	14,622	94,895	52,390
MFN treatment	97	196	406	402	669	392	538	643	1,064	1,497	713	3,493
Immediate tariff elimination	5,587	2,958	1,602	1,442	6,111	1,415	5,522	20,840	28,605	13,089	94,068	48,648
Phased tariff elimination	77	18	173	563	49	169	72	55	107	26	76	162
Special treatment agricultural goods					14	1		0				
Special list	41	3	3	3	15	11	38	32	3	10	39	88
Antigua and Barbuda		2		2	5	0	3	41	45	28	90	2
MFN treatment					0				0			2
Immediate tariff elimination		2		2	5	0	0	39	12	28	90	
Phased tariff elimination									33			
Special treatment agricultural goods												
Special list							3	2				
Barbados	69	366	191	120	95	151	125	214	210	189	107	196
MFN treatment	5		2	6	22	22	24		0			146
Immediate tariff elimination	59	366	189	114	74	129	74	197	210	188	106	49
Phased tariff elimination				0		0		0			0	0
Special treatment agricultural goods												
Special list	6			0	0	0	27	17	0	1	1	1
Belize	403	2,107	805	539	618	623	757	626	1,223	1,495	956	1,888
MFN treatment	43	156	328	359	455	286	482	485	990	1,433	566	1,193
Immediate tariff elimination	346	1,950	475	178	129	184	203	140	187	54	382	693
Phased tariff elimination	7	1	1	0	34	152	69		44	2	8	1
Special treatment agricultural goods												
Special list	7		1	2	0	0	3	2	2	6	0	0
Dominica		1	2	0	16	32	40	13	16	64	21	12
MFN treatment					0			1	0			
Immediate tariff elimination		1	1	0	15	24	40	12	16	64	21	12
Phased tariff elimination					0		0					
Special treatment agricultural goods												
Special list			1		0	8		0				
Grenada			5		1		1	4	9	602	43	2
MFN treatment								1				
Immediate tariff elimination			5		1		1	3	9	602	11	2
Phased tariff elimination												
Special treatment agricultural goods												
Special list											32	
Guyana	79		1	268	7	4	0	0	4	3	66	403
MFN treatment			1	4	2	0			0	0	0	46
Immediate tariff elimination	39			1	5		0	0	4	3	1	210
Phased tariff elimination	40			263	0	4					65	143
Special treatment agricultural goods												
Special list				0	0		0					4
Jamaica	168	166	409	732	412	592	586	648	386	675	1,024	8,170
MFN treatment	35	35	56	31	141	21	29	41	47	32	34	2,050
Immediate tariff elimination	84	120	181	404	244	557	553	567	338	625	991	6,036
Phased tariff elimination	22	10	172	297	12	12	3	37	1	18	0	1
Special treatment agricultural goods						1		0				
Special list	27			0	15	0	1	4	0	0	0	83
Montserrat		8										
MFN treatment												
Immediate tariff elimination		8										
Phased tariff elimination												
Special treatment agricultural goods												
Special list												
Saint Kitts and Nevis						1		0	0	0		
MFN treatment												
Immediate tariff elimination						1		0	0	0		
Phased tariff elimination												
Special treatment agricultural goods												
Special list												

Source: Author's calculations based on UN COMTRADE import data for Costa Rica.

Annex G – Summary of the Bilateral Trade Agreements

The CARICOM–Venezuela Agreement on Trade and Investment	A-256
The CARICOM–Colombia Agreement on Trade, Economic and Technical Co-operation.....	A-258
The Free Trade Agreement between CARICOM and the Dominican Republic.....	A-261
The Trade and Economic Co-operation Agreement between CARICOM and Cuba	A-265
The CARICOM–Costa Rica Free Trade Agreement.....	A-268

This annex provides brief summaries of the five BTAs which CARICOM has signed, ordered by the date of signature: Venezuela (1992), Colombia (1994), Dominican Republic (1998), Cuba (2000), and Costa Rica (2004). Given the scope of the assignment, the focus of the summary is on the agreements’ provisions related to trade in goods.

The CARICOM–Venezuela Agreement on Trade and Investment

The CARICOM–Venezuela Agreement on Trade and Investment of 1992 was the first BTA that CARICOM signed with Latin American partners. The Agreement has two main objectives (Article 1), i.e. to expand exports of CARICOM to Venezuela, and to stimulate reciprocal investments by, inter alia, facilitating regional joint ventures and encouraging promotion and protection of investments by nationals of the parties.³⁹

Tariff liberalisation

In terms of trade expansion, Venezuela committed to unilaterally reduce or abolish tariffs and eliminate NTBs (Article 4). Regarding tariff reductions, products were grouped into three categories depending on the speed and degree of liberalisation:

- Group 1: products with immediate duty free access. This group accounts for about 3% of tariff lines;
- Group 2: products with linear phased-in duty free access over four years, with duty free access as of 01 January 1996. This group accounts for about 15% of tariff lines; and
- Group 3: products excluded from tariff reductions, to which Venezuela continued to apply MFN duties – this includes both products for which CARICOM suggested tariff preferences, listed in Annex III of the Agreement, and the residual group of products not subject to the negotiations. The group comprises about 81% of tariff lines.

In terms of value of trade, more than 80% of CARICOM exports fall within the third group. Incidentally, the breakdown of CARICOM exports to Venezuela in 2011 almost exactly matches the shares of the three groups in terms of tariff lines (see Figure 5 above).

³⁹ Provisions of the Agreement which relate to investment or trade in services are not summarised here.

Tariff liberalisation by CARICOM MDCs for products originating in Venezuela was discussed between the parties but these discussions were not finalised.

Treatment of non-tariff barriers

In terms of NTBs, the Agreement mandated the Joint Council to identify norms and standards impacting on trade and recommend actions to ensure that these would not constitute obstacles to trade (Article 7). The Agreement furthermore included an annex on rule of origin (Article 5 and Annex IV) as well as general exceptions (Article 8) in line with which each party could apply a vast range of measures, “provided that these are not used as obstacles to trade”, but which nevertheless could be interpreted as NTBs. These measures include those:

- (a) “necessary to protect public morals;
- (b) necessary for the prevention of disorder or crime;
- (c) necessary to secure compliance with laws or regulations relating to customs enforcement, or to the classification, grading or marketing of goods, or to the operation of monopolies by means of state enterprises or enterprises given exclusive or special privileges;
- (d) necessary to protect industrial property, trademarks, or copyrights or to prevent deceptive practices;
- (e) relating to gold or silver;
- (f) relating to the products of prison labour;
- (g) imposed for the protection of national treasures of artistic, historic or archaeological value;
- (h) necessary to prevent or relieve critical shortages of foodstuffs in any exporting Party, or
- (i) relating to the conservation of exhaustible natural resources.”

Also, Venezuela was granted the right to apply temporary safeguard measures, for up to one year and only upon authorisation by the Joint Council, in case the imports from CARICOM would cause serious damage to Venezuela’s producers or stabilise its balance of payments (Article 15). Dumping and countervailing measures could also be applied by the parties in line with the relevant GATT/WTO rules (Article 16).

Another provision in the Agreement which relates to NTMs is the condition that the import by Venezuela of products in groups 1 and 2 is contingent on the issuance of a permit or sanitary certificate by Venezuela’s authorities (Annex I and II).

Measures supporting bilateral trade in goods

Finally, the Agreement includes a number of provisions which are aimed at supporting bilateral trade in goods. These include the establishment of trade promotion programmes, organisation of trade fairs, information exchange and market studies (Article 11). Furthermore, the Joint Council was mandated to review and recommend measures to facilitated trade financing (Article 12) and improve transportation services between the parties (Article 14), including through the negotiation of air and maritime transportation and the creation of joint transport enterprises.

The Agreement also foresaw an evaluation after four years of implementation (Article 18). This, to the knowledge of the consultant, has never been undertaken.

Institutions under the Agreement

For the administration of the Agreement, a CARICOM-Venezuela Joint Council on Trade and Investment (Joint Council) was established (Article 2) to ensure compliance of the parties with the BTA, resolve problems arising under the Agreement, and monitor and evaluate the functioning of the Agreement as well as recommend measures for improvement. The Joint Council shall meet at least annually (Article 3). At least five meetings of the Joint Council were

held until 2002, but apparently none since then. In addition, one CARICOM-Venezuela Technical and Negotiating Meeting was held in 2002.

The CARICOM–Colombia Agreement on Trade, Economic and Technical Co-operation

The CARICOM–Colombia Agreement on Trade, Economic and Technical Co-operation was signed on 24 July 1994 and is thus the second BTA that CARICOM and Latin American partners entered into. In many aspects, the text of the Agreement follows the earlier CARICOM–Venezuela BTA almost verbatim, although there are also some important differences. Suriname, which acceded to CARICOM only after the BTA had been signed, is not a Party to the Agreement as it never acceded.

One such difference is that the objectives of the CARICOM-Colombia’s BTA are wider. In addition to the objectives of expanding exports of CARICOM to Colombia and vice versa (while giving due attention to the situation of CARICOM’s LDCs) and promoting investments and joint ventures it also aims at developing technical and scientific cooperation as well as “the promotion of private sector activities, including business exchanges” between CARICOM and Colombia (Article 1).⁴⁰

Tariff liberalisation

In terms of trade expansion, Colombia committed to unilaterally reduce or abolish tariffs and eliminate NTBs (Article 5). Regarding tariff reductions, the Agreement uses a positive list approach whereby only products listed in the agreement are subject to tariff dismantling. The products were grouped into four categories depending on the speed and degree of liberalisation:⁴¹

- Group 1 (listed in Annex I of the Agreement) consists of products for which import tariffs were eliminated immediately upon entry into force of the Agreement (Article 5(2));
- Group 2 (listed in Annex II) consists of products for which Colombia eliminated import tariffs linearly over four years. Note however, that the corresponding Decree of Colombia foresaw the elimination of tariffs over three years only, with duty free access provided from 01 January 1998 (Article 5(3));⁴²
- Group 3 includes products (listed in Annex III) excluded from tariff reductions by Colombia but which had been included in CARICOM’s exportable offer and for which Colombia would consider preferential treatment from 1998, following further negotiations (Article 5(4)); and
- The residual group consisted of other products excluded from tariff reductions, to which Colombia continued to apply MFN duties (Article 5(6)).

While CARICOM LDCs were not expected to grant preferential tariff treatment to imports from Colombia and would thus continue to apply MFN tariffs (Article 6(5)), CARICOM MDCs agreed to offer preferential treatment to imports from Colombia after the end of the third year, subsequent to further negotiations on the list of products to be liberalised (Article 6(3-4)). In the 1998 Protocol, thus, CARICOM MDC Members agreed to eliminate tariffs (Annex II to the Protocol stipulated immediate elimination and Annex V phased elimination over four years). On

⁴⁰ This section provides a summary of the Agreement’s provisions only to the extent that they are relevant for trade in goods.

⁴¹ Tariff liberalisation does not apply to used goods (Article 7).

⁴² Artículo 2 del Decreto 2891 del Presidente de la República de Colombia “Por el cual se da cumplimiento a compromisos contraídos por Colombia en el marco de la Asociación Latinoamericana de Integración ALADI”, 30 de diciembre 1994.

its part, Colombia eliminated tariffs on further goods imported from CARICOM either immediately (Annex I) or phased over four years (Annex IV).

Upon completion of the liberalisation schedule, about 17% of tariff lines are exempted from import tariffs in Colombia, accounting for 87% of Colombia's imports from CARICOM (averages 2009-2011, in value terms). For the remaining 83% of tariff lines MFN duties are applicable on imports from CARICOM. However, these only account for 13% of CARICOM exports to Colombia.

Treatment of non-tariff barriers

As mentioned above Colombia agreed to implement “programmes for the elimination of non-tariff barriers” (Article 5(1)), although the Agreement did not provide any further provisions on when and how such programmes should be implemented. Meanwhile, CARICOM Members bound their non-tariff measures to the status quo by agreeing that they would not “without prior consultation with Colombia, apply any non-tariff barriers with respect to imports from Colombia beyond those currently in place or those authorised under the Treaty establishing the Caribbean Community” (Article 6(2)).

With regard to **technical standards and regulations**, the Agreement also mandated the Joint Council to “review the technical, industrial, commercial and public health standards, as well as sanitary and phytosanitary measures of the parties” and recommend measures to ensure that these would not constitute barriers to trade (Article 10).

The Agreement furthermore includes **general exceptions** (Article 11) in line with which each party could apply a vast range of measures, “provided that these are not used as obstacles to trade”, but which nevertheless could be interpreted as NTBs. These measures include those:

- (a) “necessary to protect public morale;
- (b) laws and regulations necessary for security purposes and for the prevention of disorder or crime;
- (c) those needed to ensure compliance with laws or regulations related to customs control, or pertaining to the classification, grading or marketing of goods, or for the operation of monopolies by state enterprises or enterprises legally granted exclusive or special privileges;
- (d) those required to protect intellectual property rights;
- (e) those relating to relating to gold or silver production or trade;
- (f) those relating to products from prison labour;
- (g) those aimed at the protection of national treasures of artistic, historical or archaeological value;
- (h) those required to prevent or alleviate critical shortages of foodstuffs in any of the exporting Parties, or
- (i) those relating to the conservation of non-renewable natural resources.”

In terms of **trade defence** measures, the Parties are granted the right to apply temporary safeguard measures, consisting of the reinstatements of MFN duties, for up to one year in case the imports from the other party cause or may cause damage to domestic producers or of balance of payments problems (Article 16).⁴³ Dumping and countervailing measures can also be applied by the parties in line with the relevant WTO rules (Article 17).

Finally, the Agreement included detailed **rules of origin** (Article 9 and Annex IV) which were replaced by amended rules in the 1998 Protocol (Annex III). In line with international practice, the determination of origin is based on the principle of the change of customs classification

⁴³ Note that there is no requirement in the Agreement that the imposition of safeguards has to be in line with WTO rules of safeguards (indeed the text of the Agreement differs from the WTO language in that it talks about “damage” rather than “serious injury”). Nor does the Agreement provide any guidance on procedural or substantial rules for the application of safeguards.

heading. Based on this, goods which are using inputs from third countries are considered to be originating in either of the Parties if (a) they undergo a substantial transformation i.e. the good produced falls in a different customs classification heading than any of the inputs used; (b) if a minimum value is added to the goods in the Party concerned; or (c) if they meet a specific origin requirement determined by the Joint Council. With regard to the second criterion, this was tightened in the 1998 Protocol: whereas the Agreement has set a minimum threshold of 40% value addition in CARICOM or Colombia to qualify as an originating good (Article 3(e) of Annex IV), the Protocol increased the threshold to 50% (Article 4(c) of Annex III). The 1998 Protocol also expanded the grounds for verification of origin (Article 12 of Annex III), in particular by including incomplete Certificates of Origin. The rules of origin also provide that customs authorities shall in no case interrupt an import procedure in cases of verification, i.e. where there are doubts that goods are originating in the other Party, but that financial securities may be asked from the importer (Article 13 of Annex III to the 1998 Protocol).

Measures supporting bilateral trade in goods

The Agreement includes a number of provisions which are aimed at supporting bilateral trade in goods. These include the establishment of **trade promotion** programmes “to facilitate the activities of official and private trade missions, the organisation of fairs and exhibitions, the continuous exchange of information, market studies and other activities” (Article 12).

They also include the **promotion of private sector participation** in the implementation of the Agreement, notably through the potential establishment of a “Colombia-Caribbean Business Council’ to analyse trade and investment opportunities, supply business information and organise business exchanges” (Article 20).

Furthermore, the Joint Council was mandated to review and recommend measures to facilitate **trade financing** (Article 13) and improve **transportation services** between the Parties (Article 15), including through the potential creation of joint transportation enterprises and establishment of warehouses (Article 15(3)).

Finally the Agreement also foresaw **economic** (Article 18) and **technical cooperation** (Article 19) including, inter alia, the joint production of goods, human resource development, institution building, science and technology, research and development, environmental management, energy, tourism and agricultural development, all of which could have a positive impact on the level of trade between the Parties.

Institutions under the Agreement

The articles on the CARICOM-Colombia Joint Council on Trade, Economic and Business Cooperation (Article 2 and 3) follow the CARICOM-Venezuela BTA verbatim. At least six meetings of the Joint Council were held until 2002, but apparently none since then.

In addition to the Joint Council, the Agreement also envisages the potential establishment of a Colombia-Caribbean Business Council to facilitate bilateral trade and investment (Article 20); however, no such Business Council has been established.

The Free Trade Agreement between CARICOM and the Dominican Republic

The Agreement Establishing the Free Trade Area between the Caribbean Community and the Dominican Republic, signed on 22 August 1998, was the first FTA that CARICOM entered into. Its coverage is not only broader in terms of trade in goods, but the Free Trade Area also includes trade in services, investment and economic co-operation (Preamble). As a result, there are some notable differences both in form and substance compared to the earlier partial scope agreements; but at the same time the overall structure of the Agreement and the institutions for the administration of the Agreement are similar. The main provisions regarding trade in goods can be summarised as follows.

Tariff liberalisation

Given that the Agreement is a free trade agreement, its approach to tariff liberalisation is a negative list approach: in principle, all tariffs are eliminated, except for goods for which a different treatment applies. Tariff liberalisation is addressed in Article V which refers to Annex I, the FTA's Agreement on Trade in Goods. Article III of the FTA and Article I of the 2000 Implementing Protocol specify the liberalisation commitments and groups products into three categories depending on the speed and degree of liberalisation:⁴⁴

- Group 1 consists of products for which import tariffs were eliminated immediately upon entry into force of the Agreement (Article III(2)(i)(a) and (ii)(a)). Based on the negative list approach, all goods except the ones listed elsewhere in the Agreement fall in this group;
- Group 2 (listed in Attachment I to the Implementing Protocol of 2000) consists of products for which import tariffs are eliminated in phases. As specified in Article I of the Implementing Protocol, the phased reduction was to be done linearly over four years, with zero tariffs being applicable from 01 January 2004, with the exception of Rum, for which the transition period was five years;
- The residual group (listed in Attachment II to the Implementing Protocol of 2000) consists of products excluded from tariff reductions, to which the parties continue to apply MFN duties (Article III(2)(i)(c) and (ii)(c) as well as Article I(2) of the Protocol.

However, a number of exceptions were also established in the Implementing Protocol, according to which products were exempted from tariff liberalisation, at least temporarily:

- Goods of HS Chapters 84 to 94 were subject to MFN duties until criteria for determining origin for these goods had been approved by the Joint Council, which was foreseen to take place within 12 months of the entry into force of the Agreement (Article I(4) of the Protocol). It is not clear if such agreement on the specific rules of origin was achieved;
- The same treatment applies to HS Chapter 62 and Sub-Headings 1806-31 and 1806.32 (Article I(5) of the Protocol);
- MFN treatment was also applied on goods referred to in Schedule IX of the Annex to the Treaty Establishing the Caribbean Community, in particular Coconuts (Heading 08.08), Animal or Vegetable Fats and Oils (Chapter 15), and Soap (Heading 34.01) (Article III(5) of the Agreement and Article I(6) of the Protocol);

⁴⁴ Note that the original Agreement had foreseen different lists for the CARICOM MDCs and the Dominican Republic, see Article III(2)(i) and (ii). However, the Agreement did not include the respective appendices listing the goods, as the preparation of the lists was to be undertaken, according to the 1998 Plan of Action, by the members' trade ministers over a period of 90 days. As the preparation of the list took longer than anticipated, it resulted in the 2000 Implementing Protocol, which included joined lists of products applicable both to the CARICOM MDCs and the Dominican Republic.

- As a rule, goods produced in free trade zones or export processing zones are excluded (Article II of the Protocol);
- For selected agricultural goods, listed in Attachment V to the Protocol, seasonal duties are applied, i.e. zero duty tariffs are applicable only during specific months of a year, while during the rest of the year MFN duties are applied (Article III of the Protocol).

CARICOM LDCs were not expected to grant preferential tariff treatment to imports from the Dominican Republic until 2005 (Article III(4) and Article I(8) of the Protocol). This preferential treatment of LDCs was planned to be reviewed by the Parties in 2004.

Treatment of non-tariff barriers

The FTA covers a fairly comprehensive range of non-tariff barriers, the provisions for which are briefly summarised in the following paragraphs.

The Parties agree to apply no **quantitative restrictions** (Article III(5)),

With regard to **technical barriers to trade** and **sanitary and phyto-sanitary measures**, unlike the CARICOM partial scope agreements the Agreement addresses these separately in appendices to the Agreement on Trade in Goods (Articles V and VI of Annex I, and Appendix VI and VII).

The **rules of origin** (Article IV in Annex I and Appendix I to Annex I) are detailed and in line with international practice. The determination of origin is based on the principle of the change of customs classification heading.⁴⁵ The rules of origin also include provisions for the submission of certificates of origin (Article XVIII to XXII of Appendix I to Annex I) and verification of origin (Article XVIII to XXIV of Appendix I to Annex I) and procedural provisions. Measures which are specifically aiming at facilitating trade are:

- Certificates of origin (a mandatory template is provided in Attachment IV of the 2000 Protocol) are not required for consignments worth not more than USD 1,000 (Article XXI);
- “In no case shall the customs authorities of the Parties interrupt an import procedure of the products covered by a Certificate of Origin”, but customs may request a financial guarantee prior to the release of goods (Article XXV).

Importantly, and unlike in earlier agreements, the FTA provides for relatively detailed rules on **customs cooperation** (Article XII in Annex I), which includes exchange of information on, and harmonisation of, customs procedures, provision of information to the trading community, simplification of documents and other measures to reduce the time to release goods from customs upon import.

To facilitate market access in view of the Dominican Republic’s **Law 173**, which requires exclusive distributorship agreements, the Agreement includes a provision that

“CARICOM entrepreneurs, both natural and legal persons, shall, in the Dominican Republic, be allowed to promote or to manage the import, sale, rent or any other form of traffic or sale of merchandise or products of CARICOM origin, either as agents, representatives, commission agents, exclusive distributors, licensees or under any other nomenclature, on the same basis as nationals of the Dominican Republic” (Article III(7) of Annex I).

The 2000 Protocol in addition more specifically provided that, whenever a CARICOM entrepreneur engages in any of the activities provided for in the above cited paragraph, “Law 173 will not apply when the parties expressly agree that it will not” (Article IV of the Protocol).

⁴⁵ Attachment III to the 2000 Implementing Protocol provides the specific rules of origin for each HS Sub-Heading.

In terms of **contingent trade protection**, the Agreement provides for temporary bilateral safeguard measures (Article IX).⁴⁶ Dumping and countervailing measures can also be applied by the parties in line with the relevant WTO rules (Article X).

Regarding **intellectual property rights**, the BTA envisages that a separate agreement will be adopted (Article XII) and that until that time the provisions of the WTO TRIPS Agreement will be applied.

The Agreement also includes a clause on **anti-competitive trade practices** which however only refers to the fact that the “Parties will seek to discourage anti-competitive business practices”, as well as a statement of intent to cooperate on competition policy (Article XI in Annex I). A similar statement of intent is included in the Implementing Protocol with regard to **government procurement** (Article VII of the Protocol).

Finally, like the other agreements the FTA includes **general exceptions** (Article VII of Annex I) in line with which each party could apply a wide range of trade restrictive measures. These measures include those:

- “(i) which are necessary -
 - (a) to protect public morals;
 - (b) to prevent crime or the maintenance of public order;
 - (c) to protect its essential security interests;
 - (d) to protect human, animal and plant life;
 - (e) to secure compliance with laws or regulations which are not consistent with the provisions of this Agreement, including those relating to customs enforcement, the enforcement of monopolies operated under paragraph 4 of Article II and Article XVII of GATT 1994, the protection of patents, trademarks and copyrights and the prevention of deceptive practices;
 - (f) and essential to the acquisition or distribution of products in general or local short supply; provided that any such measure shall be consistent with the principle that the Parties are entitled to an equitable share of the international supply of such products, and that any such measure which are inconsistent with the other provisions of the Agreement, shall be discontinued as soon as the conditions giving rise to them have ceased to exist;
- (ii) which relate to -
 - (a) gold or silver production or trade;
 - (b) the products of prison labour;
 - (c) the preservation of the environment and the conservation of natural resources; and
- (iii) which are imposed for the protection of national treasures of artistic, historical, anthropological, paleontological [sic] or archaeological value.”

This list of measures is relatively comprehensive and surprisingly also includes issues, such as IPR or unfair trade, which are specifically addressed in other articles of the Agreement.

Measures supporting bilateral trade in goods

The FTA follows earlier agreements by including a number of provisions which are aimed at supporting bilateral trade in goods. These include the establishment of **trade promotion** programmes, facilitate the activities of official and private trade missions, the organisation of fairs and exhibitions, the continuous exchange of information, market studies and other activities “leading to the maximum utilisation of opportunities offered by the liberalisation of trade between the Parties” (Article VIII of Annex I).

Furthermore, the Joint Council was mandated to review and recommend measures to facilitate **trade financing** (Article VIII).

⁴⁶ Note that there is no requirement in the Agreement that the imposition of safeguards has to be in line with WTO rules of safeguards. Also, the Agreement provides only limited guidance on procedural or substantial rules for the application of safeguards.

The promotion **private sector activities** is also foreseen in the Agreement, notably through the establishment of a bilateral Business Forum “to analyse trade and investment opportunities, exchange business information and organise business encounters” (Article XIII).

Finally the Agreement also foresees **economic cooperation** (Article IX) which includes “agriculture, mining, industry, construction, tourism, transportation, telecommunication, banking, insurance, capital markets, professional services, and science and technology” as well as the encouragement of “joint production of goods and collaboration in the provision of services, especially those intended to take advantage of market opportunities in third states.” It should be noted that, unlike in other BTAs, the improvement of transportation services is not specifically addressed in a dedicated provision of the Agreement.

All of the trade-supporting provisions, however – except for certain parts of the customs cooperation clause – are declarations of intent, rather than enforceable Agreement provisions.

Institutions under the Agreement

The articles on the Joint Council (Article III and IV) roughly follow the BTAs with Venezuela and Colombia. However, the provision in the FTA are more detailed, in terms of the decision-making rule (by consensus; Article III(3)(ii)), and functions and establishment of other committees (Article III(2)). The Joint Council shall:

- “(i) supervise the implementation and administration of the Agreement, its Annexes and Appendices;
- (ii) resolve any dispute which may arise out of the interpretation, execution of, or non-compliance with, or application of this Agreement, its Annexes and Appendices in accordance with its powers under Article XV dealing with Settlement of Disputes;
- (iii) establish and delegate responsibilities to *ad hoc* or standing committees, working groups or expert groups;
- (iv) supervise the work of all *ad hoc* or standing committees, working groups and expert groups established under this Agreement, its Annexes and Appendices;
- (v) consult with governmental, inter-governmental and non-governmental entities, as necessary;
- (vi) keep this Agreement, its Annexes and Appendices under periodic review, evaluating the functioning of this Agreement and recommending measures it considers suitable to better achieve its objectives;
- (vii) carry out any other functions which may be assigned to it by the Parties;
- (viii) consider any other matter that may affect the operation of this Agreement, its Annexes and Appendices and take appropriate action.” (Article III(2))

The Joint Council shall meet at least yearly “and in extraordinary sessions at such times as may be agreed between the Parties” (Article IV(1)). Dispute resolution procedures are also provided for (Article XV), and provide more detail than equivalent provisions in earlier BTAs.

In addition to the Joint Council – and this is a novelty compared to earlier agreements – the FTA establishes eight Standing Committees, i.e. the Committees on Trade in Goods, Technical Barriers to Trade, Sanitary and Phyto-sanitary Measures, Rules of Origin and Customs Cooperation, Trade in Services, Investment, Intellectual Property Rights, and Anti-Competitive Business Practices (Article XIV). It seems, however, that these Committees have not been established.

Finally, the Agreement also envisages the establishment of a CARICOM/Dominican Republic Business Forum (Article XIII) to enable direct private sector contacts between the Parties.

The Trade and Economic Co-operation Agreement between CARICOM and Cuba

The Trade and Economic Co-operation Agreement between the Caribbean Community (CARICOM) and the Government of the Republic of Cuba was signed on 05 July 2000. It is the last partial scope agreement which CARICOM has signed so far.⁴⁷ In many aspects, the text of the Agreement follows the earlier BTAs with Venezuela and Colombia almost verbatim, although there are also some important differences.

One such difference is that the objectives of the CARICOM-Cuba BTA are even wider than those in the CARICOM-Colombia BTA. Article 2 lists no less than ten objectives, ranging from the expansion of trade in goods and services to the promotion and development of co-operative activities, all with the ultimate goal of “the strengthening of the commercial and economic relations between the Parties.”⁴⁸

Tariff liberalisation

In terms of tariff liberalisation, Cuba and the CARICOM MDCs agreed on a reciprocal elimination of tariffs (Article 5(2)). CARICOM LDCs were not expected to grant preferential tariff treatment to imports from Cuba and would thus continue to apply MFN tariffs (Article 5(3)). Furthermore, the parties agreed to eliminate quantitative restrictions (Article 5(4)) – which is a narrower provision than the anticipated elimination of all NTB foreseen e.g. in the CARICOM-Colombia Agreement.

Regarding tariff reductions, the Agreement, like the other partial scope agreements, uses a positive list approach whereby only products listed in the agreement are subject to tariff dismantling. Products fall into three categories depending on the speed and degree of liberalisation:

- The first group (listed in Annex I and Annex II of the Agreement) consists of products for which import tariffs were eliminated immediately upon entry into force of the Agreement (Article 5(2)(i) and (ii)). This group comprises about 16% of all tariff lines;
- The second group (listed in Annex III and Annex IV) consists of products for which CARICOM MDCs and Cuba eliminated import tariffs linearly over four years. (Article 5(2)(iii) and (iv)). This group comprises less than 2% of all tariff lines;
- The third, residual group (not explicitly mentioned in Agreement) consists of other products excluded from tariff reductions, to which the parties continue to apply MFN duties. In terms of tariff lines, this is by far the largest group, accounting for about 82% of tariff lines.

Following the text of the CARICOM-Dominican Republic FTA, the Agreement foresees a special arrangement for agricultural goods in the form of seasonal tariffs (Article 21).

Goods produced in EPZs/FTZs are in any case excluded from preferential market access into the other party (Article 6). This in effect would apply only to CARICOM exports since Cuba – at least until 2013 – had no such zones.

While only about 18% of tariff lines are covered by the Agreement, these account for more than 80% of CARICOM’s export value to Cuba.

⁴⁷ It should be noted that although negotiated as a partial scope agreement, the Parties committed themselves to launch, in the year 2001, negotiations for the establishment of a Free Trade Area (Preamble). This is yet to be done.

⁴⁸ This section provides a summary of the Agreement’s provisions only to the extent that they are relevant for trade in goods.

Treatment of non-tariff barriers

The text of the Agreement does not explicitly refer to NTB but addresses them in various articles. Thus, the general prohibition of **quantitative restrictions**, already mentioned, the BTA also specifies that **technical standards and regulations** shall be reviewed by the Joint Commission in order to ensure that these do not constitute barriers to trade (Article 8).

The **rules of origin** (Article 7 and Annex VI) are in line with international practice. The determination of origin is based on the principle of the change of customs classification heading. Based on this, goods which are using inputs from third countries are considered to be originating in either of the Parties if (a) they undergo a substantial transformation i.e. the good produced falls in a different customs classification heading than any of the inputs used; and/or (b) if the value added to the goods in the Party concerned is at least 50%, which is a relatively demanding requirement. The rules of origin also include provisions for verification of origin (Articles 11-12 of Annex VI) and procedural provisions. Specifically, there are differences in treatment of imports in case of problems with rules of origin. In this respect, Article 8(4) of Annex VI specifies that

“In the event that the importer is *unable to submit* a certificate of origin in respect of the clearance of any goods, the Customs authorities *may* permit release of the goods and *may* adopt the actions necessary to safeguard the fiscal interests” (emphasis added).

If a certificate of origin is provided, Article 13 of Annex VI follows the wording of the CARICOM-Colombia Agreement and states that customs authorities shall in no case interrupt an import procedure (e.g. where there are doubts that goods are originating in the other Party), but that measures may be taken to safeguard financial interests.

In terms of **contingent trade protection**, the Agreement provides for temporary safeguard measures (Article 20).⁴⁹ Dumping and countervailing measures can also be applied by the parties in line with the relevant WTO rules (Article 22).

Regarding **intellectual property rights**, the BTA envisages that a separate agreement will be adopted (Article 18) and that until that time the provisions of the WTO TRIPS Agreement will be applied.

The Agreement also includes provisions on **unfair trade practices** which however remain vague and, as a result, could be used as NTB. Specifically, the relevant Article 23 states that the “Parties will discourage anti-competitive business practices” without specifying this any further.

Finally, the Agreement includes **general exemptions** (Article 9) in line with which each party could apply a vast range of trade restrictive measures. These measures include those:

- (a) “to protect public decency;
- (b) to protect human, plant and animal health, and to preserve the environment;
- (c) to protect public order;
- (d) to control the production, distribution and use of narcotics and psychotropic substances;
- (e) to secure compliance with the laws and regulations pertaining to customs or marketing;
- (f) to secure compliance with the laws and regulations that govern foreign investments;
- (g) to protect intellectual property rights or prevent dishonest practices;
- (h) in connection with the production of and trade in gold and silver;
- (i) in connection with goods produced by prison labour;
- (j) to protect national treasures of artistic, historical or archaeological value;
- (k) to prevent or alleviate any critical food shortage; or

⁴⁹ Note that there is no requirement in the Agreement that the imposition of safeguards has to be in line with WTO rules of safeguards. Nor does the Agreement provide any guidance on procedural or substantial rules for the application of safeguards.

- (l) in connection with the preservation of non-renewable natural resources.”

This list of measures is relatively comprehensive and surprisingly also includes issues, such as IPR, foreign investments of competition issues, which are specifically addressed in other articles of the Agreement.

Measures supporting bilateral trade in goods

The scope of the Agreement is wider than that of other CARICOM BTAs and includes a relatively wide range of areas of cooperation; some of these aim at supporting bilateral trade in goods. These include the establishment of **trade promotion** programmes and the **promotion of business sector participation** (Article 12) as well as the **facilitation of trade and investment** – primarily through increased transparency, information exchange between the Parties, and harmonisation of customs procedures and standards (Article 13). Note, however, that Article 13 remains general and refers to a “special programme of measures” to be adopted by the Joint Commission – which does not seem to have been adopted.

More importantly, the Agreement includes more detailed provisions than earlier BTAs regarding the facilitation of **trade financing** (Article 14). Specifically, the Agreement envisages the encouragement of banks and financial institutions to expand trade financing by

- (a) “the establishment of lines of credit;
- (b) the confirmation of letters of credit;
- (c) the provision of guarantees;
- (d) the discounting of bills of exchange, commercial paper and similar instruments;
- (e) the provision of pre-shipment and post-shipment finance;
- (f) export credit insurance.”

In addition the Agreement foresaw the establishment of an Expert Group of financial specialists to improve trade finance and provide training and advice (Article 14(3)). Apparently, the Expert Group has never been established.

Another barrier to bilateral trade in goods specifically addressed in the Agreement is the lack of appropriate and cheap **transportation services**. Article 19 provides for an extensive and detailed list of measures to address this problem – ranging from disseminating information to creation of joint transportation ventures, organisation networks of cargo agents, application of preferential port service charges, etc. –, the establishment of an expert group and the preparation of joint reports to identify measures for improved transportation services. As in the case of trade financing, implementation of the Article has, by and large, not taken place.

Finally the Agreement also provides for general **economic and social cooperation** (Article 10), which is more comprehensive and less trade related than in other BTAs. The cooperation areas identified in the Agreement are human resource development, science and technology, meteorology and natural disaster preparedness, and culture.

Institutions under the Agreement

The key administrative instrument under the Agreement is the Joint Commission, which fulfils the same functions as the Joint Councils under the Venezuela and Colombia BTAs (Article 3) and has the same rules on the – at least annual – meetings (Article 4). Some specification has been added in the Cuba BTA with respect to the Joint Commission’s right to establish Committees and Expert Groups and the decision-making rules, which are by consensus. While seven Joint Commission meetings were held since 2000, none have taken place since 2006.

Following the BTA with Colombia in addition to the Joint Council, the Agreement also envisages the potential establishment of a CARICOM-Cuba Business Council to facilitate bilateral trade and investment (Article 12); however, no such Business Council has been established.

The CARICOM–Costa Rica Free Trade Agreement

The Agreement establishing the Free Trade Area between the Caribbean Community and Costa Rica, signed on 09 March 2004, was the second and so far last FTA that CARICOM entered into. In terms of coverage of issues, in addition to trade in goods it also addresses trade in services, investment, and various other issues, such as competition policy or government procurement. The overall structure of the Agreement differs considerably from the other BTAs, and notably the institutional and administrative arrangements are more detailed than in the other agreements. The main provisions regarding trade in goods can be summarised as follows.

Tariff liberalisation

Given that the Agreement is a free trade agreement in principle all tariffs are eliminated, except for goods for which a different treatment applies. Tariff elimination is addressed in Article III.04 and Annex III.04.2. The principles applied group products into four categories depending on the speed and degree of liberalisation:

- The first group consists of products for which import tariffs were eliminated immediately upon entry into force of the Agreement. Based on the negative list approach, all goods except the ones listed elsewhere in the Agreement fall in this group (Article 01.2 of the Annex);
- The second group (listed in Article 02.C of the Annex) consists of products for which import tariffs are eliminated in phases and provides two lists of products, one for CARICOM (Table C.1) and one for Costa Rica (Table C.2). The phased reduction was to be done linearly over four years, with zero tariffs being applicable from 01 January 2007;
- For selected agricultural goods, listed in Article 02.A of the Annex, seasonal duties are applied, i.e. MFN duties are applicable during specific months of a year, while during the rest of the year zero duties are applied. Tables A.1 and A.2 provide the list of products for CARICOM and Costa Rica, respectively;
- The residual group (listed in Article 02.B of the Annex) consists of products excluded from tariff reductions, to which the parties continue to apply MFN duties. For these, the Parties bind the level of duties at the applied rate of 01 January 2003, i.e. they commit to not increase duties in the future (Article 01.6 of the Annex).

However, a number of exceptions were also established:

- A number of goods are subject to different treatment across CARICOM MDCs, i.e. might be excluded, subject to phased tariff elimination or benefit from immediate tariff elimination (Article 02.D of the Annex);
- Items of Heading 0201 and 0202 from Costa Rica did not receive duty free access into CARICOM except when a CARICOM MDC would receive permission to suspend the CET on the importation of such products in accordance with the provisions of Article 83 of the Revised Treaty of Chaguaramas (Article 02.E of the Annex);
- MFN treatment was also applied on Animal or Vegetable Fats and Oils (Chapter 15) and Soap (Heading 34.01) until the Joint Council would have concluded negotiations on the treatment to be accorded to these goods (Article 03 of the Annex);

As a rule, goods produced in free trade zones or export processing zones are excluded (Article III.04.6), except for selected products listed in Annex III.04.6. Conversely, temporary admission

of goods, commercial samples, and re-entry of goods after repair are generally not subject to the payment of duties (Article III.05 to 07).

CARICOM LDCs were not expected to grant preferential tariff treatment to imports from Costa Rica. However, the Agreement includes an MFN clause which states that:

“should any of the LDC members of CARICOM grant preferential treatment to originating goods from a country not Party to this Agreement, such treatment shall be granted immediately to Costa Rica” (Article 01.4 of the Annex).

The Agreement also provides for national treatment to the goods of the other party (Article III.03), although the provisions primarily consist of a reaffirmation of existing obligations under WTO rules.

Treatment of non-tariff barriers

The Agreement explicitly addresses non-tariff measures (Section III of Chapter III) and as a matter of principle the Parties agree to “eliminate immediately all non-tariff barriers upon entry into force of this Agreement” (Article III.09.1). To this effect, the Parties reaffirm a number of obligations under WTO rules, including on **import and export restrictions** (Article III.09), **marks of origin** (Article III.12), **subsidies** (Article III.13) and **safeguards** (Article III.16).

The Agreement’s section on non-tariff measures furthermore specifies that:

- Customs user fees are applied according to national legislations (Article III.10);
- Consular fees shall not be applied (Article III.11);
- The Parties shall cooperate on and progressively reduce agricultural subsidies (Article III.14);
- The Parties will not apply export taxes, except for those listed in Annex III.15 (Article III.15).

Detailed general and specific **rules of origin** are set out in Chapter IV. Like in the other BTAs, the determination of origin is based on the principle of the change of customs classification heading. Procedures for the implementation of rules of origin including the submission of certificates of origin are contained in Chapter V.

In terms of **contingent trade protection**, the Agreement refers to WTO rules for safeguards and subsidies (including countervailing measures), as mentioned above. It also basically refers to WTO rules with regard to anti-dumping measures but provides some clarifications in Chapter VI). The same applies to **sanitary and phyto-sanitary measures** (Chapter VII), and **technical barriers to trade and sanitary** (Chapter VIII). Essentially, the Parties agree to co-operate on these issues and provide technical advice to each other.

The Agreement also include clauses on **competition policy** (Chapter XIV) and **government procurement** (Chapter XV), which however only refer to the Parties’ commitment to cooperate and monitor these issues and “consider adopting disciplines” related to them with a period of two years after the entry into force of the Agreement.

Finally, like the other agreements the FTA includes **exceptions** (Chapter XVI). Compared to other BTAs, these are substantially more restrictive and primarily refer to the relevant rules established by the WTO/GATT.

Measures supporting bilateral trade in goods

Unlike other BTAs, the Agreement does not specifically address measures aimed at supporting bilateral trade in goods, other than the removal of tariffs and NTBs. For example, no provisions on trade promotion, trade finance or private sector cooperation are included.

Institutions under the Agreement

Institutional arrangements are covered in Section II of Chapter I of the Agreement. In addition to the Joint Council (Article I.06), whose role and meeting schedule is in line with the Joint Councils in the other BTAs, the Agreement also provides for:

- Standing Committees (Article I.08) – although their number is limited compared to the FTA with the Dominican Republic: the three pre-identified Committees are on Market Access⁵⁰, Trade in Services and Investment, and Anti-Competitive Business Practices. It seems, however, that these Committees have not been established; and
- Free Trade Coordinators (Article I.07), “whose primary function shall be to monitor the implementation” of the FTA. The Costa Rican Ministry of Foreign Trade and the CARICOM Secretariat are mandated to perform the functions of the Coordinators.

The administrative provisions in Part 4 of the Agreement are unique when compared with the other BTAs. They address, in particular, the establishment of contact points (Article XII.01), and publication and notification obligations (Article XII.02 and 03).

Finally, detailed dispute resolution procedures are also provided for in Chapter XIII of the Agreement, and provide more detail than equivalent provisions in earlier BTAs.

⁵⁰ Article III.17 provides detailed rules for the Committee on Market Access.