



*The European Union  
and the Caribbean:  
Analysis and Challenges*

-Luis Ritto



Working Paper Series  
Vol. 2 No. 5  
May 2002

## The European Union at the University of Miami

European Union studies were initiated at the University of Miami's Graduate School of International Studies as a scholarly response to the end of the Cold War in the late 1980s, and since then have developed into a strong discipline supported by the professors and students who dedicate much time and effort to develop research topics, publish articles and books, and participate in European Union related activities both at home and abroad. As a result of these efforts, external actors have also contributed to the growth and development of European Union studies at the University of Miami. First, in the Spring of 2001, the European Commission awarded Professor Joaquín Roy a Jean Monnet Chair, one of the first four granted to professors in the United States. The award was given for his efforts in developing courses on the European Union and his scholarly publications in the field. Second, the European Commission awarded a European Union Center (one of the 15 in the United States) to a consortium formed by the University of Miami and Florida International University. The Center's mission is to teach, research, and sponsor activities to promote awareness of the European Union.

The Jean Monnet Chair also founded (thanks to private donations, a subsidy from the Government of Spain, and the endorsement of the Salvador de Madariaga Foundation) the "Salvador de Madariaga" Iberian Studies Institute (as an expansion of the former Iberian Studies Institute) for the study of Spain in the European Union and its relations with Latin America, as well as the "Robert Schuman" European Union Research Institute (thanks to the endorsement of the Jean Monnet Foundation and the Robert Schuman Foundation, in Paris) for the study of European Union institutions and policies, and the role of France in the European Union.

This working paper series is one of many endeavors undertaken to enhance European Union studies at the University of Miami – others include seminars, hosting EU officials, reports and monitors, courses on the European Union, and cultural events. For additional information on European Union studies at the University of Miami, the Jean Monnet Chair, the "Salvador de Madariaga" Iberian Studies Institute, the "Robert Schuman" European Union Research Institute and the Miami European Union Center, their activities and publications, please contact Joaquín Roy at the Miami European Union Center:

Miami European Union Center  
University of Miami  
1531 Brescia Avenue  
Coral Gables, FL 33146-3010  
Phone: 305-284-3266  
Fax: 305-284-4875  
E-Mail: [jroy@miami.edu](mailto:jroy@miami.edu)  
Webs: [www.miami.edu/international-studies/euc](http://www.miami.edu/international-studies/euc)  
[www.euroy.org](http://www.euroy.org); [www.miamieuc.org](http://www.miamieuc.org)

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Luis Ritto \*

Miami European Union Center  
Miami, Florida  
May 2002

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\* Luis Ritto is head of the Caribbean Division of the European Commission in the Directorate-General for Development. He received his B.Sc. in Economics, and his M.B.A. and Doctor of Business Administration from the Washington University. He previously worked as a bank manager in Portugal, Luxembourg, and in the Southern Africa region. Dr. Ritto was also Professor of Development Economics and European Studies at the Universidade Lusófona in Lisbon, Portugal.

# THE EUROPEAN UNION AND THE CARIBBEAN: ANALYSIS AND CHALLENGES<sup>+</sup>

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## **The European Union and Development Co-operation**

### The Union in Europe

The European Union (EU) is made up of 15 countries: Belgium, Denmark, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom. Six of these are the founding members who signed the three treaties which formed the initial framework for the construction of a united Europe – the European Coal and Steel Community (ECSC) Treaty in 1951, and the European Atomic Energy Community (Euratom) Treaty and the European Community (EEC) Treaty in 1957.

The aim of these treaties was the formation of an economic union – facilitating progress towards monetary and political union – in which goods, people, capital and services can circulate freely and where foreign trade, agriculture, fisheries, competition, transport and other sectors of the economy are governed by common policies.

The Single Act (1986) increased the Community's scope and decreed that the internal market should be completed by the end of 1992. One of the main results was to get rid of border controls and consequent delays. Under the Treaty on European Union (1992 – often known as the Maastricht Treaty), the EEC became the European Community (EC), and, together with the common foreign policy and justice and home affairs policy (second and third pillar) was subsumed into a new entity called the European Union. The Union has wider powers than its predecessor, the European Community, especially in the fields of monetary union and a common foreign and security policy.

In addition to the creation of a common currency (the euro, which is in circulation since 1 January 2002), the Maastricht Treaty (based on three pillars: European Communities, Common Foreign and Security Policy and Justice and Home Affairs) gave EU development matters a new dimension. In fact, an article was added to the Treaty – Article 177 – specifying that Community policy in the area of

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<sup>+</sup> This paper on the subject of EU-Caribbean relations (past, present, and future) was drafted for a conference organized by the Miami European Union Center from April 3-6, 2002, in Miami, to which the signatory was invited to attend as a key note speaker. The paper draws extensively on research material of the European Commission (namely of the Directorate-General for Development) as well as on papers from other sources: CARIFORUM, the Caribbean Development Bank, the Journal of the Eastern Caribbean Studies and the Caribbean Group for Cooperation in Economic Development (CGCED). The opinions expressed in this paper are those of its author and do not necessarily represent the ideas and opinions of the institution in which he works (European Commission).

development co-operation was complementary to the policies pursued by the EU Member States and must foster:

- The sustainable economic and social development of the developing countries;
- The smooth and gradual integration of the developing countries in the world economy; and
- The fight against poverty in the developing countries.

Co-operation for development became therefore a Community policy. The Treaty stated also that the European Union should contribute to the general objective of consolidating democracy and the rule of law, the respect of human rights and fundamental freedoms in the developing countries, especially in those countries with which it will establish co-operation agreements.

After Maastricht a new Treaty was signed in the Netherlands on 2 October 1997: the Amsterdam Treaty. It is a Treaty that establishes a more democratic Europe and addresses European social needs. With the new Treaty the idea was also that the European Union make its voice heard on the international stage, while enabling the war on organised crime to be waged more effectively.

The Treaty of Amsterdam has four main objectives:

- To place employment and citizens' rights at the heart of the Union;
- To do away with the last remaining obstacles to freedom of movement and to strengthen European security;
- To give Europe a stronger voice in world affairs;
- To make the Union's institutional structure more efficient with a view to enlarging the European Union.

In December 2000 the Nice European Council approved the review of the EU decision-making procedures to pave the way for enlargement. With it an enlargement strategy came into effect, with a road map for negotiations with the ten European countries that wish to become members of the European Union.

Also in Nice on 7 December 2000 the European Union Charter of Fundamental Rights was signed and proclaimed by the Presidents of the European Parliament, the Council and the European Commission. The Charter sets out in a single text, for the first time in the European Union's history, the whole range of civil, political, economic and social rights of European citizens and of all persons resident in the Union.

These rights are divided into six sections:

- Dignity
- Freedoms
- Equality
- Solidarity
- Citizens' rights
- Justice

They are based, in particular, on fundamental rights and freedoms recognised by the European Convention on Human Rights, the constitutional traditions of EU Member States, the Council of Europe's Social Charter, the Community Charter of Fundamental Social Rights of Workers and other international conventions to which the European Union or its Member States are parties.

The Nice European Council undertook to continue discussions on the definitive status to be given to the European Union Charter of Fundamental Rights, i.e. its possible incorporation into the Treaty of the European Union.

Finally in Laeken (Belgium) on 15 December 2001 the EU Member States decided to launch a Convention with the main objective of studying ways to reform the decision-making machinery of the Union, in order to allow the European Union to accept up to ten new members without disrupting the way it operates. According to the Laeken Declaration "it will be the task of that convention to consider the key issues arising from the Union's future development and try to identify the various possible responses". Among them, the convention should analyse (i) how to bring citizens – and primarily the young – closer to the European design and the European institutions, (ii) how to organise politics and the European political area in an enlarged Union and (iii) how to develop the Union into a stabilising factor and a model in the new multi-polar world.

Mr. Valéry Giscard d'Estaing (former President of the French Republic) was appointed chairman of this convention, and the vice-chairmen will be Mr. Giulio Amato (former Prime Minister of Italy) and Mr. Jean-Luc Dehaene (former Prime Minister of Belgium). The convention, which will hold its meetings in public, is supposed to produce a report, with either options or recommendations, to help EU Member States decide on reforms, probably in 2004.

Another important feature of the convention is that it will have the support of a wide range of people, from the following institutions and bodies:

- 15 representatives of Member States' governments;
- 30 members of EU national parliaments (two from each Member State);
- 16 members of the European Parliament;
- 2 representatives of the European Commission; and
- 39 representatives of 13 accession countries (one from each government and two national parliament members): the representatives of the accession states will be able to take part in the proceedings, without being able to block any consensus.

### The Union in the World

In its relations with other countries, the Union seeks to encourage world trade and the *sustainable* economic development of the poorer countries.

It has supported successive rounds of tariff reductions: at 5.6% the average level of its own external tariff is one of the lowest in the world. It is a party to the World Trade Organisation (WTO) and all international commodity agreements, and has set up a sizeable fund to help stabilise the export earnings of many producer countries.

In addition to being the largest trader in the world, the Union contributes to the economic development of the majority of countries in the Third World. It devotes a share of its annual budget to aid programmes in the southern and eastern Mediterranean, in Asia, in Latin America, and the 77 African, Caribbean and Pacific States. With regard to the ACP States and 20 overseas countries and territories, the bulk of the community assistance is provided by the European Development Fund (EDF); however, the budget's resources to provide finance for security co-operation with non-governmental organisations and in the areas of food aid, rehabilitation, tropical forests, fight against AIDS, etc., has become more and more important.

When talking about the development co-operation of the Union, it should, of course, be borne in mind that some of its members are among the most important bilateral donors. Taken together, the Union's members provide slightly more than 50% of all official development assistance. The EU aid funds represent about 16% of the total aid effort of its Member States.

#### The Lomé Conventions (1975-1999)

Since it came into existence, the development policy of the European Union has been under the legacy of past historical events, mainly the colonial and post-colonial relations between Europe and Africa. In 1957 under the Treaty of Rome, which established the European Economic Community, eighteen African nations were given associate status with the Community. In 1963 and 1969, when the Yaoundé Conventions were signed, the associate status of the African states was renewed.

The accession in 1973 of the United Kingdom, along with Denmark and Ireland, to the then EEC changed the nature of the relationship between the Union and the entire group of developing countries. The concept of partnership replaced the one of association. It was the beginning of the Lomé era. In fact, the Lomé Conventions were to be the central point of the EU development policy from 1975 (when the first Lomé Convention was signed) until 1999 (when the last Lomé Convention, the reviewed Lomé IV Convention, signed in Mauritius in November 1995 came to an end), mainly with regard to the African, Caribbean and Pacific (ACP) group of countries.

The first Lomé Convention, signed in Togo on 28 February 1975 (for 5 years) included 48 developing countries as signatories, including most former British colonies in Africa, the Caribbean and the Pacific. It contained several features which the previous Yaoundé agreements did not have. Among them were:

- The establishment of a System for the Stabilisation of Export Earnings (STABEX);
- The abolition of reciprocity in trade relations between the ACP and EU nations;
- A sugar protocol (committing the European Union to import agreed quantities of cane sugar at guaranteed prices, with a corresponding supply commitment by ACP countries);
- Provisions covering industrial co-operation.

The Lomé II Convention (1980-1985), signed by 58 ACP countries, resembled its predecessor and contained few innovations, except for the establishment of the special financing facility of safeguarding mining production (or SYSMIN, as it was commonly called). On the sectoral level, Lomé I and II addressed mainly the issues of infrastructure and agriculture. This model was regarded as exemplary, but doubt about the effectiveness of aid started to develop and resulted in a crisis of conscience about the legitimacy of development co-operation. From then onwards, and particularly since Lomé III, there was a concerted move towards paying particular attention to the effectiveness of aid and to the policy environment, with a view to ensure credibility.

The Lomé III Convention (1986-1990) was signed at a time when many ACP countries started to face severe budgetary problems as well as difficulties with their balances of payments. It was the beginning of the era of structural adjustment. Lomé III introduced the concept of decentralised co-operation (particularly suited to tackling poverty because it involved projects and microprojects in areas such as housing, irrigation, healthcare and education). It also established a structural adjustment facility for ACP countries that have signed agreements of that type with the International Monetary Fund and the World Bank: such a facility supported priority social sectors (mainly education and health) threatened by public spending cuts. Hard currency was also brought in through import programmes, converted into local currency and placed in a “counterpart fund” to complement the national budget in specified areas.

Lomé IV was signed for a ten-year period (1990-1999), although funding remained on a five-year cycle. This Convention had the following four key characteristics:

- Its ten-year span allowed the participating countries to plan the external contribution to their economies with more confidence;
- It was non-aligned and respected the freedom of the partners to choose their own economic and political systems and development models;
- It combined a wide range of co-operation mechanisms to meet varying needs. This allowed the ACP countries to choose their development mechanisms to suite their own priorities;
- It was based on institutions (the Council of Ministers, the Committee of Ambassadors, the Joint ACP-EU Assembly and a general secretariat based in Brussels) able to raise issues with the various governments of the European Parliament.



Mid-term negotiations in 1995 were not only focused on funding issues, but added provisions on:

- Institutional and political issues (democracy, political dialogue and human rights);
- Trade development;
- Programming of aid (inclusion of EU objectives and priorities and increased flexibility in using resources).

Programmes and projects in ACP countries have been funded through successive European Development Funds, using money contributed by the EU Member States in the form of grants and according to an agreed share. The first EDF fund was set up in 1958 and it has been replenished every five years ever since. Over the years the EDF has grown steadily larger as the following table shows:

EDF 1 :	Euro	569 million
EDF 2 :	Euro	730 million
EDF 3 :	Euro	887 million
EDF 4 :	Euro	3,222 million
EDF 5 :	Euro	4,818 million
EDF 6 :	Euro	7,500 million
EDF 7 :	Euro	10,940 million
EDF 8 :	Euro	13,132 million
EDF 9 :	Euro	13,500 million

Besides EDF assistance, ACP countries have also benefited from an increasing amount of funding from the EU budget that has helped finance operations by non-governmental organisations and special types of assistance such as food aid, restoration of infrastructure, protection of tropical forests and the fight against diseases (especially HIV/AIDS).

Finally, the European Investment Bank (EIB), whose capital is provided by the Member States, raises funds on the capital markets to grant loans to the countries of the European Union and to third countries (including the ACP States and the overseas countries and territories). Each EDF is accompanied by loans financed by the EIB out of its own resources. The EIB provided loans and risk capital to a maximum of € 1,225 million for the period 1991-1995 and € 1,693 million for 1996-2000.

#### Beyond Lomé: The Cotonou Agreement of June 2000

From 1996 to early 2000 the renewal of the Lomé Convention was the subject of intense discussion, encouraged by a European Commission Green Paper on the subject published in 1997. Finally, the ACP-EU ministerial conference of February

2000 produced a new agreement, which was signed in June 2000 in Cotonou, the capital of Benin.

The new ACP-EU partnership agreement draws on 25 years of Lomé experience. Past Lomé Conventions played a unique and important role in North-South relations, but an objective assessment of their success, in the light of new world events and new expectations by policymakers and the public, suggested the need for change.

The new agreement, known as the Cotonou Agreement, will run for 20 years, with a review and new financial protocol every five years. Some areas may also be reviewed annually, at the request of the ACP-EU Council of Ministers. A timetable has been drawn up for the negotiation and conclusion of regional trade agreements. A balance of € 9.9 billion from previous EDFs has been added to the € 13.5 billion in new resources available for allocation over an initial seven-year period.

#### **Five pillars for a new agreement:**

Combining political, trade and development aspects, the new partnership has five pillars:

- A global political dimension;
- The promotion of participative approaches;
- Emphasis on reducing poverty;
- A new framework for economic and trade co-operation; and
- Reform of financial co-operation.

Responsible government and open political dialogue are seen as essential to effective co-operation. In basic terms this means respect for human rights, democratic principles and government by the rule of law. These principles are all essential to the partnership and the European Union will take immediate measures if they are violated. There is also a mutual commitment to the promotion of peace, avoidance of conflict and efficient management of public affairs, including the control of corruption.

The participation of citizens and economic and social organisations is essential to the partnership's success. To encourage this participation, the plan is to tell everyone about the new agreement, to consult widely on the economic, social and institutional reforms and policies supported by the European Union, to encourage non-governmental organisations to take part in programmes and projects and to encourage links between partners in ACP and EU countries.

The number one objective of the new partnership is to reduce poverty and the ways in which this can best be done will determine the strategies for co-operation. The need is for an integrated approach that takes account of the complex nature of poverty and this approach will concentrate on three areas of co-operation: economic development, social and human development, and the integration of regional co-operation and integration. Cross-cutting principles for every area of co-operation are equality between men and women, the sustainable management of the environment and the strengthening of institutional capacities.

The existing trade preferences will continue for a transitional period of eight years (until the end of 2007). For the remaining 12 years of the partnership they will be replaced by economic partnership agreements (EPAs) in line with WTO regulations, preferably to be agreed at regional level. Under the initiative “Everything but Arms”, the 39 least-developed ACP countries have obtained zero-duty entry to the European market for nearly all their exports. The above trade arrangements will be evaluated and implemented according to a timetable which begins in 2002. Until then, during a two-year preparatory period, regional integration processes and the ACP countries’ capacity to negotiate their integration into the world economy will be strengthened.

Financial instruments will be rationalised to make them more flexible and coherent and all resources will be channelled through two mechanisms: global non-repayable subsidies on the one hand, and risk capital and loans to the private sector on the other. Funds will be made available according to an objective system of evaluation, needs and performance criteria.

As well as its own national co-operation strategy, each ACP country will have a national indicative programme or NIP. In each case the authorising officers and heads of delegations will continue to be responsible for implementation, but the people actually involved in each project will play a bigger part in the annual co-operation review.

The existing instruments for supporting export revenue, STABEX and SYSMIN, will be replaced by new mechanisms under the global structure. This should make it easier to anticipate needs and deal with them more promptly.

**Financial resources of the new agreement (million €)**

9 <sup>th</sup> EDF	13,500
Long-term budget	10,000
Regional budget	1,300
Investment facility	2,200
EDF balances	9,900
EIB own resources	1,700

**Summary of the new agreement:**

In summary, the main innovations of the new partnership agreement between the European Union and the 77 ACP countries are its plans to:

- Strengthen the political dimension:
- Explicitly combat corruption;
- Promote participative approaches, involving non-State actors;

- Ensure that citizens are consulted on EU-backed reforms and policies;
- Refocus development policies on strategies to reduce poverty;
- Base the allocation of resources on each country's political performance as well as its needs;
- Create a climate of easy investment to support the growth of the private sector;
- Rationalise financial instruments and introduce a new system of rolling programming to permit regular adjustments to the co-operation programme;
- Decentralise administrative responsibilities in the direction of local people;
- Improve the political framework for the growth of trade and investments; and
- Improve co-operation in all key areas of trade, including new themes such as labour standards and links between the environment and trade.

### The ACP Group

Founded in 1975, with the signing of the Georgetown Agreement, the ACP group is made up of 77 African, Caribbean and Pacific countries<sup>1</sup>: see enclosed, Annex 1.

### Institutions of the ACP group:

1. **The Council of Ministers:** the supreme body with decision-making power. Member States are represented at ministerial level. The Council defines the broad outlines of the Group's policies and examines ACP-EU co-operation as well as intra-ACP matters.
2. **The Committee of Ambassadors:** composed of ACP Ambassadors to the European Union or their representatives, assists the Council of Ministers and supervises the implementation of the EU-ACP agreements.
3. **The ACP General Secretariat:** co-ordinates the activities of the ACP institutions. It is located in Brussels.

### The Association of Overseas Countries and Territories (OCT)

Part Four of the 1957 EEC Treaty outlined the aims and means of the association of the overseas countries and territories. Every five years thereafter, the Council has

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<sup>1</sup> It can be said that there are 78 ACP countries, since Cuba was accepted as a member of this group on 14 December 2000 by the ACP Council Group and became a member of CARIFORUM in October 2001. However, Cuba is not a signatory to the Cotonou Agreement and consequently does not benefit from the provisions of that Convention.

adopted decisions confirming and specifying the characteristics of associations, in line with the five Conventions of Yaoundé I, Yaoundé II (the predecessor of Lomé), Lomé I, II and III, negotiated and signed with the independent States. The decision of 25 July 1991 was concluded, like Lomé IV, for a period of 10 years.

There are a number of parallels between the regulations covering relations with the OCTs and those with the ACP: many points in the association decision of 25 July 1991 are in the spirit of Lomé IV – the various areas of co-operation, for example, STABEX and SYSMIN, the EDF for the financing of development co-operation, regional co-operation, etc. In 1991, the Commission/Member State/OCTs partnership was introduced to enable local OCTs' representatives to be involved in a permanent dialogue with the Union – in contrast to the old system which was mainly confined to a dialogue between the Commission and the central authorities of the Member States whose OCTs were concerned. Like the EU-ACP Conventions, then, the association is based upon open dialogue.

Trade arrangements, however, for products originating in the OCTs are more open than those for products originating in the ACP. The list of OCTs can be found in Annex 2.

#### The Objectives and Instruments of EU Development Co-operation

As previously mentioned, co-operation for development became an EU policy with the Maastricht Treaty of 1992 and was further strengthened by the Communication of 26 April 2000 of the European Commission to the Council on the subject of the Community's development policy. That Communication was endorsed by the Council in a "Joint Statement with the Commission" on 10 November 2000. With that Communication new directions for the EU development policy were agreed, centred on the primary objective of reducing poverty. Parallel with this, the Commission also decided to reform the way it manages external aid programmes, so as to improve project quality, to cut implementation time, to harmonise and simplify financial, technical and contractual management and to increase both the impact and visibility of foreign aid. Besides the emphasis on the fight against poverty, the European Commission has decided to focus its aid on the following six priority areas:

- Support for macro-economic policies which have a direct link with strategies to reduce poverty;
- The link between trade and development;
- Support for integration and regional co-operation;
- Transport;
- Food security and sustainable rural development;
- The strengthening of institutional capabilities, notably in the areas of good governance and the rule of law.

Both from Article 177 of the Treaty establishing the European Union and from the Communication endorsed by the Council in November 2000, it can be said in a summary form that the principles and objectives of the EU development policy are the following:

- Principles: the EU development policy is grounded on the principle of sustainable, equitable and participatory human and social development. Promotion of human rights, democracy, the rule of law and good governance are an integral part of those principles;
- Objectives: the main objective of EU development policy is to reduce and, eventually, eradicate poverty. This objective entails support for (i) sustainable economic, social and environmental development; (ii) the promotion of the gradual integration of the developing countries into the world economy and (iii) a determination to combat inequality.

To put in place such principles and objectives, the European Union believes that ownership of strategies must be in the hands of partner countries, as a key factor to the success of development policies. Besides, co-ordination, complementarity and coherence between the various EU policies and instruments will be increased.

It is useful to add that the European Union also participates in global initiatives to fight infectious diseases and to promote environmental sustainability.

The European Union participates fully in the International Monetary Fund and World Bank initiatives for heavily indebted developing countries, by helping them reduce the net value of their obligations.

For the ACP countries financial and technical co-operation is mainly based on the EDF fund and is organised around three basic principles: (i) the focusing of aid on a limited number of sectors, (ii) dialogue between the Commission and each ACP state and region on aid programming and (iii) co-ordination between the European Commission and the EU Member States and other donors.

## **The Caribbean: Analysis of the Political, Economic and Social Situation**

### Introduction

There are 15 ACP countries in the Caribbean region<sup>2</sup>: Antigua & Barbuda, the Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Suriname and Trinidad & Tobago. These countries are grouped, for EU purposes, around CARIFORUM or the Forum of Caribbean States (which also acts as the regional body for the development and implementation of Caribbean regional programmes and projects). Formally established in 1992 with the aim to co-ordinate the allocation and to undertake the monitoring of EDF resources, CARIFORUM has henceforth become the European Commission's main partner for all matters related to regional co-operation in the Caribbean, namely for the programming of resources and the identification, appraisal and monitoring of regional and sub-regional programmes.

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<sup>2</sup> Or sixteen, if one wishes to consider Cuba as an ACP country; although it is not a signatory to the Cotonou Agreement of June 2000.

Apart from the Dominican Republic all the CARIFORUM members are members of the Caribbean Community and Common Market (CARICOM), which is the main regional integration institution of the Caribbean. The University of the West Indies and the Organisation of Eastern Caribbean States (OECS) are two organisations involved in specific programmes and projects.

CARIFORUM is represented by a Secretary General (statutorily also the Secretary General of CARICOM), based in Guyana. CARIFORUM chairmanship is assumed by the Caribbean Member States, rotating annually by the alphabetical order of their names. For co-ordination purposes, the Ambassador of the CARIFORUM Member State holding the chairmanship acts as their interlocutor in Brussels. Every year in October a high-level meeting takes place between the European Commission and the Member States of CARIFORUM (normally represented at ministerial level), to take stock of political, economic and aid relations between the two organisations.

### Political Situation

With a few exceptions (Cuba and Haiti), the countries of the Caribbean region are governed by democratic principles and have a fairly good record on human rights. However, adjustments to globalisation by the Caribbean countries can lead to the erosion of the social fabric and the economic pillars that have supported democracy and thus increase the exposure to new forms of vulnerability (drug traffic, economic and financial vulnerability), while pockets of poverty are on the increase and can contribute to the deterioration of social harmony and the incidence of crime.

The relations between the European Union and the countries of the Caribbean have developed essentially within the context of the EU-ACP Conventions, particularly in the areas of technical and financial co-operation and trade. Tentative steps have been made to upgrade this relationship and to institute permanent mechanisms of EU-Caribbean political dialogue, namely through the organisation of regular meetings between the European members of the Joint Assembly and Parliamentary Members of the different Caribbean countries on items of interest to both the EU and the Caribbean.

### Economic Features

CARIFORUM countries are characterised by their small size in terms of land area, population and output levels. Seven of these countries have land areas of less than 1000 km<sup>2</sup>. Only Guyana and Suriname have land areas of over 50,000 km<sup>2</sup>, accounting for 74 per cent of the total land area of CARIFORUM. Two countries – Dominican Republic and Haiti – account for 75 per cent of the group's population. These two countries tend to distort the population picture giving an average population of member countries of around 1.5 million. Seven of the group's members, however, have fewer than 200,000 inhabitants. In many of the CARIFORUM States, deforestation and natural disasters lead to serious land degradation. Given the rugged topography of many of the island states, the amount of land available for productive use is limited to narrow coastal strips that must accommodate wide-ranging public and private economic and social activities. Population pressures intensify the many competing claims on the use of the limited land area.

Three countries (Dominican Republic, Haiti and Jamaica) account for over 75 per cent of the group's GDP, while the seven small OECS members' (Antigua & Barbuda, Dominica, Grenada, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines and Montserrat) contribution to the group's GDP is less than one-tenth. GDP per capita averages US\$ 4,786 (2000), and varies widely in the group from high levels (over US\$ 5,000) for the Bahamas, Antigua, Barbados, St. Kitts and Trinidad & Tobago to the lower end (under US\$ 1,000) for Haiti and Guyana. Small size limits the amount and range of both human and physical capital. When comparing the benefits from increasing returns to scale in large economies, these small economies will hardly equal the possibilities for production efficiencies of large economies. Small size is the context within which development options for CARIFORUM countries have to be evaluated. Regional integration is a vital ingredient in a strategy to overcome the limitations of small size.

Despite historically determined similarities in their economic structures, the CARIFORUM countries exhibit widely differing economic performances. The economic performance of the members of the group, in recent years, is uneven. The OECS countries have recorded consistently positive economic growth for the last five years averaging 2.9 per cent, although growth varied across countries of the sub-region from 2 per cent in Dominica to 5.2 per cent in Grenada. The performance of the other economies differed somewhat, with Barbados and Belize averaging 3.4 per cent and Guyana 4.2 per cent. The performance of Jamaica and Haiti have been less than satisfactory with both experiencing negative growth rates. Real GDP growth for the Dominican Republic was particularly robust during the last five years averaging 7.3 per cent annually.

Member countries of CARIFORUM are typically open in terms of their heavy reliance on foreign trade. The economies are heavily dependent on imported commodities and services to meet domestic production and consumption requirements. Given their limited domestic market size, these countries rely mainly on export earnings to generate economic growth.

Given the structure of foreign trade, import duties generate a significant percentage of government revenue for CARIFORUM states, especially those of the OECS. Over two-thirds of the group's trade is with the European Union, United States and Canada. The European Union is the main trading partner for Antigua, the Bahamas, Belize, Dominica, Grenada, Guyana, Montserrat, St. Lucia, St. Vincent & the Grenadines and Suriname. The United States is the main trading partner for Barbados, Dominican Republic, Haiti, Jamaica, St. Kitts and Trinidad & Tobago.

The majority of CARIFORUM countries place heavy reliance on preferential treatment for their exports in the markets of industrial countries. Most member countries have historically enjoyed preferential market access for their exports to North America and Europe. All of the group members except Suriname benefit from the Caribbean Basin Initiative (CBI), which began in 1984 and offered one-way free trade for selected regional exports to the United States. There were, however, significant exceptions to duty-free access in terms of commodities like garments produced in the region. An Enhanced CBI has replaced the original CBI arrangement. CARIBCAN is a Canadian economic and trade development assistance programme,



which allows for duty free entry into Canada for a large number of the region's export commodities. All CARIFORUM member states except Suriname, Haiti and the Dominican Republic benefit from this arrangement, which has been operational since 1985. CARIFORUM countries, as members of the ACP Group, have received preferential treatment from the European Union under the Lomé Convention and its successor arrangement – the Cotonou Agreement. Established in 1990, this facility allows unrestricted entry into the European Union of the most agricultural and all manufacturing exports. Extra advantages by EU States has also been provided to the region's rum, bananas, sugar and beef exports under specific protocols.

The openness of CARIFORUM countries impacts on their vulnerability, especially since there is a concentration of exports of a few goods and services (sugar, bananas, minerals, tourism and financial services), along with a heavy reliance on imports of consumer goods, raw materials and capital goods and a range of services. These features make most of the CARIFORUM economies very vulnerable to further erosion of EU-ACP and other trade preferential arrangements, as well as swings in the prices of critical commodity imports like oil.

The CARIFORUM countries enjoy certain locational advantages. The close proximity to North America (especially the United States) represents an important advantage especially in terms of its large market, which includes a considerable number of Caribbean migrants. This locational advantage also impacts positively on the region's position as a major tourist destination for North America. There also exist many potential benefits for North American firms to locate their operations in the region. However, many of these advantages have not yet been fully exploited by member countries. There are also locational disadvantages that relate to the problems caused by natural disasters, especially hurricanes.

In short, it can be said that the Caribbean countries share a number of common and inter-related features that make them specially vulnerable: *small and open economies* with an un-diversified range of domestic resources, dependency on imports to support local production and satisfy consumer demand and on exports to sustain economic growth; *narrow export base* with great dependence on a small number of mainly agricultural commodities (sugar, bananas and rum), or tourism; *volatility* caused by either economic or financial factors and by frequent natural disasters; *dependence on trade taxes* which remain the main source of government revenue, *historic reliance on trade preferences* from the United States and the European Union, which have counterbalanced adverse external conditions but might have discouraged export diversification.

### Human Development and the Social Situation

#### *Human development indicators*

Fairly high levels of human development characterise the Caribbean States. Based on the UNDP's Human Development Index (HDI), CARIFORUM member countries have performed well with only Haiti falling into the category of low human development. Using data from UNDP Human Development Report 2000, three member states are classified as having high HDIs (Antigua & Barbuda, the Bahamas,

Barbados). However, six member countries (Dominica, Grenada, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, and Trinidad & Tobago) have fallen out of the high HDI classification since 1996. Life expectancy at birth averages over 70 years for member states, except in Guyana (65 years) and Haiti (54 years). Adult literacy rates average over 80 per cent (except for Haiti 48 per cent).

Although characterised by acceptable levels of human development using UNDP Human Development Indices, the CARIFORUM member countries have experienced serious social problems in recent years. These include substantial levels of poverty, high levels of unemployment, growing inequality in the distribution of wealth and income, rising crime, increasing drug use, rising incidence of certain illnesses (like tuberculosis and gastro-enteritis). In addition, the region has become the largest conduit for cocaine transshipment from South America, while there are also increasing levels of production and export of marijuana. A few of these problems are now discussed.

### *Poverty and income inequality*

Based on percentages of the population in poverty, poverty levels in the Caribbean range between 8 and 35 per cent, representing a significant proportion of households. There are wide variations in the levels of national poverty with Haiti as the highest to Bahamas at the lowest level. The main sub-groups among the poor include elderly persons, children, disabled persons, small farmers, indigenous people and, in some countries, female-headed households. Poor households are characterised by their large family size, overcrowded living conditions, low educational levels and limited access to public income and private resources. In terms of regional poverty, its incidence among rural households is significant.

Based on the standard measure of income inequality – the Gini Coefficient – marked inequalities exist throughout the region. Jamaica is reported as having among the lowest levels of income inequality in the region with a Gini Coefficient of .372 while Suriname, with almost twice that (.66), is among the highest. Unemployment rates in the region are also significant with St. Lucia and Jamaica exhibiting the highest. The burden of unemployment falls mainly on women, youth and some rural groups. There are also fairly high levels of under-employment.

### *Education*

There has been considerable improvement in the education sectors of the Caribbean countries over the last decade. Except for Haiti, over 85 per cent of total investment in education in the region is obtained via public sector financing. The regional average of educational expenditure as a percentage of GDP is about 4 per cent, ranging from 2 per cent in the Dominican Republic to 7 per cent in Jamaica. All countries have some form of basic education for their students up to fourteen years of age. Many of the Caribbean States have attained the target of universal secondary education. In addition to increasing access, emphasis is being placed on improving the quality of education through teacher training and curriculum development.

Although low by international standards, enrolment in tertiary institutions is increasing.

## **HIV/AIDS**

The official statistics indicate that about 400,000 people are living with HIV/AIDS in the Caribbean region, with the percentage of adults aged 15 to 49 years living with HIV/AIDS being almost 2 per cent. The Caribbean has the second highest HIV prevalence rate in the world after Sub-Saharan Africa and the highest AIDS incidence rate (new AIDS cases per million population per year) in the Americas. In Haiti, the Bahamas, Barbados, Dominican Republic and Guyana, the HIV/AIDS epidemic has spread to the general population, while in the other Caribbean countries the epidemic is concentrated among the high-risk groups but is growing rapidly and close to spreading to the entire population. The HIV/AIDS epidemic in the Caribbean has placed a severe burden on the health systems of the region, especially leading to increasing costs of health care. It is projected that, unless seriously curbed, level of productivity and output in most of the region's key economic sectors could be seriously reduced.

## **Drugs**

Based on the limited available data, drug trafficking and consumption in the Caribbean region have showed increasing trends over the last five years. Given their long coastlines and extended maritime spaces, which are beyond the surveillance capacities of the national and regional authorities, drug transshipments through the region have become significant. The Caribbean Drug Control Coordination Mechanism (CCM)<sup>3</sup> estimates that about two-thirds of total cocaine leaving South America for world markets passes through the Caribbean. By 1999, the Caribbean had become the world's biggest cocaine transit hub. The cocaine trade accounts for 85 per cent of all income generated by the drug trade in the Caribbean, while marijuana production and sale accounts for the remaining 15 per cent. The estimates show that drug consumption in the region is increasing in almost every country. Although crack, cocaine, heroin and amphetamine-type drugs are all showing increased levels of consumption, marijuana is the most widely used drug.

### Ecological Vulnerability

In terms of ecological vulnerability, the Caribbean economies are also marked by fragile, endemic eco-systems. These are susceptible to damage, many times irreversible, as a result of human settlement and industrial development, including tourism. The region is also marked by a significant propensity for natural disasters. A

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<sup>3</sup> CCM, Drug in the Caribbean. 1999/2000 Trends.

1997 report on natural disaster propensities in the world notes that: “no country in Central America and the Caribbean has a risk level which could be defined as low.”<sup>4</sup> Climate change is also likely to exacerbate the region’s vulnerability to natural disasters. The available empirical evidence is that, on average, annual temperatures in the Caribbean have increased by more than 0.5°C, between 1900 and 1995. Average annual rainfall on these islands has also varied over the period under consideration, declining by approximately 250 mm.

While the general literature on climate change does not anticipate any changes in the frequency, intensity or distribution of extreme events, Gray (1993) sets out a scenario in which the sea-surface temperature in the region of the Caribbean Sea could increase as much as 1.5°C with a likely 40% resultant increase in hurricane activity in the region. In addition, the International Panel on Climate Change (IPCC) includes a scenario in which the sea level could increase by an average of 5 mm per annum. Klein and Nicholls (1999) have concluded that such a sea level rise could have several negative impacts on natural coastal systems including higher probability of floods, beach erosion, inundation of coastal areas, rising water tables and related salt water intrusion. Some of the likely “known” effects include changes to ecological flora and fauna as well as in rainfall pattern and hence water availability. The agricultural sector will be directly affected by these changes, especially in terms of probable changes in temperature, rainfall, length of growing season and extreme events. Related indirect impacts on agriculture are likely to include unanticipated/undiagnosed pests and diseases.

#### Recent Economic Developments in the Caribbean

All Caribbean countries experienced positive economic growth during 2000, except Dominica. Belize was the fastest growing with a GDP growth rate of 8.1%, with Barbados at 3.7% and Jamaica just over 1%. Although positive, growth rates in the Bahamas and Guyana slowed down in 2000, relative to 1999. GDP growth rates were also lower for Antigua & Barbuda, St. Vincent & the Grenadines, Dominica and St. Lucia, while the growth performance of Grenada and St. Kitts & Nevis for 2000 exceeded 1999 levels. The sectoral performance of CARIFORUM countries was varied throughout 2000: this is discussed in the paragraphs which follow.

Generally, the performance of the predominantly exported agricultural sector was weak. During 2000 sugar production and exports, however, increased in all group members, except Guyana. Banana production increased in the Windward Islands and Belize, mainly due to improved field practices. Jamaica’s output fell as a result of drought conditions. The banana industry in the region was affected by declining world prices resulting from excess supply of bananas.

The manufacturing sector of the Caribbean showed a mixed performance during 2000, characterised by attempts to respond to increasing global competition which has resulted in cheaper imported goods. In Belize and Trinidad & Tobago the sector performed well with output levels rising substantially. Other members of the region,

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<sup>4</sup> As cited by Crowards in a report dated 1999.

however, experienced declining output as a result of difficult domestic production conditions and competitively priced imports.

Although the construction sector experienced slow growth in most members of CARIFORUM, there was some buoyancy in Antigua & Barbuda, Belize, Grenada, Jamaica and St. Kitts & Nevis. Much of this activity was dominated by private sector led construction. In some countries, hurricane damage repair work contributed to the growth in the sector while in others, refurbishment of tourism plants was undertaken.

The tourism sector in the group showed mixed results during 2000. Many destinations including Antigua & Barbuda, St. Kitts & Nevis and St. Lucia experienced reduced stopover visitor arrivals resulting mainly from hurricane damage of tourism plants as well as increased airfares. However, the Bahamas, Barbados, Belize and Jamaica experienced strong growth in spite of increasing airfares. Cruise ship arrivals performed generally better than stopover arrivals, especially for Antigua & Barbuda, Barbados, the Bahamas and St. Vincent & the Grenadines.

This sector was further adversely affected by the attacks of 11 September 2001 in the United States, which resulted in a significant drop in tourist arrivals in the Caribbean, especially for those island countries that depend mainly on the US market for visitors.

The offshore financial services sectors in a number of Caribbean countries anticipated considerable problems when OECD agencies published a list of countries that were either categorised as tax havens, identified as failing to maintain adequate financial sector regulations and/or providing “harmful tax competition.” Many regional economies, which rely on offshore banking and non-bank financial institutions, expressed serious concerns about the negative effects of these published statements. However, to date, there have been no significant consequences for the region’s economies resulting from this blacklisting.

In terms of regional integration movement, CARICOM countries have been giving priority to those policies related to liberalising intra-regional trade and harmonising tariff arrangements. Concerning the implementation of the Common External Tariff (CET), all member countries of CARICOM except Antigua & Barbuda and Dominica had fully implemented the CET. Other planned arrangements to fully liberalise intra-regional trade were hardly implemented with any enthusiasm, while those related to the free movement of persons across the CARICOM region were dealt with cautiously. Public statements by CARICOM’s political leaders suggest that serious attempts are being made to identify and remove those constraints that hamper the speedy implementation of the Caribbean Single Market and Economy (CSME), as the recent meeting of CARICOM Heads of Government in Belize shows. In fact, those leaders agreed from 3 to 5 February 2002 in Belize on a set of measures dealing with the removal of restrictions on the right of establishment, provision of services and movement of capital to begin in effect on 1 March 2002. However, for specific cases in which CARICOM member states cannot remove such restrictions by March 2002, a deadline of 2005 has been agreed. The Heads of Government also moved to complete the basic legal framework to progress with the implementation of the Caribbean Single Market and Economy. Finally, at the Belize meeting the CARICOM leaders recommitted themselves to the early establishment of the

Caribbean Court of Justice and established a committee to work out the details regarding the financing of that institution.

### Regional Economic Integration

Regional economic integration in the Caribbean started with the establishment in May 1968 of the Caribbean Free Trade Area (CARIFTA) with twelve Commonwealth Caribbean countries signing the Agreement. With the formation of CARICOM on 1 August 1973, with the Treaty of Chaguaramas, it was decided to deepen the regional integration process with the creation of a common market. In 1989, the Heads of Government of the Caribbean Community at the 10<sup>th</sup> Meeting of the Conference in Grand Anse, Grenada, declared their intention to deepen the integration process by moving towards a Caribbean Single Market and Economy. On a sub-regional level, economic integration is being pursued by the Eastern Caribbean countries through the OECS, which was established in 1981 through the Treaty of Basseterre. The OECS Secretariat represents the interests of its member states at CARICOM and supports member states with the implementation of regional integration measures and programmes.

Regional integration in the Caribbean is proceeding, therefore, in the context of economies that have traditionally been open and dependent on trade. The regional integration process in the CARIFORUM region is undertaken at various levels. As mentioned above, the CARICOM countries aim to achieve a Caribbean Single Market and Economy, involving free movement of factors of production. The CSME is intended to function as a platform facilitating the integration of the region into the wider international environment. To extend this platform CARICOM has concluded a free trade agreement with the Dominican Republic. As part of the wider integration process CARIFORUM countries are engaged in the preparatory process of the Free Trade Agreement of the Americas (FTAA). The CARIFORUM region is also pursuing integration in the world economy, as the member countries are introducing WTO compliance in their trade regimes.

The focus of this section is the recent integration experience of the main CARIFORUM member countries all of which are members of CARICOM. The recent experience of the Dominican Republic – the only non-CARICOM member of CARIFORUM – with the regional integration process will also be highlighted.

In its first two decades, the Caribbean regional movement emphasised the deepening of the integration process among its members and focused mainly on improvements in intra-regional trade. However, in recent years, the movement has recognised the implications of an increasingly globalised economic environment and has initiated the process of widening the grouping by admitting new members as well as negotiating free trade arrangements with its Latin American neighbours.

The performance of CARICOM countries with respect to their intra-regional trade still remains an important indicator of the success of the regional integration movement and has received priority treatment by the region's political leaders. Although showing positive signs during the 1990s, CARICOM intra-regional trade remains relatively limited. Intra-regional imports increased by an annual average of around 8 per cent during the 1990s, while extra-regional imports grew by a slightly

lower percentage of 6.74 per cent. Intra-regional imports have averaged about 10 per cent of the region's total imports during the 1990s. During the same period, intra-regional exports increased by an annual average of about 9.6 per cent, compared with negligible annual growth for extra-regional exports. What is particularly significant here is that intra-regional exports now account for 22 per cent of total CARICOM exports, rising from 12 per cent in 1990. There has been a marked difference in the growth rates of the region's total exports to and imports from extra-regional sources during the 1990s with exports growing by only 4 per cent while imports rose by 55 per cent.

On closer examination of intra-regional trade trends during the 1990s, some interesting results emerge. The relative share of intra-regional exports as a percentage of total exports of the various member countries shows wide variation. For Barbados, Dominica, Grenada and St. Vincent & the Grenadines, intra-regional exports as a percentage of total exports were significant, averaging over 49 per cent during the period. For other countries like Jamaica, Belize, Suriname and St. Kitts & Nevis, this percentage was negligible. As a group, the OECS countries exported a significant share of their total exports to CARICOM markets, with the share rising from 25 per cent of total in 1990 to 38 per cent in 1998. Not unexpectedly, in terms of the value of intra-regional exports, Trinidad & Tobago remains the leading exporter of goods to regional markets mainly as a result of its intra-regional petroleum exports.

At the beginning of the 1990s, Barbados, Jamaica and Trinidad & Tobago were the top three importers of regional goods. By the end of the decade, Jamaica had replaced Barbados as the leading importer of regionally produced commodities. It is to be noted that during the decade of the 1990s all CARICOM members except Trinidad & Tobago recorded negative intra-regional trade balances, mainly as a result of that country's growing levels of petroleum and manufactured goods exports to the rest of the region.

Recent data (CTIR 2000) shows that petroleum is the leading intra-regional export commodity, accounting for about one-third of total intra-regional exports. Apart from petroleum, the top six intra-regional export items in terms of value are paper and packaging materials, beverages and aerated waters, edible products and agro-based preparations, washing liquids, detergents and other cleaning preparations, building cement and iron and steel.

In examining intra-CARIFORUM trade flows, it is necessary to focus on CARICOM-Dominican Republic trade patterns. CARICOM-Dominican Republic trade has increased since 1990 with CARICOM exports to the Dominican Republic rising from US\$ 16.8 million (or 0.6% of CARICOM exports to Western Hemisphere destinations) in 1990 to US\$ 67.3 million (or 2.1 per cent of CARICOM exports to Western Hemisphere destinations) in 1998. The main CARICOM exporter to the Dominican Republic is Trinidad & Tobago which has a diversified portfolio of exports comprising steel bars and rods, petroleum products, rum and aerated beverages. On the import side, CARICOM's imports from the Dominican Republic have not risen as significantly as exports to the Dominican Republic. Imports were valued at US\$ 8.2 million (or 0.2 per cent of CARICOM imports from Western Hemisphere destinations) in 1990 and grew to US\$ 13.0 million (or 0.2 per cent of

CARICOM imports from Western Hemisphere destinations) in 1999. Jamaica is the main CARICOM importer of goods from the Dominican Republic, followed by Trinidad & Tobago and Barbados.

Services are expected to make a significant contribution to the development of a well functioning regional market and complement other sectors like manufacturing. It has been recognised that there are potential benefits to the region, which arise through regional co-operation and integration. These are likely to arise where market power, financial and human resources and development costs are pooled by member states so as to increase efficiency and reduce risk. Tourism is the dominant service export in the region accounting for almost half of its exports of goods and services and employing about 25 per cent of its workers. To date, non-tourism services have not been particularly well developed, although there exist potential benefits for trade in areas such as informatics, entertainment and financial services.

Trade in services in the region has not yet been liberalised. This involves facilitating various cross-border transactions, relatively free movement of labour and capital and ease of establishment of subsidiaries. However, within the regional integration process, serious constraints exist in these areas.

The free movement of labour in the region still remains a serious constraint to the economic integration process. Although covered in Protocol II of the CSME, which has been signed by 13 member states of CARICOM and entered into provisional application in July 1998, there is very slow implementation of the necessary policies required to permit intra-regional labour mobility. To date, free movement of labour is limited to graduates of approved universities and persons working in certain professions. Labour-related issues like common certification of educational achievements and transferability of social security benefits are yet to be implemented. The free movement of labour is expected to permit businesses operating in the region to access a wider range of skills than is available in any one country and, as such, enhance business efficiency as well as attracting new potential investors.

Free movement of capital in the region still faces serious constraints. These include restrictions on foreign investment in the financial sector through prohibiting foreign institutions or by licensing, and restricting consumers who purchase financial services to obtaining these from local institutions. In the last three years there has been an increase in intra-CARICOM investment mainly in the OECS countries by investors predominantly from Trinidad & Tobago, Barbados and Jamaica. Although there are significant data constraints, available data shows that Caribbean investments in OECS countries have increased from EC\$ 114.6 million in 1995 to EC\$ 187.1 million in 1998. Intra-CARICOM cross-border investment tends to be mainly in the financial, distribution and light manufacturing sectors. The various entry modes of intra-Caribbean investors range from 100 per cent participation, majority ownership (50-99 per cent) and minority ownership (less than 50 per cent).

Detailed information on intra-Caribbean cross-border portfolio investment is limited. In its early years, cross-border securities were fairly adequately recorded due to the existence of capital controls requiring the monetary authorities to prove permission for such transactions. With liberalisation of foreign exchange markets,



such information is not readily available. Available data indicates that cross-border securities trading in the region has declined. One explanatory factor appears to be concern for exchange rate risks associated with investing in those markets with weak currencies.

## **EU-Caribbean Relations (1975-2002)**

### **The ACP-EU Agreements**

The successive Lomé Conventions which, as mentioned in point 2.3 were in place from 1975 to 1999, have enabled the Caribbean to benefit from an enhanced framework of reference for political dialogue, trade and development co-operation, as the following paragraphs will show. Beginning in June 2000, the Cotonou Agreement replaces the Lomé Conventions for a twenty-year period (2000-2020).

### **The Relations with the Caribbean**

The *political dialogue* with the Caribbean develops mainly via the Joint ACP-EU institutions, in particular the Council of Ministers and the Joint Assembly that includes Members of Parliament of the signatory states. On the regional level, a specific yearly dialogue between the European Commission and CARIFORUM was set up and has taken place for several years.

Political co-operation is very active in numerous fields and provided the Caribbean with the possibility to diversify political, economic and trade relations. The EU and the Caribbean base their political systems on pluralist democracy, fundamental rights and the rule of law, acting together in facing global challenges through multilateral approaches.

**Trade relations:** In 2000, the European Union imported slightly over € 3 billion worth of goods from CARICOM and another € 300 million from the Dominican Republic. The European Union exported almost € 3.5 billion to CARICOM and € 1.116 billion to the Dominican Republic. The main EU imports were aluminium, rum, sugar, bananas and oil. Main exports included various industrial goods. The EU is a major supplier of tourists to the Caribbean. Trade in services increased significantly during the 1990s, while EU direct investment in the Caribbean during 1999 amounted to over € 1 billion.

The European Union's enhanced trading rules on *bananas* have long been a significant issue in the trade relations with other parties in the Western Hemisphere. The European Union's Understandings with the United States and Ecuador have now led to a resolution of the dispute, resulting in a continuation of the tariff quota system until 2006 at the latest, when the banana market will be protected solely through tariffs. During this transitional period, the reservation of one quota for the Caribbean with a waiver obtained in the WTO will be of benefit to the Caribbean. In parallel, through a Special Framework of Assistance, the European Union has been providing the Caribbean traditional banana producers with a yearly average of € 33 million since

1999, aimed to promote diversification, enhance productivity and alleviate social dislocation.

Many Caribbean countries benefit from the *Sugar Protocol* that provides for specific quantities of sugar to be imported into the European Union at a guaranteed price. This protocol has proven to be an important export instrument in many Caribbean countries. Stemming from commitments in the ACP-EU Agreement, the ground is being prepared for a rice-specific programme in support of Caribbean *rice* exporters, designed to enhance the efficiency and competitiveness of this sector. Unrestricted, duty-free access for ACP *rum*, whose production and export is important for a number of Caribbean countries, is also foreseen in the ACP-EU Agreement. Given the wider liberalisation in the sector, the EC has launched a rum-specific programme of € 70 million in support to the Caribbean, designed to encourage the modernisation of the industry, develop its marketing and diminish the environmental impact of the industry.

**Development co-operation:** Through the successive five-year European Development Funds (EDF), the European Union is by far the principal grant donor to the Caribbean. At the level of financial and technical co-operation, assistance from the European Union to the ACP states and OCTs of the Caribbean in the first 25 years of co-operation (1975-2000) amounted to € 2,323 million. Assistance from the European Union focused primarily on transport and communication infrastructure, business development and tourism, agriculture and fisheries development, governance, environment and the development of human resources (including education). Another important area of support was *drugs control* in the framework of the Barbados Plan of Action (BPA), a balanced approach (supply and demand reduction) through which the European Union has contributed to enhance the capacity of the Caribbean region in the areas of maritime co-operation, money laundering, epidemiological surveillance and the fields related to demand reduction. EU-Caribbean efforts in Latin America are carried out through the EU-LAC Co-ordination and Co-operation Mechanism, which is the only bi-regional mechanism on drugs that exists in the world.

One of the major features of EC development co-operation is the support of *regional integration and co-operation*. The European Union and the Caribbean share the principle that regional integration and co-operation foster economic and social development, improve and consolidate good governance and promote stable and peaceful relations among nations. In the Caribbean the EU support builds on the important efforts deployed by the Caribbean region, CARICOM states in particular, aimed to foster economic integration through the creation of a Single Market and Economy, to strengthen the region's external position through the co-ordination of foreign policies and to pool scarce resources through functional co-operation in social, environmental and technical areas. From 1976 to 2000 € 353 million were allocated to regional integration and co-operation, with focus on business and trade facilitation, the development of an integrated 3<sup>rd</sup> level education system, transport infrastructure, tourism development, disaster preparedness, drugs control and health. The enhancement of cross-border relations between the Dominican Republic and Haiti on the impoverished island of Hispaniola and the incorporation of both countries into the Caribbean integration process were also areas of priority.

<b>EU development co-operation 1976-2001</b>	
<b>Instrument of co-operation</b>	<b>€ million</b>
Programmable co-operation (individual countries)	1,234
Regional co-operation	353
Stabilisation of export earnings (Stabex and Sysmin)	252
Structural adjustment	165.3
SFA bananas	132
Emergency aid	117.1
Progr. In support to the Caribbean rum industry	70
<b>Total</b>	<b>2.323.4</b>

In addition to these figures, for the period 2001-2005 – in the framework of the 9<sup>th</sup> EDF – an additional amount of 690 M€ has been allocated for country programmes while an initial amount of 57 M€ has been dedicated to regional programmes.

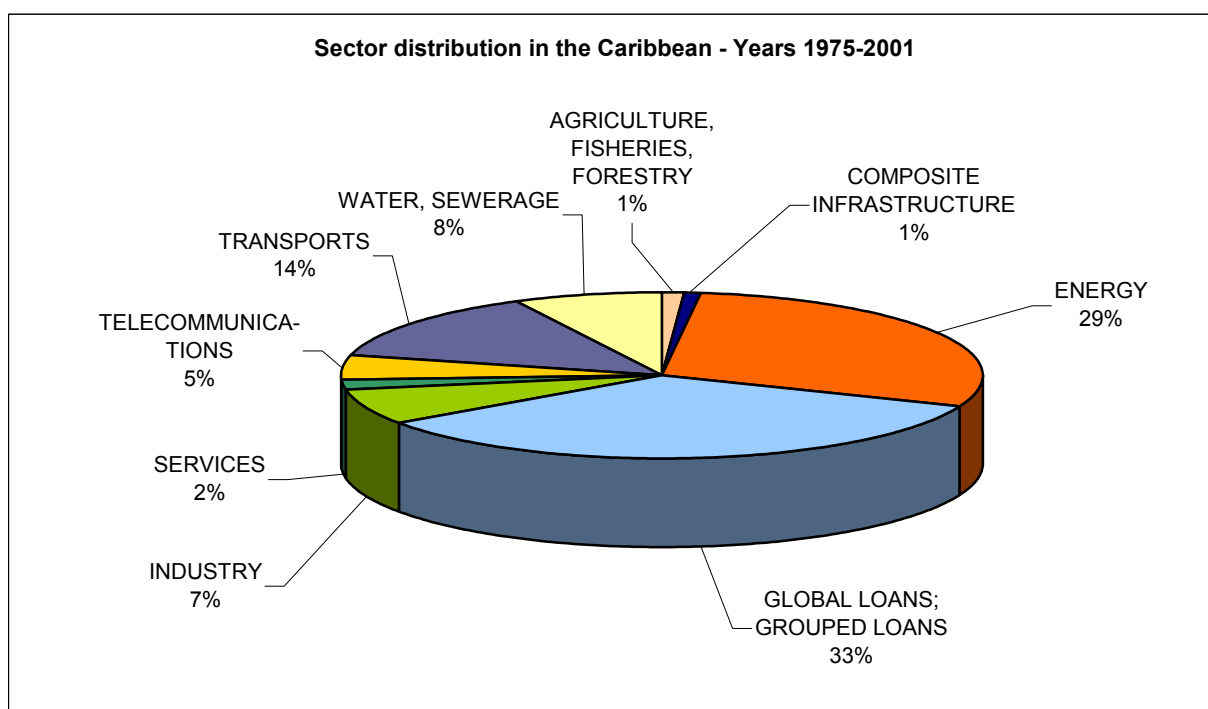
### **The European Investment Bank (EIB)**

Under the successive Lomé Conventions, the European Investment Bank has also been a significant source of finance for all the Caribbean ACP countries and the region.

<b>EIB financing in the Caribbean 1976-2001</b>	
<b>Financing instrument</b>	<b>€ million</b>
Risk capital (from EDF resources)	269
EIB own resources	585
<b>Total</b>	<b>854</b>

The main focus of EIB operations has been financial support for SMEs, through local financial intermediaries. Generally, the intermediaries have been the national, government owned development banks which were established in most Caribbean countries after independence. Looking to the future, the Bank expects to play an important role in the deepening and strengthening of financial markets, particularly at the regional level.

## Sector distribution of EIB loans to the Caribbean – Years 1975-2001



### Centre for the Development of Enterprises

The Centre for the Development of Enterprises (CDE) is an EU-ACP organisation that was established during the period of the Lomé Conventions and which has seen its scope enlarged with the Cotonou Agreement of June 2000. The CDE provides (i) non-financial services to ACP companies and businesses and (ii) support for joint initiatives set up by economic operators of the European Union and of the ACP States. The main tasks of the CDE are to:

- Facilitate and promote business co-operation and partnerships between ACP and EU enterprises;
- Assist with the development of business support services through support for capacity building in private sector owned organisations or support for providers of technical, professional, management, commercial and training support services;
- Provide assistance for investment promotion activities, such as investment promotion organisations, organisation of investment conferences, training programmes, strategy workshops and follow-up investment promotion missions; and
- Support for initiatives that contribute to develop and transfer technologies and know-how and best practices on all aspects of business management.

The CDE has been very active in the Caribbean, where it has provided support and assistance to almost 500 companies since 1975 amounting to more than € 18 million.

## **The EU Relations with Cuba**

Cuba is the only Caribbean country without a co-operation agreement with the European Union, although it is a recipient of humanitarian assistance and specific actions designed to open its society and economy.

The country joined CARIFORUM in October 2001 and has signed a “partial scope” free trade zone with CARICOM.

The European Union’s Cuba policy is based on:

- Dialogue with a view to encourage a peaceful transition to a pluralist democracy;
- Constructive engagement;
- Economic recovery;
- Improvement in the living standards of the Cuban people.

Some 16% of the total Cuban population has benefited from this aid. The food security programme provided € 20 million in the first five years of EU assistance, targeting close to half a million people.

Since 1998 and until 2001, the budget lines co-financing of NGOs and economic co-operation with Latin American countries have increasingly been used for projects in Cuba, with funding totalling € 28.2 million.

Since 1993, the European Union has financed close to € 125 million of assistance measures, primarily in the field of humanitarian aid through the European Union’s Humanitarian Aid Office (ECHO).

## **Conclusion**

The European Union is a major development partner of the Caribbean and intends to continue to play a major role there in the future. The various fields of co-operation in which the European Union has been active – education, health, transport infrastructure, tourism, trade, governance, environment, development of human resources and regional integration – have provided tangible results. On the other hand, the Caribbean States appreciate the special relationship that the European Union has been able to establish and develop with them, as Europe provides the Caribbean with an important source of diversification in their political relations and also in their co-operation, economic and trade relations.

## The Caribbean within the EU-Latin America Context and Relations

### The Rio Summit – June 1999

The first Summit between the Heads of State and Government of Latin America and the Caribbean and the European Union was held in the city of Rio de Janeiro on 28 and 29 June 1999.

The European Union, Latin America and the Caribbean (LAC) share a *political vision based on human rights, democracy, the rule of law and democratic institutions, sustainable development and the need for a development model and world globalisation centred on the human being*, thereby concerned with the exclusion of unemployment and poverty. They share economic policies based on trade opening, the attraction of foreign investment, the deepening of regional integration and free competition.

The European Union and LAC also share a *common support for multilateralism and can co-ordinate their positions on many items of the global agenda*, such as the fight against terrorism, global warming and other environmental issues, conflict prevention, disarmament, the fight against drugs, money laundering, small arms control, etc.

Until 1999, EU relations with Latin America and the Caribbean were mainly based on a sub-regional approach, where the political and economic dialogue and the co-operation instruments were adapted to the various sub-regional realities:

- the preferential trade instruments like the GSP and the Lomé Conventions and, under the Cotonou Agreement, the forthcoming WTO compatible Economic Partnership Agreements;
- the mechanism of the San José agreements with Central America;
- the "third generation" co-operation agreements like that of the EU-Andean Community;
- the more advanced "fourth generation" agreements like the Interregional EU-Mercosur Co-operation Framework Agreement (1995), the EU-Chile Co-operation Framework Agreement (1996), and the EU-Mexico Agreement of Economic Association, Political Co-ordination and Co-operation (1997);
- the EU-Rio Group political and economic dialogue.

Building upon this asymmetric "wealth" --which reflects the internal diversity of the LAC region-- but being *determined to strengthen the relations and press the issues on which their views and interests converge more effectively*, the Heads of State and Government of the EU-LAC decided to convene a Summit in June 1999 with the objective to reinforce the links of political, economic and cultural understanding and work towards a strategic partnership rooted in a common will.

This partnership focuses on:

- Strengthening representative and participatory democracy and individual freedom;
- The rule of law, good governance, pluralism;

- International peace and security;
- Political stability and building confidence among nations.

Among the **decisions taken at the Summit**, it is worth highlighting the following:

***In the political field***

- Reinforce institutional dialogue between both regions;
- Preserve democracy and promote and protect human rights and fundamental freedoms;
- Work together to confront the threats to international peace and security.

***In the economic field***

- Strengthen the multilateral trade system, open regionalism and intensify economic relations between both regions;
- Promote liberalisation of trade as a means of increasing prosperity and of combating the destabilising effects of volatile financial flows;
- Provide special attention and support for countries with smaller economies through incentives for productive investment.

***In the cultural, educational, scientific, technological social and human fields***

- Promote the recuperation, preservation and better knowledge of the vast cultural heritage of both regions;
- Promote universal access to education;
- Promote and preserve cultural diversity.

The Caribbean countries (including Cuba) participated actively in the Rio Summit of June 1999 and expressed there their wish to strengthen political, economic and social ties with the countries of Central and South America. One of the most tangible results of this approach is certainly the Margarita Summit of the Association of Caribbean States, which took place in December 2001. The EU-LAC relationship figured in the final declaration, as follows:

Recalling that the first European Union/Latin America and the Caribbean Summit (EU/LAC), held in June 1999, defined a strategic association, aimed at developing political, economic and cultural relations between the two regions, we recognise that the Second EU/LAC Summit, to be held in Madrid, Spain, in May 2002 will be an opportune occasion to consolidate the aforementioned association and to promote participatory and equitable dialogue between the countries of the Greater Caribbean and the EU/LAC.

In addition, the 28 ACS countries that attended the Margarita Summit pledged to strengthen regional co-operation, integration and trade in the wider Caribbean. And they confirmed that they will focus their work on trade, transport, sustainable tourism and natural disasters.

Another positive step was the meeting held in Belize on 5 February 2002 by the leaders of the Caribbean and Central America. In that meeting it was agreed that the

22 countries of the two regions will seek a free trade agreement by 2004, with a view to increase the level of trade and other commercial relations between them.

Therefore, more and more after the Rio Summit of June 1999 the Caribbean countries are not only looking North (to the United States, the European Union and Canada) for their economic and trade relations, but also to their closest and most natural neighbours of the wider Caribbean and Central America. This is a step that the European Union supports, as it can only lead to more trade and understanding among those countries and regions.

In summary it can be said that while relations with the *Caribbean* countries continue to be developed in the framework of the Cotonou Agreement, *the new bi-regional concept introduced in Rio has been a useful tool in encouraging the co-operation and integration of CARIFORUM with the Latin American partners of Central America, Mexico and the northern part of South America.*

### **Progress made since the Rio Summit**

Since June 1999 progress is being made in terms of what was agreed at the Rio Summit, especially in the following fields:

- ***Political field:*** the *promotion and protection of human rights*, in particular civil and political rights, the support for democratic political systems and the promotion and protection of economic and social rights.

The objective is to identify specific constraints in the region and possible responses, to encourage the pooling of experience on the most effective policies, to seek –if necessary- new approaches to the long-term development of co-operation methods tailored to the region and to draw conclusions and present proposals for action. These are to be submitted for approval at the 2002 Summit.

- ***Economic field:*** the *promotion of the information society*, with a view to provide modern tools of management and communication aimed at facilitating the integration of the LAC partners into the regional and world economy. This involves the development of new policies, regulatory measures, communications infrastructure, co-ordination and compatible international approaches, the facilitation of e-commerce and e-services (education, health, governance, etc.).

Against this background and in co-operation with the Latin American group, the Commission has put forward the Programme @LIS (ALiance for the Information Society) that involves EC financing of 63.5 M€. The programme aims to 1) stimulate an open dialogue between governments, both national and local, regional institutions, regulators, standards makers, the private sector, intermediary institutions and other stakeholders, 2) to increase the interconnection between R&D communities of both regions and 3) to implement applications based on demonstration projects involving operators and stakeholders (local e-governance; e-learning, education and cultural



diversity; public health; e-inclusion). The Caribbean might adhere to this initiative if its 9th EDF programming so allows.

- ***Co-operation field:*** in order to open a new avenue for development co-operation through the sharing of experience and best practices in the reduction of social imbalances and assistance to the most vulnerable groups, the Commission is preparing an ***EU-LAC Social Initiative***.
- ***In the longer-term,*** the Commission will ***ensure that the priorities*** identified in the Rio Action Plan and fine-tuned in Tuusula ***are incorporated into the existing bilateral and sub-regional dialogues***. It will also ensure that ***the three dimensions are integrated and act in a mutually reinforcing way***.
- ***Action at the sub-regional level => the Caribbean***

On the ***political level***, the Commission will promote full participation of the Caribbean in the institutional arrangements of the EU-ACP Cotonou Agreement, focussing in particular on matters related to human rights, democratisation and good governance. It will maintain the annual Ministerial meetings with Cariforum, centred currently on co-operation issues, envisaging to expand its focus on to more political issues like drugs, security and conflict prevention.

Regional economic integration will be the first priority of the Commission at the ***trade and economic level***, focussing on the establishment of a WTO compatible Economic Partnership Agreement (EPA) with the Caribbean region.

With regard to ***development co-operation***, already present in the major part of the 11 priority sectors stemming from the Rio Joint Declaration and Action Plan, for the 9<sup>th</sup> EDF and under the underlying principles of poverty reduction and the integration into the world economy, the ongoing programming process plans to support a limited number of sectors consistent with such development objectives and at the same time promote a beneficial involvement of the Caribbean in the EU-LAC bi-regional process.

- **In education and other sectors:** the main programmes developed were:
  - For the Caribbean region: actions in favour of university and tertiary education, the fight against drugs, health and HIV/AIDS;
  - For the Latin American countries: the programmes ALFA (co-operation programme for universities and tertiary colleges) and URB-AL (co-operation programme concerning towns and local authorities) continued to provide support to LA countries. In addition, the European Union is analysing with its LAC partners the question of social equity, a theme that will be developed at the Madrid Summit in May 2002.

### **The Madrid Summit of May 2002**

The next EU-LAC Summit will be held in Madrid in May 2002. Several meetings between the EU and LAC partners (including representatives of civil society:

academies, private sector representatives, NGOs...) have taken place and will still be held in April 2002. The preparations for the Summit are therefore well advanced.

Madrid is expected to confirm the joint EU-LAC commitment to advance in the bi-regional relations and to constitute a real step towards the reinforcement of the Strategic Partnership.

*A strategic partnership for the challenges of the XXI<sup>st</sup> Century* has been agreed as the Motto for the Summit. A provisional agreement has been reached on the **four main themes** to be treated in the Summit:

□ ***Democracy and security***

Sub-themes:

- promotion of democracy, human rights and the rule of law
- co-operation in the fight against terrorism
- citizens' security
- strengthening the fight against drugs and related delinquency

□ ***Reinforcement of multilateralism and regional integration***

Sub-themes:

- promotion of peace and security in both the regional and the international context
- reform of the economic and financial multilateral institutions, aimed to foster economic growth and development, eradicate poverty, liberalise trade and prevent the risks of economic and financial crisis
- the processes of regional integration
- promotion of the political and economic partnership and the bi-regional co-operation

□ ***Social equity and sustainable development***

Sub-themes:

- commitment to equity and cohesion is to be the main goal
- reinforcement of the international co-operation for the promotion and financing of sustainable development
- promotion of policies targeted at reducing the technological divide

□ ***Cultural diversity and modernisation***

Sub-themes:

- cultural diversity and the information society
- policies for education, research and social promotion
- strengthening of the basis leading to convergence

There is the common understanding that the agenda needs to be flexible, in order to allow the incorporation of last minute issues of overriding political interest. The final agenda will be therefore adopted right before the Summit.

There will be an **Assessment Report** giving a critical assessment of the way the parties have been contributing to the implementation of the Rio Plan. A document on

**Common Values and Positions** will explore all areas in which the bi-regional partners have common values and positions in the economic, political and cultural spheres, constituting the platform for giving their bi-regional relations a new dimension and for seizing new opportunities.

An *EU-LAC Madrid Declaration* is to bring a more challenging political dimension to the Summit, in order to allow the Heads of State to give political weight to fresh and bold initiatives and to set ambitious but achievable targets to work on in the years ahead. The new orientations for action will fall under a **Madrid Action Plan**.

Furthermore, a number of side events are being organised including a business forum, a cultural forum, ministerial meetings on science and technology, information society and social security, a civil society forum, a meeting on human rights and a conference of EU-LA prelates.

### ***Implications for Cariforum / Caricom***

There are multiple advantages for the Cariforum / Caricom of being full partners in this process:

- ✓ To participate in a wide and enhanced framework for political dialogue where it will be possible to develop a common approach to world problems, what is particularly important in the aftermath of the 11<sup>th</sup> September.
- ✓ To share a common support for multilateralism and co-ordinate positions on many important items of the global agenda, and to be involved in a proposed EU-LAC mechanism for consultations in international fora.
- ✓ To foster enhanced economic and trade relations within a wider context and from the perspective of moving towards global liberalisation in linkage with co-operation support, in order to deal with the necessary adaptation.
- ✓ To belong to a partnership that is committed to regional integration and sees it as the critical pathway for a beneficial integration into the world economy and for peaceful and co-operative relations among nations.
- ✓ To be a part in co-operation programmes that, by involving a greater number of partners within a larger context, enable to optimise investment, reach critical mass in implementation, facilitate exchanges and therefore open meaningful perspectives for accomplishment and sustainability.

## The Way Forward

Much like the rest of the world the Caribbean is in the midst of an important transition. Its changing economic structure is characterised by the decline of agriculture often leading to growing urbanisation, changing international trade relations, a reduction of aid flows from more developed to less developed countries and a revolution in communications that offers great opportunities but can also help increase social tensions by clearly exposing the inequities that may exist in the different societies.

The Caribbean countries have been dealing with the challenges posed by this changing environment. Many countries have already transited a long way along the path common to most developing economies: a steady decline in the economic importance of agriculture towards and enhanced role of the service sector (Antigua & Barbuda, Bahamas, Barbados, Dominican Republic, Grenada, Jamaica, St. Lucia). Others have yet to enter in such a strong transition (Belize, Dominica, Guyana, Suriname, St. Vincent & the Grenadines), but are increasingly looking into the service sector development as a more potent engine of growth.

The region also has already been adjusting to diminishing external aid flows. While a decade ago official development finance accounted for more than 60 per cent of total net external financing flows, they now account for only about 30 per cent. During this same period capital mobility across the world has helped increase foreign direct investment by a factor of four, much of it being directed to tourism, telecommunications and, to a lesser extent, to light manufacturing. With the future of external aid flows highly uncertain, continued strong reliance on foreign direct investments will continue to be critical.

However, as the previous Chapters have shown, the Caribbean still faces many important challenges and difficulties:

- The Single Market and Economy is far from being completed;
- One area where the region has still to complete a difficult phase of adjustment is in the area of trade liberalisation;
- Growth performance in the recent past has been rather poor, with obvious negative social impacts: unemployment rates have been persistently high across the Caribbean and governments face growing difficulties to finance social investments that are badly needed;
- Violence, drugs, HIV/AIDS and a growing lack of social cohesion are a major concern in many Caribbean countries, while needed investments in education and health are lacking. Population growth dynamics are such that, with some exceptions, more than 30 per cent of the population of the Caribbean countries are under the age of 15, with countries like Belize and Haiti having more than 40 per cent of their population under the age of fifteen. Therefore, the demands on the education system will continue to grow for some time;

- Tourism continues to be the most vital industry in the region and its strongest source of growth. Yet during the last decade the growth of tourism in the Caribbean (measured through the balance of payments) has lagged behind that of all other regions of the world, with the exception of the Middle East. Tourism was further negatively hit by the 11 September 2001 terrorist attacks on the United States;
- In terms of regional integration, the Caribbean countries have far too long tended to ignore the countries of Central and South America, when such countries are their natural partners (as the EU-LAC process has been showing). In the context of what has been described above, it is important to see how the European Union views its policies, interests and future co-operation prospects with the Caribbean.

As with Latin America, the importance of the Caribbean to the European Union is above all political, based on shared values and strong cultural links. The Caribbean has often looked to the European Union as a model for political, social and economic development. Furthermore, the Caribbean countries have moved towards the consecration of principles that they share with the Europeans: recognition of and respect for human rights, consideration of democracy as the only legitimate political system and the notion of human dignity as belonging to every individual. Any exception to these principles is considered as a temporary or geographical anomaly, but unacceptable by all means. Therefore the European Union is interested in a partnership with the Caribbean because of its involvement in the community of free nations. In fact, the European Union and the Caribbean nations share a common support for multilateralism and can co-ordinate their positions on many items of the global agenda, such as the fight against terrorism, global warming and other environmental issues, conflict prevention, the fight against drugs, money laundering and small arms control. However, this partnership should not be seen as competing with the United States. On the contrary it should be seen as helping to build a more balanced, harmonious relation with the Western community of nations, strengthening its ability to promote its principles and values in the world.

From what has been stated above, it is clear the EU future priorities in the political field and in the area of political dialogue will be:

- **The preservation of democracy, the strengthening of democratic institutions, the fight against poverty, the rule of law and human rights protection;**
- **The encouragement for regional integration and open regionalism. The EU message in this context is that, in a globalised world, regional integration is no longer an option, but a necessity. The process of globalisation can only be managed through co-operation among regional units;**
- **Co-ordination and co-operation in international fora. The fact that the European Union and the Caribbean share common values will certainly facilitate a convergence of their positions on issues being discussed in international fora.**

In terms of trade and investment, there is scope for improvement in the relations between the European Union and the Caribbean. The European Union is aware that

its political and cultural influence in the region can only increase if it promotes more investments and signs a free trade agreement with the Caribbean. Despite their continued expansion, trade exchanges between the European Union and the Caribbean account for a small percentage of the EU foreign trade. Improved trade frameworks with the countries of the Caribbean will not only result in bigger trade figures, but will help their economic development. They will have a multiplying effect.

In this sense, and based on the EU-ACP Agreement of June 2000, the European Union will start negotiating in September 2002 a new trade regime with the ACP countries, including the Caribbean. The intention is that it should be a WTO compatible trade regime that will take the form of Economic Partnership Agreements (EPAs), based on a gradual introduction of reciprocity in trade relations. Regional integration will be an important element of this framework. Furthermore, it will secure predictability for traders and investors, constituting therefore a strong stimulus for enhanced investment in the Caribbean. Finally, by combining trade with economic development support, it is expected that EPAs will assist also the Caribbean in getting prepared for the challenges of globalisation and free trade arrangements (by reinforcing competitiveness and enhancing the capacity of regional economic operators).

**In terms of co-operation for development, the next five years will be important for the European Union to continue reinforcing its assistance to the Caribbean. On the bilateral front, the 15 ACP Caribbean States have been agreeing with the EU support strategies targeted essentially on the reduction of poverty and the improvement of governance. An initial amount of € 747 million has been earmarked as the initial allocation to the 9<sup>th</sup> EDF to the Caribbean. This initial amount can be adapted during the review process taking into account performance and changed circumstances.**

9 <sup>th</sup> EDF financing to the Caribbean	€ million
Bilateral programme	690
Regional programme	57
<b>Total</b>	<b>747</b>

In its *programming dialogue with the Caribbean region*, the parties have been analysing more effective forms of support to enable the Caribbean to confront its massive challenges: (1) to create a liberalised and harmonised regional economic platform targeting scale and efficiencies in order to promote investment and growth; (2) to secure the most realistic and effective negotiating arrangements with the hemisphere, in the WTO and with the European Union; (3) to promote meaningful initiatives aimed to facilitate trade, reinforce regional competitiveness and enhance the capacity of the regional economic operators; and (4) to address major vulnerabilities in areas of governance, where a regional response is found to be more effective.

For the European Union it is clear, as a matter of principle, that economic growth and development of the Caribbean countries will favour EU interests. To that

end, an enhanced level of efficient co-operation from the EU side is required and will certainly be a priority for the future.

Other areas in which the European Union will have a close interest in its relations with the Caribbean are linked to human resources development (especially education), security (drug trafficking and organised crime concerns not only the Caribbean, but also Europe), culture and the environment.

## **Conclusion**

For the European Union it is possible to conceive a vision of Caribbean development with rising value added in democracy and services (especially tourism), agriculture and manufacturing, based on improvements in the rule of law and governance with increasingly diversified risk, sustainable use of the environmental resources of the region and better education. These opportunities are associated with a growing world integration through trade, the reduction in isolation brought about by the effective use of communications, continued expansion of areas where the Caribbean has a comparative advantage and regional integration.

In fact, in the face of the new global challenges, the beneficial integration of the Caribbean in the world economy is now a function of the completion of a harmonised and more integrated regional economy, greater trade openness, improved governance and enhanced private investment. The reinforcement of the scope and capacity of the regional institutions, the regulatory framework and the decision-making mechanisms, collective and co-ordinated action in addressing major social vulnerabilities, the promotion of regional competitiveness through the introduction of additional and more effective market players, the fostering of the collective use of qualified human resources and an increase in the bargaining power vis-à-vis third parties, should maximise the use of scarce natural, human and capital resources, reinforce the negotiating capacity and develop scale and competitiveness for an improved positioning in the international context.

In this overall framework, both the EU-ACP partnership agreement and the ***EU-LAC bi-regional partnership*** constitute for the Caribbean an essential system of reference on which to build greater efficiencies and engage in political, social and economic alliances in the defence of common values and positions in the international arena.

## List of Abbreviations

ACP	African, Caribbean, Pacific States
ACS	Association of Caribbean States
BPA	Barbados Plan of Action
CARICOM	Caribbean Community
CARIFORUM	Caribbean Forum
CARIFTA	Caribbean Free Trade Area
CBI	Caribbean Basin Agreement
CCJ	Caribbean Court of Justice
CCM	Caribbean Co-ordinating Mechanism
CDB	Caribbean Development Bank
CDE	Centre for the Development of Enterprises
CET	Common External Tariff
CSME	Caribbean Single Market and Economy
DR	Dominican Republic
EBA	Everything But Arms
FDI	Foreign Direct Investment
EBAS	EU/ACP Business Assistance Scheme
EC	European Commission
EC\$	Eastern Caribbean Dollar
EDF	European Development Fund
EPA	Economic Partnership Agreement
EU	European Union
FTA	Free Trade Agreement
FTAA	Free Trade Agreement of the Americas
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
HIV/AIDS	Human Immuno Deficiency Virus/Acquired Immuno Deficiency Syndrome
HDI	Human Development Index
IDB	Inter American Development Bank
ILO	International Labour Organisation
IMF	International Monetary Fund
IPCC	International Panel on Climate Change
IT	Information Technology
LDC	Less Developed Country
MFN	Most Favoured Nation
NAFTA	North American Free Trade Area
NGO	Non Government Organisation
OECD	Organisation for Economic Co-operation and Development
OECS	Organisation of Eastern Caribbean States
OCT	Overseas Countries and Territories
PAHO	Pan American Health Organisation
RNM	Regional Negotiating Machinery
SME	Small and Medium Enterprises



UNDP	United Nations Development Programme
UNECLAC	United Nations Economic Commission for Latin America and the Caribbean
USAID	United States Agency for International Development
UWI	University of the West Indies
VAT	Value Added Tax
WTO	World Trade Organisation

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## Appendices

### Africa – 48 ACP States

Country	Population (millions)	Area (1000 km <sup>2</sup> )	Human Development Index (HDI)	HDI ranking	Capital
Angola*	12.1	1 247	0.405	160	Luanda
Benin*	5.8	113	0.411	157	Cotonou
Botswana	1.6	582	0.593	122	Gaborone
Burkina Faso*	11.3	274	0.303	172	Ouagadougou
Burundi*	6.5	28	0.321	170	Bujumbura
Cameroon	14.3	475	0.528	134	Yaoundé
Cape Verde*	0.4	4	0.688	105	Praia
Central African Republic	3.5	653	0.371	166	Bangui
Chad*	7.3	1.284	0.367	167	N'Djamena
Comoros*	0.7	2	0.510	137	Moroni
Congo	2.8	342	0.507	139	Brazzaville
Congo (RDC)*	50	2.345	0.430	152	Kinshasa
Ivory Coast	14.3	322	0.420	154	Abidjan

\* ACP Least-developed countries as listed in Annex 6 of the Cotonou Agreement

## Africa– 48 ACP States

Country	Population (millions)	Area (1000 km <sup>2</sup> )	Human Development Index (HDI)	HDI ranking	Capital
Djibouti*	0.6	23	0.447	149	Djibouti
Equatorial Guinea*	0.4	28	0.555	131	Malabo
Eritrea*	3.6	126	0.408	159	Asmara
Ethiopia*	59.6	1.222	0.309	171	Addis Ababa
Gabon	1.2	268	0.592	123	Libreville
The Gambia*	1.2	11	0.396	161	Banjul
Ghana	19.2	239	0.556	129	Accra
Guinea*	7.3	246	0.394	162	Conakry
Guinea Bissau*	1.2	36	0.331	169	Bissau
Kenya	29	582	0.508	138	Nairobi
Lesotho*	2.1	30	0.569	127	Maseru
Liberia*	2.64	98			Monrovia
Madagascar*	15.1	587	0.483	141	Antananarivo
Malawi*	10.3	118	0.385	163	Lilongwe
Mali*	10.7	1.240	0.380	165	Bamako
Mauritania	2.5	1.026	0.451	147	Nouakchott
Mauritius	1.1	2	0.761	71	Port Louis
Mozambique*	18.9	802	0.341	168	Maputo
Namibia	1.7	824	0.632	115	Windhoek
Niger*	10.1	1.267	0.293	173	Niamey
Nigeria	106.4	924	0.439	151	Abuja
Rwanda*	6.6	26	0.382	164	Kigali
Sao Tomé & Principle*	0.1	1	0.547	132	Sao Tomé
Senegal	9.0	197	0.416	155	Dakar
Seychelles	0.1	0.5	0.786	53	Victoria
Sierra Leone*	4.6	72	0.252	174	Freetown
Somalia*	8.1	638			Mogadishu
South Africa	39.4	1.221	0.697	103	Johannesburg
Sudan*	28.3	2.506	0.477	143	Khartoum
Swaziland	1.0	17	0.655	112	Mbabane
Tanzania*	32.1	945	0.415	156	Dar es Salaam
Togo*	4.4	57	0.471	145	Lomé
Uganda*	20.6	236	0.409	158	Kampala
Zambia*	8.8	743		153	Lusaka
Zimbabwe	11.4	391	0.555	130	Harare
<b>Total</b>	<b>609.5</b>	<b>24.338</b>			

The HDI for Liberia and Somalia is not available

\* ACP Least-developed countries as listed in Annex 6 of the Cotonou Agreement

### Caribbean– 15 ACP States

Country	Population (millions)	Area (1000 km <sup>2</sup> )	Human Development Index (HDI)	HDI ranking	Capital
Antigua and Barbuda	100	440	0.833	37	St. John's
Bahamas	300	13.880	0.844	33	Nassau
Barbados	300	430	0.858	30	Bridgetown
Belize	210	22.960	0.777	58	Belmopan
Dominica	100	750	0.793	51	Roseau
Dominican Republic	8.200	48.730	0.729	87	Santo Domingo
Grenada	100	340	0.785	54	St. George's
Guyana	816	214.960	0.709	96	Georgetown
Haiti*	8.000	27.750	0.440	150	Port au Prince
Jamaica	2.500	10.990	0.735	83	Kingston
St. Kitts and Nevis	41	360	0.798	47	Basseterre
St. Lucia	200	620	0.728	88	Castries
St. Vincent & the Grenadines	110	390	0.738	79	Kingstown
Suriname	445	163	0.766	67	Paramaribo
Trinidad and Tobago	1.338	5.130	0.793	5	Port of Spain
<b>Total</b>	<b>22.760</b>	<b>511.010</b>			

\* ACP Least-developed countries as listed in Annex 6 of the Cotonou Agreement

### Pacific – 14 ACP States

Country	Population (millions)	Area (1000 km <sup>2</sup> )	Human Development Index (HDI)	HDI ranking	Capital
Cook Islands	19	234			Avarua
Fiji	800	18.270	0.769	66	Suva
Kiribati*	75	730			Bairiki
Marshall Islands	61	181			Majuro
Micronesia	114	701			Pohnpei
Nauru	11	21			Yaren
Niue	2	259			Alofi
Palau	18	48			Koror
Papua New Guinea	4.700	462.840	0.542	133	Port Moresby
Solomon Islands*	400	28.900	0.614	121	Honiara
Tonga	107	750			Nuku'alofa
Tuvalu*	10	30			Funafuti
Vanuatu*	180	12.190	0.623	118	Port Vila
Samoa*	200	2.840	0.771	95	Apia
<b>Total</b>	<b>6.698</b>	<b>527.994</b>			

The HDI is not available for the new Pacific countries, Kiribati, Tonga and Tuvalu

\* Least-developed countries as listed in Annex 6 of the Cotonou Agreement



### European Union – 15 Member States

Country	Population (millions)	Area (1000 km <sup>2</sup> )	Human Development Index (HDI)	HDI ranking	Capital
Austria	8	83	0.908	16	Vienna
Belgium	10.2	30.5	0.925	7	Brussels
Denmark	5.3	43.1	0.911	15	Copenhagen
Finland	5.1	338	0.917	11	Helsinki
France	60.1	549.1	0.917	12	Paris
Germany	82	357	0.911	14	Berlin
Greece	10.7	132	0.875	25	Athens
Ireland	3.6	70.3	0.907	18	Dublin
Italy	56.7	301.3	0.903	19	Rome
Luxembourg	0.4	2.5	0.908	17	Luxembourg
Netherlands	15.8	41.7	0.925	8	Amsterdam
Portugal	9.9	92.3	0.864	28	Lisbon
Spain	39.8	504.8	0.899	21	Madrid
Sweden	8.8	449.9	0.926	6	Stockholm
United Kingdom	59.1	59.1	0.918	10	London
<b>Total</b>	<b>376.2</b>	<b>3.239</b>			

## TABLES

Table 1. CARIFORUM Countries: Selected Economic Indicators (2000)

Indicator	Antigua & Barbuda	Bahamas	Barbados	Belize	Dominica	Dominican Republic	Grenada	Guyana
Area (km <sup>2</sup> )	442	13,888	431	22,966	750	48,308	345	214,970
Pop. (000)	68	302	267.9	255.2	74	8,495	97	883
GDP (p.c.) (USD)	9,188	15,010	9,714	2,940	3,483*	1,928**	4,057	876*
GDP m.p. (USDmn)	651.5	4,800	2,602	796.8	264.7*	43,700*	410.5	679.4
CPI%change	1.1	1.3*	2.5	0.6	1.2*	5.1*	2.2	9.5*
XGNFS%GDP	71.1*		50.4*	47.9	57.8*	30.4*	48.9*	98.9*
IGNFS%GDP	87.2*		55.4*	57.6	67.2*	38.8*	76.5*	107.2*
ForeignTrade%GDP	158.3*		105.8*	107.2*	125.0*	69.2*	125.4*	206.1*
External public debt(%GDP)			9.7			22.3**	8.5	
Debt service(%GDP)		2.7	1.2	3.5	4**	2.2*	0.9	15.5*
Debt service(%XGNFS)			2.4	88.3*	18.1**	8.3	1.9	118.5*

Indicator	Haiti	Jamaica	St. Kitts & Nevis	St. Lucia	St. Vincent & the Gren.	Suriname	Trinidad & Tobago
Area (km <sup>2</sup> )	27,750	10,991	269	616	389	163,820	5,128
Pop. (000)	8,357	2,543	44	148	114	44.7	1,293.8
GDP (p.c.) (USD)	412.5	2,659*	7,176*	4,562	3,060	2,184**	5,091*
GDP m.p. (USDmn)	3,300	6,864.7*	330	707.1	343.4	1,480*	6546*
CPI%change	8.3*	-1.3	2.1	3.6	1.4	19**	3.4*
XGNFS%GDP	10.7	48.9*	48.3*	57.9*	52.0*		49.6*
IGNFS%GDP	27.7*	58.6*	69.8*	68.3*	70.8*		43.9*
ForeignTrade%GDP	40.1*	107.5*	118.1*	126.2	122.8*		93.5*
External public debt(%GDP)						12**	
Debt service(%GDP)	17.9*	57.8	3.4**	2.6**	7.3**		30.3
Debt service(%XGNFS)	8.3	16.5	19.5**	15.4**	45.8**		19.8**

NOTES: \* represents 1999 statistics

\*\* represents 1998 statistics

Sources: (1) Caribbean Development Bank (CDB) database

(2) Caribbean Trade and Investment Report (CTIR) 2000

(3) Association of Caribbean States (ACS) Statistical Data

(4) Dominican Republic Diagnostic Report 2000

(5) World Development Indicators database, April 2001

Table 2 (a): CARICOM's Intra-Regional, Extra-Regional and Total Imports: 1995-1999

CARICOM	1995	1996	1997	1998	1999	1995-1999 % Growth Annually
Total Imports	7,249,626	7,496,556	9,026,067	8,193,525	8,096,037	
% Growth	21.8	3.4	20.4	-9.2	-1.9	6.9
Extra-Regional Imports	6,541,308	6,734,830	8,172,725	7,415,952	7,117,707	
% Growth	23.1	3.0	21.4	-9.3	-4.5	6.74
Intra-Regional Imports	708,317	761,726	853,342	777,573	978,330	
% Growth	11.0	7.5	12.0	-9.1	22.4	8.76
Intra-Regional as a % Total Imports	9.8	10.2	9.5	9.5	12.1	

Table 2 (b): CARICOM's Intra-Regional, Extra-Regional and Total Exports: 1995-1999 (US\$000)

CARICOM	1995	1996	1997	1998	1999	1995-1999 % Growth Annually
Total Exports	5,102,062	5,121,690	5,330,174	4,287,182	4,662,296	
% Growth	14.3	0.4	4.1	-19.6	8.4	1.5
Extra-Regional Exports	4,259,497	4,246,474	4,410,484	3,303,649	3,629,614	
% Growth	12.1	-0.3	3.9	-25.1	9.4	0.0
Intra-Regional Exports	842,565	875,216	919,690	983,533	1,032,681	
% Growth	27.1	3.9	5.1	6.5	5.2	9.6
Intra-Regional as a % Total Exports	16.5	17.1	17.3	22.9	22.1	

Source: Caribbean Trade and Investment Report 2000

Table 3 Intra-Regional Exports as a Percentage of Total Exports by Country, 1995-1998 (%)

Country	1995	1996	1997	1998
Antigua & Barbuda	..	..	..	..
Bahamas				
Barbados	37.4	35.8	35.4	43.3
Belize	3.4	3.0	4.2	7.1
Cuba				
Dominica	42.3	46.7	51.1	78.3
Dominican Republic				
Grenada	29.2	29.1	34.3	25.1
Guyana	...	...	...	...
Haiti				
Jamaica	4.1	3.8	3.3	3.3
St. Kitts & Nevis	11.5	4.2	3.4	3.3
St. Lucia	16.0	13.4	16.1	19.5
St. Vincent & the Grenadines	62.3	49.6	57.8	49.1
Suriname	2.5	5.1	5.5	...
Trinidad & Tobago	23.8	24.4	25.5	31.5

Source: Caribbean Trade and Investment Report 2000

Table 4 Percentage Distribution of Intra-Regional Imports by Country, 1995-2000 (%)

CARICOM Countries	1995	1996	1997	1998
<b>CARICOM</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>MDCs</b>	<b>70.8</b>	<b>71.6</b>	<b>72.7</b>	<b>74.3</b>
Barbados	17.5	16.3	14.5	20.8
Guyana	...	...	...	...
Jamaica	35.4	37.7	37.0	40.0
Suriname	6.9	6.5	9.8	...
Trinidad & Tobago	11.0	11.1	11.5	13.6
<b>LDCs</b>	<b>29.2</b>	<b>28.4</b>	<b>27.3</b>	<b>25.7</b>
Belize	1.8	1.4	1.3	1.4
<b>OECS</b>	<b>27.4</b>	<b>27.0</b>	<b>26.0</b>	<b>24.3</b>
Antigua & Barbuda	...	...	...	...
Dominica	4.5	4.2	4.1	...
Grenada	5.0	5.3	5.5	7.2
Monsterrat	...	...	...	...
St. Kitts & Nevis	3.2	3.4	3.3	2.0
St. Lucia	9.6	9.0	8.3	9.1
St. Vincent & Grend.	5.1	5.1	4.9	6.1

Source: Caribbean Trade and Investment Report 2000

Table 5 CARIFORUM Countries: Principal Merchandise Exports (US\$m)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Bahamas											
Chemicals	1,7	0,1	0,3	0,3	-	-	0,2	-	21,7	11,2	...
Craw Fish	43,8	48,3	51,8	38,4	58,4	56,1	69,4	59,5	57,5	72,8	...
Hormones	-	-	-	-	-	-	-	-	4,9	1,3	...
Rum	28,7	33,4	20,8	11,7	8,3	2,9	4,4	4,9	12,2	31,3	...
Salt	13,0	18,1	8,2	14,8	15,5	13,5	17,4	21,6	12,9	13,6	...
Barbados											
Clothing	7,7	6,5	5,9	4,7	3,1	3,3	3,8	3,5	3,0	3,1	2,9
Electrical Components	13,9	13,0	18,7	25,2	26,2	28,1	27,1	26,0	24,7	26,4	21,4
Sugar	32,0	28,0	30,8	28,9	30,1	28,8	36,0	35,9	28,6	27,7	26,7
Rum	7,4	4,4	9,3	7,7	7,0	9,6	11,4	13,9	13,8	13,5	12,3
Belize											
Citrus Concentrate	21,6	10,9	27,4	14,0	16,8	29,2	29,6	24,1	21,6	27,5	47,2
Garments	15,2	17,5	18,6	20,3	18,2	13,5	17,8	18,5	19,7	19,7	19,9
Marine Products	9,1	10,1	12,0	12,3	13,2	15,7	12,2	17,5	21,8	27,8	33,3
Sugar	42,8	41,7	37,7	41,5	40,3	47,8	47,2	46,0	44,5	43,3	37,1
Bananas	9,9	7,4	10,3	12,1	23,0	22,1	28,7	26,1	24,7	28,4	32,9
Dominica											
Bananas	30,8	30,1	30,1	24,1	20,5	16,4	18,2	17,1	15,0	14,8	12,9
Soap	11,8	12,2	11,3	12,8	12,5	14,0	15,7	15,1	18,4	14,7	13,5
Grenada											
Bananas	3,9	3,7	2,9	1,8	2,1	1,8	0,6	0,0	0,0	0,1	0,2
Cocoa	2,6	3,1	2,6	3,1	2,9	3,3	2,6	1,9	2,1	1,4	1,6
Fresh Fruit	0,9	1,8	1,3	1,3	0,8	1,3	1,0	0,3	0,3	0,3	0,2
Mace	1,2	1,0	0,6	0,6	0,7	0,6	0,8	1,2	1,4	1,9	1,5
Nutmegs	6,7	3,5	2,2	2,6	4,5	3,5	4,2	6,9	8,7	14,9	11,9
Guyana											
Bauxite	80,3	80,1	96,6	88,7	78,4	84,5	78,5	89,0	78,7	76,9	70,4
Gold	25,2	20,6	24,7	97,8	126,6	94,6	103,6	139,0	124,6	108,1	117,9
Rice	13,0	18,8	34,4	31,8	53,1	72,2	93,7	85,1	73,9	70,8	50,8
Sugar	81,5	93,7	132,7	113,7	117,4	123,8	143,1	133,0	130,5	135,9	116,5

Table 6 CARIFORUM Countries: Principal Merchandise Exports, continued

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Jamaica											
Alumina	623,9	543,7	470,3	439,4	536,4	632,8	607,0	651,7	600,7	631,7	696,0
Bananas	37,6	45,2	39,5	35,6	46,1	48,2	44,1	45,0	33,0	29,8	22,9
Bauxite	102,8	113,1	88,6	84,1	71,9	71,0	78,4	72,8	81,0	55,9	44,7
Sugar	85,6	87,6	82,4	97,4	68,5	98,2	113,7	102,7	95,4	95,3	83,8
St Kitts & Nevis											
Clothing	3,0	3,3	1,5	0,1	0,3	0,0	0,2	0,3	0,3	0,4	...
Sugar	5,8	9,4	11,8	0,0	0,0	0,0	11,8	16,0	8,5	4,4	...
Motors and Generators	2,0	1,2	1,5	1,7	1,8	2,6	1,3	2,9	4,9	4,4	...
Switches	0,0	0,0	0,0	0,0	0,0	1,5	2,5	6,5	9,7	10,3	...
St Lucia											
Bananas	74,0	59,6	71,3	58,0	46,8	56,0	52,7	34,5	19,8	32,5	...
Beer and Ale	4,7	4,9	4,0	3,8	3,6	4,3	3,3	3,9	4,5	6,6	...
Paper & Paper Board	6,1	3,7	2,6	1,4	4,7	7,1	5,1	4,1	4,0	2,3	...
Clothing	19,4	17,9	21,8	25,5	14,3	13,9	6,9	4,0	3,4	3,4	...
St. Vincent & the Grenadines											
Bananas	44,6	36,9	41,6	25,7	16,7	24,5	20,5	14,4	20,9	20,4	18,3
Eddoes and Dasheen	2,0	2,3	2,7	1,9	1,0	1,4	1,7	1,7	1,9	1,9	2,3
Flour	7,2	7,1	8,0	8,6	8,5	8,6	6,3	8,7	6,9	4,2	5,5
Plantains	0,4	0,3	0,4	0,4	0,3	0,4	0,6	0,3	0,3	0,4	0,7
Sweet Potatoes	1,4	1,3	1,8	1,2	0,4	0,6	0,8	0,5	0,7	0,7	0,7
Trinidad and Tobago											
Ammonia	169,1	178,8	155,3	145,5	231,2	267,9	292,8	275,0	248,1	293,2	359,5
Crude Petroleum	748,8	602,6	436,3	354,8	354,2	386,2	428,1	439,5	253,0	364,9	571,4
Iron & Steel Products	104,9	126,8	128,7	138,2	161,4	239,3	177,2	184,4	202,8	165,1	168,2
Petroleum Products	623,8	649,7	704,1	506,0	550,5	670,9	773,6	657,5	688,6	912,5	1661,5

Notes:

... not available

Source: CDB database

Table 7 CARIFORUM Countries: Export of Services 1990-2000 (US\$m)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Antigua & Barbuda	311,9	320,2	342,6	377,2	396,3	348,7	364,8	403,0	408,3	417,3	...
Bahamas	1567,9	1394,3	1420,3	1489,0	1510,4	1544,9	1578,1	1592,9	1533,3	1894,1	2015,6
Barbados	653,9	617,6	619,1	689,5	813,6	866,6	926,9	959,3	1023,6	1025,3	1090,2
Belize	126,0	131,6	142,8	153,6	138,3	138,9	137,9	140,7	145,3	161,6	172,4
Dominica	33,4	37,4	45,3	48,3	52,8	53,9	68,9	83,4	88,4	98,9	88,0
Dominican Republic	...	...	...	...	...	...	...	...	...	...	...
Grenada	66,9	71,8	76,0	87,7	101,5	99,2	106,6	105,7	118,5	124,6	...
Guyana	...	...	...	...	...	...	...	...	...	...	...
Haiti	...	...	...	...	...	...	...	...	...	...	...
Jamaica	1155,7	1083,8	1222,1	1343,7	1497,0	1612,8	1624,4	1714,6	1785,1	1852,1	...
St Kitts & Nevis	54,1	68,4	79,1	83,7	92,6	81,5	86,8	94,8	104,1	98,0	104,7
St Lucia	150,6	172,2	194,9	204,7	237,7	265,9	268,2	289,9	315,4	315,1	331,8
St. Vincent and the Grenadines	44,8	45,3	47,3	48,6	63,7	74,4	92,9	95,3	95,3	123,6	135,0
Suriname	...	...	...	...	...	...	...	...	...	...	...
Trinidad and Tobago	337,0	404,4	452,1	353,8	328,6	416,0	462,1	546,6	673,3	587,8	...

Notes

... not available

Source: CDB database

Table 8 CARIFORUM Countries: Sectoral Distribution (%) of Current GDP (2000)

Sector	Antigua & Barbuda	Barbados	Belize	Dominica	Dominican Republic	Grenada	Guyana	Jamaica	St. Kitts & Nevis	St. Lucia	St. Vincent & the Gren.	Trinidad & Tobago
Agriculture	3.9*	5.1	17.0	18.7*	11.3*	7.7	41.7*	7.1*	2.8	8.4	10.4	1.7
Mining & Quarrying	1.7	0.7	0.7	0.8	1.8	0.5	13.6	4.4	0.4	0.4	0.3	
Manufacturing	2.2	5.7	14.0	8.6	17.0	7.6	3.6	15.0	10.5	5.5	7.1	7.7
Utilities	2.7	3.2	3.0	5.6	2.1	5.5	0.0	3.9	1.8	4.5	5.8	1.7
Construction	12.2	5.7	7.2	7.7	13.4	10.4	4.7	11.2	16.3	8.8	13.3	
Transport & Communication	20.5	9.7	10.1	18.2	12.0	23.4	7.0	11.3	12.9	18.7	21.0	8.8
Hotels & Restaurants	11.9	11.3	22.0	2.6		9.0	0.0	...	6.6	13.7	2.2	
Wholesale and Retail Trade	10.8	18.4		11.9		10.8	4.2	21.8	15.2	14.0	16.3	
Financial & Business Services	16.9	18.1	12.2	14.7	17.0	13.3	7.1	14.8	16.8	14.9	9.8	14.8
Govt. Services	18.3	17.4	11.8	19.6	7.4	16.4	16.6	13.3	19.4	14.2	17.8	7.4
Other Services	7.4	4.6	5.7	1.3	7.3	3.2	1.5	5.1	4.3	4.8	1.8	4.3
Less Imputed Service Charge	8.6	0.0	3.6	9.8		7.8	0.0	7.9	7.0	7.8	5.8	3.8
Petroleum (Oil)												26.1
Construction & Quarrying												9.3
Hotels & Guest Houses					6.4							1.4
Distribution & Restaurants												16.4
Value Added Tax												4.0

Notes:

No data for Bahamas, Haiti and Suriname///

... data not available

\* represents 1999 statistics for all sectors of a given country

Source: CDB database

Table 9 Level of Production and Trade in Fisheries products from CARICOM countries in 1997

	1997 Fish Exports (EU)		1997 Fish Exports All (Corrected*)		Fish production tonnes	All exports 1000 ECU	Dependency		
	tonnes	1000 ECU	tonnes	1000 ECU			% fish production exported	% fish in total exports	% fish exports destined to EU
Bahamas	836	21148	2603	55996	10508	164098	25	34	38
Belize	12195	15986	12195	16260	12195	144152	100	11	98
Jamaica	1480	6579	2814	13450	8358	1253853	34	1	49
Surinam	1742	6025	1742	6025	47010	635539	4	1	100
St. Vincent	2319	4124	5075	9917	5075	41704	100	24	42
Trinidad & Tobago	706	2279	973	2800	2739	2304624	36	0	81
Grenada	157	626	840	3892	1408	20852	60	19	16
Antigua & Barbuda	71	584	3680	8407	3680	11786	100	71	7
Haiti	81	470	1179	10031	5324	108794	22	9	5
Guyana	26	159	5678	25648	53998	583862	11	4	1
Barbados	8	37	260	1363	2764	256573	9	1	3
Dominican Rep.	2	28	25	73	1000	799637	3	0	39
Dominica	0	4	25	73	1000	48051	3	0	6
St Kitts							No data	No data	No data
St. Lucia							No data	No data	No data
Total CARIFORUM	19623	58049	37089	153935	155059	6373525	24	2,4	38
TOTAL ACP	406354	1273356	748273	1675156	4737365	54319311	16	3	76

Source: FAO fishery data