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United States-Latin America and the Caribbean Trade Developments

Trade patterns and opportunities in the Caribbean

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This document was prepared by Daniel E. Perrotti, Research Assistant with the Economic Commission for Latin America and the Caribbean (ECLAC) office in Washington, D.C., under the supervision of Helvia Velloso, Officer in Charge of the same office.

This special issue of *United States-Latin America and the Caribbean Trade Developments* provides an overview of trade relations between the United States and the Caribbean for the period 2021–2024.

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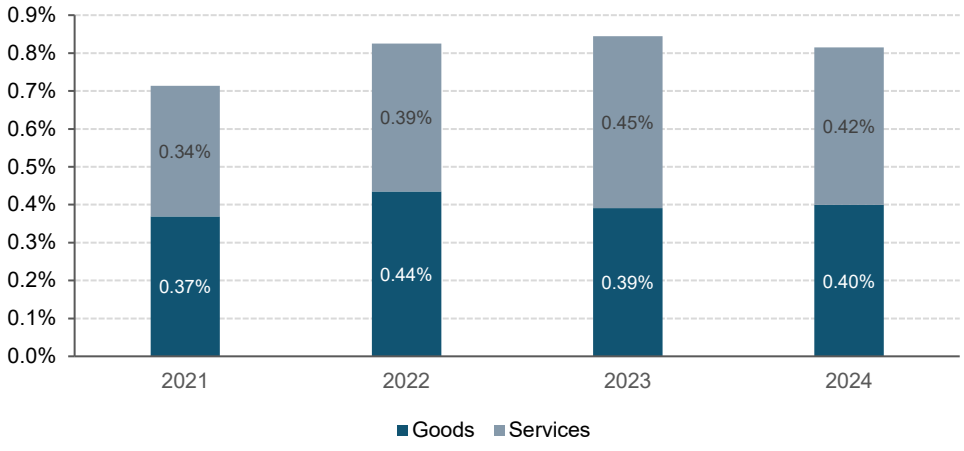
Introduction

In recent years, trade between the U.S. and the Caribbean has remained modest, representing less than 1% of total U.S. trade flows. Between 2021 and 2024, the region's share fluctuated between approximately 0.71% and 0.82%, reflecting its relatively limited position within the broader U.S. trade network (Figure 1). On average, goods and services each accounted for about 0.4% of total U.S. trade during this period. Although these figures highlight the small scale of economic exchange, they also underscore the potential for deeper commercial engagement.

Figure 1
United States Trade in Goods and Services with the Caribbean, 2021-2024
(as a share of total U.S. Trade in Goods and Services)



Source: ECLAC Washington Office based on U.S. Bureau of Economic Analysis' data.

This trade has been influenced by historical and institutional arrangements, particularly the Caribbean Basin Initiative[1] and bilateral agreements. These programs have provided preferential access to the U.S. market, fostering economic ties. However, despite these advantages, Caribbean economies remain heavily dependent on a limited range of exports, primarily in energy, apparel, and tourism-related services. This high degree of trade concentration has left the region vulnerable to external shocks, as seen during the COVID-19 pandemic, which disrupted supply chains, reduced demand for tourism services, and exposed structural weaknesses in Caribbean economies (ECLAC, 2021). These structural features influenced how the post-pandemic rebound unfolded across the region.

While the post-pandemic recovery has led to an overall increase in trade volumes, the resurgence has been highly uneven. LAC experienced a strong rebound in goods exports in 2021, driven by rising commodity prices and increased demand from major partners, including the U.S. and China. However, tourism, a key industry for Caribbean countries, lagged in the services sector. The pandemic reinforced long-standing vulnerabilities, highlighting the need for diversification and deeper regional integration to enhance economic resilience (ECLAC, 2022).

Despite their close ties with the U.S., Caribbean nations face persistent challenges in maintaining and expanding their market share there. The increasing competitiveness of other emerging economies and shifting global trade patterns have limited the region's ability to capitalize on preferential trade arrangements. Non-tariff barriers, regulatory challenges, and supply-side constraints have restricted the full utilization of these benefits. Addressing these structural limitations requires strategic trade policies that modernize infrastructure, reduce logistical bottlenecks, and strengthen intra-regional trade to enhance competitiveness (ECLAC, 2023).

The reliance on a narrow set of industries also extends to the services trade. The expansion of digital services, financial industries, and creative sectors presents an opportunity for Caribbean economies to diversify beyond traditional goods exports. However, regulatory hurdles and underdeveloped trade logistics continue to limit the region's ability to exploit these emerging sectors fully. Additionally, the role of economic diplomacy has become increasingly relevant as Caribbean nations engage with major partners, including the U.S., China, and the EU, to negotiate favorable trade terms and expand market access (Dookeran, 2023).

Beyond traditional trade agreements, new opportunities for economic diversification have emerged in industries such as the blue economy, renewable energy, and biotechnology. Many Caribbean nations possess extensive Special Economic Zones (SEZs), providing potential for growth in marine industries. However, limited research and investment in these sectors hinder their development as viable export industries. Enhancing competitiveness in emerging sectors could reduce reliance on traditional exports and create more resilient trade structures for the Caribbean (Charles-Toussaint & Moore, 2024).

In sum, while trade between the U.S. and the Caribbean remains a vital pillar of the region's economic framework, significant challenges persist. Issues such as trade concentration, regulatory barriers, and external vulnerabilities continue to shape the trade landscape, requiring strategic policy interventions. The following sections analyze the patterns of U.S.–Caribbean trade, examining both goods and services flows, assessing trade concentration levels, and identifying the most representative products.

[1] The Caribbean Basin Initiative (CBI), established under the Caribbean Basin Economic Recovery Act (CBERA) in 1983 and expanded by subsequent legislation, grants duty-free access to the U.S. market for most goods from eligible Caribbean countries. The U.S.-Caribbean Basin Trade Partnership Act (CBTPA), an extension of CBERA, is set to expire in 2030. Haiti benefits from additional trade preferences under HOPE, HOPE II, and HELP, which expire in 2025. Currently, 17 countries benefit from CBERA, with eight also qualifying under CBTPA. (USTR, 2025).

I. Trade in goods[2]

Goods trade between the United States and the Caribbean, while limited in scale, remains an important part of their economic relationship. Recent years have brought steady growth as both regions recovered from the pandemic and adjusted to shifts in global demand and commodity prices. These changes highlight not only the key products that drive bilateral trade, but also the concentration and vulnerabilities that shape it. This section provides a concise overview of how goods trade has evolved and which sectors play the most significant roles.

A. General evolution

Between 2021 and 2024, total trade in goods between the U.S. and the Caribbean grew considerably, from US$ 22,023 million in 2021 to US$ 29,412 million in 2024, with a notable peak of US$ 30,332 million in 2022. U.S. exports climbed sharply by 42.1% from US$ 13,143 million in 2021 to US$ 18,677 million in 2022, reached their highest point that year, then contracted by 8.1% to US$ 17,159 million in 2023 before recovering modestly with a 2.8% increase to US$ 17,644 million in 2024. Imports followed a similar pattern, increasing from US$ 8,880 million in 2021 to US$ 11,655 million in 2022, dipping by 17.0% to US$ 9,709 million in 2023, and then rebounding robustly by 21.2% to US$ 11,767 million in 2024 (Table 1 and Figure 2).

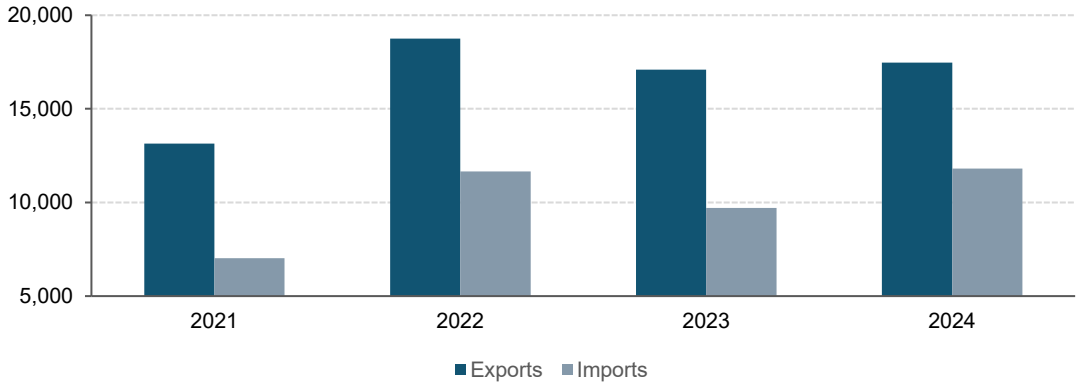
[2] For the statistical analysis of trade in goods, the Caribbean is defined as the aggregate of these countries: Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

Table 1
Trade in Goods between the U.S. and the Caribbean
(in Millions of U.S. dollars and yearly percentage variations)

	Exports	y/y	Imports	y/y	Total	y/y	Balance
2021	13,143	-	8,880	-	22,023	-	4,263
2022	18,677	42.1%	11,655	31.3%	30,332	37.7%	7,022
2023	17,159	-8.1%	9,709	-17.0%	26,868	-11.4%	7,450
2024	17,644	2.8%	11,767	21.2%	29,412	9.5%	5,877

Source: ECLAC Washington Office based on U.S. Census Bureau data.

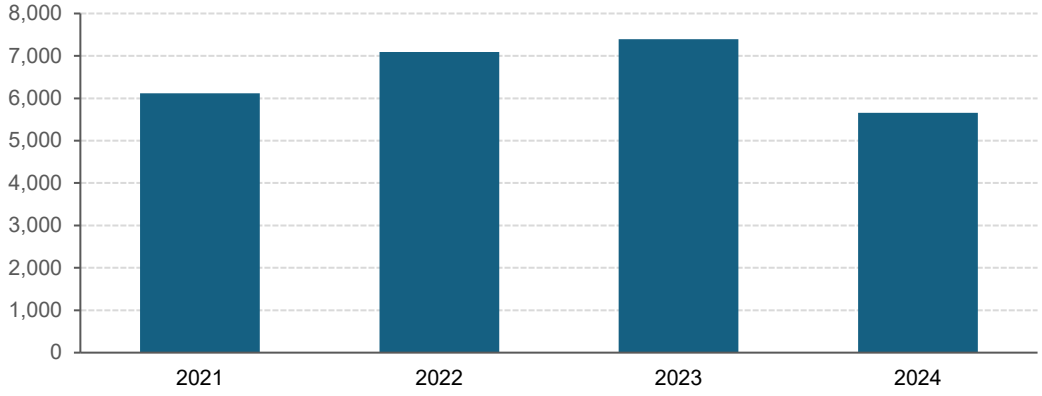
Figure 2
Trade in Goods between the U.S. and the Caribbean, 2021-2024
(in Millions of dollars)



Source: ECLAC Washington Office based on U.S. Census Bureau data.

Throughout the observed period, the U.S. consistently maintained a trade surplus (Figure 3). In 2022, when exports reached their peak, the surplus expanded significantly to US$ 7,022 million. It further increased to US$ 7,450 million in 2023 before declining to US$ 5,877 million in 2024.

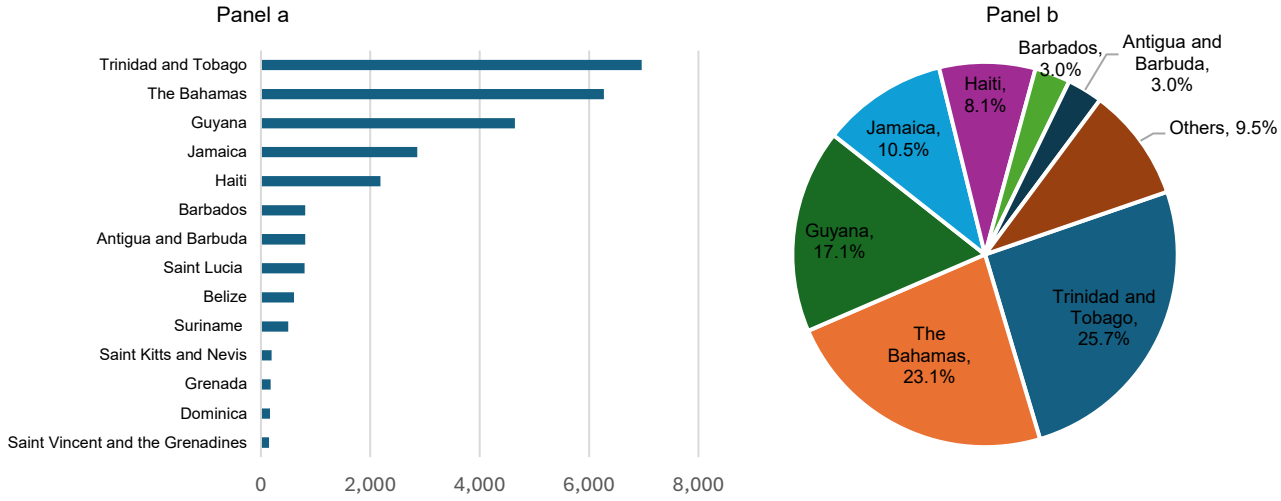
Figure 3
Balance of Trade in Goods between the U.S. and the Caribbean, 2021-2024
(in Millions of U.S. dollars)



Source: ECLAC Washington Office based on U.S. Census Bureau data.

Trade in goods (average 2021-2024) was highly concentrated among a few key Caribbean partners (Figure 4). Trinidad and Tobago emerges as the largest trading partner, accounting for 25.7% of total trade, primarily driven by its strong energy exports to the U.S. The Bahamas follows closely (23.1%), benefiting from its strategic location and role as a hub for financial services and re-exports. Guyana (17.1%) has rapidly expanded its trade ties with the U.S. in recent years, mainly due to its booming oil sector, which has positioned the country as a key regional player.

Figure 4
Trade in Goods between the U.S. and the Caribbean by country, average 2021-2024
(in Millions of U.S. dollars in panel a, and shares in panel b)



Source: ECLAC Washington Office based on U.S. Census Bureau data.

Jamaica (10.5%) and Haiti (8.1%) occupy mid-tier positions, reflecting their diverse export bases, which include agricultural goods, minerals, and textiles. Haiti's share is particularly notable given its concentration in textile exports to the U.S., which have benefited from preferential trade agreements.

While the top five nations account for most of the trade, the remaining Caribbean countries contribute significantly smaller shares. Barbados and Antigua and Barbuda (both with 3.0%), Saint Lucia (2.9%), Belize (2.2%), and Suriname (1.8%) are among the mid-range contributors, participating in trade through niche exports and re-exports. Meanwhile, countries such as Saint Kitts and Nevis, Grenada, Dominica, and Saint Vincent and the Grenadines reflect the least active trade partners with the U.S.

The high trade concentration within a few key economies underscores structural differences in export capacity, economic diversification, and regional industrial development within Caribbean nations. While energy-rich nations like Trinidad and Tobago and Guyana dominate exports, smaller economies rely on niche industries or service-based trade.These trends show not only how trade has grown lately, but also highlight where most of it is concentrated. Knowing which sectors dominate this exchange is key to understanding the patterns behind the data and the main factors influencing U.S.-Caribbean commerce. With this context, the next section examines the industries and products that play the biggest role in shaping goods trade between the U.S. and the Caribbean.

B. Exports by sectors and main products

U.S. exports of goods to the Caribbean between 2021 and 2024 remained highly concentrated in a few key industries, with energy, transportation, and food products comprising the bulk of trade. The Minerals sector clearly dominates, driven by fuel exports, which collectively represent the largest share of total trade value. However, vehicles, food, chemicals, and industrial goods also play critical roles in sustaining regional economic activity. The strong presence of aviation and maritime exports reflects a deep engagement in the transportation sector, while grains and poultry highlight the U.S.'s contribution to regional food security.

The Minerals sector is the leading export category, with a high concentration of energy-related products. The top export, unleaded gasoline (not containing biodiesel), is valued at US$ 5.2 billion, underscoring the region's dependence on U.S. fuel supplies. Other key fuel exports include light fuel oils (US$ 4.2 billion) and kerosene-type jet fuel (US$ 2.5 billion), which are essential for transportation and industrial use. Additionally, liquefied natural gas (LNG) exports amount to US$ 505 million, reflecting the U.S.'s role in supplying alternative energy sources to the region.

The Vehicles and Transport sector is another significant pillar of U.S.-Caribbean trade, particularly in the aviation and automotive industries. Civilian aircraft, engines, and parts represent a significant export category, valued at US$ 1.5 billion, reflecting the Caribbean's need for aircraft maintenance and expansion of its aviation sector. Additionally, motorboats (US$ 1.01 billion) underscore the importance of maritime transportation for both tourism and commercial activities. Used vehicles (1,500-3,000cc engines) totaling US$ 331 million indicate a robust secondary car market, reinforcing the region's reliance on U.S. vehicle exports.

Food and agriculture are critical components of U.S. exports, as the Caribbean heavily depends on imported staples. The top-ranking product in this sector is rice (semi- or wholly milled, long-grain), valued at US$ 1.0 billion. It is followed by wheat (US$ 652 million) and yellow dent corn (US$ 481 million), which are essential for food production and consumption. Frozen chicken meat (US$ 382 million) is another high-value export, underscoring the U.S.'s dominance in supplying affordable protein sources to Caribbean markets.

The Chemicals sector also plays a significant role in U.S.-Caribbean trade. Sodium hydroxide in aqueous solution (US$ 292 million) is a key industrial input, while hydrocarbon mixtures (US$ 581 million) are widely used for energy and industrial applications. In agriculture, soybean oilcake (US$ 298 million) is an essential export for animal feed and food processing. In comparison, fertilized chicken eggs (US$ 331 million) contribute to poultry production, reflecting the interconnection between agricultural and industrial trade.

Although smaller than other sectors, machinery and electronics significantly contribute to U.S. exports. Noteworthy highlights include portable digital devices, such as laptops, which reached US$ 274 million in exports, alongside iron and steel products, which reached US$ 280 million.

In summary, the export data indicate that U.S. - Caribbean trade remains highly concentrated in a few strategic industries, with energy, transportation, and food being the most significant. Fuel products account for the bulk of total trade value, while vehicles and industrial goods sustain economic activity across key sectors. Additionally, agricultural exports reinforce food security across the Caribbean, while chemicals and industrial inputs support regional manufacturing and energy production. The balance between capital-intensive goods (such as aircraft and industrial equipment) and essential consumer products (including food, energy, and textiles) highlights the interdependence between the U.S. and Caribbean economies. The composition of the top U.S. export products further illustrates the dominant role of these sectors and the high level of concentration in bilateral trade (Table 2).

Table 2
Top 30 Products Exported from the U.S. to the Caribbean
(Cumulated 2021-2024, in Billions of U.S. Dollars)

Rank	Product	Value	Category
1	*Unleaded Gasoline*	5.2	Minerals
2	*Low Value Estimate (Excl. Canada)*	5.0	Special Provisions
3	*Light Fuel Oils (≤25° API, >500ppm Sulfur)*	4.2	Minerals
4	*Light Fuel Oils (≤25° API, ≤15ppm Sulfur)*	3.9	Minerals
5	*Kerosene-type Jet Fuel*	2.6	Minerals
6	*Motor Fuel (Not Containing Biodiesel)*	1.6	Minerals
7	*Light Fuel Oils (≤25° API, 15-500ppm Sulfur)*	1.6	Minerals
8	*Civilian Aircraft, Engines & Parts*	1.5	Vehicles & Transport
9	*Motorboats (≥24m Long)*	1.0	Vehicles & Transport
10	*Rice (Semi/Wholly Milled)*	1.0	Food & Beverages
11	*Heavy Fuel Oils (≤25° API, >1000ppm Sulfur)*	0.8	Minerals
12	*Fuel Oils (≤25° API, Not Biodiesel)*	0.7	Minerals
13	*Wheat and Meslin*	0.7	Food & Beverages
14	*Hydrocarbon Mixtures (≥50% Comp.)*	0.6	Minerals
15	*No.4 Fuel Oil (≤500ppm S, incl. Biodiesel)*	0.5	Minerals
16	*Hydrocarbon Mixtures (≥50% Comp.)*	0.5	Minerals
17	*Natural Gas (Liquefied)*	0.5	Minerals
18	*Yellow Dent Corn (Maize)*	0.5	Food & Beverages
19	*Frozen Chicken Meat*	0.4	Animals
20	*Articles Donated for Relief/Charity*	0.4	Special Provisions
21	*Fertilized Chicken Eggs*	0.3	Animals
22	*Used Vehicles (1500 - 3000cc)*	0.3	Vehicles & Transport
23	*Automotive/Motor Engine Lube Oils*	0.3	Minerals
24	*Soybean Oilcake & Residue*	0.3	Food & Beverages
25	*Sodium Hydroxide (Aqueous)*	0.3	Chemicals
26	*Propane (≥90% Liq. Vol.)*	0.3	Minerals
27	*Other Articles of Iron/Steel*	0.3	Metals
28	*Pine Sawn Lengthwise*	0.3	Wood & Cork
29	*Naphthas Ex. Motor Fuel/Blend*	0.3	Minerals
30	*Portable Digital Automatic Data Processing Machines*	0.3	Machinery & Electronics

Source:ECLAC Washington Office based on U.S. Census Bureau data.

C. Imports by sectors and main products

Between 2021 and 2024, U.S. imports from the Caribbean remained highly concentrated in a few key industries, with minerals, chemicals, textiles, and food and beverages shaping trade patterns (Table 3). The Caribbean's role as a supplier of essential raw materials and niche consumer products underscores the region's importance in U.S. trade relations. While energy resources dominate total import value, the region is also a critical supplier of apparel, specialty food products, and industrial chemicals that support U.S. manufacturing and consumption.

The Minerals sector remains the dominant category in U.S. imports from the Caribbean, primarily driven by energy commodities. The leading import is crude petroleum, with light crude accounting for US$ 13.8 billion and heavier crude contributing another US$ 4.05 billion. These figures highlight the Caribbean's role as a key supplier of raw energy materials to the U.S. Additionally, liquefied natural gas (LNG) imports valued at US$ 2.86 billion underscore the importance of energy trade in regional economic relations. Bauxite (US$ 343 million) further highlights the Caribbean's significant role in supplying raw materials to the U.S. aluminum and industrial sectors.

The Chemicals sector ranks among the top contributors to U.S. imports from the Caribbean, driven by industrial and agricultural applications. The most significant import in this category is anhydrous ammonia (US$ 2.8 billion), a key ingredient in fertilizer production. Other high-value chemical imports include methanol (US$ 782 million) and urea-based chemical mixtures (US$ 561 million), both of which are essential for U.S. manufacturing and agricultural industries.

The Textiles sector plays a significant role in Caribbean-U.S. trade, reflecting the region's growing textile and apparel industry. Men's cotton T-shirts account for US$ 439 million of the top imports, while synthetic fiber T-shirts contribute another US$ 287 million. Additional key imports include synthetic-fiber pullovers (US$ 253 million) and cotton pullovers (US$ 227 million), highlighting the Caribbean's competitive advantage in apparel manufacturing. These trade flows reinforce the U.S. reliance on the region for clothing production.

A significant portion of U.S. imports from the Caribbean falls under *special* provisions, where U.S. goods are returned after export, totaling over US$ 2 billion. These transactions primarily involve aviation equipment (US$ 358 million) and machinery (US$ 281 million), likely to reflect maintenance, leasing, or trade agreements that allow for the temporary export and return of high-value equipment.

The Food & Beverages sector represents a high-value niche within Caribbean exports to the U.S., particularly for seafood and spirits. The most valuable product in this category is Caribbean spiny lobster ($267 million), demonstrating strong demand in U.S. seafood markets and the hospitality industry. Additionally, rum (US$ 187 million) is a key export, reinforcing the Caribbean's global reputation as a leading producer of high-quality spirits. Yams (US$ 145 million) and other specialty agricultural products further highlight the region's contribution to U.S. food supply chains, catering to both ethnic markets and premium food consumers.

The import data confirms that U.S.-Caribbean trade remains structurally concentrated in a few key industries, with Energy, Textiles, Chemicals, and Food and beverages driving the bulk of imports. The Minerals sector dominates total trade value, but the Caribbean's role in manufacturing textiles, supplying industrial chemicals, and exporting premium food products ensures an important trade relationship. The presence of Special provisions and re-exported U.S. goods further highlights the interconnectedness of supply chains between the two regions. The composition of top import products reflects this heavy reliance on raw materials, textiles, and food items, underscoring the structural profile of Caribbean trade with the United States (Table 3)

Table 3
Top 30 Products Imported to the U.S. from the Caribbean
(Cumulated 2021-2024, in Billions of U.S. dollars)

Rank	Product	Value	Category
1	*Crude Petroleum >25° API*	13.8	Minerals
2	*Crude Petroleum <25° API*	4.1	Minerals
3	*Natural Gas (Liquefied)*	2.9	Minerals
4	*Anhydrous Ammonia*	2.8	Chemicals
5	*Ferrous Products, Direct Reduction of Iron Ore*	2.8	Metals
6	*Products of the U.S. Returned After Export*	2.1	Special Provisions
7	*Unleaded Gasoline*	1.6	Minerals
8	*Methanol (Methyl Alcohol)*	0.8	Chemicals
9	*Motor Fuel (Not Containing Biodiesel)*	0.7	Minerals
10	*Mixtures of Urea & Ammonium Nitrate*	0.6	Chemicals
11	*Men's T-Shirts (Cotton, Knit)*	0.4	Textiles
12	*Methanol (For Use in Chem. Production)*	0.4	Chemicals
13	*Goods in Heading 8801-8802 Returning*	0.4	Special Provisions
14	*Bauxite, Calcined*	0.3	Minerals
15	*Men's T-Shirts (Manmade Fibers, Knit)*	0.3	Textiles
16	*U.S. Goods in Chapter 84, Returned*	0.3	Special Provisions
17	*Caribbean Spiny Lobster (Frozen)*	0.3	Animals
18	*Polystyrene (Expandable)*	0.3	Plastics & Rubber
19	*Pullovers (Manmade Fibers, Knit)*	0.3	Textiles
20	*Pullovers (Cotton, Knit w/Flax Fibers)*	0.2	Textiles
21	*Solid Urea*	0.2	Chemicals
22	*Rum/Liqueurs (>37 % Alc.)*	0.2	Food & Beverages
23	*U.S. Goods in Ch. 97 Returning*	0.2	Special Provisions
24	*Men's T-Shirts (Cotton, Short Sleeve, Knit)*	0.2	Textiles
25	*Yams, Fresh*	0.2	Vegetables
26	*Pullovers (Manmade Fibers, Knit - M/B)*	0.1	Textiles
27	*Men's Trousers & Breeches (Synthetic Fibers)*	0.1	Textiles
28	*Limestone, Except Pebbles & Gravel*	0.1	Minerals
29	*U.S. Goods in Ch. 90 Returning*	0.1	Special Provisions
30	*Knitted Women's Cotton Trousers*	0.1	Textiles

Source: ECLAC Washington Office based on U.S. Census Bureau data.

The structure of U.S.–Caribbean trade reveals a high degree of concentration, with a limited number of products and sectors dominating both export and import flows. To better understand these dynamics, the following section evaluates trade concentration using the Herfindahl-Hirschman Index (HHI) and the Lorenz Curve, offering a quantitative assessment of diversification levels.

D. Concentration analysis

Understanding how concentrated U.S.–Caribbean trade is can reveal much about the region's vulnerability, resilience, and exposure to external shocks. When only a handful of products dominate trade flows, countries face greater risks from price swings or supply disruptions; when trade is more

diversified, those risks tend to be lower. To capture these patterns, this section draws on two complementary tools. The Herfindahl-Hirschman Index (HHI), who offers a clear numerical measure of how concentrated trade is across different levels of product classification, and the Lorenz Curve, which provides a visual way to see how unevenly trade values are distributed among commodities. Together, these methods give a fuller picture of how trade concentration evolved between 2021 and 2024.

1. Herfindahl-Hirschman Index

The Herfindahl-Hirschman Index (HHI) provides a quantitative measure of trade concentration by indicating whether trade is diversified across various commodities or dominated by a select few (Box 1). Initial observations from the composition of leading exports and imports (Tables 2 and 3) already suggest significant concentration. The HHI results presented here corroborate these patterns and allow for a more detailed assessment of how concentration has evolved from 2021 to 2024.

Box 1
The Herfindahl-Hirschman Index

The Herfindahl-Hirschman Index (HHI) is a widely used measure of market concentration. Applied to trade analysis, it can assess the degree to which a few commodities dominate trade flows. It is calculated as the sum of the squared market shares of all commodities in a given trade flow. Mathematically, if a trade flow consists of n commodities, where each commodity i has a trade share s_i, the HHI is computed as:

$$HHI = \sum_{i=1}^{n} s_i^2$$

where:

$s_i = \frac{x_i}{\sum_{j=1}^{n} x_j}$ is the share of trade accounted for by commodity i, with x_i representing its trade value.

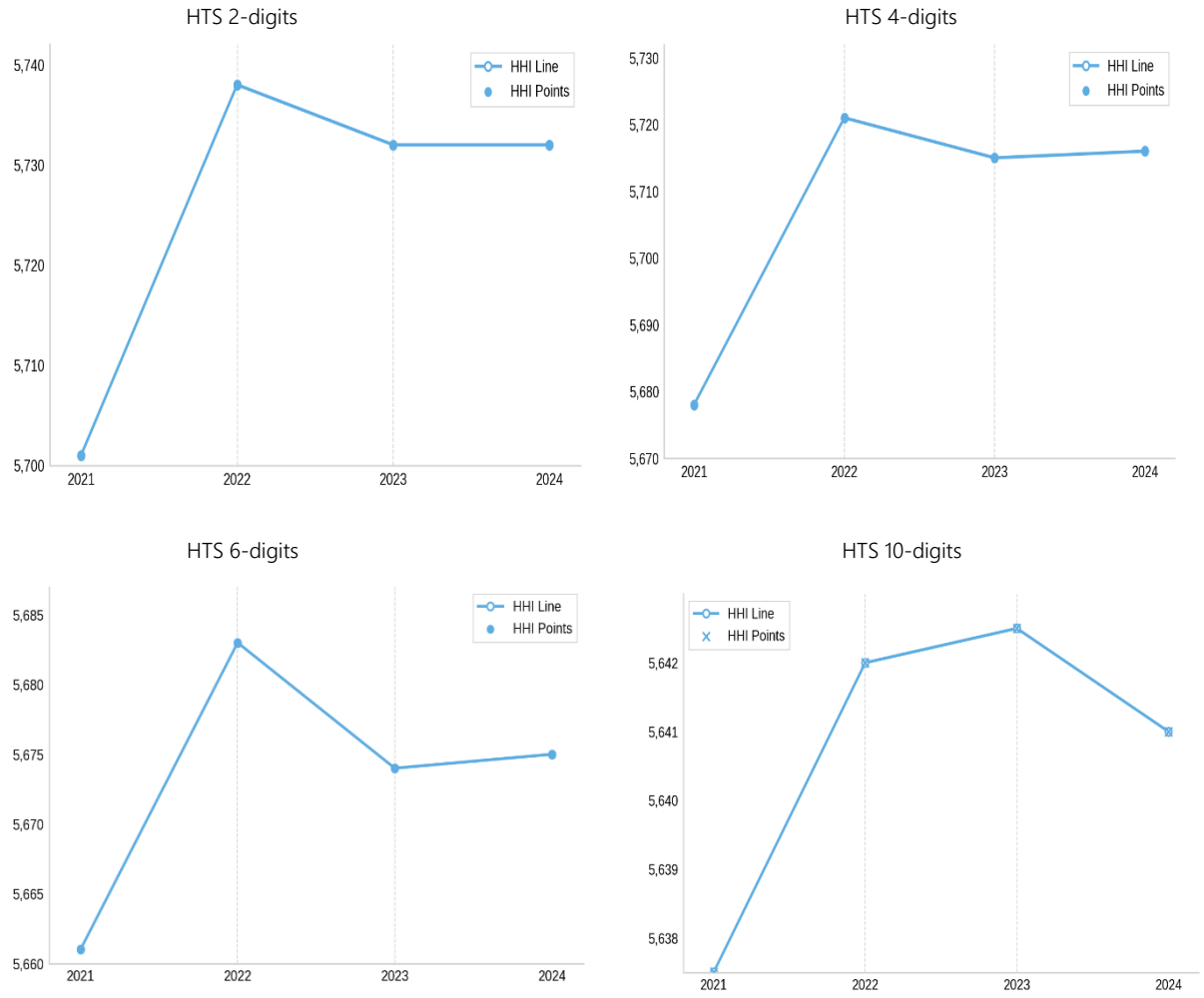
The HHI ranges from 0 (indicating complete diversification, where trade is evenly distributed across a large number of commodities) to 10,000 (indicating complete concentration) when market shares are expressed as percentages. The HHI ranges from 0 to 1 if shares are expressed as fractions. A higher HHI signals greater concentration, meaning trade is dominated by fewer commodities.

Source: Prepared by the author. For a comprehensive overview and formal derivations see Cowell (2011).

Export concentration exhibits a broadly consistent pattern across all classification levels (2-, 4-, 6-, and 10-digit) from 2021 to 2024. The HHI index begins at a moderate level in 2021, rises sharply in 2022, and then partially recedes or stabilizes in the following years. At the 2-digit level, the HHI increases from approximately 5,600 in 2021 to 5,700 in 2022, descends slightly in 2023, and remains near 5,700 in 2024. Similar trends appear at the 4-digit level (from 5,700 to 5,800) and at the 6-digit level (from 5,600 to 5,680). The more detailed 10-digit classification exhibits a more modest shift, increasing from around 5,630 in 2021 to a peak of 5,643 in 2023, before a slight retreat in 2024. Given that the HHI ranges from 0 (complete diversification) to 10,000 (total concentration), these values suggest a moderate-to-high level of concentration, with certain commodity groups playing a dominant role, particularly in 2022.

While some re-diversification occurs in 2023 and 2024, concentration remains above 2021 levels. Broader classifications (2- and 4-digit) experience more pronounced fluctuations, whereas the 10-digit level shows subtler movements, reflecting how aggregation affects the visibility of underlying shifts. With HHI values consistently above 5,600, the export structure is notably concentrated compared to a highly diversified market but remains far from monopoly levels. The 2022 spike suggests that exports became more concentrated around a narrower set of products, a trend that did not fully reverse in subsequent years.

Figure 5
Herfindahl-Hirschman Index (HHI) for United States exports, 2021-2024
(Yearly evolution at different levels of HTS disaggregation)



Source: Own elaboration based on U.S. Census Bureau data.

Figure 6 presents the HHI for import flows from 2021 to 2024. Across all classification levels (2-, 4-, 6-, and 10-digit), a rising trend in concentration is evident, with HHI values increasing over time. At the 2-digit level, the HHI rises from approximately 5770 in 2021 to around 5820 in 2022, stabilizes in 2023, and peaks at nearly 5900 in 2024. Similarly, at the 4-digit level, the index starts at roughly 5720 in 2021, increases gradually in 2022 and 2023, and then jumps to over 5820 in 2024. A comparable pattern is seen at the 6-digit level, where the HHI follows a similar trajectory, confirming an overall increase in import concentration. At the most detailed 10-digit level, the index remains relatively stable between 2021 and 2022, then rises in 2023 and peaks in 2024.

These values indicate a moderate-to-high level of import concentration, suggesting that a few key commodities dominate import flows. The sustained increase in 2023 and the sharp rise in 2024 indicate that imports have become progressively more concentrated, with fewer products accounting for a larger share of total inflows. Overall, these rising HHI values imply that, by 2024, the U.S. import basket from the Caribbean would be more focused on a narrower range of goods than in 2021.

Figure 6
Herfindahl-Hirschman Index (HHI) for U.S. Imports, 2021-2024
(Yearly evolution at different levels of disaggregation)

Source: Own elaboration based on U.S. Census Bureau data.

While the HHI provides a single index value to summarize concentration, the Lorenz Curve, presented next, offers a complementary perspective by graphically illustrating the extent to which trade is unevenly distributed.

2. Lorenz Curve and Trade Distribution

The Lorenz Curve is a tool for measuring the distribution of a given variable (Box 2). In this case, U.S. trade flows to the Caribbean in 2024 are disaggregated to several digits at the commodity level. It provides insight into the extent to which trade is concentrated in a few commodities or more evenly distributed across multiple product categories. The further the curve deviates from the 45-degree equality line (dashed line), the greater the concentration, meaning that a small number of commodities account for a disproportionately large share of total trade flows.

Such a pattern is consistent with findings from the HHI, which showed that U.S. exports to the Caribbean remain concentrated in specific sectors, including petroleum products, industrial machinery, food products, and pharmaceuticals (Figure 7).

Box 2
The Lorenz Curve

The Lorenz curve is a graphical representation of the distribution of a variable that can be used to assess trade concentration. It plots the cumulative proportion of total trade accounted for by the cumulative proportion of commodities, ranked from the least to the most significant in terms of trade value. The curve compares this distribution against the line of equality, a 45-degree reference line where trade is evenly distributed across all commodities. The deviation of the Lorenz curve from this line indicates the degree of concentration. Mathematically, given n commodities with trade values $x_1, x_2, \ldots, x_n$, arranged in ascending order, the cumulative proportion of trade is:

$$L_k = \frac{\sum_{i=1}^{k} x_i}{\sum_{i=1}^{n} x_i}$$

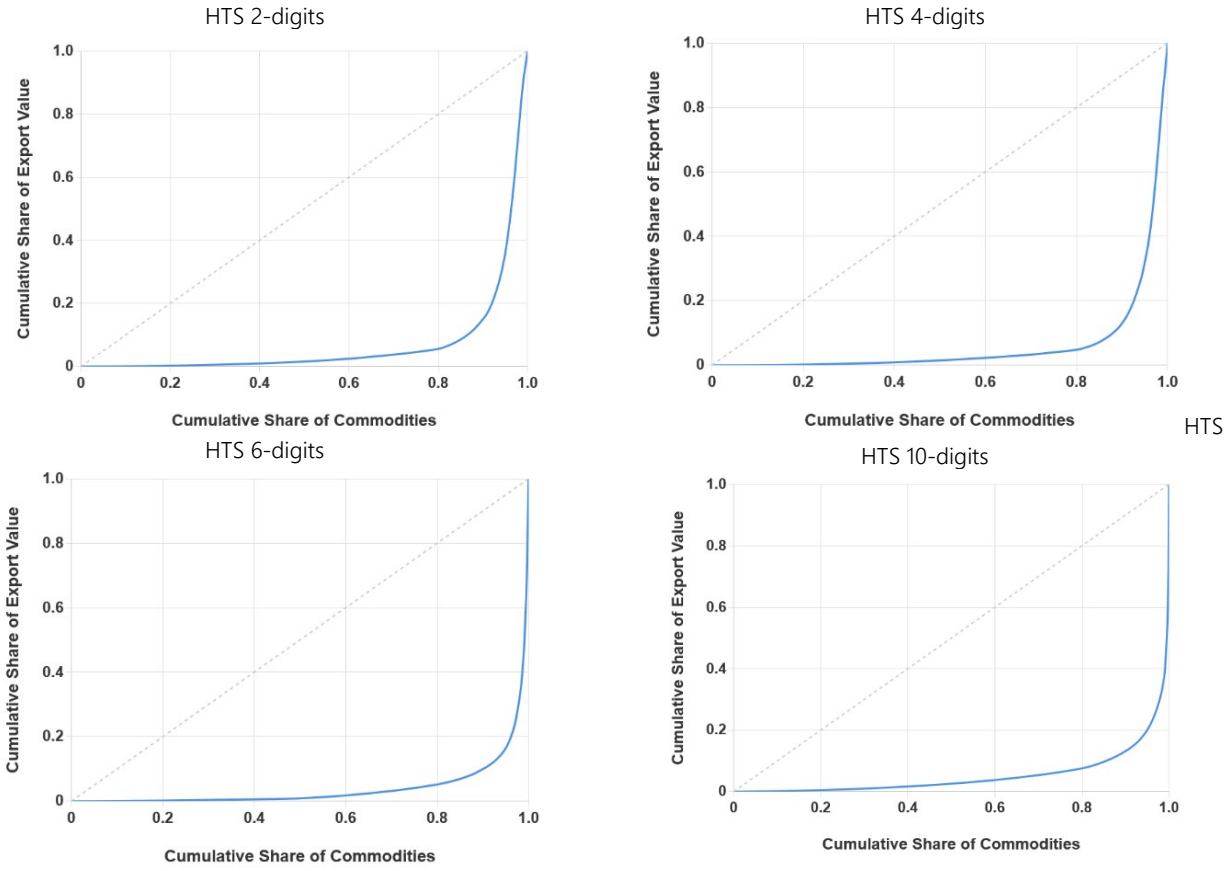
where L_k represents the cumulative share of total trade for the first k commodities. The Gini coefficient (G), a numerical measure derived from the Lorenz curve, quantifies concentration and is computed as:

$$G = 1 - \sum_{i=1}^{n} (L_i + L_{i-1})\,(p_i - p_{i-1})$$

where p_i denotes the cumulative proportion of commodities. A Gini coefficient of 0 indicates perfect equality (all commodities contribute equally to trade), while a coefficient close to 1 signals extreme concentration, where a small number of commodities dominate total trade.

Source: Prepared by the author. For a comprehensive overview and formal derivations see Cowell (2011).

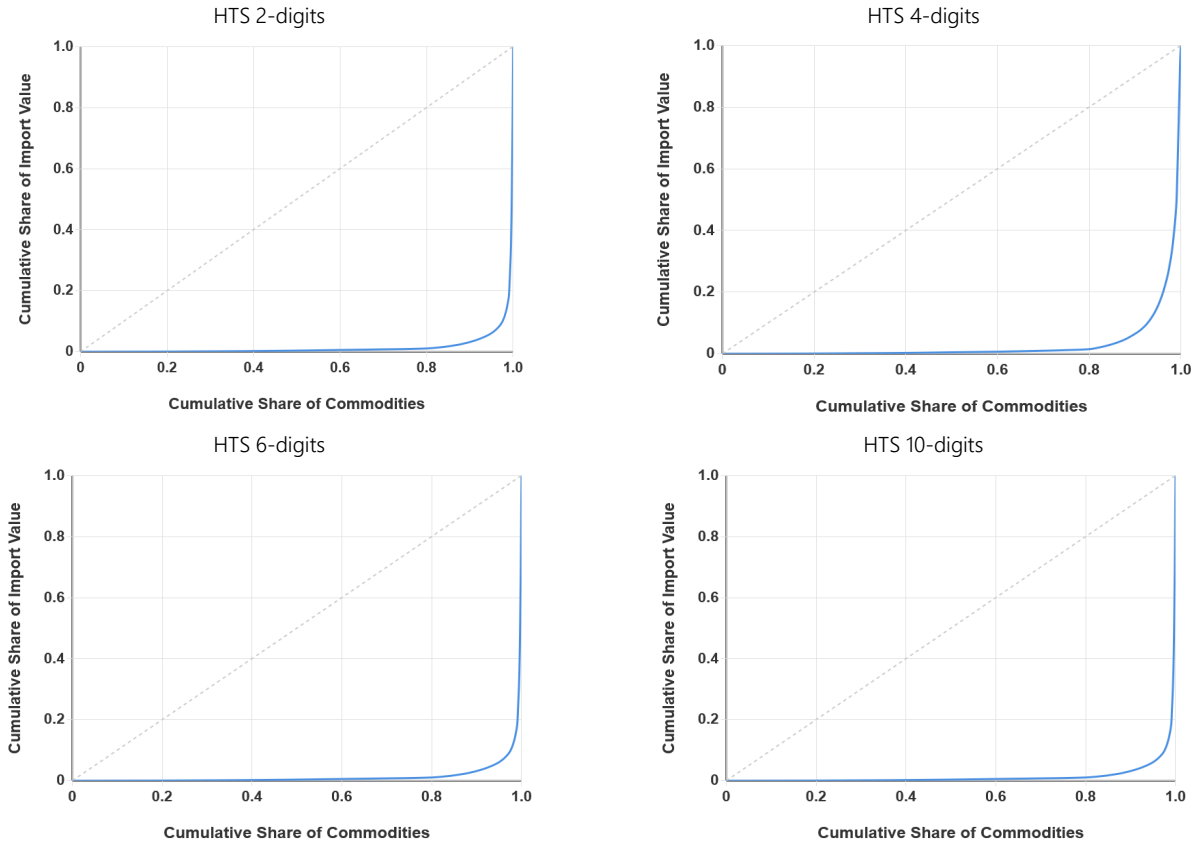
Figure 7
Lorenz Curve of United States exports
(In 2024, at different levels of disaggregation)



Source: Own elaboration based on U.S. Census Bureau data.

All four Lorenz curves for U.S. imports from the Caribbean in 2024 (Figure 8) exhibit a significant deviation from the 45-degree equality line, indicating a highly concentrated import structure. Even at the 2-digit classification level, where products are grouped into broad categories, a small number of product groups account for most of the total import value. As we move to more detailed classifications (4-, 6-, and 10-digit levels), the curves remain steep near the upper end, indicating that a handful of specific products dominate trade flows within these broad categories. U.S. imports from the Caribbean are not only dominated by broad sectors (such as energy or textiles), but also by specific product lines within those categories. The Lorenz curves confirm that despite the presence of diverse imported products, the overall structure remains heavily skewed toward a small subset of high-value goods, reinforcing the findings from the HHI analysis. Moreover, across all classification levels, the Lorenz curves for imports show greater concentration than those for exports, indicating that imports are even more reliant on a smaller number of dominant products.

Figure 8
Lorenz Curve of U.S. Imports
(In 2024, at different levels of disaggregation)



Source: Own elaboration based on U.S. Census Bureau data.

The preceding analysis examined U.S.–Caribbean trade in goods, highlighting key trends in flows, sectoral composition, and trade concentration. The findings reveal a structurally concentrated trade relationship, where a limited number of products and industries dominate exports and imports. While specific sectors —such as energy and transportation equipment— remain central pillars of goods trade, emerging areas in specialized manufacturing may offer potential avenues for diversification. The concentration measures confirm these patterns, illustrating the uneven distribution of trade flows across product categories and classification levels. These insights underscore both the vulnerabilities and opportunities within the U.S.–Caribbean goods trade relationship. The following section analyzes trade in services.

II. Trade in services

The U.S. Bureau of Economic Analysis (BEA) does not provide trade in services data at a country-specific level that isolates the Caribbean region. Instead, it groups Caribbean nations within the "Other Western Hemisphere, Others" (OWHo) category, which includes additional country members[3], potentially leading to an overestimation of the figures specifically attributable to Caribbean countries. Despite this limitation, the data provides valuable insights into the trends in service trade between the U.S. and its regional partners.

From 2021 to 2024, the trade in services between the U.S. and OWHo exhibited notable shifts, as presented in Figure 9. In 2021, U.S. service exports to OWHo totaled approximately US$ 6.3 billion, while imports reached US$ 12.8 billion, resulting in a trade deficit of US$ 6.5 billion for the United States. The primary contributors to this imbalance were transport and travel services, where U.S. imports significantly outpaced exports. This balance reflects the continued dominance of travel-related expenditures in the service trade, mainly as American tourists contribute to regional economies through spending on accommodation, dining, and leisure activities.

By 2022, U.S. service exports grew to US$ 7.3 billion, reflecting a 15.9% increase, primarily driven by gains in financial and business services. Transport services also showed a steady rise as air travel rebounded, and supply chains regained momentum. This resurgence was particularly noticeable in sectors that rely on international mobility, such as consulting, finance, and logistics. However, imports grew faster, reaching US$ 16.8 billion, fueled primarily by a surge in travel services as cross-border tourism and education-related expenditures increased. The rebound of the tourism sector was a key driver, as latent demand for international travel resulting from the COVID-19 pandemic led to significant spending outside the U.S. This, in turn, contributed to a widening trade deficit of US$ 9.5 billion.

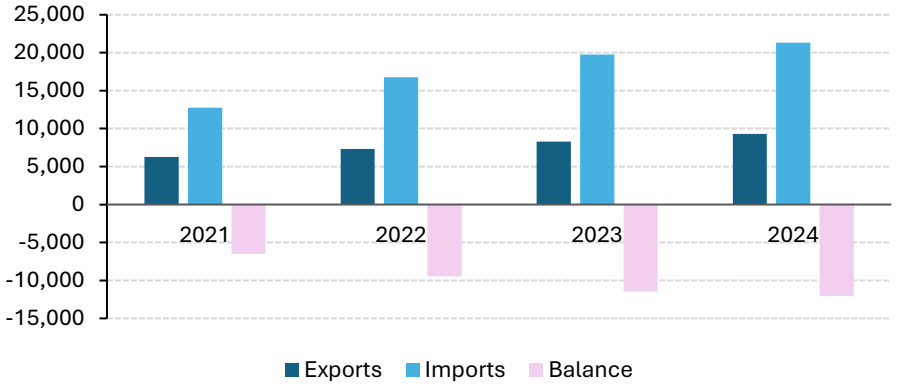
In 2023, U.S. service exports continued to expand, reaching US$ 8.3 billion. The strongest contributor was travel services, which rebounded sharply to US$ 2.8 billion (an increase of US$ 565 million compared to 2022) reflecting the sustained recovery of international tourism. Transport services

[3] In addition to the Caribbean countries considered in this article, the OWHo includes Anguilla, Aruba, Caribbean Netherlands, Cuba, Curacao, Guadeloupe, Martinique, Sint Maarten, St. Barthelemy, St. Martin, and St. Pierre and Miquelon.

also recorded solid growth, rising to US$ 2.2 billion, about US$ 400 million more than in the previous year, supported by the normalization of air travel and regional logistics flows. However, imports continued their upward trajectory, reaching US$ 19.7 billion, with travel services accounting for a substantial US$ 12.4 billion. This further expanded the trade deficit to US$ 11.5 billion, underscoring a persistent asymmetry in service trade. The sustained growth of the tourism industry remains a defining factor in the service trade balance, emphasizing again the region's appeal as a prime destination for American travelers.

Finally, in 2024, trade in services continued to expand, reaching its highest level in the recent period. Total U.S. service exports increased to US$ 9.3 billion, while imports climbed to US$ 21.3 billion, widening the trade deficit to US$ 12.1 billion. This sustained imbalance was again driven primarily by travel and transport services, as outbound U.S. tourism and freight-related expenditures remained robust. Imports from travel services alone surpassed US$ 13 billion, highlighting the continued popularity of Caribbean and nearby destinations among American travelers. Meanwhile, financial and business services maintained stable performance, contributing positively to the export portfolio and partially offsetting the growing deficit. Overall, the 2024 figures illustrate a consolidation of post-pandemic recovery trends, with service trade volumes normalizing yet continuing to reflect structural asymmetries characteristic of the region's economic interaction with the U.S.

Figure 9
Evolution of Trade in Services, 2021-2024
(in Millions of U.S. dollars)



Source: ECLAC Washington Office based on U.S. Bureau of Economic Analysis' data.

Detailed sector-level patterns[4] reveal important dynamics in transport services, which showed steady export growth, rising from US$ 1.1 billion in 2021 to US$ 2.6 billion in 2024, reflecting the recovery of international travel and the strengthening of regional logistics networks after the pandemic (Figure 10, panel a). Imports, however, expanded more sharply, from US$ 2.3 billion to US$ 3.6 billion (although slightly below the 2023 peak of US$ 3.8 billion), driven by higher demand for air and sea freight services amid the recovery of the global supply chain and deeper regional trade integration. The trade balance remained in deficit; however, it improved from US$ 1.6 billion in 2023 to US$ 1.1 billion in 2024.

U.S. financial services exports declined from US$ 1.7 billion in 2021 to US$ 1.6 billion in 2024, reflecting shifts in regional financial market dynamics and growing competition from emerging hubs or alternative financial technologies (Figure 10, panel b). Imports also decreased over the same period, from nearly US$ 920 million to around US$ 770 million, suggesting a reduced reliance on foreign providers and stronger domestic capabilities. As a result, the trade balance remained consistently

[4] The categories presented here include only those for which data on both exports and imports of services are available, and where sector volumes are representative of trade.

positive, averaging US$ 798 million during the four years, underscoring the sector's continued net contribution to services trade.

Other business services followed a fluctuating but resilient path between 2021 and 2024, with U.S. exports recovering to US$ 719 million in 2024 after a brief decline in 2022 (Figure 10, panel c). This rebound was supported by sustained demand for management, consulting, and technical expertise, as well as franchising and leasing services. Imports remained modest (below US$ 550 million), highlighting the competitive advantage of U.S. providers. This stability reflects how digitalization and remote work have facilitated cross-border professional collaboration, consolidating the U.S.'s role as a leading supplier of business services in the region.

Figure 10
Evolution of Trade in Services - selected sectors, 2021-2024
(in Millions of U.S. dollars)

Source: ECLAC Washington Office based on U.S. Bureau of Economic Analysis' data.

For the most prominent category in the trade deficit, Travel services (Figure 10, panel d), U.S. imports more than doubled from US$ 6.4 billion in 2021 to US$ 13.6 billion in 2024, driven by surging outbound tourism and increased education-related expenditures abroad. Exports also rose, though at a much smaller scale, from around US$ 1.5 billion in 2021 to US$ 3.1 billion in 2024, reflecting the gradual return of inbound visitors and foreign students. However, this growth was insufficient to offset the import surge, and the trade balance deteriorated sharply, deepening the deficit from US$ 4.8 billion in 2021 to nearly US$ 10.5 billion in 2024. These dynamics highlight both the resilience of U.S. demand for international travel and the significant role of American tourists and students as revenue sources for the Caribbean.

III. Conclusions

The analysis presented in this report shows that trade between the U.S. and the Caribbean, though modest in scale, holds significant potential for deeper and more dynamic engagement. Between 2021 and 2024, total trade expanded in value, but the Caribbean's share in overall U.S. flows remained below 1%. This limited participation highlights the region's untapped opportunities for diversification, investment, and stronger integration into hemispheric trade networks.

In goods trade, flows rebounded strongly after the pandemic, supported by the recovery of the energy and transportation sectors. However, the pattern remains highly concentrated, with a few products and partners accounting for the majority of exchanges. This concentration increases exposure to price fluctuations and external shocks, especially in energy markets. The gradual improvement observed toward 2024 suggests growing resilience, but also highlights the importance of broadening the productive base and promoting export diversification.

In services, activity expanded steadily, though imbalances persisted. The trade deficit widened as travel and transport services (driven by strong outbound U.S. tourism) continued to dominate imports. Meanwhile, financial and business services remained areas of U.S. strength, reflecting sustained demand for professional, technical, and consulting expertise across the region. Together, these dynamics reveal a dual structure: traditional service sectors that benefit Caribbean economies alongside high-value-added services that reinforce U.S. competitiveness.

The analysis points to several areas that could merit further attention. Strengthening infrastructure and logistics, enhancing regulatory cooperation, and supporting innovation and skills development may contribute to greater competitiveness and investment attraction. Likewise, advancing digital, creative, and green sectors, together with initiatives in renewable energy and the blue economy, could foster a more diversified trade structure. Improving the availability and comparability of data, particularly in services, would also facilitate more accurate monitoring of regional trade dynamics.

Ultimately, a closer partnership between the U.S. and Caribbean economies can generate shared benefits. By combining market access, investment, and capacity-building initiatives, both sides can advance toward a more inclusive, balanced, and sustainable trade relationship, better equipped to respond to global challenges and to seize new growth opportunities.

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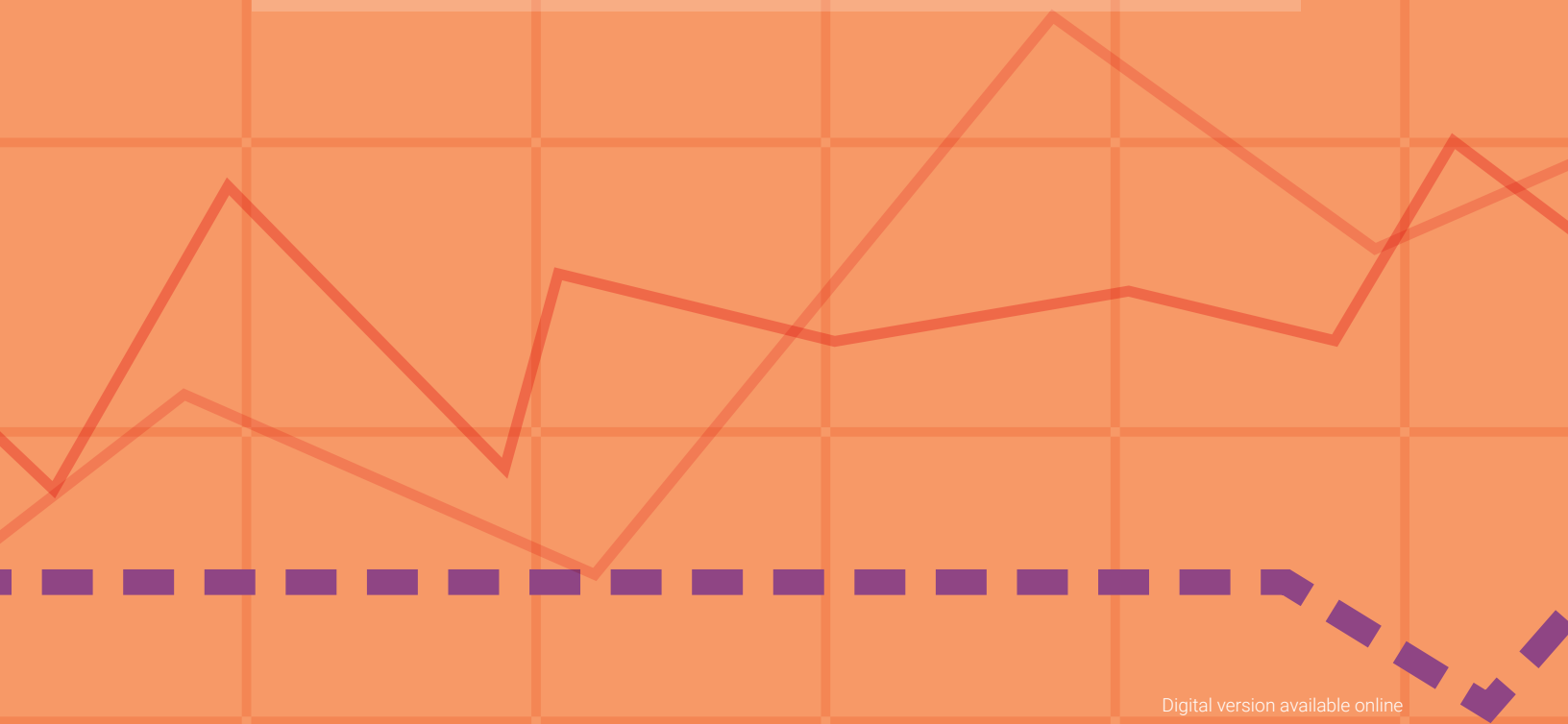
This special issue of *United States-Latin America and the Caribbean Trade Developments* provides an overview of trade relations between the United States and the Caribbean for the period 2021–2024. It presents an analysis of trends in goods and services trade; key sectors and partner economies; and an assessment of the degree of trade concentration. The findings show that although overall trade volumes recovered and expanded after the pandemic, the Caribbean's share of total United States trade remained below 1%, highlighting the region's limited but gradually increasing engagement with that country. Goods trade remains heavily concentrated in the energy and transport sectors regarding both imports and exports, with the United States exporting refined fuels and transport equipment while importing crude oil and related products. In contrast, the United States continues to run deficits in services trade with the Caribbean, driven primarily by travel and transport. Overall, the analysis underscores the structural concentration of current trade patterns while pointing to opportunities for diversification and greater regional integration.



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