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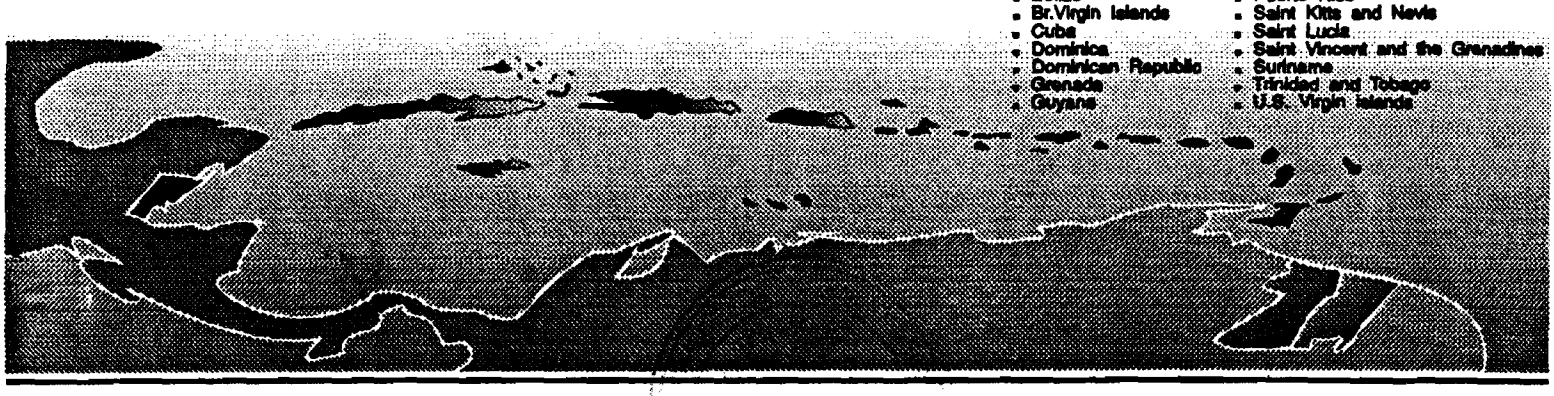
UN ECLAC/CDCC

- Antigua and Barbuda
- Aruba
- Bahamas
- Barbados
- Belize
- Br.Virgin Islands
- Cuba
- Dominica
- Dominican Republic
- Grenada
- Guyana
- Haiti
- Jamaica
- Montserrat
- Netherlands Antilles
- Puerto Rico
- Saint Kitts and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines
- Suriname
- Trinidad and Tobago
- U.S. Virgin Islands



GENERAL
LC/CAR/G.445
16 June 1995
ORIGINAL: ENGLISH

INTRA-CDCC TRADE

UNITED NATIONS
ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN
Subregional Headquarters for the Caribbean
CARIBBEAN DEVELOPMENT AND COOPERATION COMMITTEE

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INTRA-CDCC TRADE

Introduction

World merchandise exports grew by 9 per cent in 1994 or more than twice their 4 per cent rate of growth in 1993. The World Trade Organization (WTO) forecasted that world trade would increase by 8 per cent in 1995[1]. The unilateral trade liberalization programmes recently implemented by many countries around the world, the revival or creation of Free Trade Areas with a bias towards more liberal trading policies and the resumption of economic growth in many areas of the world, might have contributed to this strong growth of exports in 1994. The implementation of the recently approved General Agreement on Tariffs and Trade (GATT) and the commitment of many countries to the further liberalization of their trading policies either unilaterally or within the various economic groupings around the world are likely to benefit world trade and promote economic growth. Merchandise exports of the Caribbean member countries of the Caribbean Development and Cooperation Committee (CDCC) have been on the increase after the steep declines experienced in some of the countries in the middle of the 1980s. (See Table 1 and 2 in Annex.) The implementation of structural adjustment programmes including trade liberalization is one of the factors which was most probably responsible for the resumption of this growth of exports in the Caribbean.

Caribbean countries' production structures contribute to determine the composition of their trade while their geographical location and historical links as well as their preferential market access benefits are some of the determinants of the direction of their trade. Fluctuations in the prices of commodities exported by Caribbean countries as well as the growth of income in the countries of destination of exports are some of the determinants of the demand for Caribbean exports and their income from these exports. On the supply side, efficiency in the production of goods for exports is one of the determinants of export performance. That efficiency in production depends, among other factors, on the macroeconomic policies implemented in the countries and the micro-economic incentives available for the production of both exports and import substituting products. The main exports of the countries of the subregion are agricultural commodities, foods, fuels, minerals and ores, and some manufactured products mainly textiles, clothing and chemicals. Their imports, on the other hand, are mainly manufactured products, machinery and equipment as well as foods and chemicals[2].

Exports of agricultural products and foods make up a major proportion of most Caribbean countries' exports, except for Barbados and Jamaica where exports of manufactures constitute a significant proportion of total exports; and the Netherlands Antilles, the Bahamas and Trinidad and Tobago where most exports are fuels. On the imports side, manufactured goods make up most of the countries of the subregion's imports, except for the Bahamas and the Netherlands Antilles whose imports are mainly fuels required for the refining activities located in these countries.

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[1]The Economist, 8 April 1995, P.99.

[2]This paper deals with merchandise trade only.

Most Caribbean trade takes place with the developed countries of the world, mainly those of the European Union and the United States. More than 50 per cent of most countries' exports go to these countries, with the Organization of East Caribbean States (OECS) countries' exports, except those of Saint Kitts and Nevis, going to countries of the European Union while exports of most of the other countries of the subregion go to the United States. Caribbean imports, on the other hand, come mainly from the United States except those of the Bahamas and the Netherlands Antilles which come mainly from the Organization of Petroleum Exporting Countries (OPEC) to cater for the oil refining for re-exports of these countries.

Production structures and trading patterns have changed only marginally despite the expressed desire of most countries and their efforts to diversify their economies with a view to moving away from the traditional heavy dependence on a narrow range of commodities for exports and an equally heavy dependence on imports for production and consumption. Caribbean CDCC member countries are generally open economies where trade constitutes a substantial part of national income and in some cases more than national income. (See Table 3 in Annex.) However, their trade with the developing countries is small compared with that of the countries of the developed world; and trade among CDCC member countries[3] is still limited although its relative significance varies among the countries. The purpose of this paper is to review intra-CDCC trade over recent years and highlight the factors, especially the trade policy constraints, which may be affecting its evolution within the context of recent developments in national and international trade policies.

Recent evolution of intra-CDCC trade

1. Trade among CARICOM countries

CARICOM intraregional imports which amounted to EC$1,411,572,000 in 1980 experienced a big decrease by 1986 when they amounted to EC$811,142,000 or a decrease of 42.5 per cent compared to their 1980 level. This was most probably due to the economic contraction that some of the countries of the subregion went through in the middle of the 1980s and the numerous trade restriction measures which were taken by these countries in their attempts to deal with their balance-of-payments difficulties.

[3]The groups of countries referred to in this paper are as follows: OECS (Antigua and Barbuda, Dominica, Grenada, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines); CARICOM (Bahamas, Jamaica, Barbados, Guyana, Belize, Trinidad and Tobago and the OECS countries; rest of CARICOM (Barbados, Belize, Guyana, Jamaica and Trinidad and Tobago); larger CARICOM countries (Barbados, Guyana, Jamaica and Trinidad and Tobago); non-CARICOM-CDCC countries (British Virgin Islands, Cuba, Dominican Republic, Haiti, Netherlands Antilles, Puerto Rico and Suriname).

Table 1
Aggregate value of intraregional imports distributed by importing country and as a percentage of total imports, 1980,1986 and 1992 (EC$ 000) - CARICOM

Country	1980	(%)	1986	(%)	1992	(%)
Ant igua & Barbuda	116166	33.8	58039	10.3	87269	-
Barbados	269282	18.6	170049	11.2	269338	19.0
Belize	6460	1.5	7109	2.7	29159	3.9
Dominica	34501	26.8	38546	25.5	72319	25.4
Grenada	44510	32.8	48976	21.7	88240	-
Guyana	253609	23.6	89575	-	116825	-
Jamaica	231253	7.2	86430	3.9	177933	3.8
Monsterrat	11690	26.2	9254	16.7	22121	22.7
St. Kitts/Nevis	254292	21.0	31063	18.2	47589	18.4
Saint Lucia	72346	21.6	65814	15.7	156456	19.0
St. Vincent & the Grenadines	44818	29.0	43733	18.5	91970	25.5
Trinidad & Tobago	301445	3.4	162554	4.9	207094	5.3
CARICOM	1411572	8.8	811142	-	1366313	10.9

Source: CARICOM Secretariat, IMF International Financial Statistics Yearbook 1994 & ECLAC.

This economic contraction was particularly severe in the larger member countries of CARICOM whose imports from CARICOM dropped sharply by 1986. Guyana's intraregional imports dropped from EC$253,609,000 in 1980 to EC$ 89,575,000 in 1986; those of Jamaica dropped from EC$231,253,000 in 1980 to EC$ 86,430,000 in 1986; and those of Trinidad and Tobago dropped from EC$ 301,445,000 in 1980 to EC$ 162,554,000 in 1986. Decreases in intraregional imports were less pronounced in the smaller CARICOM member countries, except Antigua and Barbuda whose intraregional imports dropped from EC$116,166,000 in 1980 to EC$58,039,000 in 1986. Countries like Grenada, Dominica and St Kitts and Nevis managed to increase slightly the value of their intraregional imports in 1986 compared to 1980.

After 1986, intraregional imports increased steadily to reach EC$ 1,366,313,000 by 1992 but were still below their 1980 level. Again, the larger countries have accounted for most of the increases. However, the most spectacular increases took place in the smaller CARICOM member countries with Dominica, Grenada, Saint Vincent and the Grenadines and Montserrat doubling the value of their intraregional imports in 1992 compared to their 1980 levels. Belize's value of intraregional imports in 1992 amounted to four times its value in 1980 while the larger CARICOM member countries have not yet reached their intraregional imports levels of 1980. Belize's surge of imports from other CARICOM countries may have been linked to the rapid economic growth experienced by that country in the second half of the 1980s.

Also, CARICOM intraregional domestic exports which amounted to EC$1,341,237,000 in 1980 decreased to EC$748,654,000 by 1986 and then increased steadily to reach EC$1,267,790,000 in 1992, an amount which was still below its 1980 level but almost double its 1986 level. These increases in intraregional exports in the second half of the 1980s were largely accounted for by the larger CARICOM countries of Trinidad and Tobago, Jamaica and Barbados. Most of the

intraregional exports of the countries reached or passed their levels of 1980 except for Montserrat, Saint Kitts and Nevis and Guyana. On the other hand, Saint Vincent and the Grenadines' intraregional export value in 1992 was almost five times its 1980 value.

Table 2
Aggregate value of intraregional imports distributed by importing country and as a percentage of total imports, 1980, 1986 and 1992 (EC$ 000) - CARICOM

Country	1980	(%)	1986	(%)	1992	(%)
Antigua & Barbuda	16002	18.9	10758	20.3	21461	-
Barbados	113135	18.3	76004	11.5	143358	27.9
Belize	15127	5.0	3876	1.5	16250	-
Dominica	15296	58.1	27789	23.7	40907	4.4
Grenada	5223	11.1	17706	22.7	16734	-
Guyana	143784	13.6	32712	-	98507	-
Jamaica	152368	5.8	110581	6.9	157964	5.5
Monsterrat	1076	33.6	525	0.9	371	8.7
St. Kitts/Nevis	11262	17.2	8394	12.3	7261	10.2
Saint Lucia	34738	27.9	32774	14.6	39404	11.7
St. Vincent and the Grenadines	17144	41.1	99220	57.5	83408	39.1
Trinidad & Tobago	816082	7.3	328315	8.9	645165	12.7
CARICOM	1341237	8.3	748654	-	1267790	13.2

Source: CARICOM Secretariat, IMF International Financial Statistics Yearbook 1994 & ECLAC.

The share of CARICOM countries' intraregional imports in their total imports increased from 8.8 per cent in 1980 to 10.9 percent in 1992. The OECS countries and Barbados imported more from CARICOM than the other CARICOM countries. In 1980, Antigua and Barbuda imported 33.8 per cent of its total imports from CARICOM while Grenada, Saint Vincent and the Grenadines, Dominica, Montserrat and Barbados imported 32.8 per cent, 29 per cent, 26.8 per cent, 26.2 per cent and 18.6 per cent, respectively, from CARICOM. In contrast, a far lower percentage of total imports was imported from CARICOM by Jamaica, Belize and Trinidad and Tobago. These countries' imports from CARICOM were 7.2 per cent, 3.4 per cent and 1.5 per cent of their respective total imports for 1980.

By 1986, when some of the countries' total imports decreased, the share of CARICOM countries intraregional imports in their total imports decreased also in all the countries, except Trinidad and Tobago and Belize whose intraregional imports as a percentage of their total imports increased slightly. Belize's intraregional imports increased to 2.7 per cent of its total imports in 1986 compared to 1.5 per cent in 1980 and those of Trinidad and Tobago increased to 4.9 per cent in 1986 compared to 3.4 per cent in 1980.

On the other hand, Antigua and Barbuda, Barbados Dominica, Grenada, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines' intra-CARICOM imports as a share of their total imports declined in 1986 compared to 1980 despite the fact that some of these countries' total imports registered increases in 1986 compared to 1985. The decline was noticeably

steep in the cases of Antigua and Barbuda where intraregional imports were only 10.3 per cent of it total imports in 1986 compared to 33.8 per cent in 1980, Montserrat where they were 16.7 per cent in 1986 compared to 26.2 per cent in 1980 and Saint Vincent and the Grenadines where they were 18.2 per cent in 1986 compared to 29 per cent in 1980. However, the intraregional share of total imports of the individual OECS countries except Antigua and Barbuda, were still much higher than those of the rest of CARICOM.

By 1992, all the countries increased the share of their intraregional imports in their total imports compared to 1986 except for Dominica and Jamaica whose shares of intraregional imports have hardly changed. In 1992, intraregional imports as a percentage of the total imports were generally closer to their 1980 levels for the OECS countries and Barbados while Trinidad and Tobago and Belize increased slightly the intraregional share of their imports. The OECS countries' intraregional imports as a percentage of their total imports were still much higher than those of the other CARICOM countries.

On the export side, intraregional domestic exports as a percentage of CARICOM countries' total exports increased from 8.3 per cent in 1980 to 13.2 per cent in 1982. In 1980, Dominica's domestic exports to CARICOM were 58.1 per cent of its total exports for the year, those of Saint Vincent and the Grenadines, Saint Lucia and Montserrat were 41.1 per cent, 27.9 per cent and 33.6 per cent of their total exports. On the other hand, Belize's domestic exports to CARICOM were only 5 per cent of its total exports in 1980 and those of Jamaica and Trinidad and Tobago were 5.8 per cent and 7.3 per cent, respectively.

By 1986, Dominica's domestic exports to CARICOM decreased to 23.7 per cent of its total exports and those of Saint Lucia and Montserrat were 14.6 per cent and 0.9 per cent, respectively, substantially lower than their 1980 levels. In contrast, Saint Vincent and the Grenadines' domestic exports to CARICOM represented 57.5 per cent of that country's total exports for 1986. Jamaica and Trinidad and Tobago increased slightly the percentage of their exports to CARICOM.

By 1992, Barbados and Saint Vincent and the Grenadines were the only two CARICOM countries whose intraregional exports represented more than 20 per cent of their total exports. Saint Vincent and the Grenadines' domestic exports to CARICOM represented 39.1 per cent of its total exports while those of Barbados represented 27.9 per cent of that country's exports for 1992. Dominica's domestic exports to CARICOM were only 4.4 per cent of its 1992 exports while those of Saint Lucia and Saint Kitts and Nevis were 11.7 per cent and 10.2 per cent respectively. Trinidad and Tobago's domestic exports to CARICOM represented 12.7 per cent of its total exports in 1992, a higher percentage than most OECS countries and a reversal of the situation which existed in both 1980 and 1986 when most OECS countries' domestic exports to CARICOM represented a higher percentage of their total exports than the rest of CARICOM.

The composition of intra-CARICOM trade was heavily dominated in 1985 by mineral fuels, lubricants and related materials. This product grouping accounted for 46.9 per cent of total CARICOM intraregional imports and 49.1 per cent of total CARICOM intraregional domestic exports in 1985. The next biggest component of intra-CARICOM trade was the food products

category which accounted for 19.2 per cent of CARICOM intraregional imports and 19.3 per cent of CARICOM intraregional domestic exports in 1985. Also in 1985, chemicals and manufactured goods accounted for 10.1 per cent and 10.6 per cent of CARICOM's total intraregional imports respectively and 9.2 per cent and 10.4 per cent of CARICOM's total intraregional domestic exports, respectively.

Table 3
Percentage distribution of CARICOM's intraregional trade by SITC section: 1985 and 1990

SITC Sections	IMPORTS		EXPORTS	
	1985	1990	1985	1990
All Sections	100.0	100.0	100.0	100.0
0. Food and live animals chiefly for food	19.2	19.2	19.3	26.5
1. Beverages and tobacco	3.7	7.2	3.5	6.8
2. Crude materials, inedible, except fuels	1.8	1.4	1.0	1.0
3. Minerals, fuels, lubricants and related materials	46.9	20.0	49.1	22.5
4. Animal and vegetable oils, fats and waxes	0.4	1.5	0.4	1.7
5. Chemicals and related products, not elsewhere specified	10.1	16.0	9.2	15.1
6. Manufactured goods classified chiefly by material	10.6	22.2	10.4	21.9
7. Machinery and transport equiptment	1.5	3.9	1.6	3.2
8. Miscellaneous and manufactured articles	5.8	8.6	5.3	9.2
9. Commodities and transactions not elsewhere specified	0.1	0.1	0.2	0.0

Source: CARICOM Secretariat

By 1990, the composition of intra-CARICOM trade changed noticeably. Manufactured goods accounted for 22.2 per cent of total CARICOM intraregional imports and 21.9 per cent of total CARICOM intraregional domestic exports or double the share of this product category in 1985. The share of mineral fuels, lubricants and related material in intra-CARICOM trade shrank significantly. It accounted for 20 per cent of total CARICOM intraregional imports and 22.5 per cent of total intraregional domestic exports. Food products remained a significant part of intra-CARICOM trade and its share of both intra-CARICOM imports and domestic exports barely changed in 1990 compared to 1985. It accounted for 19.2 per cent of intraregional imports and 19.3 per cent of intraregional domestic exports. The share of chemicals in intra-CARICOM trade increased significantly in 1990 compared to 1985. It accounted for 16 per cent of total intraregional imports and 15.1 per cent of total intraregional domestic exports in 1990.

A. Trade among the OECS countries

Intra-OECS imports rose substantially between 1985 and 1992 and were largely dominated by Saint Vincent and the Grenadines and Saint Lucia as the main sources of imports with Saint Lucia and Dominica as the main importers.

Intra-OECS imports increased from EC$ 62,103,000 in 1985 to EC$ 91,960,000 in 1992 or an increase of 48 per cent over the period. In 1985, the OECS imports from each other amounted to EC$62,103,000. More than 68 per cent of those imports came from Saint Vincent and the Grenadines and Saint Lucia. OECS countries' imports in 1985 from these two countries amounted to EC$ 27,893,000 and 14,637,000, respectively. Fifty-four per cent of OECS imports from Saint Lucia went to Dominica while 43 per cent of those from Saint Vincent and the Grenadines went to Saint Lucia.

Table 4
The value of intra-OECS imports - 1985 (EC$ 000)

Imports By	OECS	Ant & Bar	Dom	Gren	Monts	St Kitts & Nevis	Saint Lucia	St. Vin & Gre
OECS	62103	5759	7697	1120	713	4284	14637	27893
Antigua & Barbuda	10510	n.a.	1313	107	390	2371	1610	4719
Dominica	15575	1013	n.a.	744	45	376	8517	4880
Grenada	5239	424	1629	n.a.	19	328	2103	736
Monsterrat	2537	550	79	15	n.a.	823	158	912
St Kitts & Nevis	7661	1494	707	29	173	n.a.	612	4646
Saint Lucia	15688	1729	1793	52	72	42	n.a.	12000
St. Vin. & the Gren.	4893	549	2176	173	14	344	1637	n.a.

Source: CARICOM Secretariat
n.a. = not available

OECS imports from Dominica and Antigua and Barbuda amounted to EC$7,697,000 and EC$5,759,000 respectively in 1985. OECS imports from these two countries were less concentrated and were mainly destined to Saint Lucia, Saint Vincent and the Grenadines, Grenada and Antigua and Barbuda in the case of Dominica; and to Saint Lucia, St Kitts and Nevis and Grenada in the case of Antigua and Barbuda. OECS imports from Saint Kitts and Nevis, Grenada and Montserrat amounted to EC$4,284,000, EC$1,120,000 and EC$713,000, respectively. These imports were more concentrated. More than 55 per cent of OECS imports from St Kitts and Nevis and more than 54 per cent of those from Montserrat went to Antigua and Barbuda while more than 66 per cent of OECS imports from Grenada went to Dominica. In 1985, imports by Saint Lucia and Dominica which amounted to EC$15,688,000 and EC$15,575,000, respectively, represented half of total intra-OECS imports for the year. Most of Saint Lucia's imports (76 per cent) came from Saint Vincent and the Grenadines while more than 54 per cent of Dominica's imports came from Saint Lucia. Imports by Antigua and Barbuda, those of St Kitts and Nevis and those of Montserrat which amounted to EC$10,510,000, EC$7,661 and EC$2,537,000 in 1985, respectively, came mainly from Saint Vincent and the Grenadines. Saint Vincent and the Grenadines' share of these three countries imports was

44.9 per cent, 59.1 per cent and 35.9 per cent, respectively. Grenada's imports which amounted to EC$5,239,000 in 1985 came mainly from Saint Lucia (40 per cent) while those of Saint Vincent and the Grenadines which amounted to EC$4,893,000 came mainly from Dominica (44.4 per cent).

Table 5
The value of total intra-OECS imports - 1988 (EC$ 000)

Imports By	OECS	Ant & Bar	Dom	Gren	Monts	St Kitts Nevis	Saint Lucia	St. Vin & Gre
OECS	83605	7655	7819	3697	464	4307	30470	29193
Antigua & Barbuda	13872	n.a.	1754	71	211	2505	3018	6313
Dominica	27664	1931	n.a.	1903	23	448	19072	4287
Grenada	6708	258	1314	n.a.	1	357	3841	937
Monsterrat	4153	1130	136	9	n.a.	687	1227	964
St Kitts& Nevis	8686	2055	537	146	116	n.a.	507	5325
Saint Lucia	16498	1764	2114	1049	71	110	n.a.	11390
St. Vincent & the Gren.	6047	517	1964	519	42	200	2805	n.a.

Source: CARICOM Secretariat
n.a. = not available

By 1988, OECS imports from each other amounted to EC$83,605,000 or an increase of 34.6 per cent over 1985. Most of OECS imports for the year came from Saint Lucia and Saint Vincent and the Grenadines. OECS imports from these two countries amounted to EC$30,470,000 and EC$29,193,000, respectively, or 71.3 per cent of total intra-OECS imports for the year. Most of OECS imports from Saint Lucia (62.5 per cent) went to Dominica while 39 per cent of OECS imports from Saint Vincent and the Grenadines went to Saint Lucia and 28.4 per cent went to Antigua and Barbuda.

OECS imports from Antigua and Barbuda and Dominica which amounted to EC$7,655,000 and EC$7,819,000 respectively in 1988 were less concentrated than those of Saint Lucia and Saint Vincent and the Grenadines. Significant parts of OECS imports from Antigua and Barbuda went to St Kitts and Nevis (26.8 per cent), Dominica (25 per cent), Saint Lucia (23 per cent) and Montserrat (14.7 per cent). OECS imports from Dominica went to Saint Lucia (27 per cent), Saint Vincent and the Grenadines (25.1 per cent), Antigua and Barbuda (22.4 per cent) and Grenada (16.8 per cent). More than half of OECS imports from Grenada which amounted to EC$ 3,697,000 went to Dominica while more than 58 per cent of OECS imports from Saint Kitts and Nevis which amounted to EC$4,307,000 and more than 45 per cent of OECS imports from Montserrat which amounted to EC$464,000 went to Antigua and Barbuda.

Imports by Dominica and Saint Lucia which amounted to EC$7,664,000 and EC$16,498,000, respectively in 1988 represented more than 50 per cent of total intra-OECS imports for the year. Sixty-nine per cent of Dominica's imports came from Saint Lucia while 69 per cent of Saint Lucia's imports came from Saint Vincent and the Grenadines. Antigua and Barbuda and Saint Kitts and Nevis imports which amounted to EC$13,872,000 and EC$ 8,686,000 respectively in 1988 came mainly from Saint Vincent and the Grenadines. Saint Vincent and the Grenadines accounted for 61.2

per cent of St. Kitts and Nevis' imports; and 45.5 per cent of Antigua and Barbuda's imports also came from that country. Grenada and Montserrat's imports which amounted to EC$6,708,000 and EC$4,153,000 respectively in 1988 came mainly from Saint Lucia. Saint Lucia also accounted for 67.2 per cent of Grenada's imports and 29.5 per cent of Montserrat's.

Table 6
The values of total intra-OECS imports - 1992 (EC$ 000)

Imports By	OECS	Ant & Bar	Dom	Gren	Monts	St Kitts & Nevis	Saint Lucia	St. Vin & Gre
OECS	91960	13651	8929	10578	230	4440	15779	38353
Antigua & Barbuda	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dominica	23992	2180		2651	72	1331	9835	7923
Grenada	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Monsterrat	4141	426	262	181	n.a.	809	1272	1191
St Kitts & Nevis	14570	2183	1844	974	149	n.a.	1626	7794
Saint Lucia	41222	8228	4257	5083	2	2207	n.a.	21445
St Vin. & the Gren.	8035	634	2566	1689	7	93	3046	n.a.

Source: CARICOM Secretariat

n.a. = not available

In 1992, OECS imports from each other amounted to EC$91,960,000[4], an increase of 9.9 per cent over their imports in 1988. Most of these intra -OECS imports came from Saint Vincent and the Grenadines and Saint Lucia from where the OECS imported in 1992 the value of EC$38,353,000 and EC$15,779,000 respectively or 58.8 per cent of the total intra-OECS imports for 1992. Most of OECS imports from Saint Vincent and the Grenadines or 55.9 per cent of them went to Saint Lucia while 62.3 per cent of OECS imports from Saint Lucia went to Dominica. OECS imports from Antigua and Barbuda, Dominica, Grenada and Saint Kitts and Nevis which amounted to EC$13,651,000, EC$8,920,000, EC$10,578,000 and EC$4,440,000, respectively went mainly to Saint Lucia. A 60 per cent share of OECS imports from Antigua and Barbuda went to Saint Lucia while 47.6 per cent of their imports from Dominica, 48 per cent from Grenada and 49.7 per cent from Saint Kitts and Nevis went to Saint Lucia. OECS imports from Montserrat which amounted to EC$230,000 went mainly to Saint Kitts and Nevis (64.7 per cent).

Imports by Saint Lucia and Dominica which amounted to EC$41,222,000 and EC$23,992,000 respectively or 79.9 per cent of total intra-OECS imports for 1992 represented most of total intra-OECS trade for the year. Saint Lucia's imports came mainly from Saint Vincent and the Grenadines (52 per cent) while Dominica's imports originated mainly in Saint Lucia (40.9 per cent) and Saint Vincent and the Grenadines (33 per cent). Saint Kitts and Nevis whose imports in 1992 amounted to EC$14,570,000 came mainly from Saint Vincent and the Grenadines (53 per cent). Montserrat imports which amounted to EC$4,141,000 in 1992 came mainly from Saint Lucia (30.7 per cent) and

[4]This figure does not include Antigua and Barbuda and Grenada's exports.

Saint Vincent and the Grenadines (28.75 per cent). Most of Saint Vincent and the Grenadines imports which amounted to EC$8,035,000 in 1992 came from Saint Lucia (37.9 per cent) and Dominica (31.9 per cent).

Intra-OECS trade was mainly composed of non-traditional agricultural products and food processing. These included eddoes, dasheen, sweet potatoes for Saint Vincent and the Grenadines; and margarine, beverages and other food products for Saint Kitts and Nevis. Intra-OECS trade also included a number of manufactured products, notably galvanized sheets from Saint Vincent and the Grenadines and Saint Lucia; soaps from Dominica; and mattresses, paint, furniture and small appliances from Antigua and Barbuda.

B. Trade between the OECS and the rest of CARICOM

The value of the rest of CARICOM's imports from the OECS declined substantially in 1991 compared to its 1985 level. However, it recovered slightly in 1992 but remained well below its 1985 level. In contrast, OECS imports from the rest of CARICOM were almost double their 1985 level in 1991 but experienced a decline in 1992. Trade between the OECS and the rest of CARICOM was dominated by Trinidad and Tobago.

The rest of CARICOM's imports from the OECS decreased from EC$124,015,000 in 1985 to EC$86,418,000 in 1991 before reaching EC$ 90,828,000 in 1992[5] or an increase of 5.1 per cent over 1991. On the other hand, OECS imports from the rest of CARICOM increased from EC$241,968,000 in 1985 to EC$418,809,000 in 1991 before decreasing to EC$298,499,000 in 1992[6].

In 1985, Trinidad and Tobago's imports from the OECS amounted to EC$91,995,000 or 74.1 per cent of the total imports of the rest of CARICOM from the OECS. Barbados accounted for 12 per cent of the rest of CARICOM imports from the OECS and 9.7 per cent by Jamaica. Most of Trinidad and Tobago's imports from the OECS came mainly from Saint Vincent and the Grenadines and Grenada. Imports from Saint Vincent and the Grenadines amounted to EC$63,360,000 in 1985 or 68.8 per cent of Trinidad and Tobago total imports from the OECS and those from Grenada amounted to EC$11,652,000 or 12.6 per cent of the same total. Barbados' imports came mainly from Saint Lucia and Dominica and amounted to EC$6,339,000 and EC$3,084,000, respectively. Jamaica imports from the OECS came mainly from Dominica. These imports amounted to EC$10,796,000 or 89.4 per cent of total Jamaican imports from the OECS in 1985. Guyana and Belize imports from the OECS in 1985 amounted to EC$4,892,000 and EC$48,000, respectively and the main origin of their imports was Dominica.

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[5]This figure does not include Guyana's imports from the OECS.

[6]This figure does not include Antigua and Barbuda and Grenada's imports from the rest of CARICOM.

Table 7
The value of the rest of CARICOM's imports from the OECS - 1985 (EC$ 000)

Imports by	Total	Ant & Bar	Dom	Gren	Monts	St. Kitts & Nevis	Saint Lucia	St. Vin & Gren
Total	144015	5882	23166	12415	176	5278	11029	86069
Barbados	15005	2266	3084	671	163	770	6339	1712
Belize	48	n.a.	32	n.a.	n.a.	16	n.a.	n.a.
Guyana	4892	232	3830	63	n.a.	2	251	514
Jamaica	12075	157	10796	29	n.a.	3	607	483
Trinidad &Tobago	111995	3227	5424	11652	13	4487	3832	83360

Source: CARICOM Secretariat
n.a. = not available

OECS imports from the rest of CARICOM amounted to EC$241,968,000 in 1985. These imports were accounted for by Antigua and Barbuda (29.4 per cent), Saint Lucia (19.6 per cent), Grenada (14.9 per cent), and Saint Vincent and the Grenadines (13.7 per cent). All the OECS countries' imports from the rest of CARICOM came mainly from Trinidad and Tobago. Trinidad and Tobago accounted for 81.9 per cent of Antigua and Barbuda's imports, 68 per cent of those of Dominica, 66 per cent of those of Grenada and 64 per cent of those of Saint Lucia.

Table 8
The value of the rest of CARICOM's total imports from the OECS - 1991 - (EC$ 000)

Imports by	Total	Ant & Bar	Dom	Gren	Monts	St. Kitts & Nevis	Saint Lucia	St. Vin & Gre
Total	86418	5370	26067	8230	1	1917	22765	22068
Barbados	26876	1445	3562	3989	1	915	11077	5887
Belize	650	57	n.a.	4	n.a.	28	561	n.a.
Guyana	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Jamaica	25773	85	17708	241	n.a.	n.a.	4516	3223
Trinidad &Tobago	33119	3783	4797	3996	n.a.	974	6611	12958

Source: CARICOM Secretariat
n.a. = not available

In 1991, the rest of CARICOM's imports from the OECS amounted to EC$86,418,000[7]. Trinidad and Tobago accounted for EC$33,119,000 or 38.3 per cent of the total while Barbados and Jamaica whose imports from the OECS amounted to EC$26,876,000 and EC$25,773,000 in 1991 accounted for 31 per cent and 29.8 per cent, respectively. More than half of Trinidad and Tobago's imports from the OECS came from Saint Vincent and the Grenadines (41.6 per cent), and Saint Lucia (19.9 per cent). Also, more than half of Barbados' imports from the OECS came mainly from Saint

[7]This figure does not include Guyana's imports.

Lucia and Saint Vincent and the Grenadines while 68.7 per cent of Jamaica's imports came from Dominica.

OECS imports from the rest of CARICOM amounted to EC$418,809,000 in 1991. (See Table in Annex.) Most of these imports EC$295,785,000 or 70.6 per cent of OECS imports from the rest of CARICOM came from Trinidad and Tobago. These imports, although fairly well spread among the OECS countries were mainly accounted for by Saint Vincent and the Grenadines (27 per cent), Saint Lucia (24 per cent), Grenada (17 per cent) and Antigua and Barbuda (12 per cent). The other main origin of OECS imports from the rest of CARICOM was Barbados which accounted for 18.2 per cent of the total imports. Jamaica accounted for 9.1 per cent of these imports and Guyana for 1.8 per cent. OECS imports from Barbados were mainly accounted for by Saint Lucia and Saint Vincent and the Grenadines and Grenada while those of Jamaica were mainly accounted for by Saint Lucia, Antigua and Barbuda, and Dominica.

Table 9
The value of the rest of CARICOM's total imports from the OECS - 1992 (EC$ 000)

Imports by	Total	Ant & Bar	Dom	Gren	Monts	St. Kitts & Nevis	Saint Lucia	St. Vin & Gre
Total	90808	9649	29235	5779	563	2272	16029	27281
Barbados	28552	1391	5472	3165	3	1150	8260	9111
Belize	1002	38	371	n.a.	n.a.	n.a.	590	3
Guyana	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Jamaica	26036	748	18201	346	n.a.	20	3017	3704
Trinidad &Tobago	35218	7472	5191	2268	560	1102	4162	14463

Source: CARICOM Secretariat
n.a. = not available

In 1992, the rest of CARICOM's imports from the OECS amounted to EC$90,828,000[8]. Trinidad and Tobago's imports from the OECS amounted to EC$35,238,000 or 38.7 per cent of total imports from the OECS by the rest of CARICOM. Barbados' imports which amounted to EC$28,552,000 accounted for 31.4 per cent while those of Jamaica amounted to EC$26,038,000 and accounted for 30.8 per cent. Saint Vincent and the Grenadines and Antigua and Barbuda provided the bulk of Trinidad and Tobago's imports from the OECS or 62 per cent of the total. Dominica accounted for 64.9 per cent of OECS imports from Jamaica. Belize's imports from the OECS in 1992 amounted to EC$1,002,000 or 1.1 per cent of the rest of CARICOM imports from the OECS.

[8]This figure does not include Guyana's imports from the OECS.

OECS imports from the rest of CARICOM amounted to EC$298,499,000 in 1992[9]. Most of these imports were accounted for by Saint Lucia and Saint Vincent and the Grenadines whose imports from the rest of CARICOM amounted to EC$115,235,000 and EC$83,939,000 respectively or 66.6 per cent of total OECS imports from the rest of CARICOM in 1992. The majority of Saint Lucia and Saint Vincent and the Grenadines imports came from Trinidad and Tobago. These two countries' imports from Trinidad and Tobago accounted for 68.8 per cent and 75.6 per cent of their respective total imports from the rest of CARICOM. The same was true for Dominica, Montserrat and Saint Kitts and Nevis where most imports from the rest of CARICOM came from Trinidad and Tobago. Trinidad and Tobago accounted for 67.3 per cent of Dominica's imports from the rest of CARICOM while 86.4 per cent of those of Montserrat and 65.5 per cent of those of Saint Kitts and Nevis also came from Trinidad and Tobago. OECS imports from Barbados, Jamaica and Guyana, although relatively less significant than those from Trinidad and Tobago, were mainly accounted for by Saint Lucia and Saint Vincent and the Grenadines. Trade between the OECS and the rest of CARICOM was mainly composed of food products such as beverages, cereals, miscellaneous food preparations and juices, some industrial products such as iron and steel, household chemicals, clothing and metal products as well as petroleum and petroleum products.

C. Trade among the rest of CARICOM

The rest of CARICOM imports from each other amounted to EC$ 713,486,000 in 1985, EC$589,216,000 in 1991 and EC$ 561,523,000 in 1992[10] or a decrease of 4.6 per cent over 1991. In each of the three years selected, Barbados' imports from the rest of CARICOM which amounted to EC$223,748,000 in 1985, EC$ 247,855,000 in 1991 and EC$ 236,786,000 in 1992 accounted for the biggest share of total imports among the rest of CARICOM. In 1985, Guyana was the next biggest importer from the rest of CARICOM, followed by Trinidad and Tobago, Jamaica and Belize. In both 1991 and 1992 Trinidad and Tobago came after Barbados and was followed by Jamaica and Belize.

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[9]This figure does not include Antigua and Barbuda and Grenada imports from the rest of CARICOM.

[10]The figures for 1991 and 1992 do not include imports from Guyana.

Table 10
Value of the rest of CARICOM's total intraregional imports - 1985 (EC$ 000)

Imports by	Total	Barbados	Belize	Guyana	Jamaica	Trinidad & Tobago
Total	713486	69224	17516	57995	120606	448145
Barbados	223748	n.a.	18	7453	50799	165478
Belize	6099	53	n.a.	n.a.	5554	492
Guyana	208869	2990	n.a.	n.a.	12568	193311
Jamaica	102627	9900	1297	2566	n.a.	88864
Trinidad &Tobago	172143	56281	16201	47976	51685	n.a.

Source: CARICOM Secretariat
n.a. = not available

Most of this group of countries' imports came from Trinidad and Tobago in all three years except for Belize whose imports from this group of countries came mainly from Jamaica and Barbados. Most of Trinidad and Tobago's imports from this group of countries came from Jamaica and Barbados for all three years. The composition of this trade is generally similar to that of trade between the OECS and the rest of CARICOM.

Table 11
Value of the rest of CARICOM's total intraregional imports - 1992 (EC$ 000)

Imports by	Total	Barbados	Belize	Guyana	Jamaica	Trinidad & Tobago
Total	561523	71384	21693	79760	119776	268910
Barbados	236786	n.a.	3994	15077	35186	182529
Belize	28158	4312	n.a.	60	12448	11338
Guyana	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Jamaica	151897	15997	3771	45748	n.a.	86381
Trinidad &Tobago	168840	55387	13928	18935	80590	n.a.

Source: CARICOM Secretariat
n.a. = not available

In general, and as expected, intra-CARICOM trade was largely dominated by the more advanced CARICOM countries. The evolution of these countries' trade in the CARICOM area, determined to a large extent, the levels and growth of intra-CARICOM trade over recent years. The substantial decrease in intra-CARICOM imports in 1986 was mainly due to the significant drop experienced by these countries' imports from CARICOM. The slight increase in OECS imports from CARICOM could not compensate for the fall of imports of the larger CARICOM countries imports in the middle of the 1980s. When the intraregional imports of the larger CARICOM countries started increasing after 1986, intra-CARICOM imports also increased. However, imports by smaller CARICOM countries grew much faster than those of the more advanced countries in the latter part

of the 1980s and early 1990s. For example, Saint Lucia's intra-CARICOM imports in 1992 were more than twice their 1986 level, and those of Belize were three times their 1986 level, while Trinidad and Tobago's intra-CARICOM imports in 1992 were 21.5 per cent higher than those in 1986 and Jamaica's intra-CARICOM imports were 51.4 per cent higher than their 1986 level. The stronger growth in the smaller CARICOM countries in the 1980s may have contributed to increased demand for imports which in turn may have contributed to the faster growth registered by these countries' intra-CARICOM imports.

On the exports side and as expected, the share of the larger countries was also substantial in intra-CARICOM exports. The decline of these exports in the middle of the 1980s seems to have been the main cause of the overall decline of intra-CARICOM exports in that period. The resumption of increased exports in the latter part of the 1980s in the larger countries brought about the overall increase in intra-CARICOM trade in that same period. Jamaica's intra-CARICOM exports registered a 37 per cent increase compared to their 1986 level. Those of Trinidad and Tobago registered a much stronger 49.9 per cent in 1992 compared to their 1986 level. Belize's intraregional exports registered a strong 74 per cent increase compared t0 1986; Saint Lucia increased its 1992 intra-CARICOM exports by a modest 10.9 per cent compared to 1986. The strong intra-CARICOM exports of some of the countries might have taken place in response to the stronger demand in other CARICOM countries especially the higher growth of the smaller economies.

The composition of intra-CARICOM trade which was dominated by mineral fuels, lubricants and related materials in 1980 changed somewhat by 1990. It became relatively more balanced in 1990 with manufactured goods accounting for more than double their share in 1980 and chemicals experiencing substantial increases in 1990. The share of food products did not change much in 1990 compared to their share in 1980[11].

Intra-CARICOM trade, although largely dominated by the larger member countries was of a much greater significance in the trade of the smaller countries. OECS intra-CARICOM imports consistently accounted for more than 15 per cent of their total imports in the second half of the 1980s. In 1991, the OECS intra-CARICOM imports were 18.4 per cent of their total imports in the same year while their intra-CARICOM exports were 23.8 per cent of their total exports in 1992. Intra-CARICOM imports of the larger CARICOM member countries, amounted to only 6.6 per cent of these countries total imports in 1992. Intra-CARICOM exports of these countries, on the other hand, amounted to a little more than 13 per cent in 1992. The composition of intra-CARICOM trade varied significantly from that of the grouping's trade with the rest of the world. Trade with the rest of the world was dominated by raw materials and agricultural products while intra-CARICOM and trade between CARICOM and non-CARICOM countries were dominated by manufactures and other processed goods.

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[11]Lack of sufficient data on the composition of intra-CARICOM trade prevented a detailed treatment of this subject.

2. Trade between CARICOM and non-CARICOM Caribbean countries[12]

Trade between CARICOM and non-CARICOM Caribbean countries is still limited compared to both CARICOM trade with the rest of the world and intra-CARICOM trade. It is also still concentrated among a limited number of countries and has been fluctuating over the years. In 1990, Trinidad and Tobago exported TT$777,346,384 to non-CARICOM Caribbean countries and imported TT$ 87,033,788,000 from them. Most of Trinidad and Tobago exports to non-CARICOM countries went to Suriname, Puerto Rico, the Netherlands Antilles and Cuba. On the other hand, most of its imports from these countries came from Puerto Rico and Suriname. In 1992, Trinidad and Tobago's exports and imports amounted to TT$926,743,735 and TT$72,668,069 respectively. Most of these exports went to the Netherlands Antilles, Puerto Rico and the Dominican Republic while most of the imports came from Puerto Rico and Suriname. In 1991, Jamaica's exports to non-CARICOM countries amounted to J$104,483.709 and its imports from the same countries amounted to J$813,444,204. Most of its exports went to the Netherlands Antilles, the United States Virgin Islands, the Dominican Republic and Puerto Rico. Most of Jamaica's imports came from the Netherlands Antilles and Puerto Rico.

[12]Lack of sufficient data prevented a more detailed treatment of this aspect of intra-CDCC trade.

Table 12
Puerto Rico's trade with the rest of CDCC member countries - 1994 in US$

Country	Imports	Exports
CARICOM	**104,886,997**	**131,361,899**
Antigua & Barbuda	70,692	9,215,077
Bahamas	723,893	587,362
Barbados	115,155	19,864,466
Dominica	2,002,437	6,516,852
Grenada	290,973	3,844,989
Jamaica	5,718,848	23,672,393
Monsterrat		1,413,431
St. Kitts & Nevis	9,816,384	8,761,105
St. Lucia	29,739	10,486,240
St Vincent & the Grenadines	143,022	2,165,759
Trinidad & Tobago	85,975,854	44,834,225
Non-CARICOM	**630,833,943**	**639,128,814**
Aruba	5,469,277	14,486,515
British Virgin Islands	974,499	8,771,601
Dominican Republic	551,750,583	573,774,955
Haiti	1,226,984	6,397,876
Netherlands Antilles	71,412,600	35,697,867
Total	**735,720,940**	**770,490,713**

Source: Oficina del Gobernador - Puerto Rico

The Dominican Republic, Cuba, Haiti , Puerto Rico and the Netherlands Antilles' main trading partners in CARICOM have been Jamaica and Trinidad and Tobago. Puerto Rico has had a more balanced trading relationship with CARICOM countries since the smaller OECS countries' imports from Puerto Rico were also significant. In 1994, Saint Kitts and Nevis and Dominica's imports from Puerto Rico amounted to US$9.8m and US$2m, respectively. The Dominican Republic's exports to CARICOM countries in the first half of 1990 went mainly to Jamaica in the amount of US$521,000 and Trinidad and Tobago in the amount of US$207,000. In 1994, Puerto Rico's exports to CARICOM countries went mainly to Trinidad and Tobago ($44.8m), Jamaica ($23.6m), Barbados ($19.8m), Saint Lucia ($10.4m) and Antigua and Barbuda ($9.2m). Suriname's main sources of imports and exports in CARICOM were mainly Trinidad and Tobago, Jamaica, Guyana and Dominica. Cuba's exports to CARICOM which amounted to US$8m in 1980 decreased substantially over the years and it stood at US$1m in 1989. Its imports from CARICOM which seem to be on the increase reached 3.2m in 1989 from a low of US$0.1m in 1981.

Table 13
Trinidad and Tobago trade with non-CARICOM countries - 1992 (TT$)

Country	Imports	Exports
Non-CARICOM	72,668,069	926,743,735
Aruba	282,812	50,624,203
British Virgin Islands	1,110	7,447,251
Cuba	133,727	50,940,246
Dominican Republic	8,195,909	143,855,917
Haiti	4,349	536
Netherlands Antilles	1,989,685	372,442,422
Puerto Rico	44,950,599	120,204,021
Suriname	16,983,831	177,337,026
US Virgin Islands	126,047	3,892,113

Source - Overseas Trade 1992 - Central Statistical Office - Trinidad & Tobago

The imports of CARICOM countries as a group from other CDCC Caribbean countries decreased steadily over the years. They decreased from EC$857,099,000 in 1980 to EC$396,965,000 in 1992. CARICOM exports to other Caribbean countries also decreased over the years. In 1980, these exports amounted to EC$1,440,948,000 while in 1992, they amounted to EC$954,015,000 only. Over 98 per cent of CARICOM exports to other Caribbean countries were domestic exports. The balance of trade between CARICOM and other Caribbean countries was in favour of CARICOM throughout the 1980s and the early 1990s. CARICOM-non-CARICOM trade is essentially composed of processed foods and manufactured products such as fish preparations, metal manufactures, furniture, electrical machinery and transport equipment.

The Dominican Republic's exports to non-CARICOM countries went mainly to Puerto Rico. Over 70 per cent of that country's exports to non-CARICOM countries went to Puerto Rico throughout the 1980s. In 1990, the Dominican Republic's exports to Puerto Rico amounted to US$59.4m or 82 per cent of an estimated US$71.7m which was exported by the Dominican Republic to non-CARICOM countries in 1990. The Dominican Republic exported an average of US$6m to Haiti throughout the 1980s. The Netherlands Antilles, the United States Virgin Islands and Suriname were the other destinations of the Dominican Republic's exports. The Dominican Republic's imports from non-CARICOM countries came mainly from the Netherlands Antilles, Puerto Rico and Haiti but Puerto Rico is by far the largest trading partner of the Dominican Republic. Puerto Rico's imports from the Dominican Republic amounted to US$551.7m and its exports to the Dominican Republic amounted to US$573.7m in 1994. The Netherlands Antilles' exports to Puerto Rico amounted to US$71.4m and its imports from Puerto Rico amounted to US$ 35.6m in 1994.

Table 14
Value of Jamaica's trade with non-CARICOM countries - 1991 (J$ 000)

Country	Imports	Exports
Non-CARICOM	813,444,204	104,483,709
Aruba	0	0
British Virgin Islands	0	651,744
Cuba	4,800	43,983
Dominican Republic	25,741,209	14,419,778
Haiti	80,644	7,267,185
Netherlads Antilles	646,416,137	53,647,047
Puerto Rico	136,578,145	13,265,992
Suriname	0	0
US Virgin Islands	4,623,269	15,187,980

Source: External Trade - 1985,1987 & 1991 - The Statistical Institute of Jamaica

3. Some of the factors affecting the evolutionof intra-CDCC trade

Trade development facilities such as export financing and insurance schemes, and trade information systems can play a major role in the promotion of trade in CDCC member countries including intra-CDCC trade. However, these facilities are still in their early development while transportation networks are still largely oriented towards the main markets for CDCC exports and the main sources of supply of their imports. Exchange rates systems in CDCC member countries are generally more liberal than they were in the 1980s, however, exchange restrictions on current account items still exist in many countries including Barbados, the Dominican Republic and Suriname. Although CDCC trade has grown substantially since 1986, all these factors may have contributed to slowing-down the growth of intra-CDCC trade and trade in general.

In addition, and despite efforts to liberalize trade in general in most CDCC countries, intra-CDCC trade still faces both tariffs and non-tariff barriers in almost all the countries of the subregion. At one level there is the CARICOM Common External Tariff (CET) which applies to imports from non-CARICOM countries. In its latest version, it is being lowered progressively and is scheduled to reach a range of 0-20 per cent by 1998. The only exception will be agricultural products whose tariff rate will remain at 40 per cent by 1998. However, in addition to the CET, a number of CARICOM countries still apply surcharges and stamp duties to imports originating from outside CARICOM, the stated purpose being in some instances to ensure a smooth transition to a more liberalized economy. Within CARICOM itself, some countries like Antigua and Barbuda, Grenada and Barbados subject some imports from other CDCC countries including other CARICOM countries to other taxes including discriminatory rates of consumption taxes.

Non-CARICOM CDCC member countries also apply a variety of tariff structures, most of which have been subject to recent revisions, the purpose of which was to liberalize the trade regimes. In Haiti, the tariff structure underwent substantial reforms in the mid 1980s as a result of which tariffs on most goods were scaled down to a range of 0-40 per cent. The Dominican Republic's tariff

structure was also substantially reformed in 1990 and made simpler. The new structure contains seven rates which range between 5 and 35 per cent as compared to the previous structure which had 140 different tariff rates with an average rate of 90 per cent on imports. In addition, the Dominican Republic still applies surcharges which range from 15 to 80 per cent on selected imports. In Suriname, the system of numerous tariff rates ranging from 5 to 65 per cent was replaced by a four-tier system of 5-10-20-40 per cent in 1994.

Non-tariff barriers still exist in most CDCC member countries despite the recent policy reforms aimed at trade liberalization[13]. In CARICOM, most of the non-tariff barriers to intra-CARICOM trade have been dismantled over recent years. Notable among those were the licensing requirements, quantitative restrictions and the exchange control regulations which were prevalent in a number of countries of the subregion. Guyana, Jamaica and Trinidad and Tobago are some of the countries which have dismantled the very complicated systems of trade restrictions which they have been operating in the past. The dismantling of trade barriers in these CARICOM countries was part of their new approach to trade which is likely to benefit trade both within CARICOM and with the rest of the world. However, some countries like Barbados and Belize still maintain non-tariff barriers on certain products including some which are of CARICOM origin. The OECS countries are still allowed under the CARICOM Treaty to restrict the importation of certain products including foods and furniture products. Also, marketing boards operate in the OECS countries and are given monopoly over the import of certain products, generally foods. At the regional level, CARICOM still operates its Oil and Fats Agreement which regulates its trade in vegetable oils, copra and derivative products.

In Haiti, the imports of some products such as chicken, sugar, maize and millet are still controlled despite efforts in the middle of the 1980s to restructure that county's system of non-tariff barriers. The Dominican Republic which has substantially reformed its trade policy still maintains some non-tariff barriers including the prohibition of a number of clothing, ceramics and electrical products. In addition, a State-owned enterprise has a monopoly over the imports of several basic food items. Also, administrative controls on imports are often applied in the Dominican Republic. In Suriname a number of non-tariff barriers are still in operation regulating the imports of a number of products through prohibitions, licensing requirements and price and exchange controls.

The extensive use of a variety of exemptions and incentives in the subregion may be creating distortions in the economies and contributing to the slowing of the process of diversification and export growth which all the countries' policies seek to promote. At the same time these exemptions and incentives may be impacting negatively on governments' revenues without attracting the foreign investment they are meant to promote[14]. In addition to the tariff and non-tariff barriers in operation in most CDCC member countries, the majority of the countries also operate various systems of exemptions from import duties and other taxes which are aimed at investment promotion and

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[13] I.M.F., "Exchange Arrangements and Exchange Restrictions", Annual Report 1994.

[14] Ahmed E. And N. Stern, "Taxation for developing countries", Handbook of Development Economics (Amsterdam, North Holland, 1989).

industrial and agricultural development. These systems which are in operation in both CARICOM and non-CARICOM CDCC member countries include a variety of exemptions from import duties on both capital goods and inputs and exemption from various business taxes such as corporation tax and taxes on dividends. For example CARICOM member countries are allowed to offer businesses tax holidays for up to 10 years for the larger CARICOM countries and 15 years for the OECS countries and Belize. Belize's investment code authorizes tax holidays for up to 25 years. In the Dominican Republic, tax holidays are also available for a period ranging from 8 to 20 years. These exemptions are offered under certain terms and conditions which include local value-added and employment creation. Some of these incentives are only available to exporters in some of the countries while in others they are available to all firms and in some cases they are only available to foreign investors. Duty-free trade zone status is also used in some CDCC member countries notably the Dominican Republic, Saint Lucia and Jamaica to provide incentives to businesses to produce exports in the countries.

Conclusion

The value of CDCC trade fluctuated over the 1980s and early 1990s. At the beginning of the second half of the 1980s, the value of the exports of a number of CDCC member countries decreased substantially. These countries included Antigua and Barbuda, the Dominican Republic, Haiti, Jamaica, the Netherlands Antilles, Suriname and Trinidad and Tobago. At the same time, other CDCC member countries were increasing the value of their exports. The latter group of countries included Dominica, Grenada, Saint Kitts and Nevis and Saint Vincent and the Grenadines. The fall in the value of the exports of some of the countries of the subregion was due, among other factors, to the world recession, decreases in the prices of commodities exported and macroeconomic instability. Those countries whose exports value had increased during that period benefited from higher prices of commodities exported and a stable macroeconomic environment.

In the latter part of the 1980s and early 1990s, the export revenues of those countries which experienced earlier declines were clearly rising. However, in 1992, the value of the exports of some countries including Barbados, the Dominican Republic, Haiti, Suriname and Trinidad and Tobago, had not yet reached their 1980 levels. Countries like Belize, Dominica, Grenada, Saint Lucia and Saint Vincent and the Grenadines have achieved remarkable increases in the value of their exports over the last 12 years.

The value of CDCC imports also decreased in the middle of the 1980s but the decrease was not as pronounced as the decrease in exports revenues. Although the decreases were mainly experienced by the countries whose export values had gone down, some of these countries like Antigua and Barbuda, and the Dominican Republic actually experienced increases in the value of their imports. The imports of CDCC member countries whose exports revenues were increasing in the middle of the 1980s did not experience any decreases. In 1992, the value of most countries imports reached or passed their 1980 levels except for those of Barbados, Suriname and Trinidad and Tobago. This resumed growth of imports was most probably linked to, among other factors, the economic and

trade reforms including trade liberalization programmes implemented by most of the countries of the subregion as part of their structural adjustment programmes.

Intra-CARICOM trade displayed the same characteristics as the overall CDCC trade. It experienced decreases in 1986 which were more pronounced in the larger CARICOM countries. Most of the smaller CARICOM countries increased the value of their trade during the slump experienced by the more advanced countries and managed to achieve substantial growth in the value of their trade. The special treatment of the smaller countries' trade under the CARICOM treaty may have contributed to the expansion of their trade within CARICOM despite the economic contraction experienced by the larger CARICOM countries. The expansion of trade between the smaller countries themselves may have been one of the favourable factors responsible for the remarkable growth of their share of intra-CARICOM trade. The fact that these countries were also able to maintain macroeconomic stability throughout the 1980s may have contributed to the growth of their trade. The structure of intra-CARICOM trade has changed slightly over the years with a marked shift towards more trade in manufactures and chemicals. Trade in food products has hardly changed over the years.

OECS countries' imports from CARICOM trade fluctuated over the years but they contributed a relatively high share of their total imports while those of the rest of CARICOM were much less significant in their total imports despite slight increases registered over the period under consideration. On the other hand, OECS domestic exports to CARICOM, except those of Saint Vincent and the Grenadines, have become much less significant in these countries' total exports in 1992. In contrast, Trinidad and Tobago's exports to CARICOM represented a higher share of that country's total exports in 1992 than in previous years.

Intra-OECS trade was dominated by Saint Lucia and Saint Vincent and the Grenadines on the exports side and by Dominica and Saint Lucia on the imports side. Intra-OECS trade was mainly composed of agricultural products and manufactures. Trade between the OECS and the rest of CARICOM was dominated by Trinidad and Tobago whose trade takes place mainly with Grenada and Saint Vincent and the Grenadines but with also substantial shares going to other OECS countries in specific years. Trade among these countries included foods and manufactures.

Trade between CARICOM and non-CARICOM countries was concentrated on specific countries like Jamaica, Puerto Rico and Trinidad and Tobago and trade among non-CARICOM CDCC member countries was dominated by the Dominican Republic, Puerto Rico and the Netherlands Antilles.

The relatively underdeveloped transport links among CDCC member countries may be slowing down the development of intra-CDCC trade and resulting in higher transport costs which may be making this trade less attractive. Also, the economic and trade policies implemented in CDCC member countries may not be as favourable to intra-CDCC trade as they seem to be.

Despite the trade policy reforms undertaken in the various CDCC member countries, an extensive system of trade barriers still exists in the subregion and may be hampering the development

of intra-CDCC trade. In CARICOM, the full implementation of the CET will certainly lower trade restrictions in that area and move it closer to neutrality of incentives between import substitution and exports. In the non-CARICOM CDCC member countries, trade reforms seem to be moving in the same direction to further the reduction in trade barriers.

Although significant progress has been made in the area of trade liberalization, tariffs, surcharges, stamp duties, various rates of consumption and value-added taxes on imports, monopoly on the imports of some commodities are still implemented in a number of countries. These various barriers to trade may still be contributing to the continuation of the promotion of import substitution and the discouragement of exports despite the objective of many of the countries to diversify their economies and encourage their exports. This perverse effect may be reinforced by the variety of systems of customs exemptions and fiscal incentives which are in operation in a number of CDCC member countries.

The various barriers to trade and systems of incentives which are in operation in CDCC member countries may be exposing the countries to the risks of imposing unintended costs to their economies through the numerous distortions which they may introduce not only in the sectors or industries to which they apply but also in the rest of the economy. These distortions could lead to a less efficient use of resources in the economy, the tendency to produce a wider variety of goods for the domestic market including the regional market in the case of CARICOM at inefficient scales of production and the creation of monopoly power in the economy. Intra-CDCC trade is likely to benefit from the continuation of the rationalization of the countries trading and industrial incentives regimes with the objective of moving further towards a more neutral system of trade incentives. Such a rationalization is also likely to allow both CARICOM and non-CARICOM CDCC member countries to participate more effectively in an increasingly liberal world trading system including the future trade liberalization programmes of the Association of Caribbean States (ACS) and the proposed Free Trade Area of the Americas (FTAA).

There are indications that CDCC member countries are taking trade-policy decisions and establishing appropriate arrangements which involve both the public and private sectors and which are aimed at the promotion of intra-CDCC trade.

The recent agreement between the Governments of the Dominican Republic and Trinidad and Tobago as well as that between these two countries' private sector organizations is one example of the efforts undertaken to facilitate trade among CDCC member countries. These agreements whose objectives were to promote joint ventures, facilitate the exchange of trade information and the discussion of problems and obstacles to bilateral trade are particularly significant since they involve a CARICOM and a non-CARICOM CDCC member country and are, therefore, likely to contribute to the promotion of trade between CARICOM and non-CARICOM countries which has been traditionally limited. Currents efforts to operationalize the Association of Caribbean States are also likely to serve as a catalyst to the development of intra-CDCC trade.

Annex

Table 1
Value of exports of CDCC member countries for the years 1980-1992
(US$ 000)

	Exports												
YEARS	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Ant & Bar	59.5	51.4	49.3	36.5	35.2	28.3	19.6	16.8	17.0	15.7	19.0	35.4	54.7
Aruba	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	29.6	45.1	87.4	107.5	155.5	878.8	1069.2
Bahamas	200.5	176.2	212.7	225.1	261.9	295.8	293.4	273.1	273.6	259.2	307.6	319.8	310.2
Barbados	180.8	162.8	208.2	272.2	339.7	300.5	244.3	131.4	144.8	146.9	151.0	143.7	158.0
Belize	n.a.	n.a.	n.a.	n.a.	93.2	90.2	92.6	102.9	119.4	124.4	129.2	124.1	140.6
Dominica	10.1	19.7	25.1	27.8	25.6	28.4	44.6	49.3	57.0	46.3	56.1	55.6	54.6
Dom Rep	961.9	1188.0	767.7	785.2	868.1	738.5	722.1	711.3	889.7	924.4	734.5	658.3	566.1
Grenada	17.4	19.0	18.5	19.3	18.2	22.3	28.7	31.9	32.8	28.2	26.6	23.2	19.9
Guyana	388.9	346.4	241.4	193.3	216.9	214.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Haiti	215.8	151.1	177.1	186.6	214.6	223.0	190.8	210.1	180.4	148.3	160.3	162.9	162.9
Jamaica	962.7	974.0	767.4	685.7	702.3	568.6	589.5	709.2	883.0	1000.4	1157.5	1145.2	1052.8
Neth Antilles	6053.3	5860.4	5056.8	4621.8	3760.6	1679.4	84.4	106.1	172.8	253.8	208.3	211.3	239.1
Puerto Rico	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
St Kitts	24.1	24.3	18.8	18.4	20.2	28.0	27.4	28.6	27.7	29.3	31.9	n.a.	n.a.
St Lucia	46.0	41.6	41.6	47.5	47.8	52.0	82.9	79.5	119.1	112.0	127.3	110.3	122.8
St Vincent	21.1	29.8	32.2	41.1	53.6	63.2	68.0	52.3	85.3	74.7	82.7	67.3	77.5
Suriname	514.4	473.8	428.6	366.8	374.1	336.1	337.1	338.8	358.4	549.2	465.9	345.9	341.0
Trinidad and Tobago	2541.7	2612.3	2228.6	2026.5	2110.8	2110.7	1363.1	1396.9	1453.3	1534.6	1935.2	1751.3	1661.9

Source: International Financial Statistics Yearbook, 1994.
n.a. = not available

Table 2
Value of imports of CDCC member countries for the years 1980-1992
(US$ 000)

	Imports												
YEARS	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Ant & Bar	114.7	125.3	126.7	99.7	150.2	174.8	212.4	218.9	201.1	242.3	230.7	252.6	260.9
Aruba	n.a	n.a	n.a	n.a	n.a	n.a	210.4	249.8	354.6	580.8	1402.8	1443.5	n.a
Bahamas	800.8	796.7	754.5	822.1	866.2	992.2	1012.8	1154.7	1058.9	1203.5	1228.8	1124.5	1151.4
Barbados	480.8	527.2	507.0	571.5	606.2	559.2	522.6	458.4	517.9	599.3	623.0	617.7	464.7
Belize	n.a	n.a	n.a	n.a	116.3	113.8	108.3	127.0	161.3	188.5	188.4	223.6	244.5
BVI	n.a	n.a	n.a	n.a	0.1	0.1	0.1	0.1	n.a	n.a	n.a	n.a	n.a
Dominica	48.4	45.2	43.2	42.8	50.7	52.0	49.2	58.9	77.2	94.4	103.9	96.5	97.5
Dom Rep	1519.7	1451.7	1257.3	1279.0	1257.1	1285.9	1351.7	1591.5	1608.0	1963.8	1792.8	1728.8	2178.1
Grenada	48.8	56.1	59.0	57.9	51.1	65.6	80.9	89.1	92.2	99.0	106.3	113.6	101.2
Guyana	386.4	399.6	254.2	225.7	201.6	209.1	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Haiti	319.0	360.1	301.9	325.9	337.9	344.7	303.2	311.2	283.9	259.3	247.3	300.4	n.a
Jamaica	1038.2	1296.7	1208.9	1124.2	1037.0	1004.2	837.4	1061.1	1240.3	1606.4	1679.6	1551.2	1456.7
Monsterrat	n.a	n.a	n.a	19.6	17.5	18.4	20.5	25.3	26.6	31.6	44.0	38.8	36.0
Neth Antilles	6503.9	6360.2	5481.3	4966.1	4248.8	2132.3	675.6	771.7	879.4	1017.8	1112.5	1118.9	1102.3
Puerto Rico	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
St Kitts	40.8	46.4	39.8	46.7	17.2	46.7	55.4	70.0	82.0	86.9	97.4	97.1	92.2
St Lucia	112.5	117.2	107.4	97.1	107.7	113.6	136.2	156.7	194.5	240.9	238.7	261.4	275.4
St Vincent	51.9	52.9	58.6	63.4	68.9	71.3	78.3	89.5	110.0	112.1	119.8	119.7	118.6
Suriname	454.0	506.4	460.3	401.6	391.6	309.5	304.1	274.3	239.4	330.9	374.4	347.1	272.5
Trinidad and Tobago	1789.1	1763.5	2486.8	2233.3	1704.9	1354.6	1209.4	1057.60	1064.2	1045.2	947.6	1210.3	995.6

Source: International Financial Statistics Yearbook, 1994
n.a. = not available

Table III
Trade as a Percentage of GDP for selected years and Caribbean countries

Country	T % GDP 1985	T % GDP 1988	T % GDP 1989	T % GDP 1992
Antigua & Barbuda	72.1	86.7	-	-
Aruba	104.9	58.4	-	-
Bahamas	147.0	83.9	95.4	-
Barbados	79.2	49.0	50.5	45.2
Belize	104.1	94.4	93.7	91.6
Dominica	85.0	97.3	97.2	88.2
Dominican Republic	49.5	59.0	47.3	34.9
Grenada	79.8	75.2	69.9	59.1
Guyana	89.6	107.6	127.2	179.9
Haiti	30.4	26.4	20.5	-
Jamaica	82.8	65.9	70.3	85.9
Saint Lucia	97.1	124.5	126.0	111.0
Monsterrat	59.4	67.9	67.4	74.4
Suriname	64.1	58.5	64.9	-
Trinidad &Tobago	48.3	56.3	64.8	62.7
St. Vincent & the Grenadines	126.3	129.2	116.2	113.9

Source: International Financial Statistics Yearbook 1994