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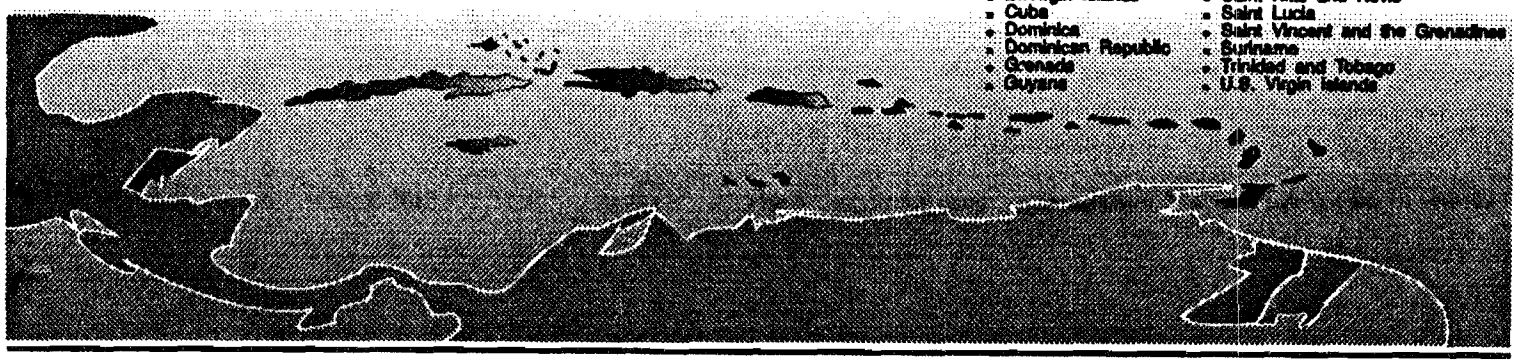
UN ECLAC/CDCC

- 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.478
1May 1996
ORIGINAL: ENGLISH

INTRA-ACS TRADE:
An overview of CDCC trade with non-CDCC groupings

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

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EXECUTIVE SUMMARY

The objective of this paper is to present a preliminary and partial review of the patterns of trade in goods among the member countries of the Association of Caribbean States (ACS) using the available data. In undertaking this exercise, the paper examines only trade flows between the various cooperation and integration groupings whose members are all members of the ACS, namely the Caribbean Development and Cooperation Committee (CDCC), the Central American Common Market (CACM) and The Group of Three. The paper also examines the trade policies and other factors affecting intra-ACS trade, draws some conclusions and makes some policy proposals which may assist in the promotion of intra-ACS trade.

The trade flows between some ACS member countries increased in 1994. The implementation of the conclusions of the Uruguay Round of trade talks, the continuation of the trade liberalization process inside the several integration arrangements, the unilateral trade liberalization policies of many ACS countries and the recovery in the world economy are some of the main factors which have contributed to these increases in trade, which seem to be a long-term, sustainable trend.

ACS countries' trade takes place mainly with developed countries. Intra-ACS trade is generally of reduced importance and is concentrated among a few countries and in a few products. Despite their geographical proximity, these countries do not have any strong traditional trading relations and most of its members belong to other integration groupings whose members are not all members of the Association. In addition, members of the Association are parties to various bilateral and multilateral trade agreements with both members and non-members of the Association, which may harm the total of intra-ACS trade.

Exports of the CDCC member countries to Central America, a very low proportion of their total exports, decreased substantially from 1990 to 1994, and were mainly from the Netherlands Antilles and Trinidad and Tobago. The destination of these exports was mainly Panama, with some exports going to Costa Rica and Honduras. Central American exports to CDCC countries, also an almost residual part of their exports, but nevertheless a figure that increased substantially during the same period, originated mainly from Costa Rica and Guatemala and their main destinations were the Dominican Republic and Jamaica, but some went to the Netherlands Antilles and Belize.

Exports from CDCC countries to the Group of Three, which decreased substantially from 1990 to 1994 and represented a low proportion of their total exports, came mainly from the Netherlands Antilles and Trinidad and Tobago, and went primarily to Mexico and Venezuela. Mexico and Venezuela were also the members of the Group of Three with most exports to CDCC countries - also an almost residual part of the Group's exports, the sharp fall in Venezuelan exports being responsible for the substantial decrease in the Group's exports during the same period. They went mainly to the Dominican Republic, Trinidad and Tobago, Jamaica and the Netherlands Antilles. The Colombian exports to CDCC countries were somewhat less concentrated in 1994 (they went to the Bahamas, the Netherlands Antilles, Trinidad and Tobago and the Dominican Republic).

The Group of Three exports to Central America remained virtually unchanged between 1990 and 1994, being of reduced significance when compared to their total exports. The exports of Mexico and Venezuela went mainly to Guatemala, Panama and El Salvador, while those of Colombia went mainly to Panama and Costa Rica. On the other hand, Central American exports to the Group of Three grew substantially during the same period (over 100 per cent), but remained a low proportion of their total exports. Guatemala, Nicaragua and Costa Rica were the main Central American exporters to the Group of Three and the main recipient of these countries' exports was Mexico.

On the product level, most exports of El Salvador, Guatemala and Honduras to the ACS were in the category of manufactured goods (with an important proportion of chemicals), while Nicaragua's were concentrated on food and live animals. Venezuela's exports were concentrated on fuels and minerals and food and live animals; Mexico's on crude materials and miscellaneous manufactured equipment. CDCC's exports were concentrated in mineral fuels and some chemical products and manufactured goods.

The development of trade requires not just the implementation of trade liberalization programmes, but also a host of other mechanisms which include: constantly updated trade information systems, active trade promotion programmes, well-established export financing and insurance schemes, adequate transportation networks and mechanisms to facilitate trade between the various trading groups - which tend to be discriminatory toward non-members - and between trading groups and individual countries. These may be some of the factors which are influencing both the level and the direction of trade in the ACS region, where, in spite of all the liberalization efforts, there are still barriers of various kinds to be overcome.

ACS member countries should continue the implementation of appropriate trade, fiscal and exchange rate policies. These policies should be accompanied by the establishment/strengthening of institutional systems of export finance and insurance. The development of adequate transport infrastructures and networks in the ACS area is also an important factor in trade development. Some of the following initiatives may also assist in the development of trade among its members: (a) improve the liberalization of trade among its member countries in collaboration with the secretariats of the various trade groupings through: i) the promotion of the establishment of trade linkages between the various trading arrangements whose members include at least one of its members; and ii) the promotion of trade linkages among those countries which do not belong to any grouping and the various groupings as well as among individual member countries belonging to different groupings; (b) undertake a survey in the ACS area to determine the existence of trade information centres both at the national and the groupings levels as well as the type and details of the information available and promote the dissemination of such information among all ACS members; (c) prepare on a yearly basis a programme of trade fairs and exhibitions in the ACS area and distribute it to the public and private sectors of its member countries and encourage their participation. The subregional and national business organizations should be closely involved in this exercise; (d) promote jointly with national public and/or private sector organizations or subregional export promotion organizations, such as the Caribbean Export Development Agency (CEDA), the organization of trade missions within the ACS area and promote other linkages and joint activities between the national and subregional business organizations in operation in the ACS area.

INTRA-ACS TRADE:
An overview of CDCC trade with non-CDCC groupings

Introduction

World trade grew rapidly in 1994, although growth in 1995 was not quite as fast[1]. Trade in some countries of the Association of Caribbean States (ACS)[2] also increased in 1994 compared to 1993. It increased in Mexico by 20 per cent, in Cuba by 13.1 per cent, by 15 per cent in Guatemala, 4 per cent in Jamaica and 2.5 per cent in Grenada[3]. Within the integration arrangements, trade is also on the increase. For example, it increased by 18.1 per cent within the Central American Common Market (CACM) in 1994 compared to 1993. The implementation of the conclusions of the Uruguay Round of trade talks, the continuation of trade liberalization in integration arrangements and the unilateral trade liberalization policies of many ACS countries are some of the factors which have contributed to these increases in trade. It is these same factors which seem to be firmly on the policy agenda of many of the member countries of the ACS which are likely to lead to further increases in both trade within the hemisphere including intra-ACS trade and trade around the world. In addition, the existing more favourable world economic environment marked by growth in both developed and developing countries including some ACS member countries, such as Guyana, Antigua and Barbuda and Trinidad and Tobago[4], point to greater potential for continuing increases in trade in the world and the western hemisphere.

Most of the trade of the ACS countries takes place with the developed countries of the world. Countries like Barbados, El Salvador, Guatemala, Haiti, Honduras, Mexico, Saint Lucia and Venezuela purchase most of their imports from the United States and Canada. Also, the main destinations of these countries' exports are the United States and Canada, except for Saint Lucia where most exports go to the European Union.

Some ACS countries like Cuba, Honduras, Nicaragua, Panama and Saint Vincent and the Grenadines, export mainly food products. Others, such as the Dominican Republic, El Salvador, Haiti, Jamaica and Mexico, export a significant amount of manufactured products. The Netherlands Antilles, Trinidad and Tobago and Venezuela export mainly fuels and combustibles. The main

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1 International Monetary Fund: World Economic Outlook, October 1995.

2 The ACS member countries are: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, El Salvador, The French Dominions, Grenada, Guatemala, Guyana, Honduras, Jamaica, Mexico, Netherlands Antilles, Nicaragua, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands and Venezuela.

3 Calculated from national data and IMF: Direction of Trade Statistics Yearbook 1995.

4 See ECLAC/CDCC document LC/CAR/G.444: Summary of Caribbean Economic Performance -1994.

imports of ACS countries are manufactured products. The majority of the imports of Belize, Colombia, Costa Rica, Jamaica, Guatemala, Mexico and Venezuela are capital and consumption goods. Cuba and the Netherlands Antilles import mainly fuels while the imports of Saint Vincent and the Grenadines and Nicaragua contain a significant part of food products[5].

Internal trade in the Latin America and Caribbean region has been increasing over recent years, including trade among the countries of the recently established ACS. However, the most notable increases have taken place within the groupings, some of which include some ACS member countries. For example, intra-Central American exports increased from 17 per cent of total exports in 1990 to 22.3 per cent in 1993[6] and intra-Caricom exports increased marginally from 12.4 per cent in 1990 to 12.8 per cent in 1992[7]. There were also notable increases among individual countries.

The newly established Association of Caribbean States includes member countries which, despite their geographical proximity, do not have any strong traditional trading relations. Most of the members of the Association belong to integration groupings whose members are not all members of the Association. In addition, members of the Association are parties to various bilateral and multilateral trade agreements with both members and non-members of the Association. It is within these sets of trade relationships that the ACS will seek to promote and strengthen cooperation and integration in the Caribbean subregion. One of the tasks of the ACS in the area of trade is to promote increased levels of trade among its member countries. In seeking to contribute to the implementation of that task, the present paper undertakes a preliminary and partial review of the patterns of trade among the member countries of the Association of Caribbean States[8] using for this the available data which, unfortunately, is not always complete or up to date for some of the countries. In undertaking the exercise, the paper examines only trade flows between the various cooperation and integration groupings whose members are all members of the ACS, namely the Caribbean Development and Cooperation Committee (CDCC), the CACM[9] and The Group of Three[10]. The paper also examines the trade policies and other factors affecting intra-ACS trade, draws some conclusions and makes some policy proposals which may assist in the promotion of intra-ACS trade.

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[5] UNCTAD handbook of international trade and development statistics, 1993.

[6] See INTAL, IDB: The Latin American and Caribbean Integration Process 1992/1993.

[7] CARICOM Secretariat: CARICOM trade 1985-1992.

[8] This paper deals only with trade in goods and examines trade among the various groupings whose members belong to the Association of Caribbean States.

[9] CACM member countries are: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

[10] The Group of Three member countries are: Colombia, Mexico and Venezuela.

I. TRADE BETWEEN CDCC COUNTRIES AND CENTRAL AMERICAN COUNTRIES

Exports of the CDCC member countries to Central America were mainly those originating in the Netherlands Antilles and Trinidad and Tobago and the destinations of these exports were mainly Panama, with some exports going to Costa Rica and Honduras. Central American exports to CDCC countries originated mainly from Costa Rica and Guatemala and their main destinations were the Dominican Republic and Jamaica, but some went to the Netherlands Antilles and Belize.

In 1990, the total value of CDCC country exports to the Central American countries was US$135.9m.[11], 91 per cent of which was accounted for by exports from the Netherlands Antilles whose exports amounted to US$125m. or 7.17 per cent of their total exports for 1990. The remainder of CDCC exports to Central America were mainly accounted for by Trinidad and Tobago's exports which amounted to US$9.0m. in 1990 or 0.45 per cent of that country's total exports.

The main recipients of the Netherlands Antilles' exports to Central America in 1990 were Costa Rica and Honduras which accounted for 48 per cent and 32 per cent of these exports, respectively. Panama, Guatemala and El Salvador were the other Central American countries receiving the Netherlands Antilles' exports in 1990. Trinidad and Tobago's exports to Central America went mainly to Panama (50 per cent) and the remainder to Guatemala, Costa Rica and Honduras.

Table 1
Exports from Caribbean to Central America 1990 (in millions of US$)

Countries	Costa Rica	El Salvador	Guatemala	Honduras	Nicaragua	Panama	Total	% of Total Exports
The Bahamas	....	....	....	n.a.	....	....	0	0
Barbados	....	....	....	....	n.a.	....	0	0
Belize	....	....	1	....	n.a.	....	1	0.76
Cuba	....	n.a.	n.a.	n.a.	n.a.	....	0	0
Dominica	....	n.a.	....	n.a.	n.a.	n.a.	0	0
Dominican Rep	....	....	....	....	....	....	0	0
Grenada	n.a.	n.a.	....	....	n.a.	n.a.	0	0
Guyana	n.a.	n.a.	n.a.	n.a.	n.a.	....	0	0
Jamaica	....	....	....	....	....	0.9	0.9	0.079
Neth. Ant.	60	5	9	43	....	8	125	7.17
St. Vincent & Gr.	n.a.	n.a.	....	....	n.a.	....	0	0
Suriname	n.a.	n.a.	n.a.	n.a.	n.a.	....	0	0
T & T	1	1	2	1	n.a.	4	9	0.45

Source: IMF Direction of Trade Statistics Yearbook, 1988-1994.

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[11] This is the total value of exports of the countries shown in the table. All the totals included in this paper are those of the values of the exports of the countries shown in the tables.

In 1994, the total value of exports of CDCC member countries to Central America amounted to US$73m. or a decrease of 46 per cent compared to their value in 1990. The Netherlands Antilles was again the country with the highest value of exports to Central America, but its exports decreased substantially from US$125m. in 1990 to US$34m. in 1994 or 1.79 per cent of total exports. In fact, it was this decrease which was mainly responsible for the big drop in the value of CDCC exports to Central America in 1994. On the other hand, Trinidad and Tobago was the second CDCC country with the highest value of exports to Central America. Its exports amounted to US$29m. in 1994 or an increase of 288 per cent compared to the value of its 1990 exports. These exports represented 1.33 per cent of that country's total exports in 1994.

Table 2
Exports from Caribbean to Central America 1994 (in millions of US$)

Countries	Costa Rica	El Salvador	Guatemala	Honduras	Nicaragua	Panama	Total	% of Total Exports
The Bahamas	....	....	....	n.a.	....	....	0.00	0.00
Barbados	....	....	....	....	n.a.	....	0.00	0.00
Belize	....	....	....	....	n.a.	....	0.00	0.00
Cuba	3	n.a	na	n.a.	n.a.	....	3.00	0.24
Dominica	....	n.a.	....	n.a.	n.a.	n.a.	0.00	0.00
Dom Rep	1	....	1	1	....	2	5.00	0.70
Grenada	n.a.	n.a.	....	....	n.a.	n.a.	0.00	0.00
Guyana	n.a.	n.a.	n.a.	n.a.	n.a.	....	0.00	0.00
Jamaica	....	....	....	....	....	0.2	0.20	0.01
Neth. Ant.	....	1	....	6	1	26	34.00	1.79
St. Vincent & Gren.	n.a.	n.a.	....	....	n.a.	....	0.00	0.00
Suriname	n.a.	n.a.	n.a.	n.a.	n.a.	....	0.00	0.00
T & T	8	3	2	4	n.a.	12	29.00	1.33

Source: IMF Direction of Trade Statistics Yearbook, 1988-1994

The exports of the Netherlands Antilles and Trinidad and Tobago represented 46 per cent and 40 per cent, respectively, of the total value of CDCC countries' exports to Central America in 1994. While the bulk of Trinidad and Tobago's exports (41 per cent) continued to go to Panama, the bulk of the Netherlands Antilles exports (76 per cent) also went to Panama in 1994 and none went to Costa Rica which had received 48 per cent of these exports in 1990. The other recipients of the Netherlands Antilles' exports in Central America were Honduras, El Salvador and Nicaragua. The remainder of Trinidad and Tobago's exports to Central America went to Costa Rica, El Salvador, Guatemala and Honduras. The Dominican Republic and Cuba exported goods to the value of US$5m. and US$3m., respectively, to Central America in 1994. All Cuban exports went to Costa Rica while those of the Dominican Republic went to Panama, Honduras, Guatemala and Costa Rica.

Table 3
Exports from Central America to the Caribbean 1990 (in millions of US$)

Countries	Bah	Bar	Bel	Cuba	Dom	Dom. Rep.	Gren	Guy	Jam	Neth Ant	St.Vin/ Gren	Sur	T&T	Total	% of Total Exports
Costa Rica	1	1	1	n.a	1	11	n.a	n.a	6	2	n.a	n.a	1	24	1.64
El Salvador	....	2	4	n.a	n.a	4	n.a	n.a	....	1	n.a	n.a	....	11	1.87
Honduras	n.a	....	....	n.a	n.a	2	n.a	n.a	n.a	....	n.a	n.a	1	3	0.36
Guatemala	n.a	n.a	2	n.a	....	6	n.a	n.a	15	1	n.a	n.a	1	25	2.09
Nicaragua	....	n.a	n.a	n.a	n.a	....	n.a	n.a	n.a	....	n.a	n.a	....	0	0.00
Panama	....	....	....	n.a	n.a	....	n.a	....	....	2	n.a	n.a	....	2	0.62

Source: IMF Direction of Trade Statistics Yearbook, 1988-1994

Exports from Central America to CDCC countries amounted to US$56m. in 1990. Costa Rica and Guatemala accounted for 40 per cent and 30 per cent, respectively, of these exports with the remainder coming from El Salvador, Panama and Honduras. Guatemala's and Costa Rica's exports which amounted to US$25m. and US$24m., respectively, represented 2.09 per cent and 1.64 per cent of these two countries' total exports for 1990. El Salvador's exports which amounted to US$11m. in 1990 represented 1.87 per cent of that country's total exports in 1990. Almost half of Costa Rica's exports to CDCC went to the Dominican Republic with the remainder going to Jamaica, the Netherlands Antilles, Dominica, Belize, Barbados and Trinidad and Tobago. Most of Guatemala's exports to CDCC (88 per cent) went to Jamaica with the remainder going to the Dominican Republic, Belize, the Netherlands Antilles and Trinidad and Tobago.

Table 4
Exports from Central America to the Caribbean 1994 (in millions of US$)

Countries	Bah	Bar	Bel	Cuba	Dom	Dom. Rep.	Gren	Guy	Jam	Neth Ant	St.Vin/ Gren	Sur	T&T	Total	% of Total Exports
Costa Rica	1	1	1	n.a	....	15	n.a	n.a	7	4	n.a	n.a	1	30	0.88
El Salvador	1	....	2	n.a	n.a	7	n.a	n.a	1	1	n.a	n.a	....	12	0.91
Honduras	n.a	2	1	n.a	n.a	1	n.a	n.a	n.a	....	n.a	n.a	1	11	0.68
Guatemala	n.a	n.a	6	n.a	....	16	n.a	n.a	1	....	n.a	n.a	....	23	1.33
Nicaragua	....	n.a	n.a	n.a	n.a	1	n.a	n.a	n.a	....	n.a	n.a	....	1	0.27
Panama	....	1	....	n.a	n.a	2	n.a	....	1	5	n.a	n.a	1	10	1.09

Source: IMF Direction of Trade Statistics Yearbook, 1988-1994

In 1994, total exports of Central American countries to CDCC countries amounted to US$83m. or an increase of 48 per cent compared to their value of 1990. That increase was mainly accounted for by Costa Rica, Honduras and Panama whose exports increased from US$24 m. to US$30m., from US$3m. to US$11m. and from US$2m. to US$10m., respectively. Costa Rica and Guatemala accounted for 36 per cent and 28 per cent of total Central American exports, respectively. Most of Costa Rica's exports went to the Dominican Republic as was the case in 1990, with Jamaica and the Netherlands Antilles receiving most of the remainder. Unlike 1990, most of Guatemala's exports (69 per cent) went to the Dominican Republic in 1994, with Belize and Jamaica receiving the remainder of that country's exports. In 1994, exports of El Salvador and Honduras went mainly to Belize and the Dominican Republic, while those from Panama went mainly to the Netherlands Antilles.

Table 5
Central American exports to CDCC countries as a percentage of total exports to ACS 1991 and 1994

	1991				1994			
Countries	**El Salvador**	**Guatemala**	**Honduras**	**Nicaragua**	**El Salvador**	**Guatemala**	**Honduras**	**Nicaragua**
Ant igua & Bar.	0.00	n.a.	0.25	n.a.	n.a.	n.a.	0.00	n.a.
Aruba	n.a.	n.a.	n.a.	n.a.	0.14	0.00	0.54	n.a.
Bahamas	0.33	0.00	0.04	0.93	0.09	0.01	n.a.	n.a.
Barbados	n.a.	0.49	0.98	n.a.	0.01	0.26	1.23	n.a.
Belize	1.84	0.75	2.00	n.a.	n.a.	0.80	2.06	0.04
Cuba	0.00	n.a.	n.a.	4.07	0.00	0.01	n.a.	0.90
Dominica	0.05	n.a.	n.a.	n.a.	n.a.	0.01	n.a.	0.21
Dom Rep	1.62	1.33	1.34	0.43	1.86	2.32	1.57	1.73
Grenada	n.a.	0.19	n.a.	n.a.	n.a.	n.a.	1.47	n.a.
Guyana	n.a.	0.98	0.45	n.a.	n.a.	n.a.	n.a.	n.a.
Haiti	0.56	1.18	0.12	n.a.	0.15	0.79	0.03	0.14
Jamaica	0.07	1.14	0.25	0.07	0.07	0.12	1.61	0.72
Neth Ant.	0.27	0.00	0.03	n.a.	n.a.	0.14	n.a.	0.01
St. Kitts/Nevis	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
St. Lucia	n.a.	0.01	1.86	n.a.	n.a.	0.01	2.74	n.a.
St. Vin/Gren	0.05	n.a.	0.89	n.a.	n.a.	n.a.	0.76	n.a.
Suriname	0.08	0.17	1.58	n.a.	n.a.	0.01	n.a.	n.a.
T & T	0.01	0.69	0.21	n.a.	0.03	0.04	3.77	n.a.
Turks & Caicos	n.a.	n.a.	0.17	n.a.	n.a.	n.a.	n.a.	n.a.

Source: IMF Direction of Trade Statistics Yearbook, 1988-1994

The significance of Central American exports to individual CDCC member countries in their total exports to the ACS is revealed in Table 5. This shows the low proportion of Central American exports to the ACS which goes to CDCC member countries. Honduras' exports to Belize, Saint Lucia and Trinidad and Tobago represented 2.06 per cent, 2.74 per cent and 3.77 per cent, respectively, of that country's total exports to the ACS in 1994. Exports of Guatemala, El Salvador and Nicaragua exceeded the one per cent mark as a percentage of their total exports to the ACS only in the case of these countries' exports to the Dominican Republic for 1994. In 1991, Guatemala's exports to Haiti and Jamaica represented, respectively, 1.18 per cent and 1.14 per cent of that country's exports to the ACS.

The Netherlands Antilles and Trinidad and Tobago were the main CDCC country exporters to Central American countries in both 1990 and 1994. The exports of the Netherlands Antilles declined substantially in 1994. The main destinations of CDCC exports to Central America were Panama, Honduras and Costa Rica. Most CDCC exports to the Central American countries represented less than 1 per cent of their total exports for both 1990 and 1994. On the Central American side it was Costa Rica and Guatemala which were the main exporters to CDCC countries. Although Central American exports to CDCC countries represented very low proportions of their total exports, rarely exceeding 2 per cent of these exports, they experienced an increase in 1994 compared to 1990. The main destinations of Central American exports to CDCC countries were the Dominican Republic, Jamaica and the Netherlands Antilles. As a proportion of their total exports to the ACS, Central American exports to individual CDCC countries were low, rarely representing more than 3 per cent of their total exports to the ACS.

II. TRADE BETWEEN CDCC AND THE GROUP OF THREE

Most exports from CDCC countries to the Group of Three came from the Netherlands Antilles and Trinidad and Tobago. These exports went primarily to Mexico and Venezuela but a significant part also went to Colombia. Mexico and Venezuela were the members of the Group of Three with most exports to CDCC countries, these exports going mainly to the Dominican Republic, Trinidad and Tobago, Jamaica and the Netherlands Antilles. In 1994, Colombian exports to CDCC countries were less concentrated than those of the other members of the Group. They went to the Bahamas, the Netherlands Antilles, Trinidad and Tobago and the Dominican Republic.

In 1990, CDCC countries' total exports to the Group of Three amounted to US$289.2m.; 49 per cent of these exports were from the Netherlands Antilles whose exports amounted to US$142m. or 7.89 per cent of its total exports for 1990. Cuba's exports to the Group of Three which represented 21 per cent of the total exports of CDCC to the Group of Three amounted to US$61.2m. or 4.5 per cent of its total exports for 1990. The other CDCC country with significant exports to the Group of Three was Trinidad and Tobago whose exports amounted to US$53m. in 1990 or 2.62 per cent of its total exports for 1990. The remainder of CDCC exports to the Group came mainly from Belize, Guyana and the Bahamas.

Most exports from CDCC countries went to Venezuela which received US$139.2 m. or 48 per cent of CDCC exports to the Group of Three in 1990. The Netherlands Antilles accounted for 57 per cent of these exports to Venezuela and Trinidad and Tobago accounted for another 31 per cent. The other main exporters to Venezuela were Cuba and Guyana. CDCC exports to Mexico amounted to US$87m. in 1990 or 30 per cent of total exports of CDCC countries to the Group of Three. Cuba accounted for 61 per cent of the exports to Mexico from CDCC countries, while another 17 per cent came from Belize. The other main CDCC exporters to Mexico in 1990 were Trinidad and Tobago, the Bahamas, Guyana and the Netherlands Antilles.

Table 6
Caribbean exports to Colombia, Mexico and Venezuela 1990 (in millions of US$)

Countries	Colombia	Mexico	Venezuela	Total	% of Total exports
The Bahamas	....	6	....	6	0.61
Barbados	....	....	1	1	0.47
Belize	....	15	....	15	11.45
Cuba	....	53	8.2	61.2	4.50
Dominica	....	n.a.	....	0	0.00
Dom Rep	....	1	1	2	0.26
Grenada	....	n.a.	...	0	0.00
Guyana	1	3	4	8	3.44
Jamaica	....	1	....	1	0.08
Neth. Ant.	57	3	82	142	7.89
St. Vincent & Gren.	....	n.a.	....	0	0.00
Suriname	....	....	....	0	0.00
T & T	5	5	43	53	2.66

Source: IMF Direction of Trade Statistics Yearbook, 1988-1994

In 1994, the total exports of CDCC countries to the Group of Three amounted to US$217.4m. Most of these exports were accounted for by Trinidad and Tobago and the Netherlands Antilles whose exports to the Group of Three amounted to US$75m. and US$69m. or 35 per cent and 31 per cent of these exports, respectively. These two countries' exports to the Group of Three represented 3.45 per cent and 3.64 per cent of their respective total exports. Jamaica's exports to the Group of Three which amounted to US$35.8m. in 1994 represented another 16 per cent of CDCC's exports to the Group of Three and 2.19 per cent of that country's total exports for the year. The other main exporters to the Group of Three were Cuba, Belize , the Dominican Republic and Grenada. Although the exports of Belize and Grenada to the Group of Three were relatively low in absolute terms, amounting to US$12m. and US$4m., respectively, they represented significant proportions of these countries' total exports for the year. Belize's exports represented 8.39 per cent of their total exports for the year and those of Grenada represented 14.28 per cent of its total exports.

Mexico was by far the main destination of CDCC exports in 1994, receiving 50 per cent of CDCC countries' exports to the Group of Three in 1994. The major exporter among CDCC countries to Mexico was the Netherlands Antilles, their exports amounting to US$63m. or 58 per cent of CDCC countries' exports to Mexico. Trinidad and Tobago was the second highest exporter to Mexico; their exports amounting to $23m. or 21 per cent of CDCC exports to Mexico. The other main CDCC exporters to Mexico were Belize and Cuba.

Venezuela and Colombia received 27 per cent and 23 per cent, respectively, of total CDCC exports to the Group of Three in 1994. Jamaica and Trinidad and Tobago provided most of CDCC exports to Venezuela. They accounted for 59 per cent and 29 per cent, respectively, of these exports. In the case of Colombia, most CDCC exports (76 per cent) to that country were accounted for by Trinidad and Tobago in 1994.

Table 7
Caribbean exports to Colombia, Mexico and Venezuela 1994 (in millions of US$)

Countries	Colombia	Mexico	Venezuela	Total	% of Total Exports
The Bahamas	....	....	....	0	0.00
Barbados	....	....	....	0	0.00
Belize	....	12	....	12	8.39
Cuba	3	9	4.6	16.6	1.34
Dominica	....	n.a.	....	0	0.00
Dom Rep	1	2	1	4	0.56
Grenada	....	n.a.	4	4	14.28
Guyana	1	....	....	1	0.22
Jamaica	1	....	34.8	35.8	2.19
Neth. Ant.	6	63	....	69	3.64
St. Vincent & Gren.	....	n.a.	....	0	0.00
Suriname	....	....	....	0	0.00
T & T	37	23	15	75	3.45

Source: IMF Direction of Trade Statistics Yearbook, 1988-1994

The Group of Three exports to CDCC countries amounted to US$963m. in 1990. Venezuela, whose exports amounted to US$531m. in 1990 or 2.65 per cent of that country's total exports for the year, accounted for 53 per cent of these exports. Most of Venezuela's exports or 52 per cent went to the Dominican Republic, while 19 per cent went to Trinidad and Tobago and another 19 per cent to Jamaica. Mexico which exported US$312m. to CDCC countries in 1990 or 1.15 per cent of its total exports for the year accounted for 32 per cent of total Group of Three exports to CDCC countries. Dominican Republic received 34 per cent of these exports, while 27 per cent went to

Jamaica and 24 per cent went to the Netherlands Antilles. Colombia's exports to CDCC countries amounted to US$120m. in 1990 or 1.77 per cent of its total exports for the year. Fifty two per cent of Colombia's exports to CDCC countries went to the Netherlands Antilles while another 26 per cent went to the Bahamas.

Table 8
Exports from Colombia, Mexico and Venezuela (G3) to the Caribbean 1990 (in millions of US$

Countries	Bah	Bar	Bel	Cuba	Dom	Dom. Rep.	Gren	Guy	Jam	Neth Ant	St.Vin/ Gren	Sur	T&T	Total	% of Total Exports
Colombia	31	1	n.a.	n.a.	1	14	n.a.	....	7	62	1	2	....	120	1.77
Mexico	27	....	17	n.a.	n.a.	107	n.a.	....	84	76	n.a.	1	2	314	1.15
Venezuela	....	34	n.a.	n.a.	n.a.	276	1	....	99	....	n.a.	18	103	531	2.65

Source: IMF Direction of Trade Statistics Yearbook, 1988-1994

In 1994, the Group of Three total exports to CDCC countries amounted to US$812m., a 15.6 per cent decrease compared to their exports in 1990. This decrease was mainly due to the decrease in Venezuela's exports to CDCC countries in 1994. Out of the total exports of the Group of Three, Mexico and Venezuela accounted for approximately 42 per cent each. Mexico's exports to CDCC countries amounted to US$406 m. in 1994 or 0.71 per cent of its total exports for the year. The Dominican Republic received 58 per cent of these exports, while another 19 per cent went to Jamaica and another 15 per cent went to the Netherlands Antilles. Venezuela's exports to CDCC amounted to US$344m. in 1994 or 2.10 per cent of its total exports for the year. Most of these exports went to the Dominican Republic (58 per cent) while another 21 per cent went to Jamaica and 14 per cent to Trinidad and Tobago. Colombia's exports to CDCC countries amounted to US$123m. in 1994 or 1.38 per cent of its total exports for that year. Its exports for 1994 were less concentrated and were destined for the Dominican Republic (33 per cent), the Netherlands Antilles (28 per cent), the Bahamas (15 per cent) and Trinidad and Tobago (14 per cent).

Table 9
Exports from Colombia, Mexico and Venezuela (G3) to the Caribbean 1994 (in millions of US$)

Countries	Bah	Bar	Bel	Cuba	Dom	Dom Rep	Gren	Guy	Jam	Neth Ant	St.Vin/ Gren	Sur	T&T	Total	% of Total Exports
Colombia	18	2	n.a.	n.a.	....	40	n.a.	....	6	34	....	2	17	123	1.38
Mexico	....	1	23	n.a.	n.a.	199	n.a.	....	127	51	n.a.	....	4	406	0.71
Venezuela	....	19	n.a.	n.a.	n.a.	194	1	....	72	....	n.a.	9	49	344	2.10

Source: IMF Direction of Trade Statistics Yearbook, 1988-1994

The significance of the Group of Three exports to CDCC countries as a proportion of their total exports to the ACS is revealed in Table 10. In 1991, Venezuela's exports to the Netherlands Antilles, Trinidad and Tobago, the Dominican Republic and Aruba represented, respectively, 40.6 per cent, 11.5 per cent, 5.46 per cent and 4.27 per cent of the country's total exports to the ACS. These countries together represented 62 per cent of Venezuela's trade with the ACS. Mexico's exports to the Dominican Republic, Cuba, the Netherlands Antilles and Jamaica represented, respectively, 11.49 per cent, 8.12 per cent, 5.32 per cent and 5.11 per cent of that country's total exports to the ACS in 1991. These CDCC countries together represented 30 per cent of Mexico's total exports to the ACS. Colombia's exports to the Dominican Republic and Cuba represented 2.09 per cent and 2.87 per cent, respectively, of that country's total exports to the ACS in 1991.

Table 10
G3 exports to CDCC countries as a percentage of exports to ACS countries
1991 and 1994

	1991			1994		
Countries	**Colombia**	**Mexico**	**Venezuela**	**Colombia**	**Mexico**	**Venezuela**
Antigua & Barbuda	n.a.	0.00	0.07	n.a.	0.02	0.00
Aruba	n.a.	n.a.	4.27	n.a.	n.a.	2.69
Bahamas	n.a.	1.05	0.04	n.a.	0.89	0.65
Barbados	n.a.	0.09	0.22	n.a.	0.01	0.41
Belize	n.a.	1.54	0.01	n.a.	1.27	0.00
Cuba	2.09	8.12	2.13	3.11	14.71	1.92
Dominica	0.02	0.02	0.01	0.01	0.03	0.01
Dominican Rep	2.87	11.49	5.46	3.55	8.93	6.77
Grenada	0.03	0.02	0.06	0.01	0.00	0.05
Guyana	0.00	0.01	0.24	0.00	0.01	0.21
Haiti	1.00	0.21	0.60	0.03	0.11	0.06
Jamaica	0.34	5.11	2.73	0.57	3.28	1.45
Neth. Ant.	n.a.	5.32	40.60	n.a.	0.55	22.55
St. Kitts/Nevis	0.01	0.00	0.02	0.00	0.00	0.00
St. Lucia	0.21	n.a.	0.05	0.12	n.a.	0.01
St. Vincent & Gren	0.03	0.01	0.02	0.02	0.01	0.01
Suriname	0.14	n.a.	0.12	0.18	n.a.	19.06
T & T	0.39	0.54	11.50	1.48	0.68	3.32
Turks&Caicos	n.a.	0.07	0.00	0.11	0.09	0.00

Source: United Nations

In 1994, Venezuela's exports to the Netherlands Antilles, the Dominican Republic, Trinidad and Tobago and Aruba continued to represent significant proportions of that country's trade with the ACS. They represented, respectively, 22.55 per cent, 6.77 per cent, 3.32 per cent and 2.69 per cent of Venezuela's exports to the ACS in 1994. In addition, Suriname accounted for 19.06 per cent of

Venezuela's exports to the ACS in 1994. These CDCC countries represented together 54.39 per cent of total Venezuelan exports to the ACS for the year. As in 1991, significant proportions of Mexico's exports went to the Dominican Republic, Cuba and Jamaica. These countries accounted, respectively, for 14.71 per cent, 8.93 per cent and 3.28 per cent of total Mexican exports to the ACS in 1994, or taken together 26.92 per cent of these exports. As in 1991, Colombia exported 3.11 per cent and 3.55 per cent of the total of its exports to the ACS to Cuba and the Dominican Republic, respectively.

The main CDCC exporters to the Group of Three were the Netherlands Antilles and Trinidad and Tobago and the main destination of these exports were Venezuela in 1990 and Mexico in 1994. CDCC exports to the Group of Three were of some significance in these countries' total exports. The main Group of Three exporters to CDCC countries were Mexico and Venezuela and the main destinations in the CDCC countries were the Dominican Republic, Trinidad and Tobago, Jamaica and the Netherlands Antilles. As a proportion of their total exports, the Group of Three's exports to CDCC countries were very low. For example, they represented 0.71 per cent of total Mexican exports in 1994. On the other hand, these exports as a proportion of the Group of Three exports to the ACS countries were significant, except for exports from Colombia. In fact, Venezuela seems to conduct the major part of its exports to the ACS with CDCC member countries.

III. TRADE BETWEEN CENTRAL AMERICA AND THE GROUP OF THREE

The exports of Mexico and Venezuela went mainly to Guatemala, Panama and El Salvador, while those of Colombia went mainly to Panama and Costa Rica. Guatemala, Nicaragua and Costa Rica were the main Central American exporters to the Group of Three and the main recipient of these countries' exports was Mexico.

In 1990, the Group of Three exports to Central America amounted to US$1,251m. Mexico's exports accounted for US$489m. or 39 per cent of the total. These exports represented 1.79 per cent of total Mexican exports for the year. Venezuela and Colombia whose exports amounted to US$398m. and US$364m., respectively, represented 32 per cent and 29 per cent of the total of the Group of Three exports to Central American countries in 1990 and 1.98 per cent and 5.40 per cent of their respective total exports for the year. Most of Mexico's exports (38 per cent) went to Guatemala, another 21 per cent went to El Salvador and 15 per cent went to Panama. Most of Venezuela's exports went to Guatemala and Costa Rica which received, respectively, 26 per cent and 23 per cent of Venezuela's exports in 1990. On the other hand, Colombia's exports went overwhelmingly (84 per cent) to Panama.

Table 11 Exports from Colombia, Mexico and Venezuela (G3) to Central America 1994 (in millions of US$)								
Countries	**Costa Rica**	**El Salvador**	**Guatemala**	**Honduras**	**Nicaragua**	**Panama**	**Total**	**% of Total Exports**
Colombia	21	8	12	11	7	305	364	5.40
Mexico	62	105	185	53	12	72	489	1.79
Venezuela	92	63	105	57	44	37	398	1.98

Source: IMF Direction of Trade Statistics Yearbook, 1988-1994

In 1994, the Group of Three exports to Central America amounted to US$1,212m. Venezuela and Mexico's exports accounted for 38 per cent and 36 per cent of that total, respectively, while Colombia accounted for the other 25 per cent. These exports represented, respectively, 2.8 per cent, 0.77 per cent and 5.08 per cent of these countries total exports for the year. Venezuela's exports went mainly to Guatemala and El Salvador which accounted for 27 per cent and 25 per cent of that country's exports, respectively. Significant proportions of Venezuela's exports to Central America went to Nicaragua (19 per cent) and Costa Rica (15 per cent). Mexico's exports to Central America went mainly to Guatemala (36 per cent) , El Salvador (22 per cent) and Honduras (20 per cent).

Table 12 Exports from Colombia, Mexico and Venezuela (G3) to Central America 1994 (in millions of US$)								
Countries	**Costa Rica**	**El Salvador**	**Guatemala**	**Honduras**	**Nicaragua**	**Panama**	**Total**	**% of Total Exports**
Colombia	92	24	29	13	5	145	453	5.08
Mexico	53	97	161	88	....	45	444	0.77
Venezuela	68	113	124	10	88	56	459	2.80

Source: IMF Direction of Trade Statistics Yearbook, 1988-1994

Exports of Central American exports to the Group of Three amounted to US$100m. in 1990. Guatemala whose exports to the Group of three amounted to US$39m. in 1990 or 3.26 per cent of its total exports for the year, accounted for 39 per cent of total Central American countries' exports to the Group of Three for the year. Nicaragua exported another 22 per cent of Central American exports to the Group of Three and Costa Rica and Panama exported 19 per cent and 12 per cent, respectively, in 1990. The latter countries' exports to the Group of Three represented 6.74 per cent, 1.30 per cent and 3.72 per cent of their total exports for the year. All six Central American countries' exports to the Group of Three went mainly to Mexico. All exports from El Salvador went to Mexico and a substantial proportion of those of Guatemala (92 per cent), Costa Rica (74 per cent), and Panama (66 per cent) also went to Mexico in 1990. The remainder of Central American countries' exports to the Group of Three went mainly to Colombia.

Table 13
Exports from Central America to Colombia, Mexico and Venezuela 1990
(in millions of US$)

Countries	Colombia	Mexico	Venezuela	Total	% of Total Exports
Costa Rica	3	14	2	19	1.30
El Salvador	....	5	....	5	0.85
Guatemala	3	36	....	39	3.26
Honduras	1	2	....	3	0.18
Nicaragua	1	21	....	22	6.74
Panama	3	8	1	12	3.72

Source: IMF Direction of Trade Statistics Yearbook, 1988-1994

In 1994, Central American exports to the Group of Three amounted to US$217m. As in 1990, Guatemala's exports which amounted to US$88m. or 5.11 per cent of its total exports accounted for 41 per cent of total Central American exports to the Group of Three in 1994. Costa Rica whose exports to the Group of Three amounted to US$59m. or 1.74 per cent of its total exports for the year accounted for another 27 per cent of total Central American exports to the Group of Three. El Salvador and Panama accounted for most of the remainder. As in 1990, Mexico accounted for most of Central American exports to the Group of Three in 1994. All of Nicaragua's exports went to Mexico. Mexico also received 70 per cent of those of El Salvador, 68 per cent of those of Panama, 66 per cent of those of Guatemala and 66 per cent of those of Costa Rica. The remainder of the Central American exports to the Group of Three went mainly to Venezuela.

Table 14
Exports from Central America to Colombia, Mexico and Venezuela 1994
(in millions of US$)

Countries	Colombia	Mexico	Venezuela	Total	% of Total Exports
Costa Rica	9	39	11	59	1.74
El Salvador	2	19	6	27	2.06
Guatemala	5	58	25	88	5.11
Honduras	1	1	1	3	0.18
Nicaragua	....	15	....	15	4.46
Panama	6	17	2	25	2.74

Source: IMF Direction of Trade Statistics Yearbook, 1988-1994

The significance of the Group of Three exports to Central America as a proportion of their total exports to the ACS is shown in Table 15. In 1991, a high proportion of Colombia's exports to the ACS (30 per cent) went to Panama and another 6.85 per cent went to Costa Rica. In the case of Mexico, 16.93 per cent of its total exports to the ACS went to Guatemala , 8.79 per cent to El Salvador, 7.59 per cent to Panama and 6.31 per cent to Costa Rica in 1991. On the other hand, Venezuela's exports to Guatemala , Costa Rica and El Salvador represented 3.32 per cent, 3.04 per cent and 2.93 per cent, respectively, of its total exports to the ACS in 1991. In 1994, significant proportions of Colombia's exports to the ACS went to Panama (12.68 per cent) and Costa Rica (8.22 per cent). Mexico sent significant proportions of its exports to the ACS to Guatemala (12.19 per cent), Panama (9.12 per cent), El Salvador (7.35 per cent), Costa Rica (5.41 per cent) and Honduras (4.11 per cent). Venezuela's exports to El Salvador and Guatemala represented, respectively, 2.53 per cent and 2.33 per cent of its total exports to the ACS for 1994.

Table 15
G3 exports to Central America as a percentage of exports to ACS countries
1991 and 1994

	1991			1994		
Countries	**Colombia**	**Mexico**	**Venezuela**	**Colombia**	**Mexico**	**Venezuela**
Costa Rica	6.85	6.31	3.04	8.22	5.41	1.87
El Salvador	0.80	8.79	2.93	2.17	7.35	2.53
Guatemala	1.49	16.93	3.32	2.60	12.19	2.33
Honduras	0.89	4.15	1.07	1.15	4.11	0.24
Nicaragua	1.28	1.28	0.12	0.45	1.17	1.74
Panama	30.74	7.58	1.17	12.68	9.12	1.32

Source: United Nations

The Group of Three's imports from Central America as a percentage of their total imports from the ACS is shown in Table 16. In 1991, Colombia imported 3.86 per cent of its total imports from the ACS from Panama. In the same year, Mexico imported 18.03 per cent and 16.83 per cent of its ACS imports from Panama and Guatemala, respectively. Mexico also imported 3.98 per cent and 3.74 per cent of its total ACS imports from Costa Rica and El Salvador, respectively, in 1991. Venezuela imported 18.70 per cent of its total ACS imports for the year from Panama. In 1994, Colombia imported 1.69 per cent of its ACS imports from Panama while Mexico and Venezuela imported 3.39 per cent and 12.48 per cent of their total imports from the ACS from the same country. In addition, Mexico imported 11.51 per cent of its total imports from the ACS countries from Guatemala and another 3.80 per cent from Costa Rica.

Table 16
G3 imports from Central America as a percentage of imports from ACS countries - 1991 and 1994

	1991			1994		
Countries	**Colombia**	**Mexico**	**Venezuela**	**Colombia**	**Mexico**	**Venezuela**
Costa Rica	0.77	3.98	0.47	0.41	3.80	0.43
El Salvador	0.07	3.74	0.03	0.07	2.66	1.40
Guatemala	0.76	16.83	0.41	0.41	11.51	2.64
Honduras	0.16	1.08	0.05	0.07	0.48	0.01
Nicaragua	0.09	2.71	0.00	0.01	1.48	0.02
Panama	3.86	18.03	18.70	1.69	3.39	12.48

Source: United Nations

Each member country of the Group of Three accounted for a significant proportion of this group of countries' exports to Central America, although Mexico seems to have the highest value of exports to these countries. The Group of Three exports to Central America represented significant proportions of their exports to the ACS and their imports from Central America, although the significance was lower in the case of Colombia. The main destinations of the Group of Three exports to Central America were Guatemala , El Salvador, Panama and Costa Rica. On the other hand, the main Central American exporters to the Group of Three were Guatemala and Costa Rica and the main destinations of these exports were Mexico and Colombia in 1990 and Mexico and Venezuela in 1994.

IV. STRUCTURE OF INTRA-ACS TRADE

Most of the exports of El Salvador, Guatemala and Honduras to the ACS were in the category of manufactured goods. These products represented 34.75 per cent, 31.80 per cent and 26.09 per cent of these countries' exports to the ACS in 1994. Guatemala's exports to the ACS were mainly synthetic rubber which went mainly to Mexico and Colombia. In addition, exports of chemicals represented important proportions of these countries exports to the ACS. They accounted for 25.49 per cent, 22.42 per cent and 17.01 per cent of these respective countries exports to the ACS in 1994. Exports of Guatemala to the ACS were mainly medicinal and pharmaceutical products, herbicides and insecticides which mainly went to Jamaica, Trinidad and Tobago and Venezuela.

Table 17
Central American exports to ACS countries by SITC section in percentages (1994)

SITC Sections		El Salvador	Guatemala	Honduras	Nicaragua
Food & live animals	0	19.47	23.81	9.64	54.40
Beverages & tobacco	1	1.95	2.04	1.01	2.47
Crude materials inedible except fuels	2	0.55	6.47	22.10	18.64
Minerals fuels, lubricants & petroleum products	3	0.19	0.87	0.21	3.37
Animal & vegetable oils & fats	4	0.76	1.49	7.23	0.03
Chemicals	5	22.42	25.49	17.01	4.09
Manufactured goods classified chiefly by materials	6	34.75	26.09	31.80	8.47
Machinery & transport equipment	7	5.86	4.13	3.19	4.15
Miscellaneous manufactured equipment	8	14.01	9.56	7.76	4.28
Miscellaneous transaction & commodities n.e.s.	9	0.00	0.00	0.00	0.06

Source: United Nations

Products in the foods and live animals category represented more than half (54.4 per cent) of Nicaragua's exports to the ACS. Most of these exports were bovine meat, fish and crustaceans and leguminous vegetables which went mainly to Mexico, Colombia and Jamaica. They also represented 23.81 per cent of Guatemala's exports and 19.47 per cent of those of El Salvador. Most of Guatemala's exports to the ACS in this category were raw cane sugar and prepared cereals which went mainly to Mexico and Venezuela. In addition, products in the crude materials category represented significant proportions of both Nicaragua's and Honduras' exports to the ACS in 1994. These products represented 22.10 per cent of the exports of Honduras and 18.64 per cent of those of Nicaragua. Nicaragua's exports of crude materials were mainly oil seeds and oleaginous fruits, woods, waste paper and hides and skins which went mainly to Mexico, Dominica and Colombia.

Table 18
Group of Three - Colombia, Mexico & Venezuela
Exports by SITC sections as a percentage of total imports from ACS countries 1994

SITC Sections		Colombia	Mexico	Venezuela
Food & live animals	0	n.a.	2.55	32.97
Beverages & tobacco	1	n.a.	2.59	1.99
Crude materials inedible except fuels	2	n.a.	32.32	0.67
Minerals fuels, lubricants & petroleum products	3	n.a.	15.66	33.76
Animal & vegetable oils & fats	4	n.a.	3.90	0.71
Chemicals	5	n.a.	5.93	0.73
Manufactured goods classified chiefly by materials	6	n.a.	1.76	1.35
Machinery & transport equipment	7	n.a.	9.35	3.66
Miscellaneous manufactured equipment	8	n.a.	23.30	24.11
Miscellaneous transaction & commodities n.e.s.	9	n.a.	2.58	0.00

Source: United Nations

Venezuela's exports to the ACS were mainly in the categories of fuels and minerals and foods and live animals. Products in these two categories represented 33.76 per cent and 32.97 per cent, respectively, of total Venezuelan exports to the ACS in 1994. In the fuels category, Venezuelan exports were mainly petroleum oils which went mainly to Trinidad and Tobago, Colombia, Costa Rica, Guatemala, Jamaica and Mexico. Also, Venezuela's exports to the ACS included a significant proportion (24.11 per cent) of products classified in the miscellaneous manufactured category.

Mexico's exports to the ACS, on the other hand, were mainly in the category of crude materials (32.92 per cent) and that of miscellaneous manufactured equipment (23.3 per cent). Mexico's exports in the miscellaneous manufactured equipment category were mainly printed matter which went mainly to Costa Rica. They also included significant proportions of products in the machinery and transport equipment category (9.35 per cent) and the chemicals category (5.9 per cent). In the machinery and transport equipment category, Mexico's exports to the ACS were mainly vehicles, trucks, tractors, electric transformers and air conditioning appliances which went mainly to Colombia, Dominica, Guatemala and Jamaica. Mexico's exports in the chemicals category were mainly chemical products and polymers which went mainly to Colombia, Costa Rica, Trinidad and Tobago and Venezuela.

CDCC exports to other ACS countries included shirts and tyre cords from Dominica and Jamaica which went mainly to Mexico and iron products, fuel oil, gasolene, methanol, urea, iron steel bars from Trinidad and Tobago which went mainly to Mexico, Venezuela, Colombia and Nicaragua. Other exports from CDCC countries included office and stationery supplies, bottles, soaps and herbicides and fungicides mainly from Jamaica and Dominica and which went mainly to Nicaragua and Guatemala.

V. SOME ASPECTS OF ACS MEMBERS' TRADE POLICIES AND OTHER FACTORS AFFECTING INTRA-ACS TRADE

The development of trade requires the implementation of trade liberalization programmes, but also a host of other mechanisms which include constantly updated trade information systems, active trade promotion programmes, well-established export financing and insurance schemes. It also requires adequate transportation networks since the availability of transport and its cost may be some of the factors which are influencing the level as well as the direction of trade in the ACS region. Although transportation links exist between some of the countries of the ACS, mainly those with traditional trading links, it is nonexistent or costly and not reliable between those members of the Association whose trading links are not sufficiently developed.

Although the countries of the ACS are making efforts to provide the necessary supporting mechanisms to the development of their trade, these mechanisms are still almost non existent in some countries, in their early development in others and moderately advanced in others. It is, however, clear that all ACS member countries have recently been engaged in wide ranging economic reforms,

including trade liberalization programmes designed to increase their incomes and the standard of living of their people. These trade liberalization programmes have been implemented either unilaterally or as part of commitments to subregional free trade areas or customs unions or under structural adjustment programmes with the World Bank and the International Monetary Fund. They are still ongoing and are more advanced in some countries than in others.

Trade liberalization programmes implemented by ACS countries have resulted in wide ranging reductions in tariffs and tariff dispersions, the progressive liberalization and in certain cases the elimination of quotas and licensing requirements and the dismantling of exchange controls. In the CDCC area, Guyana, Jamaica and Trinidad and Tobago are among CARICOM countries which have dismantled the very complicated systems of trade and exchange restrictions which they operated in the past. In Central America, Guatemala and Costa Rica are among the countries which have significantly reduced the levels of their tariffs and their tariff dispersion. In both countries, tariffs were brought down to a maximum of 20 per cent for finished goods and a minimum of 5 per cent for inputs and capital goods. In Colombia, average nominal protection had decreased to 12 per cent in 1992 compared to 40 per cent in 1990 and the degree of tariff dispersion was also drastically reduced, in addition to the removal of quantitative restrictions and licensing requirements. In Mexico, a trade liberalization programme was implemented and resulted in the simplification of tariffs by reducing them to five rates ranging from 0 to 20 per cent with an average of 12 per cent (weighted by production) or 6 per cent (weighted by imports)[12].

Trade liberalization within the trade groupings of the ACS region has accelerated recently with the renewed dynamism that the integration groupings have shown over recent years. There has also been a lowering of trade barriers by these groupings vis à vis non member countries. The CARICOM common external tariff is scheduled to be phased down to a 0-20 per cent range by the year 1998 with the exception of agricultural products which will still face a tariff of 40 per cent. The common external tariff of the CACM which has become effective in December 1994 has a range of 5 to 20 per cent.

The Andean Pact whose members are Colombia, Venezuela, Ecuador and Peru has a common external tariff which was scheduled to become effective in February 1995 with a range of 0 to 20 per cent. A tariff of 35 per cent applies to the automotive sector and the reduction of tariffs to conform with the Andean Pact Common External Tariff (CET) is to be phased out over a four-year period for products such as steel and petrochemicals. In addition, the two ACS member countries of the Andean Pact, Colombia and Venezuela, established a free trade area in January 1992. The North American Free Trade Agreement (NAFTA) of which Mexico is a member reduces tariffs and non tariff barriers between its member countries and contains some sector specific and sometimes very restrictive rules of origin. The agreement establishing the Group of Three provides for the reduction of tariffs by Colombia and Venezuela by an average of 21 per cent in 1995 and Mexico by 32 per cent in the same year. The three countries agreed to reduce tariffs among themselves to zero by the year 2005. The ACS countries which belong to subregional groupings apply a variety of trade barriers to

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12 Taken from various IMF publications on Central America and Mexico

trade from outside their respective groupings, including trade with other ACS countries. In addition, to the CET and restrictions imposed by the rules of origin, these countries apply surcharges and stamp duties as well as other duties to trade with other ACS countries.

However, there have been initiatives within the ACS region to facilitate trade between the various trading groups and between the trading groups and individual countries. The CARICOM/ Venezuela and the CARICOM/Colombia agreements[13] which became effective in 1993 and 1994 respectively provide for the free access of products from CARICOM to the Venezuelan and Colombian markets through the immediate reduction of tariffs on some goods and the progressive reduction of tariffs on other goods of interest to CARICOM. CARICOM is to provide MFN treatment to Venezuelan products. In the case of the agreement with Colombia, CARICOM MDCs are to introduce a programme to eliminate or reduce tariffs on a list of products of interest to Colombia at the beginning of the fourth year from the entry into force of the agreement.

Colombia and Venezuela also have entered into agreements with the Central American countries, excluding Panama, to liberalize trade and investment between the parties on the basis of asymmetrical rights and obligations. The Central American countries have a trade liberalization agreement with Mexico which was scheduled to lead to a free trade area by 1996. CARICOM, which now includes Suriname, has an Action Plan for Cooperation with the Group of Three which includes the promotion of trade and investment among the countries involved. CARICOM and Central America have also established a consultative forum whose objective is to strengthen trade and investment relations between the two groupings. There are also a number of other agreements between individual member States of the ACS, i.e. a limited trade agreement between Colombia and Panama, preferential trade agreement between Venezuela and Cuba.

ACS member countries which are not members of any of the groupings have also been implementing economic reform programmes, including trade liberalization. For example, the Dominican Republic undertook a substantial reform of its tariff structure in 1990 which resulted in a new tariff structure containing seven rates ranging 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. In addition, various forms of trade restrictions still exist in these countries despite their trade liberalization programmes. In the case of the Dominican Republic, some non-tariff barriers are still being applied including the prohibition of a number of clothing, ceramics and electrical products. State-owned enterprises are still holding a monopoly on the import of several basic food items. In the case of Haiti, the imports of chicken, sugar, maize and millet are still controlled.

Although the liberalization of trade was widely implemented in the ACS area, there are indications that there are still barriers of various kinds which may be hampering the development of intra-ACS trade.

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[13] See Agreement on trade and investment between Caricom and the Government of the Republic of Venezuela and Agreement on trade, economic and technical cooperation between Caricom and the Government of the Republic of Colombia

CONCLUSIONS AND POLICY PROPOSALS

This examination of trade flows between the countries of the newly-established Association of Caribbean States indicates that the level of such trade is low and that it takes place among a few member countries of the Association. It also indicates that generally exports to the ACS are of very little importance to the countries of the Association representing in most cases very low percentages of their total exports.

Trade between the Group of Three and both CDCC and the Central American countries, although highly concentrated on a few countries, seems to be significant as a proportion of this group's trade with the ACS. Most of Mexico's and Colombia's exports to the ACS go to the Central American countries, while most of Venezuela's exports go to the CDCC countries. Trade between the Central American and CDCC countries does not seem to be significant both as a proportion of these countries' total exports and as a proportion of these countries' total exports to the ACS countries. This trade is also concentrated among a few countries of both groupings.

Intra-ACS trade seems to take place mainly in goods in the manufactured, foods, live animals fuels and minerals categories. It also includes goods in the miscellaneous manufactured equipment and machinery and transport equipment categories in the case of Mexico's exports to the other members of the Association.

Individual ACS member countries are members of various groupings and are parties to various bilateral and multilateral trade agreements, involving both ACS member countries and non-ACS member countries. Since most of these agreements tend to be discriminatory against non member countries, some of their terms may not always be conducive to the development of trade among the member countries of the newly-established Association.

There are also indications that despite the trade liberalization programmes implemented by most countries of the ACS, intra-ACS trade remains limited. This shows that there may be a need for further liberalization of trade in the ACS area and the development of other mechanisms which are just as important as the dismantling of tariffs and other barriers to trade, including exchange restrictions. These include the diversification of production in the countries and the development of exportables, the adoption of export promotion policies and appropriate export financing and insurance policies, as well as the development of transport networks in the ACS countries to adequately serve the need of trade in the newly-established grouping. These efforts should be undertaken in the context of the multilateral trade expansion undertaken by the member countries of the Association since it is that approach which is most likely to bring greater benefits to the countries.

Policy proposals

Although the anti-exports bias has been largely corrected in the Latin American and Caribbean region, it continues to exist to a greater or lesser extent in all the economies[14]. Therefore, ACS member countries should continue the implementation of appropriate trade, fiscal and exchange rate policies designed to make export markets as attractive as home markets and promote the development of exportables. These policies should be accompanied by the establishment or strengthening of institutional systems of export finance and insurance which form an integral part of any export development strategy and could increase the competitiveness of the export products of ACS member countries. The development of adequate transport infrastructure and transport networks in the ACS area is also an important factor in trade development.

The Secretariat of the ACS may wish to take the following initiatives which may assist in the development of trade among its member States and complement the initiatives taken and the export promotion strategies which seem to be widely adopted at the level of its member countries and the various subregional groupings:

(a) Improve the liberalisation of trade among its member countries in collaboration with the secretariats of the various trade groupings through: i) the promotion of the establishment of trade linkages between the various trading arrangements whose members include at least one of its member States; and ii) the promotion of trade linkages among those countries which do not belong to any grouping and the various groupings as well as among individual member countries belonging to different groupings. The objective will be to give all ACS member countries equal opportunities to participate in intra-ACS trade. A study of the various trade agreements in operation in the ACS area may be necessary to assess the effects that these trade agreements may be having on the development of intra-ACS trade and to make recommendations as to how best to make these agreements effective instruments for the development of both intra-ACS trade and trade in general.

(b) Undertake a survey in the ACS area to determine the existence of trade information centres both at the national and the groupings levels as well as the type and details of the information available and promote the dissemination of such information among all ACS member States. For example, the dissemination of the information could be promoted through the publication of a compendium of trade information centres in the ACS area indicating the type and details of the information available. The secretariat could also encourage the expansion of the trade information available to include information on tariffs and other barriers to trade, product specifications, prices, delivery time, possible trade contacts, etc.

(c) Prepare on a yearly basis a programme of trade fairs and exhibitions in the ACS area and distribute it to the public and private sectors of its member countries and encourage their participation. The subregional and national business organizations should be closely involved in this exercise.

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[14] See ECLAC LC/G.1800 (SES.25/3): Policies to improve linkages with the global economy.

(d) Promote jointly with national public and/or private sector organizations or subregional export promotion organizations, such as the Caribbean Export Development Agency, the organization of trade missions within the ACS area and promote other linkages and joint activities between the national and subregional business organizations in operation in the ACS area.