



Final Report on The Potential Impacts and Benefits of the CSME

Reference Number: 11th EDF/SFCICP/CSME/SER/2024-LP

Prepared for
CARICOM

Date: 16 January 2026



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Acronyms

Acronym	Meaning
AIDP	Agricultural and Infrastructural Development Programme
AML/CFT	Anti-Money Laundering/ Counter Financing of Terrorism
BBD	Barbadian Dollar
BMA	Barbados Manufacturers Association
BSBA	Barbados Small Business Association
CAHFSA	Caribbean Agricultural Health and Food Safety Agency
CAP	Common Agricultural Policy
CAPRI	Caribbean Policy Research Institute
CARDI	Caribbean Agricultural Research and Development Institute
CARICOM	Caribbean Community
CARPHA	Caribbean Public Health Agency
CCL	Caribbean Congress of Labour
CCJ	Caribbean Court of Justice
CDB	Caribbean Development Bank
CDF	CARICOM Development Fund
CFNSP	CARICOM Food and Nutrition Security Policy
CIC	CARICOM Investment Code
CMA	Caribbean Manufacturers Association
COTED	Council for Trade and Economic Development
CPSO	CARICOM Private Sector Organisation
CRFM	Caribbean Regional Fisheries Mechanism
CROSQ	Caribbean Regional Organisation for Standards and Quality
CSME	CARICOM Single Market and Economy
DDI	Demerara Dairies Inc.
DDL	Demerara Distillers Limited
DRM-CARICOM	Disaster Risk Management in Agriculture Action Plan for CARICOM
EPA	Economic Partnership Agreement
ERR	Economic Rate of Return

FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNBS	Guyana National Bureau of Standards
GO-Invest	Guyana Office for Investment
ICT	Information and Communications Technology
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change
ITC	International Trade Centre
JD	Jamaican Dollar
JMEA	Jamaica Manufacturers and Exporters Association
LMIS	Labor Market Information System
LR Group	Israeli agricultural investment group partnering with DDL
MoFA	Movement of Factors Act; Ministry of Foreign Affairs
MSME	Micro, Small and Medium Enterprises
MW	Megawatt (unit of power)
NCD	Non-Communicable Diseases
NSHP	New Social Housing Programme
NTBs	Non-Tariff Barriers
OECS	Organisation of Eastern Caribbean States
POS	Point of Sales
R&D	Research and Development
RTC	Revised Treaty of Chaguaramas
SDGs	Sustainable Development Goals
SMEs	Small and Medium Enterprises
SPS	Sanitary and Phytosanitary (Standards)
TT\$	Trinidad and Tobago Dollar
UWI	University of the West Indies
VOC	Vehicle Operating Cost
YAEP	Youth Agri-Entrepreneurship Project

Executive Summary

The CARICOM Single Market and Economy (CSME) remains the region's most ambitious instrument for economic and social transformation, resilience building, and shared prosperity. Rising geopolitical fragmentation, climate-induced shocks, supply chain disruptions, and tightening of international financial conditions have fundamentally altered the global economic environment. For CARICOM Member States, these forces amplify long-standing constraints—small domestic markets, limited fiscal space, narrow export bases, and high import dependence—making deeper regional integration not merely desirable, but essential.

Against this backdrop, the CSME provides a legally grounded and institutionally coherent framework through which Member States can pool sovereignty in targeted areas to achieve scale, efficiency, and resilience that no single country can secure alone. It is designed to transform the Caribbean from a collection of fragmented national markets into a unified economic space that supports competitive production, mobile skills, integrated capital markets, and coordinated macroeconomic stability.

This assessment finds that the CSME has already delivered real, measurable, and meaningful economic and social gains, even under conditions of partial implementation. These gains—expanded intra-regional trade, improved labour mobility, increased cross-border investment, and stronger regional production linkages—demonstrate that the integration model is fundamentally sound. However, the analysis also confirms that the CSME remains structurally incomplete. Persistent implementation gaps, uneven national execution, and weak enforcement mechanisms have prevented the Community from capturing the full economic and social dividends of integration. The result is a regional economy operating below its collective potential: legally integrated, but operationally fragmented; strategically ambitious, but institutionally constrained.

This document therefore serves four interlinked purposes:

1. It diagnoses the current state of implementation, identifying precisely where and why the CSME is underperforming.
2. It documents the tangible benefits already achieved, establishing a clear empirical case for accelerating—not retreating from—integration.
3. It presents two contrasting 10-year scenarios that illustrate the economic and social consequences of continued partial implementation versus decisive completion.
4. It advances a focused set of priority reforms, aimed at closing the gap between commitment and execution.

The State of the CSME: Integration Achieved in Law, Constrained in Practice

While the foundational treaties, protocols, and decisions required for market integration under the CSME are substantially in place, national-level execution has lagged, producing a system characterized by regulatory fragmentation, administrative discretion, and inconsistent application of Community rules. This implementation gap has three systemic consequences:

- It *raises transaction costs for firms* and workers seeking to operate regionally.
- It *undermines business confidence*, reducing private investment in regional value chains.
- It *weakens political support for integration* by obscuring its benefits to citizens.

Across the five core regimes of the Single Market, progress has been uneven. The free movement of goods is closest to completion, while services, capital, and the institutional foundations of a Single Economy remain constrained by sovereignty-first policy approaches and limited regional enforcement capacity. Notably, deeper economic integration—macroeconomic coordination, harmonized regulation, and shared institutions—remains below 20% completion, leaving the region exposed to asymmetric shocks and external volatility.

Tangible Gains: Proof of Concept for Deeper Integration

Despite the limitations, the CSME has already functioned as a powerful enabler of regional economic adjustment and opportunity. Even partial integration has delivered benefits that would not have been achievable through national action alone. The expansion of duty-free regional trade has supported agricultural diversification and agro-processing, directly reinforcing food security objectives. Skills mobility has helped alleviate labour shortages in priority sectors, while the right of establishment has enabled regional firms—particularly in tourism, finance, and ICT—to scale beyond national borders. Cross-border financial activity has improved access to capital and supported regional investment, while digital firms have leveraged the CSME to operate across multiple jurisdictions. These outcomes demonstrate a critical point: the returns to integration are already positive, and the marginal gains from completing the CSME are likely to be substantially larger than those realized to date.

A Decisive Decade: Divergent Futures for the Caribbean Economy

The period 2026–2035 represents a defining window for the Caribbean’s economic trajectory. Incrementalism will lock the region into a path of modest growth, continued vulnerability, and persistent structural weaknesses. In contrast, decisive implementation of the CSME would shift the Caribbean onto a higher-growth, more resilient, and more inclusive development path.

Under a baseline scenario of continued partial implementation, growth remains subdued, unemployment declines only marginally, food import dependence deepens, and productivity stagnates. The region remains highly exposed to external shocks and climate risks.

Under a full implementation scenario, the CSME becomes a platform for structural transformation. Integrated markets enable scale economies; labour mobility improves productivity matching; regional supply chains reduce import dependence; and coordinated policies enhance macroeconomic stability. The result is faster growth, stronger resilience, and more inclusive prosperity.

The difference between these futures is not theoretical—it is the cumulative outcome of policy choices made now.

Unlocking the CSME’s Full Value: Strategic Priorities for Action

The analysis identifies a concise set of high-impact reforms capable of shifting the region decisively toward the optimistic trajectory. These priorities are intentionally pragmatic: they focus not on new treaties, but on making existing commitments work. To unlock the full benefits and shift the region toward the optimistic scenario, six strategic reforms stand out as immediate priorities:

1. **Adopt a binding regional timetable to eliminate remaining non-tariff barriers**, restoring predictability for exporters and strengthening regional supply chains.
2. **Develop a Regional Labour Market Information System** to align skills with business needs and improve labour mobility.
3. **Remove discriminatory establishment requirements**, ensuring equal treatment for CARICOM nationals seeking to start businesses across the region.
4. **Establish a CARICOM Transport and Logistics Authority** to harmonise port procedures, reduce freight costs, and address logistics inefficiencies.
5. **Develop binding macroeconomic convergence criteria** to strengthen stability and underpin deeper economic integration.
6. **Standardise AML/CFT rules and supervision** to protect correspondent banking, reduce compliance burdens, and support digital financial integration.

They address the binding constraints that have most consistently undermined the CSME—non-tariff barriers, weak labour market coordination, discriminatory establishment practices, logistics inefficiencies, macroeconomic fragmentation, and financial regulatory divergence. Collectively, they form a strategic road map for moving from legal integration to functional integration.

Conclusion: From Ambition to Execution

The CARICOM Single Market and Economy is no longer an aspirational project; it is an operational reality—albeit an incomplete one. The evidence is clear: integration works where it has been allowed to work. The challenge now is not one of vision, but of execution and political resolve. The choice before CARICOM's leadership is therefore stark. The region can continue to manage fragmentation and vulnerability at the margins, or it can complete the integration project it has already begun and secure a more competitive, resilient, and prosperous future for its people. The next decade will reveal whether the CSME remains a partially realized promise—or becomes the central pillar of Caribbean economic transformation.

Summary of Potential Impacts and Benefits

1. Impacts and Benefits across the Core Regimes

Free Movement of Goods - The removal of tariffs and many technical barriers has expanded intra-regional trade, supported the emergence of regional supply chains, and stabilised access to key products—particularly agricultural goods, manufactured inputs, construction materials, and food staples. Harmonisation of regional standards through CROSQ and CAHFSA has improved food safety, reduced border delays, and enabled producers to meet both regional and export market requirements. A larger market has also helped buffer Member States against localised climate shocks by allowing quicker reallocation of supply across borders.

Free Movement of Services - Liberalisation has fuelled growth in tourism, finance, ICT, cultural industries, professional services, and logistics. More regional firms now operate across multiple Member States, supported by emerging mutual recognition of qualifications in key professions. This has improved business competitiveness, expanded supply of professional services, and strengthened the innovation ecosystem. Service firms—especially in tourism, digital services, finance, and consulting—have been among the most active users of the CSME.

Free Movement of Labour - Skilled labour mobility has enabled CARICOM nationals to fill shortages in health, education, ICT, construction, and the hospitality sector. Member States facing demographic pressures, emigration, or limited specialised skills have benefitted significantly. Social gains include higher labour income, expanded employment opportunities, greater mobility for young professionals, and the strengthening of households through remittances. Additionally, labour mobility has promoted cross-border skills transfer and raised productivity in several sectors.

Right of Establishment - Businesses can now set up operations in other Member States with fewer restrictions, supporting cross-border expansion for SMEs and regional conglomerates alike. This has stimulated investment, promoted entrepreneurship, and allowed firms to scale production across multiple jurisdictions. The regime has been particularly beneficial for companies in manufacturing, retail, agri-processing, tourism, logistics, ICT, and creative industries.

Free Movement of Capital - Relaxed capital controls and growing integration of financial markets have deepened investment flows and enabled regional companies—including banks, insurers, retail chains, energy firms, and hotel groups—to raise capital regionally. The stock exchanges in Jamaica, Trinidad and Tobago, and Barbados have supported cross-listing, expanded financing options, and strengthened the regional investment climate. Capital mobility has contributed to financial sector stability and improved access to credit for businesses.

2. Advancing the Single Economy

Progress toward the Single Economy remains uneven but critical. Financial integration is advancing through the expansion of regional banking groups, insurance networks, securities regulators, and payment platforms. However, macroeconomic frameworks remain divergent.

A functional Single Economy requires:

- **binding convergence criteria** (inflation, debt/GDP, fiscal deficit, reserves),
- **a functional regional capital market**
- **harmonised financial regulation** (banking, insurance, securities),
- **standardised AML/CFT rules**, and
- **greater fiscal and economic coordination** among Member States.

These reforms are essential to deepening economic stability, lowering investment risks, and strengthening the credibility of CARICOM's integration project.

3. Sectoral Impacts

Agriculture - The CSME has facilitated diversification into high-value crops and agro-processing, stimulated intraregional trade in fresh produce, meats, and food products, and supported regional value chains in poultry, condiments, beverages, and root crops. The 25 x 2025 plus 5 food security agenda aligns with CSME mechanisms to expand intra-regional sourcing and reduce dependence on imports.

Manufacturing - Manufacturers benefit from duty-free access to a regional market and the ability to source regional inputs. This has strengthened agro-processing, food and beverage manufacturing, chemicals,

construction materials, and pharmaceuticals. Harmonised standards have improved product quality and export readiness.

Tourism - Tourism has been strengthened by improved mobility of skilled workers and regional hotels expanding across borders, and integrated marketing initiatives. Tourism SMEs benefit from regional sourcing of food, services, and digital tools, supported by the CSME's trade and services regimes.

Financial Services - Financial integration has expanded through cross-border banking and insurance operations, stock exchange linkages, and digital payment platforms. This has increased credit availability, reduced financing costs, and facilitated regional investment flows.

ICT and Digital Economy - Liberalisation has encouraged regional tech firms, fintech providers, and digital outsourcing operations. Skills mobility is boosting digital capacity; while harmonising data standards and ICT infrastructure planning is expanding the region's digital economy.

Transport and Logistics - Transport remains a major constraint, but the CSME is driving demand for more integrated logistics networks. Regional shipping, air transport, and port operators are gradually expanding; however, coordination gaps underscore the need for a regional transport authority.



1. Introduction

1.1 Background

The Caribbean Community (CARICOM) is a regional integration organisation comprising sovereign states and dependent territories within the Caribbean. Its membership structure reflects both the political diversity of the region and varying levels of sovereignty among participating entities. CARICOM currently consists of fifteen (15) full Member States,¹ (thirteen are party to the *Revised Treaty of Chaguaramas*) which participate fully in the organisation's decision-making organs, including the Conference of Heads of Government and the Community Council of Ministers.² Full members also assume obligations under major CARICOM initiatives. With respect to the CARICOM Single Market and Economy, participation varies. For instance, The Bahamas is a full CARICOM member but is not a party to the RTC and does not participate in the CSME; Haiti is a party to the RTC and has all the rights and obligations of a full Member participating in the CSME. Haiti still has to fulfil some basic requirements including becoming a party to the Agreement establishing the Caribbean Court of Justice (CCJ Agreement) and domestic implementation of the requirements to issue skills certificates. Montserrat, although a full member of CARICOM, is not a party to the RTC and only participates in some elements of the CSME (e.g., trade in goods and limited movement of people rights).³ Twelve CARICOM Member States are currently participating in all of the CSME regimes. These countries have ratified the Revised Treaty of Chaguaramas, the CCJ Agreement and implemented the core elements of the CSME — including free movement of goods, services, capital, and skills (labour mobility) — to varying degrees.

CARICOM Member States share a common Caribbean identity, but they differ significantly in their economic structures, levels of development, and social conditions. These differences shape how countries benefit from regional integration and influence their capacity to implement the CSME. For example, some Member States, such as Trinidad and Tobago, Guyana, and Suriname, possess significant natural resources. Trinidad and Tobago has a relatively diversified economy driven by oil, natural gas, petrochemicals, and manufacturing, resulting in higher GDP per capita and stronger fiscal capacity. Guyana and Suriname benefit from mining and agriculture, with Guyana experiencing rapid growth in recent years due to offshore petroleum discoveries. These resource-rich states tend to have greater export earnings and stronger state revenues. In contrast, many CARICOM Member States—including Barbados, Jamaica, Antigua and Barbuda, Saint Lucia, and The Bahamas—have service-oriented economies, heavily dependent on tourism, financial services, and trade. While tourism generates foreign exchange and employment, it also makes these economies highly vulnerable to external shocks such as global recessions, pandemics, and natural disasters. These states often face high public debt and limited economic diversification. The smaller Eastern Caribbean states—such as Dominica, Grenada, Saint Kitts and Nevis, and Saint Vincent and the Grenadines—are classified as small and vulnerable economies, and as Less Developed (LDCs) within CARICOM. Their limited land area, small populations, narrow production bases, and exposure to hurricanes constrain economic growth. These states often rely on agriculture, remittances, tourism, and development assistance.

¹ Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat (a British Overseas Territory), Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

² Participation in decision-making varies dependent on their participation in the regimes (e.g. The Bahamas does not vote on CSME specific policy matters and Montserrat does not, participate in, or vote on Foreign Policy matters)

³ Montserrat is reportedly taking steps towards full implementation of the Revised Treaty of Chaguaramas.

Social development also varies widely across CARICOM. Member States with stronger economies generally enjoy higher standards of living, better access to healthcare and education, and more developed infrastructure. For example, Barbados and Trinidad and Tobago consistently rank higher on human development indicators such as literacy rates and life expectancy. However, social inequality remains a major challenge across the region. In countries like Jamaica, Belize, and Trinidad and Tobago, income inequality, crime, and youth unemployment are persistent issues. Urban areas often experience higher crime rates, while rural communities may face limited access to services and economic opportunities.⁴ Migration is another key social characteristic and many CARICOM Member States experience high levels of emigration, particularly of skilled workers, to North America and Europe. While remittances support household incomes, brain drain weakens domestic labour markets and strains public services.

Table 1: CARICOM Selected Economic and Social Characteristics

CARICOM Member State	GDP (US\$ bn, approx.)	Population (approx.)	Area (km ²)	Main Economic Activities
Antigua & Barbuda	2.0	94,000	442	Tourism, services, offshore finance
The Bahamas	14.4	410,000	13,880	Tourism, financial services
Barbados	6.3	281,000	430	Tourism, financial services, light manufacturing
Belize	3.0	430,000	22,970	Agriculture, tourism, BPOs
Dominica	0.6	72,000	751	Agriculture, eco-tourism
Grenada	1.4	126,000	344	Agriculture (nutmeg), tourism
Guyana	16.0	820,000	214,970	Oil, mining, agriculture
Haiti	20.0	11.6 million	27,750	Subsistence agriculture, informal sector
Jamaica	17.0	2.8 million	10,990	Tourism, bauxite, services
Montserrat	0.1	5,000	102	Services, aid-supported economy
Saint Kitts & Nevis	1.1	54,000	261	Tourism, services
Saint Lucia	2.5	184,000	617	Tourism, agriculture
Saint Vincent & the Grenadines	0.9	111,000	389	Agriculture, tourism
Suriname	4.0	620,000	163,820	Mining, oil, forestry
Trinidad & Tobago	28.0	1.4 million	5,130	Oil, gas, manufacturing

(Source: Compiled from World Bank, IDB, UNCTAD and national statistical institutes data)

1.2 Purpose of the Report

This project responds to increasing calls from CARICOM leaders, after years of incremental progress with regional integration, for fully implementing the CSME.⁵ For instance, on 1st January 2025, Prime Minister Mia Mottley of Barbados, in her capacity as Chair of the CARICOM called on Member States to “resume the full implementation

⁴ Haiti stands out as the least socially and economically developed CARICOM Member State. It faces widespread poverty, weak institutions, limited infrastructure, low human development indicators, and ongoing political instability. These conditions severely limit Haiti’s ability to participate fully in regional economic initiatives and highlight stark disparities within CARICOM.

⁵ Hon Gaston Browne, Prime Minister of Antigua and Barbuda (2022), <https://www.loopnews.com/content/pm-browne-calls-for-full-implementation-of-csme/>. Also, <https://inewsguyana.com/caricom-sg-calls-for-full-csme-implementation-at-coted-meeting/>. Also, Al-Hassan, Abdullah, Burfisher, Mary E., Chow, Julian T., Ding, Ding, Di Vittorio, Fabio, Kovtun, Dmitriy, McIntyre, Arnold, Ötoker, Inci, Santoro Marika, Shui, Lulu, and Youssef, Karim (2020), Is the Whole Greater than the Sum of its Parts? Strengthening Caribbean Regional Integration, *IMF Working Paper* 20/8, p. 7. Available at <https://doi.org/10.5089/9781513525860.001>

of the CSME,⁶ spurring a renewal of efforts by the CARICOM Secretariat to undertake the above mentioned study.⁷ Efforts at regional integration among the CARICOM member states extend back almost 70 years, and precedes the establishment of CARICOM in 1973.⁸ However, CARICOM regional integration has proven elusive and in 2011 former Secretary General of CARICOM, Ambassador Irwin Larocque quipped that “Heads of Government recognised that it would not be possible to fully implement the Single Market and Economy by the anticipated deadline of 2015 [...] and that there is an implementation deficit on many of the decisions taken on the CSME.”⁹ The following year (2012), a study completed by Landell Mills and commissioned by the CARICOM Secretariat concluded that it was “important [...] for CARICOM member states to be much clearer about both the benefits CARICOM is offering and when they will be delivered.”¹⁰ Then “the Conference of Heads of Government ... at its Twenty-Eight Intercessional Meeting” in February 2017 mandated that the CARICOM Secretariat undertake a quantitative analysis of the CSME.”¹¹

The desire for completing implementation of the CSME in a timely fashion is likely not shared by all CARICOM leaders. At the time of writing this Report, the Prime Minister of Trinidad & Tobago, Kamla Persad-Bissessar, has made comments and taken positions that could undermine CARICOM’s efforts to fully implement the CARICOM Single Market and Economy. Prime Minister Persad-Bissessar has publicly stated that Trinidad and Tobago no longer views CARICOM as “a reliable partner,”¹² described the organisation as “dysfunctional,” and further stated that “T&T would pursue other alliances that better serve its “economic and physical security.” The Prime Minister’s comments indicate a major foreign policy realignment away from regional cooperation for Trinidad and Tobago, upsetting the regional cooperation and shared principles which underpin the CSME.¹³

From time to time other CARICOM leaders and personalities from across the region have also questioned the ability of the CSME to deliver on its objectives. In 2017, the Report of the Commission to Review Jamaica’s Relations within CARICOM and CARIFORUM Frameworks commissioned by Prime Minister Andrew Holness of Jamaica found that “the single market and economy [...] is not working [...] and] cannot be expected to work [...] and that] in the absence of a commitment by Member States [to fully implement the CSME,] Jamaica should withdraw from the CSME but retain its membership of CARICOM in a capacity similar to that of the Bahamas.”¹⁴ In 2022, Sir Ronald Saunders, Antigua and Barbuda’s Ambassador to the United States of America (USA) wrote a three piece article titled “Has CARICOM reached its limits of regional integration?” wherein he pointed out that “the regional project has failed to deliver the commitment expected from the 1973 Treaty of Chaguaramas and

⁶ New Year Statement by Chair of the Caribbean Community (CARICOM), Honourable Mia Amor Mottley, S.C., M.P. Prime Minister of Barbados, January 1 2025, <https://caricom.org/new-year-statement-by-new-chair-of-the-caribbean-community-caricom-honourable-mia-amor-mottley-s-c-m-p-prime-minister-of-barbados/>

⁷ This project was initially slated for 2024 but was suspended late summer.

⁸ The West Indies Federation was established in 1958, followed by the establishment of the Caribbean Free Trade Association (CARIFTA) in 1965, which lasted until 1972. The Treaty of Chaguaramas in 1972 established CARICOM.

⁹ Ambassador Irwin Larocque

¹⁰ ToR, p. 4 referencing the study by Landell Mills (2012), Turning Around CARICOM: Proposals to Restructure the Secretariat.

¹¹ ToR, p. 4.

¹² Daily Express, December 20, 2025, https://trinidadexpress.com/newsextra/pm-responds-caricom-not-a-reliable-partner-at-this-time/article_83861328-a545-4c53-abd7-fa414245b11a.html. Also, NationNews, Trinidad PM says CARICOM has ‘lost its way’, online article, December 21, 2025, <https://nationnews.com/2025/12/21/trinidad-pm-says-caricom-has-lost-its-way/>

¹³ The Gleaner, CARICOM’s new crisis, editorial, Tuesday December 23, 2025, <https://jamaica-gleaner.com/article/commentary/20251223/editorial-caricoms-new-crisis>

¹⁴ CARICOM/CARIFORUM Review Commission Secretariat (2017), Report of the Commission to Review Jamaica’s Relations within the CARICOM and CARIFORUM Frameworks, p. xviii. Available at <https://opm.gov.jm/wp-content/uploads/2018/02/CCRC-Report-Final-Update-Aug-2017.pdf>

its Revision in 2001.”¹⁵ Ambassadors Saunders opined that “the sovereignty of individual states continues to [dominate] decision making, resulting in inadequate or no implementation of regional decisions [... and that] the Secretariat [... has drifted into paralysis and bureaucratic management, in addition to being poorly funded.”¹⁶

The differences in attitude and outlook towards the CSME raise important questions about the CARICOM Single Development Vision, which was adopted in 2007 and suggest that, as it relates to the integration effort, there isn't consensus around the idea of shared sacrifice for regional development and that this is still underpinned by nationalist objectives. If this is the case, it undermines legitimacy of collective decision-making and solidarity across the Community, especially with the Less Developed Countries (LDCs), weakens public support for integration, and reduces confidence in the CARICOM regional institutions and leads to Member States being cautious in implementing elements of the CSME.

1.3 Adherence to the ToR

The Terms of Reference for this assignment calls for a consolidated and comprehensive analysis and presentation of the entire study with clear conclusions and recommendations that will provide strategic orientation for future policies and measures for strengthening regional economic integration and maximising their positive impacts on the development of the Community (including the measures to mitigate risks and adverse impacts). It also requires discussion about the limitations of the study and suggestions for further work; indication of reference (i.e., documents consulted under the study), and annexes. This is conducted as part of Phase 3 of the wider project, and forms one of the key deliverables or outputs.

This report is a revised version of the Final *The Potential Impacts and Benefits of the CSME* report submitted to the CSME Implementation Unit in 2025¹⁷ The aim of the consultancy is to examine the progress in economic integration and to quantify the potential gains that the community has derived from implementation of the five core regimes of the CSME. Specifically, the study examines

- The economic and non-economic impacts of the CSME both at the regional and Member States levels.
- The impact of the CSME on key sectors and target groups at regional and national levels.
- The states of governance and coordination of the regional integration process and its impact on the functioning of the CSME.
- The effects of the CSME trade in goods regime as well as CSME sectoral policies (e.g., agriculture, transport, tourism, financial services, ICT and energy) on regional production and productivity, investment and trade performance, and on economic growth and sustainable development.

1.4 Methodology

Baastel employed a mixed methods approach to respond to the objectives of this consultancy. This combined quantitative assessments with qualitative methods (i.e., focus groups, structured stakeholder interviews, and mini-case studies). The quantitative part of the impact assessments was augmented with qualitative research to

¹⁵ Saunders, Ronald (2022), “Has CARICOM reached its limits of regional integration? – Part 3,” IBW21.org online article, available at <https://ibw21.org/editors-choice/has-caricom-reached-its-limits-of-regional-integration-part-3/#:~:text=In%202003%2C%2014%20years%20before,and%20uncertainty%20they%20now%20endure%E2%80%9D>.

¹⁶ Ibid

¹⁷ Email from Evan Green to Salas Hamilton et al dated 3 December 2025.

obtain a deeper and richer view of identified impacts and to understand how to improve future impact. Baastel attempted to triangulate the insights and views obtained from the qualitative research to get a coherent picture of changes over time and the impacts.

Principal data collection methods for the consultancy involved:

- desk research involving documentary reviews that focused on identification, collection, and examination of background documents and prior studies about the CSME and CARICOM,¹⁸ as well as review of quantitative and qualitative information provided by CARICOM, including reports and other relevant project and programme materials such as Update 13 – Implementation Plan;
- consultations with key stakeholders that involved direct and online interviews, focus group meetings, visits to Member States,¹⁹ and visits to the CARICOM Secretariat in Guyana, the CSME Unit in Barbados, and the OECS Secretariat in St Lucia to gather direct stakeholder perspectives; and
- meetings with key personnel from the CSME Implementation Unit and CARICOM Secretariat.

To analyse the data and information collected, Baastel

- utilised quantitative and qualitative methodologies such as trade and market integration indicators and tariff barriers count alongside case studies and policy and legal analysis to complete a baseline assessment of the CSME;
- used content and thematic analysis, as well as some narrative analysis to evaluate the data and information gathered through the consultations with stakeholders. In addition, Baastel used feedback loops and attempted to triangulate the findings by cross-checking responses across stakeholder groups from the different Member States visited.
- employed trade-based analysis, regression analysis (i.e., Gravity Models), investment and capital flow analysis, and labour mobility analysis to gain insights into long-term economic conditions, trends, variations, and potential areas for improvement.
- employed a multi-dimensional approach to evaluate whether the CSME is achieving its economic goals (e.g., has the CSME increased intra-regional trade, and are CARICOM businesses and nationals benefitting equally across Member States), and to analyse the complex links between the CSME and economic and social issues like financial security, standard of living, inequality, poverty, health, and education (e.g., how has the CSME affected nationals and communities//societies).

In evaluating the current state of implementation of the CSME, the analysis focused on the five core regimes of the CSME as well as supporting macroeconomic policy areas.²⁰ The process involved on one hand, assessing Update 13 – Implementation Plan for specific measures and timelines; analyzing CARICOM data from different sources²¹; and consulting officials in Member States about the progress of their implementation (this was done during the stakeholder consultations). The main objective was identifying the areas of progress by Member States

¹⁸ For example, the reports by Samuel Brathwaite (2020) titled "CARICOM Report: Progress and challenges of the Integration Agenda," BID-INTAL; Inter-American Development Bank (2005), CARICOM Report, Report Number 2; and Owen Arthur and Consortium (2010), Consultancy to Support the Full Integration of Belize and the OECS in CARICOM.

¹⁹ Nine Member States were visited including Antigua and Barbuda, Barbados, Belize, Guyana, Jamaica, Saint Lucia, Suriname, and Trinidad and Tobago.

²⁰ This is specifically indicated in the Terms of Reference.

²¹ National Statistical Institutes, CARICOM, IMF, World Bank, etc.

in relation to the core regimes and supporting macroeconomic policy measures and the existing gaps in implementation (i.e., what is outstanding). Additionally, the consultants met with several Technical Directors from CARICOM responsible for different areas of the CSME – e.g., services, trade in goods, free movement of persons to discuss key implementation issues for different areas of the CSME.

Importantly, the lack of adequate data at the national and regional levels, including in a disaggregated form, made linking the benefits and impacts to the CSME difficult, if not impossible, both for analysis and for crafting policy relevant recommendations. For example, claiming free movement reduces unemployment or responded to demands in key sector in other Member States cannot be verified without cross-country employment statistics. And social benefits such as higher income, improved education or healthcare access require measurable indicators. To get around this constraint, Baastel relied on qualitative evidence (i.e., anecdotal evidence and case studies) and some generalisations. However, basing the analysis on predominantly qualitative evidence, opens it up to challenge by stakeholders, especially Member States, and reduces the usefulness of the recommendations for advocacy or policymaking.



2. Status of Implementation of the CSME

In January 2006 the CSME was established with the launch of the Single Market. This responded to challenges presented by the twin processes of globalisation and trade liberalisation. Confronted with low productivity growth, limited diversification, high vulnerability to external shocks, and widening social gaps, regional policymakers in CARICOM Member States designed the CSME to create a single or unified economic space that would promote regional integration of production and greater intra-regional and external trade, and in this way provide for long-term sustainable development of Member States.²² Hence, to achieve these ends, the CSME attempts to facilitate the free movement of capital, goods, services and skilled professionals, as well as the right for CARICOM businesses to establish in any Member State within the Community. It also attempts to facilitate un-restricted cross-border flow of capital within the region and coordination of fiscal, monetary and regulatory policies that are conducive to investment. Thus, the CSME provides an institutional framework for collective action and shared progress.

Creating a single economic space with a larger consumer base (or market) is a means for Member States, and by extension the region, to effectively overcome the limitations of small market size and enhancing the competitiveness of the private sector for competing with larger global rivals. Thus, firms across the region should be able to exploit greater economies of scale and reduce per-unit costs, making it possible to increase production which would in turn raise regional GDP and productivity growth. Removing tariffs and non-tariff barriers improves efficiency and stimulates trade, and trade expansion contributes to higher export earnings and balance-of-payments. Meanwhile, professionals being able to work anywhere in the region without work permits reduces structural unemployment by responding to demands across borders while enhancing human capital development, and investors moving funds more easily throughout the Community leads to capital formation and more efficient allocation of resources across Member States. Not to mention, a harmonized regional market is more appealing to international investors and increased FDI flows improve technology transfer and employment and support macroeconomic stability. Such outcomes should have characterised the CSME. But have they?

The Community has undertaken several initiatives to advance implementation of the CSME, including work aimed at “improving evidence-based policy formulation [...] through strengthening the institutional structure of the CSME.”²³ Yet, the CSME is still not fully implemented — i.e., the Single Market is only partially implemented (60%-70%), and the Single Economy is only very weakly implemented (10%-20%).²⁴ Moreover, sectors having the potential to drive growth, such as agriculture, manufacturing, and export services such as tourism, ICT, energy and transport face constraints and gaps, and CARICOM-wide sectoral policies for need strengthening.

²² Item 6 - Revisiting the CSME for Growth and Development, paper shared by the CSME Implementation Unit with the consultants.

²³ ToR, p. 3.

²⁴ These estimates are based on the core areas that are functioning. For instance, for the Single Market the legal framework exists (treaty revisions, protocols) and most Member States participate but benefits are not fully accessible to ordinary Nationals or SMEs and implementation is uneven, slow and incomplete. Conversely, for the Single Economy there is dialogue about policy convergence in some areas but no region-wide policy coordination (e.g., macroeconomic policy coordination is minimal and fiscal policy harmonisation is very limited), monetary integration only exists within the OECS sub-region, and regional regulation is fragmented while national sovereignty dominates economic decision-making.

2.1 Evaluation of the CSME Work Programme

The analysis shows that Member States have made significant progress implementing different elements of the CSME Work Programme. While CARICOM does not publish an official figure on the progress of implementation, more than 95% of the commitments under the CSME²⁵—that is, more than 111 initiatives or measures tracked—have been actioned by at least one Member State. Member States have, to varying extents, removed restrictions across the five core regimes; developed policy frameworks to support agriculture (i.e., 25 by 2025 plus 5), manufacturing and services sectors (e.g., ICT Single Space); signed and ratified the Protocol to amend Art 83 of the RTC as well as various agreements and protocols establishing or incorporating organs of the Community and different regional institutions (such as the Council for National Security and Law Enforcement (CONSLE), CARICOM Implementation Agency for Crime and Security (IMPACS), Caribbean Regional Fisheries Mechanism (CRFM), CARICOM Agreement on Social Security (CASS), CARICOM Double Taxation Agreement, and Protocol on Public Procurement); established relevant committees (e.g., IMCC and BLAC); identified CSME focal points; and established national coalitions of services providers.

2.1.1 Management of the Work Programme

Management of the CSME involves coordinating regional integration decisions across a group of sovereign states with different economic sizes, institutional capacities, and political priorities. At its core, CSME management requires translating regional agreements into national laws, harmonising policies, monitoring compliance, resolving disputes, and supporting adjustment costs—particularly for less developed member states. These responsibilities are shared between regional institutions and national governments, making effective coordination central to successful implementation.

The formal management structure of the CSME is hierarchical. At the apex is the Conference of Heads of Government, which sets the strategic direction and approves major decisions related to the CSME. Below this level, the Community Council of Ministers is intended to ensure policy coherence across CARICOM's various pillars, while the Council for Trade and Economic Development (COTED) plays the most direct role in managing the Single Market. COTED oversees matters related to trade liberalisation, labour mobility, services, capital movement, and competition policy. Supporting these political organs is the CARICOM Secretariat, which provides technical expertise, administrative coordination, and monitoring of implementation. The Caribbean Court of Justice (CCJ) serves as the final judicial authority for interpreting the Revised Treaty of Chaguaramas, while the CARICOM Development Fund (CDF) is designed to assist disadvantaged states in adjusting to the demands of the Single Market. At the national level, ministries, immigration departments, customs agencies, and regulatory bodies are responsible for implementing CSME obligations in practice.

The analysis found that in practice, this management structure has been more successful in establishing the legal and institutional framework of the CSME than in ensuring consistent, timely, and uniform implementation. Regional organs have been effective at formulating policies, drafting protocols, and articulating a shared integration vision. However, enforcement remains weak because CARICOM decisions largely depend on voluntary compliance by Member States. Regional institutions lack strong sanctioning powers, and the Secretariat

²⁵ Providing a numerical value for implementation of the CSME is tricky given its dynamic nature. The consultants also don't have access to information about what legislative, institutional, and administrative progress Member States have each implemented.

has limited authority to compel action. As a result, implementation often stalls at the national level, where domestic political considerations and administrative constraints take precedence.

Table 2: Management Structure of the CSME

Institution / Body	Level	Main Responsibilities	How It Has Worked in Practice
Conference of Heads of Government	Regional (Highest authority)	• Sets overall vision and policy direction for the CSME • Approves major integration decisions and timelines	Strong in setting vision and declarations, but weak in enforcing decisions and ensuring follow-through
Community Council of Ministers	Regional (Strategic coordination)	• Coordinates strategic planning • Ensures coherence across CARICOM pillars	Limited impact and overlaps with other bodies reduce effectiveness
Council for Trade and Economic Development (COTED)	Regional (Operational policy)	• Oversees Single Market implementation • Manages trade, labour mobility, services, capital, and competition policy	Central to CSME management, but constrained by lack of enforcement authority
CARICOM Secretariat	Regional (Administrative/technical)	• Provides technical support and advice • Monitors implementation • Collects data and prepares reports	Technically capable but under-resourced and dependent on political direction
Caribbean Court of Justice (CCJ)	Regional (Judicial)	• Interprets and enforces the Revised Treaty of Chaguaramas • Resolves CSME disputes	Legally strong but underutilised by states and private actors
CARICOM Development Fund (CDF)	Regional (Development support)	• Provides financial and technical assistance to disadvantaged states • Supports adjustment to the Single Market	Positive role but limited by funding constraints
National Governments & Ministries	National	• Implement CSME decisions in domestic law • Manage immigration, customs, labour, and business registration	Highly uneven

(Source: Compiled by Consultant from CARICOM sources)

The hierarchical management structure has also had limited effect in achieving coordination and harmonisation of policies, especially in politically sensitive areas such as labour mobility and services regulation, and the structure has been least effective in achieving harmonisations related to the Single Economy, particularly in fiscal and macroeconomic policy. For instance, there has been little progress toward harmonising tax systems, coordinating fiscal policy, or establishing common macroeconomic convergence criteria across CARICOM. Member states continue to pursue independent tax incentives and investment policies, often in competition with one another, which undermines regional coherence. This outcome reflects the reluctance of governments to surrender control over core economic policy areas and the absence of binding enforcement mechanisms within the management structure.

As can be gleaned from the above, one of the major challenges in managing CSME implementation is the tension between national sovereignty and regional commitments.²⁶ Member states are often reluctant to cede authority over sensitive areas such as immigration, labour markets, taxation, and macroeconomic policy. This reluctance has led to selective and uneven implementation of CSME provisions, particularly in areas like the free movement of skilled labour and the harmonisation of services regulation. Closely related to this is the problem of weak political will, as governments may support integration rhetorically while delaying action when faced with domestic opposition. Another significant challenge is the uneven administrative and institutional capacity among member states. Smaller and less developed countries often lack the technical expertise, financial resources, and human capital needed to implement complex regional commitments. This has resulted in inconsistent application of CSME rules across countries, undermining the idea of a single economic space. Although the CARICOM Development Fund exists to address these disparities, its limited resources constrain its effectiveness.

Coordination failures also pose a serious management issue. The CSME management structure involves multiple regional organs with overlapping responsibilities, which can slow decision-making and dilute accountability. Communication gaps between regional institutions and national implementing agencies further exacerbate delays. For instance, the Conference of Heads of Government (CHOG), which sets broad goals, and the Community Council of Ministers (CCM), which reviews progress on implementation, both influence the strategic policy agenda, but because the CCM reports to the CHOG, it sometimes repeats discussion on strategic priorities, blurring the line between policy-making and policy coordination, and its meeting agenda often mirrors priorities already established by the CHOG, causing some duplication.²⁷

2.2 Assessment of the Status of Implementation of the Single Market

The analysis completed under this consultancy found that since its establishment, the CARICOM Single Market has made significant but uneven progress toward full implementation. Briefly, the free movement of goods is the most advanced component of the Single Market: tariff barriers among member states have largely been removed; the Common External Tariff (CET) is applied; and Rules of Origin (RoO) have been established, facilitating intra-regional trade. However, non-tariff barriers (NTBs) such as customs delays, administrative procedures, and import licensing continue to restrict trade. By comparison, the free movement of skilled labour has progressed slowly but steadily: four Member States have moved to full free movement and there are now 13 categories of skilled labor, but greater uniformity in recognising skills certificates and easing labour mobility is needed, including streamlined immigration procedures and removal of discretionary restrictions. Conversely, services liberalisation is ongoing but fragmented: the Community is working towards a single registration system but professional licensing, qualifications recognition, and sectoral regulatory standards need to be harmonised to allow true free movement of services and service providers. Still, some sectors like tourism, ICTs, and professional services have seen increased cross-border activity. Regarding the free movement of capital, there has been progress with increased cross-border investment, banking integration, and some harmonisation of financial regulations. Yet full capital mobility is still limited by national controls in certain areas. And about the right of establishment, legal rights for CARICOM nationals to establish businesses in member states exist, but simplification and alignment of

²⁶ Al-Hassan, Abdullah, et al (2020), "Is the Whole Greater than the Sum of its parts? Strengthening Caribbean Regional Integration," IMF e-Papers, Volume 2020, Issue 008, <https://doi.org/10.5089/9781513525860.001>

²⁷ Feedback from stakeholder consultations.

business registration, investment rules, and licensing regimes across member states are required to enable seamless establishment.

This rest of this section will discuss the progress of implementation across the five core regimes of the Single Market in more detail. Thereafter, the progress of implementation of the Single Economy will be examined.

2.2.1 Implementation across the Core Regimes

2.2.1.1 Free Movement of Goods

Core Regime	Status of Implementation
Free movement of goods	Legal framework: Largely implemented Tariff liberalisation: Substantially complete Common External Tariff (CET): In place but frequently adjusted Rules of origin: Established and operational Practical free movement: Partially constrained by non-tariff barriers
The free movement of goods is assessed as 70–80% implemented, making it the most successful component of the CSME to date, though still short of a fully seamless single market.	

The free movement of goods is the most advanced of the Single Market’s five core regimes and is about 80%-90% functional. Significant progress has been made in removing barriers to the movement of goods produced within Member States, harmonising customs procedures, and establishing a framework for intra-regional trade, reflecting the region’s emphasis on trade liberalisation and economic integration. One of the key achievements of the regime has been the elimination of internal tariffs, which allows goods originating within the region to move duty-free across member states. Complementing this, the Common External Tariff (CET)²⁸ has been applied consistently, providing a uniform approach to trade with non-member countries. These measures have reduced costs for intra-regional trade and encouraged market integration. In addition, Rules of Origin have been established to determine which goods qualify for duty-free movement, ensuring that only products genuinely produced within CARICOM benefit from the Single Market. Progress has also been made in harmonising customs documentation, inspection protocols, and other trade facilitation measures, with some member states adopting electronic customs systems to streamline processing. As a result, the free movement of goods under the CSME can best be described as substantially implemented but operationally uneven.

A. Tariff Liberalisation and the Common External Tariff (CET)

The analysis for this consultancy found that the core legal architecture for the free movement of goods under the CSME is largely in place. At the treaty level, the Revised Treaty of Chaguaramas clearly establishes the elimination of intra-regional tariffs, the application of a Common External Tariff, and the principle of non-discrimination for goods of CARICOM origin.²⁹ Most Member States have formally incorporated these obligations into national law and customs schedules, meaning that the legal right of CARICOM-origin goods to move tariff-free is well established but persistent gaps exist. Barbados, Belize, Jamaica, Guyana, and Trinidad and Tobago having fully incorporated CSME tariff obligations into national law and customs schedules. Antigua and Barbuda, Dominica, Grenada, St Lucia, St Vincent and the Grenadines, and St Kitts and Nevis have also formally

²⁸ Articles 82 and 83 of the RTC establishes the CET as a key pillar of CARICOM’s trade policy.

²⁹ Revised Treaty of Chaguaramas,

incorporated CSME obligations, but Safeguards are repeatedly used, CET suspensions are frequent, and tariff-equivalent charges persist.

The CET structure itself—its bands, tariff lines, and product classification—is formally adopted across the Community, providing a shared external trade policy baseline. Trinidad and Tobago, Jamaica, Barbados, Guyana, Belize, and Member States from the OECS sub-region all apply the CET, though, Article 111 of the RTC allows suspensions or exceptions for specific circumstances (e.g., to allow imports of goods not produced regionally, or temporarily reduce input costs). Member States have used suspensions to access affordable industrial and agricultural inputs, to allow regional industries to remain cost-competitive, and to prevent price spikes and ensure supply. For example, Guyana has applied suspensions for cement,³⁰ as well as fertilizers – in the case of the latter to maintain production and food security; Trinidad and Tobago for a range of food items to maintain lower prices for consumers³¹; and Antigua & Barbuda, Dominica, Grenada and Saint Lucia for essential food items to combat rising costs of living.³² However, these exceptions are temporary and legally sanctioned, so they do not constitute non-application, but the legal framework governing safeguards, exceptions, and CET suspensions is permissive and weakly disciplined. While these mechanisms were intended to be temporary and exceptional, the Treaty lacks strong procedural constraints to prevent repeated or prolonged use. As a result, what was designed as flexibility has become a structural feature of implementation gaps of the CSME. Moreover, some Member States have yet to revise and ratify the updated CET schedules fully.

While the legal framework for tariff liberalisation and the CET is largely implemented at the policy level, significant gaps remain in practice and is incomplete for sensitive agricultural and revenue-critical goods. Firstly, following a review of the CET in 2017, Member States were to implement the revised CET and Revised Schedule based on HS 2022. However, to date, only four Member States have done so (i.e., Barbados, Belize, Jamaica, and Saint Vincent and the Grenadines).³³ Further reforms have since been endorsed, with implementation of a revised CET regime scheduled for January 2026, ahead of the transition of the 2027 HS classification.³⁴

Secondly, intra-regional tariffs persist is the use of safeguard measures under Article 56 of the RTC, which allow Member States to temporarily re-impose tariffs or other restrictions on imports from within CARICOM where such imports cause, or threaten to cause, serious injury to domestic producers. For example, Jamaica used safeguard measures to protect its poultry sector and egg industry; Belize to protect its poultry and sugar industries – these are small, vulnerable industries; and Guyana to protect producers in the rice and related industries from sudden import surges. Also, OECS states have, collectively, been significant users of Article 56, particularly due to their small market size and fiscal vulnerability. In practice, safeguards have been applied most frequently to agricultural and agro-processed goods, including poultry, eggs, selected meats, and processed

³⁰ In *Trinidad Cement Limited and TCL Guyana Incorporated v The State of the Co-operative Republic of Guyana*, [2009] CCJ 5 (OJ), the CCJ concluded that Guyana breached Article 82 of the RTC by failing to implement and maintain the CET. For a summary of the CCJ's ruling see https://ccj.org/wp-content/uploads/2021/08/2009-CCJ-5-TCL-v-Guyana-2_CD.pdf

³¹ Trade Ministry" Suspension of regional tariffs on essential goods extend to December 2024, *Trinidad & Tobago Guardian*, <https://www.guardian.co.tt/news/trade-ministry-suspension-of-regional-tariffs-on-essential-goods-extended-to-december-2024-6.2.1870356.4f1eeb8c26>

³² In December 2025, Antigua and Barbuda suspended the CET for a range of essential food items to protect against rising costs of living in the country. See Joseph, Deslyn A. (2025), "Customs official explains CET duty relief, Christmas Barrel fees," *Antigua Observer*, <https://antiguaobserver.com/customs-official-explains-cet-duty-relief-christmas-barrel-fees/#:~:text=Deslyn%20A%20Joseph-Laurel%20Jonas%2C%20Senior%20Customs%20Officer%20at%20Antigua%20and%20Barbuda%20Customs,broccoli%2C%20along%20with%20fresh%20fruit.>

³³ Update 13 – Implementation Plan, p. 91.

³⁴ <https://caricom.org/caricom-advances-strategies-to-enhance-regional-and-external-trade-at-60th-coted-meeting>

foods produced by small domestic industries. Although safeguards are intended to be temporary and exceptional, their repeated use has had the effect of re-introducing tariffs on a product and country-specific basis, fragmenting the regional market and weakening the predictability of free movement for traders.

Closely related to this, is the continued protection of sensitive agricultural products, where intra-regional tariffs and tariff-like measures persist despite formal commitments to free trade. Agriculture remains a politically sensitive sector across CARICOM, given its role in employment, food security, and rural livelihoods. As a result, products such as poultry, dairy substitutes, eggs, and certain fresh produce often face duties, quantitative restrictions, or import licensing requirements that are closely tied to tariff schedules. While these measures are sometimes justified on food security or public health grounds, they effectively limit tariff-free access for regional agricultural exports. This has constrained the development of a fully integrated regional agricultural market and reduced the potential gains from specialisation among land-abundant and land-scarce states.

Intra-regional tariffs also continue to apply in trade involving Member States that are not fully participating in the CSME. Haiti, while formally part of the CSME, has experienced significant implementation challenges, resulting in uneven application of tariff-free treatment. These asymmetries mean that trade with these countries does not benefit fully from CSME liberalisation, creating pockets of incomplete integration within the Community and limiting the scope of region-wide free movement of goods.

Another area where intra-regional tariffs persist is in relation to revenue-sensitive goods, particularly in smaller economies that rely heavily on customs duties for government revenue. Products such as alcoholic beverages, tobacco products, and fuels have historically generated substantial fiscal income, making governments reluctant to eliminate tariffs entirely. While many of these tariffs have been reduced over time, full liberalisation has often been delayed or implemented unevenly across member states. This reflects a broader structural challenge within the CSME, one characterised by the absence of sufficiently robust alternative revenue sources to replace lost trade taxes, especially in small island economies with narrow tax bases.

Finally, the frequent use of CET suspensions and national exceptions has indirectly weakened the elimination of intra-regional tariffs. CET suspensions allow member states to import certain goods from outside the region at reduced or zero tariff rates when regional supply is deemed inadequate. While legally permissible, widespread and prolonged use of these suspensions has eroded the competitiveness of regional producers. In response, some states have sought to protect domestic industries through tariffs or equivalent measures on regional goods, effectively reintroducing barriers within the Single Market. Over time, this practice has contributed to a fragmented trade regime in which formal tariff-free access coexists with a range of exceptions that undermine the consistency and credibility of the CSME.

Following from the above, the analysis concludes that despite the strong formal foundation of the CSME, key parts of the legal framework remain under-implemented or weakly enforced.³⁵ Most notably, the Treaty relies heavily on national implementation and discretion, while regional enforcement mechanisms are limited.

³⁵ Notably, the Secretariat's 2017 Annual Report highlighted that progress in legal and institutional measures (including those for goods) was real but "some areas which still need to be addressed" remain, including challenges related to the movement of goods. A full audit of CSME compliance undertaken in 2009 by the CARICOM Secretariat's CSME Unit for a Convocation of Social Partners also found that while all five core single market regimes were functioning, "legislative actions taken so far do not mean that there is full legislative compliance by all member states," indicating incomplete incorporation and enforcement of obligations across the Community. For the latter see <https://kaieteurnewsonline.com/2009/12/11/csme-audit-reveals-mixed-findings/>

Moreover, there are few effective sanctions for non-compliance, and dispute settlement mechanisms are underused, slow, and politically sensitive.

B. Rules of Origin (RoO)

Rules of Origin are the cornerstone of the CSME goods regime. The analysis also found that rules of origin are operational and reasonably well-defined —i.e., they specify value-added thresholds and transformation criteria that determine whether goods qualify for duty-free treatment. RoO rules are widely applied by customs authorities across the Community and form a critical part of the legal framework preventing trade deflection. Because CARICOM has not implemented free circulation under Article 239, RoO are essential for preventing trade deflection (importing extra-regional goods through low-tariff states), determining eligibility for duty-free intra-regional trade, and support the operation of the CET. All CSME Member States have formally accepted the RoO codified in Schedule I of the RTC, which include minimum regional value-added thresholds, change in tariff heading criteria, and product-specific rules for sensitive goods. Member States also actively apply RoO at the border including requiring CARICOM Certificate of Origin for preferential treatment and exporters to provide documentation demonstrating compliance. However, institutional oversight appears to be only partially functional in the sense that disputes over origin may be underused. The exception to this is the known, lard case involving DCP Successors Limited (DCPS), a company incorporated in Dominica that manufactures soap, versus the State of Jamaica over whether soap noodles imported by Jamaican soap manufacturers from outside CARICOM (e.g., Indonesia and Malaysia) were improperly being exempted from the 40% CET and, by extension, whether finished soaps made from those materials were being treated as CARICOM-origin products eligible for preferential treatment.³⁶

C. Harmonisation of Regional Quality and Standards

In the CSME, harmonised standards and mutual recognition are meant to allow goods legally produced and certified in one Member State to be accepted elsewhere without duplicate testing or certification. All Member States have signed and ratified the Agreement establishing the CARICOM Regional Organisation for Standards and Quality (CROSQ), and most Member States have established or strengthened national standards bodies and legislation that align with CSME commitments. This includes bodies like National Standards Bureaux / Institutes in countries such as Belize (Bureau of Standards), Barbados – Barbados Standards Institute (BSI), Jamaica – Bureau of Standards Jamaica (BSJ), Trinidad and Tobago – Trinidad & Tobago Bureau of Standards (TTBS), and the Guyana – Guyana Standards Authority (GSA) that are linked to regional institutions such as CROSQ.

CROSQ is the mandated body under Article 67 of the Revised Treaty of Chaguaramas, established to promote harmonisation of standards, metrology, conformity assessment, and accreditation among all 15 CARICOM Member States. CROSQ operates as a network of National Standards Bodies (NSBs) from all Member States, including Antigua & Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Suriname, Trinidad & Tobago, The Bahamas and Montserrat. CROSQ has developed regional standards and model technical regulations in key sectors, including agro-processed foods, building materials and construction, electrical products, cosmetics and personal care, and packaged water and

³⁶ This case was raised by affected companies in Jamaica during the consultations there. The full case, [2024] CCJ 1 (OJ), can be accessed here https://ccj.org/wp-content/uploads/2024/01/2024_CCJ_1_OJ.pdf

beverages. This work includes aligning national standards to a single regional benchmark where possible and proposing model technical regulations for adoption by Member States.

And Member States have upgraded or accredited testing laboratories – e.g., the St. Kitts and Nevis Bureau of Standards (SKNBS) achieved ISO/IEC 17025 accreditation for its air quality laboratory as of January 2024, or linked a subset of labs into regional networks, and promoted participation in regional proficiency testing schemes. Within CARICOM there are two National Accreditation Bodies (NABs) capable of accrediting conformity assessment service providers (e.g., testing labs) to international standards such as ISO/IEC 17025 (testing labs) and ISO 15189 (medical labs). One NAB within the region is already a signatory to the ILAC Mutual Recognition Arrangement (MRA), which enables internationally accepted accreditation status for accredited bodies.

Table 3: Standards for Poultry and Coconut Oil in CARICOM

Member State	Poultry Standard	Coconut Oil Standard	National Quality Policy	Key Notes
Guyana	Mandatory adoption, 2018 (GNBS)	Pending (pilot stage)	In development	Strong public-private engagement.
Barbados	Mandatory adoption, 2017	Mandatory, 2019	Adopted, 2019	Hosts CROSQ; leader in QI implementation.
Trinidad & Tobago	Voluntary, adopted by export poultry processors	Voluntary, producers following regional guidelines	Partial, with accreditation bodies	Focus on export compliance.
Suriname	Voluntary, modelled after CARICOM standard	Mandatory, SSB-adopted 2019	Under development	Strong government standards agency.
Belize	Adopted via NSB legislation, 2018	Under consultation	Partial; donor-supported workshop	Public consultations held.
St. Lucia, Grenada, St. Vincent, St. Kitts, Dominica	Mostly voluntary	Mostly voluntary	In various stages of policy development	SMEs engaged via campaigns; slower formal adoption.
Jamaica, Trinidad & Tobago, Barbados	Leadership in regional accreditation; host certified inspection bodies	Host compliance testing labs	Mature Quality Infrastructure	High institutional capacity.

(Source; Compiled by Leeooi-Oneika Howard, Trade Economist)

However, although accredited labs and schemes exist, not all labs in every Member State are yet accredited, and the network does not yet cover all priority areas. The areas where conformity assessment capability is being developed or exists include food safety and agricultural products (labs are involved in testing for microbiological safety, contaminants, pesticide residues, nutritional composition -key to food trade)³⁷; metrology and calibration (metrology infrastructure (accurate measurement)³⁸, which underpins conformity assessment across sectors (including industrial goods, consumer products, and export testing), is part of the regional network supported by CROSQ); medical and health testing (programs such as the Stepwise Laboratory Quality Management System (LQMS) improvement process show movement toward ISO standards for health and clinical labs, though full

³⁷ CROSQ Secretariat, Regional Work Intensifies for Food and Human Safety on World Accreditation Day <https://bos.gov.vc/bos/index.php/news/21-test-2?utm>

³⁸ <https://database.croseq.org/>

accreditation is a long-term goal)³⁹; and environmental and air quality (the Saint Kitts and Nevis Bureau of Standard's (SKNBS) ISO 17025 accreditation for air quality demonstrates environmental testing is a priority)⁴⁰.

Other significant implementation gaps also remain. For instance, Mutual Recognition Agreements (MRAs) for standards and conformity assessment are either incomplete, non-uniform, or not fully operational. That is, not all Member States have accepted or legally implemented MRAs and even where MRAs exist, national implementation is uneven. Moreover, many certifying authorities still require duplicate testing or certification in the importing state. The effect of these shortcomings is that producers face higher costs and delays despite regional standards, undermining seamless trade. Another shortcoming is that there is uneven adoption of regional standards across the Community. Although CROSQ developed model standards, not all Member States have adopted them into law, repealed conflicting domestic standards, or fully harmonised technical regulations.

D. Sanitary and Phyto-sanitary (SPS) Measures

Sanitary and Phytosanitary Measures are coordinated regionally by the Caribbean Agricultural Health and Food Safety Agency (CAHFSA), established under the Articles 57 and 74 of the RTC by CARICOM Heads of Government in March 2010 and operational since 2014.⁴¹ To date, 14 Member States have signed and ratified the Agreement establishing CAHFSA, except for Jamaica. According to the CARICOM Secretariat, although strategic regional action is required to develop and implement an agreed process for addressing SPS, key achievements of the institution include but are not limited to:

- playing a key role in the approval of nine poultry processing plants across various member states to trade poultry and poultry products regionally in 2017, after assessments confirmed compliance with regional SPS requirements
- overseeing multi-sectoral standards, including plant health, animal health, and food safety, in alignment with international guidelines (GMP, HACCP, etc.)
- leading and delivering regional workshops, including a 2024 FAO-CaribVET initiative on emergency preparedness and a 2025 IICA-USDA42 training in Trinidad & Tobago for animal disease detection
- developing model SPS legislation and supported national food safety systems via IICA and CARDI in the region, e.g., through the EU-funded CARIFORUM SPS Project.

Some Member States have been slow in updating SPS legislation and fully adopting model Frameworks, and there have been disparities in laboratory and agency capabilities across the Community which undermine uniform SPS enforcement. Thus, the Region may wish to leverage partnerships with organizations such as FAO and IICA for technical capacity transfer and assistance, embrace digital food safety solutions such as e-certification and risk-based import surveillance, create a framework to track and monitor current adoption and efficiency which may be tied to WTO-SPS obligations, strengthen lab capacity across Member States and scale training and outreach by integrating private sector education into GAP/GMP/HACCP best practices.

³⁹ Caribbean Med Labs Foundation, <https://www.cmedlabsfoundation.com/wp-content/uploads/2020/11/Guidance-Stepwise-Final-04-10-2012.pdf?utm>

⁴⁰ <https://www.sknbs.org/sknbs-receives-iso-17025-international-laboratory-accreditation-in-air-quality/?utm>

⁴¹ <https://cahfsa.org/organization/> CAHFSA aims to build a comprehensive and harmonized SPS regime for CARICOM, supporting initiatives like the Community Agricultural Health Policy and ensuring compliance with WTO-SPS requirements.

⁴² <https://www.fao.org/americas/news/news-detail/caribbean-resilience-animal-health/>

E. Protocol relating to the Treatment of Goods Produced in Special Economic Zones (SEZs)

Under Article 239 of the Revised Treaty of Chaguaramas, CARICOM is mandated to develop a Protocol relating to the treatment of goods produced in free zones and similar jurisdictions⁴³ (including Special Economic Zones (SEZs)) to ensure their effective integration within the Single Market. The intention is to prevent goods from exploiting tariff or regulatory arbitrage, while enabling zones to benefit from harmonized trade rules and ensure that SEZs support rather than undermine the objectives of the CSME. Despite the growing importance of SEZs to investment attraction and industrialization, no regional protocol has been finalized as of 2025. However, CARICOM Heads of Government adopted the Protocol on Enhanced Cooperation in 2022, providing a legal mechanism that allows subsets of Member States to move forward on integration matters including SEZs⁴⁴. This offers a new pathway, enabling this subgroup of Member States to move forward on SEZ-related rules while wider consensus develops. Regional collaboration in this area is both urgent and feasible to realize greater benefits of the trade in goods regime under the CSME.

In 2017, the World Free Zones Organization reported some 94 free zones in the Caribbean—about 4% of global zones—with 60 in the Dominican Republic alone (~64%). Within CARICOM, notable SEZs historically exist in several member states with some updating and implementing legislation recently as can be seen in the table below.

Table 4: Assessment of SEZ Frameworks in CARICOM

Member State	SEZ Law/Policy Status	Signatory to Protocol on Enhanced Cooperation 2022	Key Features/Incentives	Gaps/Challenges
Antigua & Barbuda	Legacy free zone regime	Yes	Sector-specific incentives; some logistics-related activity	No modern SEZ law; fragmented regulatory oversight
Barbados	No SEZ legislation	Yes	Industrial estates for manufacturing and services with some investment incentives	SEZ plans under discussion, but no enabling framework
Belize	Legacy free zones	Yes	Sector-specific incentives for agro-processing and light manufacturing	No updated SEZ legal framework; fragmented investment policy
Dominica	No SEZ legislation	Yes	Small-scale industrial activity; reliance on CBI and tourism	No legal or policy structure for SEZs
Grenada	Legacy industrial free zones	Yes	Duty-free imports; concessions for manufacturers	No comprehensive SEZ framework; weak institutional support
Guyana	No SEZ legislation	Yes	Industrial parks in use; high FDI interest in energy and agro-industries	SEZ policy in development; no legislation enacted

⁴³ <https://treaty.caricom.org/article-239-undertaking/>

⁴⁴ <https://caricom.org/caricom-protocol-to-enhance-cooperation-receives-another-signatory>

Haiti	Export-processing zones	No	Strong apparel exports; US trade access (e.g., HOPE Act)	Weak CSME integration; needs updated legal tools
Jamaica	Free Zone Regulations (2017) ⁴⁵	Yes	Legal definitions, PPP framework, fiscal incentives, defined infrastructure standards	Transition to full SEZ regime not complete; harmonization needed
Saint Kitts & Nevis	No SEZ legislation	Yes	Industrial estates, light manufacturing activity	No legal framework; limited investment facilitation capacity
Saint Lucia	Free Zone Act (1999); no SEZ-specific law	Yes	Industrial Park incentives	Legislative reform required
Saint Vincent & Grenadines	No SEZ legislation	Yes	Occasional enterprise incentives; no formal zone activity	No legal or institutional structure for SEZ development
Suriname	Industrial Free Zone initiatives	Yes	Some export processing zones; interest in expanding to energy and logistics	Fragmented legislation; limited enforcement capacity
Trinidad & Tobago	SEZ Act (2022) – operational since mid-2024 ⁴⁶	Yes	SEZ Authority (SEZA), 15% corporate tax, VAT/customs exemptions, capital allowances	Strong model but integration with regional rules still evolving; institutional capacity developing

(Source: Compiled by the Trade Economist)

F. Protocol on Public Procurement

On 26 February 2019, the Conference on the Heads of Government (CHOG) approved the Protocol on Public Procurement. Seven Member States (Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, St. Kitts and Nevis, St. Vincent and the Grenadines, and Suriname) have signed the Protocol and the Declaration of Intent to provisionally apply the protocol.⁴⁷ Grenada was to sign the Protocol around July or August but declared its intention to provisionally apply the protocol starting in July 2025. Among the signatories, Barbados and Belize have ratified the Protocol. Public procurement represents a large and stable share of economic activity within CARICOM—often 10%-20% of GDP—covering goods and services. Historically, public procurement in CARICOM has been opaque, highly nationally segmented, and subject to local preference policies, and this has limited the ability of CARICOM firms to participate in regional markets. The Protocol seeks to address this gap by extending CSME principles into government purchasing. The system continues to be maintained by the CARICOM Secretariat at a cost of US \$80,000 per year, underscoring CARICOM's investment while highlighting limited usage by Member States.⁴⁸

G. Trade Facilitation

⁴⁵ <https://www.jamaicatradeportal.gov.jm/en-gb/site/display/>

⁴⁶ <https://seza.gov.tt/resources/>

⁴⁷ <https://www.govt.lc/news/saint-lucia-observes-second-meeting-of-pjcpp>

⁴⁸ <https://education.govt.lc/news/caribbean-public-procurement-notice-board-to-improve-access-to-regional-markets>

Following the WTO's Trade Facilitation Agreement (TFA) coming into effect on 22 February 2017, the CARICOM Secretariat convened a Private Sector Consultation and capacity building workshop on this and to develop a CARICOM Strategy for Regional Implementation.⁴⁹ Adopting a "coordinated regional approach to implementing the TFA is considered important to minimizing costs that will likely be incurred by the CARICOM Member States during implementation of their substantive obligations under the TFA."⁵⁰ To date, eleven CARICOM member states have ratified the TFA, Trinidad being the first in July 2015 and Barbados the last in January 2018. The only CARICOM members yet to ratify are Haiti, Montserrat, and Suriname (The Bahamas remains a non-member of the WTO).

H. Private Sector facilitation and Industrial Development

The implementation of private sector participation under the CARICOM Single Market and Economy (CSME) has seen mixed progress. On the positive side, there has been increased engagement of private enterprises in regional trade, investment, and services, supported by the liberalization of barriers across member states. Several private sector-led initiatives and public-private partnerships have emerged, particularly in sectors like tourism, financial services, and manufacturing, which have contributed to increased intra-regional investment and collaboration. This has helped boost competitiveness and encouraged innovation, while regional institutions like the Caribbean Private Sector Organisation (CPSO) have strengthened advocacy for the business community within the CSME architecture.

However, significant challenges remain in fully operationalizing private sector participation as envisioned in the CSME framework. All Member States require regional action on a Draft Industrial Policy; establishing and operationalising the Caribbean Business Council (CBC); the Draft Regional Micro Small and Medium Enterprises Policy; and the Draft Micro, Small and Medium Business Development Act. Also, administrative and regulatory barriers continue to impede seamless cross-border business activities, with non-tariff barriers, inconsistent regulatory standards, and cumbersome approval processes persisting in some member states. There is also an uneven implementation of Mutual Recognition Agreements and licensing arrangements, which restrict the mobility of professionals and entrepreneurs. Moreover, access to finance, particularly for small and medium enterprises (SMEs), remains limited despite some regional efforts to enhance capital markets and SME financing mechanisms. The absence of a fully integrated regional payments and settlement system further constrains private sector growth. Addressing these gaps is critical for deepening market integration, promoting investment, and enabling the private sector to fully leverage the CSME's potential.

F. Trade in Article 164 Products

Article 164 of the RTC provides Less Developed Countries (LDCs) in CARICOM —Belize, , Antigua and Barbuda, Dominica, Grenada, Haiti, Montserrat, Saint Lucia, St Vincent and the Grenadines, St Kitts and Nevis,⁵¹— with temporary protection from more competitive regional producers, and allows LDCs to apply tariffs on specified products originating in the More Developed Countries (MDCs) —Barbados, Guyana, Jamaica, Suriname, and

⁴⁹ <https://caricom.org/private-sector-capacity-building-and-consultation-caricom-strategy-for-regional-implementation-of-the-world-trade-organization-agreement-on-trade-facilitation-tfa/#:~:text=The%20business%20sector%20has%20a,extract%20benefits%20from%20that%20participation.>

⁵⁰ Ibid.

⁵¹ Only the CARICOM LDCs are eligible to use Article 164.

Trinidad and Tobago, even though those products would otherwise move freely within the Single Market.⁵² The intent was explicitly for the tariffs and quantitative restrictions to be transitional and time-bound; to support industrial adjustment and diversification; and to address structural asymmetries within CARICOM. In practice, however, implementation has been uneven, prolonged, and politically sensitive. The LDCs have invoked Article 164 repeatedly, often requesting extensions beyond the original timelines. For example, in 2020 Saint Lucia implemented its extended list of Article 164 products.⁵³

Article 164 protection has been concentrated in light manufacturing and agro processing, particularly where MDC producers are highly competitive. Key product categories include agro-processed foods such as pasta, flour, animal feed, biscuits and baked goods, margarine, and edible oils;⁵⁴ light manufactured goods such as paints and varnishes, detergents and cleaning products, plastic products (household items, packaging), and furniture;⁵⁵ and construction-related goods such as cement-based products, roofing materials, blocks and fittings.⁵⁶ Article 164 has been one of the most fully implemented (i.e., formal implementation is high among eligible Member States) but most distortionary provisions of the CSME. For example, Saint Lucia has applied temporary tariff protection on a specified list of products to promote domestic manufacturing.⁵⁷ Under this regime, 14 product groups across 39 tariff lines were identified. Most products received 10 years of protection, while curry powder and pasta had a 5-year protection period. Dominica also announced temporary suspension of Community origin treatment on specified imported items; and products from other LDCs continue to enjoy zero duty on specified products but implementation has been slower and implementation is not uniform. More specifically, OECS states applied tariffs and quantitative restrictions on imports of flour and pasta from MDCs, despite these being CARICOM-origin goods. These measures were approved under Article 164 on the grounds that local milling and small-scale food processing industries were unable to compete with large, energy-efficient producers in Trinidad and Jamaica, and that sudden import surges threatened employment and domestic supply chains. However, protection was extended repeatedly beyond initial approval periods, and the relevant domestic industries largely did not achieve competitiveness, leading to prolonged dependence on protection.

Table 5: Article 164 Implementation Status and Gaps

Member State	Implementation Status	Issues/ Gaps
Antigua and Barbuda	Partial Implementation: Antigua and Barbuda has implemented the tariff for Water and Paint only	Further Work seems underway
Belize	Partial implementation/in progress: Belize has been reported to “Implement agreed tariffs on Art 164 products (COTED/46)”. Some specific tariff lines (aerated beverages, beer, malt beverages) noted with MFN and CARICOM rates in Belize’s notification/communication	Only some tariff lines were being applied (not the entire product set) in 2018. Clarity is required on whether this has been extended as no detail update was provided in 2024.
Dominica	Partially implemented: As of October 2019, Dominica had begun application of Article 164 for certain goods/products;	Not all agreed tariffs yet fully in force; limited product coverage if at all still being implied

⁵² Article 164, <https://exportsaintlucia.org/wp-content/uploads/2020/05/Article-164.pdf>

⁵³ Ministry of Commerce (2020), Implementation of the Extended Article 164. Available at <https://www.govt.lc/news/implementation-of-the-extended-article-164>

⁵⁴ These products compete directly with imports from Trinidad and Tobago and Jamaica, where scale economies and energy advantages lower costs.

⁵⁵ These goods are central to MDC manufacturing exports and are politically sensitive in LDCs due to their role in small domestic industries.

⁵⁶ Used mainly by OECS states to protect small producers supplying domestic construction markets.

⁵⁷ <https://www.govt.lc/news/implementation-of-the-extended-article-164-regime-of-the-revised-treaty-of-chaguaramas>

Grenada	Partial/outstanding implementation: Update #7 indicates that 9 of the agreed tariffs were implemented” for Grenada at (COTED/46)	Some product lines not yet implemented; outstanding tariffs remain.
Haiti	Action Required	Details of product-by-product implementation not clear; possible delays, resource constraints.
Montserrat	Action Required	Details of product-by-product implementation not clear; possible delays, resource constraints.
St. Kitts and Nevis	Partial / in progress	Consultations are ongoing suggesting that while there is political or administrative intent, full legislative/tariff system implementation may lag.
St. Lucia	Implemented Extended regime as of 1 January 2020: Covers 14 product groups across 39 tariff lines. Most products protected for 10 years; for two (curry powder & pasta) the protection is for 5 years. Products include flour (wheat/meslin), aerated waters/beverages; malt; beer; stout; prepared animal feed; oxygen & carbon dioxide; acetylene; paraffin wax candles; solar water heaters (domestic); paints & varnishes; furniture (though furniture is reserved for later)	
St. Vincent and the Grenadines	Partially implemented on 1 January 2016, St. Vincent and the Grenadines began applying Article 164 on 4 product categories. In 2018, 6 of the agreed tariffs were reported implemented	As with Dominica, not full coverage; some agreed tariff lines still outstanding. Also, legal/administrative constraints may exist on changing rates

(Source: Compiled by Leeooi-Oneika Howard, Trade Economist)

From a legal standpoint, Article 164 works as designed - it is fully operationalised legally, lists of protected products were approved by COTED, and extensions and reviews have been formally processed. However, while Article 164 has succeeded in preserving political support for integration among LDCs, the developmental objective has been only partially achieved as many protected industries remain dependent on protection. Additionally, few of those industries have graduated to competitiveness, and product lists have often been renewed rather than phased out. This suggests that Article 164 has functioned more as long-term protection than as a transitional instrument. Put differently, Article 164 has fallen short as a tool for structural transformation. Instead of facilitating graduation to competitiveness, repeated extensions have entrenched protection, weakened trade creation, and reinforced asymmetries within the Single Market.

I. Article 239 – Protocol relating to the Free Circulation of Goods

Article 239 is one of the least implemented provisions of the CSME. While the legal principle exists in the Treaty (i.e., Article 239 is fully incorporated in the RTC) and Member States have accepted the concept of free circulation in principle, practical implementation remains minimal, and in most respects non-operational across CARICOM. However, some steps, necessary, but not sufficient for free circulation, have been taken by Member States, including adoption of the CET, agreement on rules of origin, and some convergence of customs procedures including the use of the Harmonised System (HS) nomenclature.

The single biggest obstacle to free circulation of goods is that there is no mechanism to share customs revenue collected at the first point of entry and, because most Member States rely heavily on import duties for fiscal

revenues, they are unwilling to allow goods to enter through another Member States if that state collects the tariff revenue. This creates a structural disincentive to free circulation. Notably, COTED regularly monitors Article 239 developments, though no draft protocol has yet been circulated for input or adoption. However, at the 2023 Heads of Government Retreat, harmonization of customs and SPS regulations was emphasized as a foundational element for free movement of goods, but formalization of Article 239 is delayed, limiting the region from becoming a true single market.

J. List of Ineligibles

The RTC allows member states to designate certain goods as “ineligible for duty-free treatment”, meaning that tariffs may still be applied even though the goods originate within CARICOM. Such goods normally fail to meet the regional RoO and hence cannot receive tariff exemptions, even if imported from another CARICOM states, unless a specific CET suspension is granted. The “List of Ineligible Goods” therefore, represents a formal exception to free movement and is intended to ensure that only truly regional goods benefit from duty-free status, preventing trade deflection through minimal processing; and to protect regional industry by denying duty exemptions to goods that depend heavily on non-regional inputs. However, in practice the list has become a trade policy tool used by Member States to constrain free trade within the Community. Unlike safeguards (Article 56) or Article 164 protection, which are meant to be temporary, ineligibility is structural and open-ended unless the item is formally removed from the list. For instance, Guyana’s Revenue Authority actively implements a list of commodities ineligible for conditional duty exemptions which will not be exempt from duty unless a COTED suspension is granted (i.e., Guyana treats the list of goods as a presumption of tariff application under regional policy is altered through formal suspension).⁵⁸

Implementation of the ineligible list is near-universal in practice across CARICOM customs administrations, although the form and transparency vary – e.g., Guyana explicitly publishes an ineligible list in its tariff schedule as part of the Revised CET and St Kitts and Nevis include the list of ineligible commodities directly in their published customs tariff schedules, but such lists are harder to find in other Member States, though tariff schedules reflect the ineligible framework. Thus, there is widespread enforcement, and goods that are on the ineligible list are being actively treated as non-exempt from tariffs. This represents a high degree of practical implementation, even if documentation quality and transparency vary by country. However, over the years, the list of exempt products, especially the “List of Ineligibles” has grown to include approximately 1,091 tariff lines, many of which no longer reflect current regional trade or production realities. This misalignment imposes unnecessary constraints on manufacturers and exporters across the region.

Although lists differ by country, there is a clear pattern across CARICOM, but include specific product categories such as revenue-sensitive goods, agricultural and agro-processed products, and light manufactured goods. Revenue-sensitive goods are among the most common ineligible items, especially in OECS states and Belize, and include alcoholic beverages (beer, rum, wines), tobacco products; fuels and petroleum products. These goods generate significant fiscal revenue for government authorities and hence they are reluctant to remove them from ineligible lists because tariff elimination would create immediate budgetary gaps. This highlights the absence of a regional fiscal adjustment mechanism to support liberalisation.

⁵⁸ The list of goods ineligible for conditional duty exemptions in Guyana can be accessed here <https://www.gra.gov.gy/list-of-commodities-ineligible-for-conditional-duty-exemptions/>

Agricultural and agro-processed products with low regional value added such as certain sauces and condiments, sweetened beverages and drink mixes, processed meats and fish products, poultry and poultry parts, and some bakery or flour-based products. These are frequently designated as ineligible, particularly in OECS states, Belize, and Guyana and often rely heavily on imported inputs such as wheat, sugar substitutes, oils, and flavourings. These goods overlap with safeguards and Article 164 protection, creating layered protection. Ineligibility is often used when safeguards expire, effectively locking in protection permanently. Common ineligibles under light manufactured goods include detergents and cleaning products, fertilizers and industrial chemicals, paints and varnishes, plastic household goods, and personal care products. This undermines trade creation within the CSME and discourages regional production networks, as firms face unpredictable market access even when producing within CARICOM.

2.2.1.2 Free Movement of Skilled Labour

Core Regime	Status of Implementation
Free movement of skilled labor	Legal framework: largely implemented through the RTC and partial domestic legislation in most Member States Eligible categories: Defined and expanded to 13 categories but not fully harmonised across all professions Skills Certificate regime: Established and operating in most Member States, with designated competent authorities issuing and verifying certificates Immigration/work permit exemptions: generally, applies administratively, but not uniformly embedded in national law across Member States Recognition of qualifications: Partially implemented; limited MRAs and continued reliance on national professional bodies Practical free movement: Four Member States have implemented full free movement; in other Member States this is constrained by discretionary approvals, regulatory divergence, variable processing times, and inconsistent treatment of dependants
The free movement of skilled labour is assessed as 60–70% implemented, with strong administrative functionality but uneven regulatory convergence across Member States, and movement remains constrained by lack of MRAs and full free movement in all Member States	

The free movement of skilled labour is a founding pillar of the CSME and designed to allow qualifying CARICOM nationals to enter, reside, work, and remain in other Member States without the need for a work permit or other restrictive employment authorization. The skilled labour regime has been legally in force for many years, and most Member States have ratified and accepted the provisions, and some have enacted the necessary statutory amendments in their domestic legislation to give effect to the regime (i.e., it is moderately implemented and about 60% to 70% functional), but there are some operational issues. Most Member States have also designated competent authorities responsible for issuing Skills Certificates or handling related functions, but the specific institutional home (e.g., labour ministries, CARICOM units, professional councils, etc.) varies across the Community. For instance, in Barbados the competent authority is the Barbados Accreditation Council (BAC) and related ministries; in Jamaica – the Ministry of Labour and Foreign Affairs coordination; in Trinidad and Tobago – the Ministry of Foreign and CARICOM Affairs; and in Saint Vincent and the Grenadines – Immigration and the Ministry of Labour. However, several Member States have not implemented the Standardization of the Certificate of Recognition of CARICOM Skills Certificate of Registration as a CARICOM Service Provider in accordance with the COTED decision.⁵⁹

⁵⁹ This was highlighted at the COTED meeting in 2019.

The list of categories of skilled nationals eligible for free movement has expanded over time to include 13 categories of skills (university graduates, media persons, artistes, musicians, sportspersons, nurses, teachers, artisans (who have obtained a Caribbean Vocational Qualification (CVQ)), holders of associate degrees or comparable CVQ, domestic workers, agricultural workers, private security officers, and airport personnel). CARICOM nationals can now obtain Skills Certificates in these categories to prove their eligibility, granting them rights similar to nationals in another Member State, including access to work without a work permit, and services. Certificates are issued by the competent authority in Member States and recognised across the Community, though processing times vary by Member State. As of October 2025, four Member States (i.e., Barbados, Belize, Dominica and St. Vincent and the Grenadines) initiated cooperation arrangements that enable free movement of all their nationals.⁶⁰

The number of Skills Certificates issued to qualifying CARICOM nationals has steadily gained traction since the CSME was established, and by some estimates the number of certificates that have now been issued across the region is as high as 20,000 – 25,000.⁶¹ Although the available data on free movement is difficult to obtain, by the end of 2021 around “3,500 TT nationals had been issued Skills Certificates and or a Work Permit exemption”⁶²; For Barbados, by 2018, 3,161 skills certificates had been issued,⁶³ and this has increased since then. Jamaica similarly has seen the number of skills certificates issued by that Member State increase from circa 3,073 in mid-2018 to over 5,000 – 6,000 by 2024.⁶⁴ By most estimates and reports, the CARICOM MDCs issue the most CARICOM skills certificates. According to the CSME Unit of the CARICOM Secretariat (2023), the number of persons that move yearly within the CSME is relatively low⁶⁵ – approximately 700 persons per annum⁶⁶ but admits the reasons for this are not entirely clear. A CSME Unit study on the extent to which persons in Member States qualify for free movement under the Skilled National Regime (SNR) revealed that the percentage of persons that strictly qualify varies substantially, ranging from 8.8% in Guyana, probably reflecting the effect of high emigration rates in the past, to 27.3 % in Trinidad and Tobago. The numbers suggest that while the regional uptake is meaningful it has not been transformational (20,000 – 25,000 over 20 years implies that free movement is used but not at mass-migration scale).

⁶⁰ <https://www.foreign.gov.bb/faqs-on-enhanced-cooperation-in-movement-of-caricom-nationals/>

⁶¹ This is a conservative estimate based on regional aggregation. By 2018, over 16,000 skills certificates had been issued to CARICOM nationals. News Detail, Jamaica Ministry of Labour and Social Security, <https://www.mlss.gov.jm/news/caricom-skills-certificate-widening-access-to-employment-opportunities/#:~:text=Secretary%2DGeneral%20of%20CARICOM%2C%20Ambassador,for%20employment%2C%E2%80%9D%20she%20says.>

⁶² Joanne Brooks, Head of the CSME Unit, CARICOM and Caribbean Affairs Division, CSME and Me: Regional Opportunities for Women and Youth, *Trinidad and Tobago Guardian*, <https://www.guardian.co.tt/article/csme-and-me-6.2.1446598.6a97ef4304>

⁶³ CARICOM (2018), “PM of Barbados Proposes Change to Process of Certificate Verification,” online article, available at <https://caricom.org/pm-of-barbados-proposes-change-to-process-of-certificate-verification/>

⁶⁴ This estimate is based on an average of 300 certificates per year between 2014 and 2019. This adds around 2000 – 2,500 to the mid-2018 figure of 3,000+. The information gathered from stakeholder consultations puts this figure at a more conservative 4,379 certificates.

⁶⁵ Access to Free Movement in the Employed Labour Force CSME Unit, February 10, 2023, available at file:///C:/Users/ejznb/Downloads/FreeMovementAccess%20(003).pdf

⁶⁶ CSME Unit. Estimating utilisation of free movement regimes. CARICOM. 2021, November. Low rates of movements initially. Zimmermann, K. F. (2009). Labour mobility and the integration of European labour markets. Edward Elgar Publishing.

Member States also agreed to implement the decision of CHOG, that CARICOM nationals entering with a skills certificate issued by another Member State be allowed to work immediately, pending verification of their qualifications.⁶⁷ Several Member States currently facilitate this through their immigration offices, but for Antigua and Barbuda a stamp is given that has a code; for Belize this is legislated for —Caribbean Community (Free Movement of Skilled Persons) No 45 of 1999, and non-Belizeans are required to present a Police Record from their country of origin and any other country in which he or she resided for a period of 6 months or more;⁶⁸ for St Kitts and Nevis skills certificate holders are not allowed to work during the time their certificate and qualifications are being verified; while for Suriname the “allowed to work” stamp is not yet ready. Regarding the spouse of the principal beneficiary having the right to work without the need for a work permit, several Member States still need to implement this, while for Jamaica persons married to a Jamaican national are required to obtain a marriage exemption certificate and persons who are not CARICOM National are not granted 6 months entry and require a work permit.

Regarding the Protocol on Contingent Rights, despite legal clarity, implementation across Member States is uneven and largely administrative rather than systemic. All Member States have signed up to the Protocol on Contingent Rights,⁶⁹ but only two (Barbados on 15 August 2019; and St. Vincent and the Grenadines on 4 September 2024) have ratified this, and Barbados is the first Member State that to amend its legislation to give effect to the Protocol. Hence, Barbados routinely admits dependents and residence permits are granted to them for the same duration as the principal beneficiary (the skilled worker). The remaining Member States can provisionally apply the Protocol pending full ratification, however, Jamaica indicated that “it is not yet in a position to apply the Protocol as procedures need to be put in place to operationalise this, including the facilitation of Common Law spouses.”⁷⁰ Hence, most Member States allow entry and residence of dependents of skilled nationals in practice, but in most cases contingent rights are generally not explicitly codified in CSME specific legislation across Member States (i.e., this is often done through administrative discretion, general immigration provisions, and case by case approvals), leaving room for inconsistencies. Antigua and Barbuda, Grenada, Guyana, Saint Lucia, and Trinidad and Tobago apply the Protocol provisionally.⁷¹ For example, dependents are generally allowed to enter but often receive visitor status only and must later apply separately for residence permits; access to education is limited – children are usually permitted to enrol in public primary and secondary schools but some Member States charge non-nationals and there are frequent delays in admission approvals; and access to health care is limited and inconsistent often restricted to nationals or permanent residents.

From a policy perspective, implementation of contingent rights under the CSME has progressed unevenly and remains largely administrative rather than legal in character. While most Member States permit the entry and

⁶⁷ Update 13 – Implementation Plan

⁶⁸ <https://immigration.gov.bz/other-services/csme/>

⁶⁹ The Protocol on Contingent Rights was initially signed by seven Member States (Barbados, Grenada, Haiti, Jamaica, St. Lucia, St. Vincent and the Grenadines, and Suriname) at the 39th Regular Meeting of the Conference of Heads of Government of CARICOM in 2018. Trinidad and Tobago added its signature to the Protocol at a special summit of the CSME in December 2018, then, at the 30th Inter-Sessional Meeting of the Conference of Heads of Government in 2019, all remaining Member States participating in the CSME signed up to the Protocol.

⁷⁰ Update 13 – Implementation Plan, p. 29.

⁷¹ Update 13 – Implementation Plan, p. 30.

residence of spouse and dependents of skilled CARICOM nationals in practice, these rights are seldom codified in domestic law and are inconsistently applied. Access to education and healthcare is generally facilitated, but spousal employment rights remain largely unimplemented. The absence of harmonised regional standards and binding domestic legislation continues to constrain the effectiveness of contingent rights and, by extension, the practical exercise of free movement under the CSME.

Despite the significant progress to date with the free movement of skilled labour, several important constraints remain, including administrative and regulatory barriers. Firstly, not all Member States have fully harmonised immigration, labour, and social services regulations; and in many instances, prospective workers face lengthy administrative processing including verification of qualifications and police record checks. This undermines seamless mobility, and non-economic migration rights (e.g., education, health, and social services) vary across the bloc. Secondly, although the Skills Certificate confirms the right to work, it does not automatically guarantee recognition by professional regulatory bodies such as nursing councils, teacher boards, etc. and this imposes additional barriers involving lengthy re-registration procedures and even additional exams or certifications. And thirdly, spouses do not automatically have the right to work, and there is no region-wide policy granting spousal work rights equivalent to those in other regional integration arrangements (e.g., the EU).

2.2.1.3 Free Movement of Services

Core Regime	Status of Implementation
Free movement of services	Legal framework: Provided for in the RTC, but only partially enacted/incorporated into domestic law in many Member States Modes of supply: Cross-border supply and consumption abroad largely unproblematic but commercial presence and movement of natural persons constrained National services legislation: Uneven adoption of services-specific implementing laws and national registers of service providers Mutual Recognition Agreements (MRAs): Conceptually agreed but only partially implement, few binding, sector-wide MRAs in force Regulatory treatment: Persistent regulatory divergence and discretionary licensing by national authorities Practical market access Constrained by registration requirements, licensing delays, and lack of automatic recognition of qualifications.
The free movement of services is assessed as 40–50% implemented, with treaty commitments in place but weak operationalisation at national regulatory levels	

Implementation of the regime for the free movement of services started “later than the regime for trade in goods and has faced technological constraints,”⁷² but trade in services is increasingly important to Member States so has occurred gradually.⁷³ Despite this later start the free movement of services has been moderately functional (about 40%-50%) but lags behind goods and labour mobility, is uneven across Member States. This is counter-intuitive given the economic and social importance of trade in services to Member States. Nevertheless, all Member States have accepted the treaty obligation to liberalise services, remove explicit nationality prohibitions

⁷² Timothy Odle, Programme Manager Services Sector Development, CARICOM Secretariat. Meeting between Baastel and the Technical Directors, CARICOM Secretariat, 31 July 2025.

⁷³ As of 2017, only 56.5% of the actions required to implement the CSME regime for the free movement of services had been completed. CARICOM Secretariat Reports.

in many sectors, and formally recognise the right of CARICOM firms to provide services.⁷⁴ Member States were also to implement the Movement of Factors Act. Several have implemented the Movement of Factors Act (MoFA) but the degree of implementation varies widely – e.g., Antigua and Barbuda enacted the Act but is awaiting full procedures; Barbados, implemented the Miscellaneous Provisions Act and this fulfils the functions of the MoFA; while Grenada passed the Act but needs further regulations to fully implement services mobility. However, the Act is not fully enacted in Dominica, St. Kitts and Nevis, Suriname and Trinidad and Tobago and legislation or MoFA regulations are needed in these Member States to operationalise full provisions (such as national registers, service provider certifications, immigration/entry permissions, etc.) And Member States were also to amend the Immigration Act to cover persons entering under the services regime, including extension of stay and entry of spouse and/or dependents. This is still pending in several Member States (e.g., St Kitts and Nevis) but as of October 2025, Barbados, Belize, Dominica, and Saint Vincent and the Grenadines have effectively amended their immigration systems to implement full free movement.

Member States were also to introduce legislation for a National Register of Service Providers. Member States, except for Dominica, St Kitts and Nevis, and Suriname have passed the Act but many are waiting to introduce national regulations, while Belize has identified the Belize Coalition of Services Providers as the national register of services providers. Barbados seems to have taken the most concrete steps toward a structured registry environment via the sectoral registers it operates for financial services, tourism, and professional services alongside service licensing being integrated with its centralised corporate and business registry. The other two MDCs, Jamaica and Trinidad & Tobago do not have single CSME-labelled registers but operate multiple statutory service registries. For Jamaica, this includes Companies Office of Jamaica alongside professional councils for accountants, architects, engineers, etc., with the copyright and intellectual property rights offices also maintaining lists of relevant services providers, such as musicians, composers, musical directors.⁷⁵ The Member States that are a part of the OECS sub-region also don't maintain standalone registers of services providers and instead regulate this through business licensing offices, and the immigration and labour departments.

Member States also committed to amending national laws governing professional licensing (e.g., accounting, architecture, engineering, medicine) to allow for the recognition of equivalent foreign qualifications under Mutual Recognition Agreements (MRAs). All CSME participating Member States have accepted the concept of MRAs in principle as part of services liberalisation. A few sectors have developed non-binding MRAs, or equivalent measures. For example, the Caribbean Association of Professional Accountants (CAPA) and related regulators have agreed on qualifications alignment statements that facilitate cross-border recognition of accounting credentials. The nursing and allied health professions have also developed standardised competency framework, while for architecture and engineering services, model curricula and partial recognition frameworks have been advanced.

To operationalise MRAs, Member States were further expected to designate competent authorities, create or strengthen national services coalitions to coordinate private sector needs and input, and build or participate in regional databases of registries of recognised qualifications. Most Member States have established their competent authorities, but these are yet to be designated in others. For Antigua and Barbuda, this is currently

⁷⁴ Update 13 – Implementation Plan

⁷⁵ Stakeholders feedback during visit to Jamaica.

not legislated and Barbados is to advise CARICOM of its competent authority. And Member States were to implement procedures to facilitate the temporary movement of CARICOM Nationals. Antigua and Barbuda has not legislated this, and for Barbados no procedures are in place but the Immigration department facilitates movement of CARICOM Nationals.

Regarding national services coalitions, with the support of Caribbean Export and GIZ, these were established in about ten to twelve Member States around 2011 to 2012.⁷⁶ Trinidad and Tobago Coalition of Services Industries (TTCSI) remains very active, and the Belize Coalition of Services Industries (BCSI) as well, though less so. Meanwhile, Barbados and Saint Lucia are vigorously pursuing steps towards the revitalization of their National Coalition of Service Industries Agency which have become dormant or approaching extinction in the aftermath of the COVID 19 pandemic.⁷⁷ However, there is no comprehensive single list of national coalitions for services industries across CARICOM, but several private sector organisation and industry groupings are active and relevant.

Recently, an approved policy framework has been agreed which mandates all persons to be regulated and which calls for separation of registration and licensing of services professionals. Currently efforts are focused on obtaining single registration of all services professionals across the Community (i.e., once a person registers in one member state they should not have to re-register in other MSs),⁷⁸ and there is draft model legislation to help Member States regulate this.⁷⁹ There are also proposals for regional regulators for different professionals including architects, engineers, and various types of health care providers. However, a few Member States are not regulating services professionals and this creates challenges for their professionals to move across the Community. Thus, to address this, a Draft Professional Service Bill has been developed. Additionally, a draft strategy for developing the regional professional services sector is being developed and this prioritises seven professional services including tourism, postal and courier services, regional (tertiary) education, cultural services and entertainment, and sports. It also calls for the development of a regional steering committee for professional services. The next step is to create, by July 2026, a single regime for licensing services professionals across the Community but services professionals will still need to meet practicing requirements of Member States.

2.2.1.4 Free Movement of Capital

Core Regime	Status of Implementation
Free movement of capital	Legal framework: Enshrined in the RTC, with partial domestic incorporation Eligible categories: Defined and expanded to 13 categories but not fully harmonised across all professions Capital account liberalisation: Largely implemented for current transactions, but restrictions remain for certain capital movements Exchange controls: Retained or applied selectively in several Member States, especially in times of macroeconomic stress

⁷⁶ The creation of services industries coalitions in Member States, as private sector interfaces to collaborate with governments on policy strategies, were intended to be independent, but the Coalitions have not advanced as intended due to institutional changes and some may require a restart. At the same time, there is a lack of resources within the Secretariat to support these coalitions effectively. There are concerns about dormant service industry coalitions and the need for them to engage with governments constructively.

⁷⁷ Views expressed during stakeholder consultation with Coalition Focal Points in Saint Lucia and Barbados, 2025

⁷⁸ A Single Licensing system by July 2026 is the next step.

⁷⁹ Caribbean Community (Single Registration of Professionals) Act

	Investment regimes: National investment laws exists, but not fully harmonised regionally Financial regulation: Fragmented regulatory frameworks and uneven supervisory capacity Payments and settlements: No integrated regional payment and clearing system but CARICOM Payment & Settlement System initiative (CAPPS) seeing progress
The free movement of capital is assessed as 50–60% implemented, with significant progress on current account transactions but no regional payment and clearing system and incomplete liberalisation of capital flows and uneven financial regulation.	

The Free Movement of Capital is a key pillar of the CSME and is intended to allow cross-border investment by CARICOM nationals and firms, repatriation of profits, dividends, and interest, and move funds for business, portfolio investment, and establishment. Articles 67–69 of the RTC provide the legal basis of the free movement of capital, and is supported by the Movement of Factor Act, or equivalent domestic legislation. The regime has several core components including elimination of discriminatory restrictions, removal of administrative barriers, repatriation of proceeds, and harmonisation of financial regulation.

The Revised Treaty provisions on the free movement of capital have been accepted by the parties to the Treaty. These rights are formally in force at the regional level as part of the CSME legal framework and this means that capital mobility is legally recognised, Member States are obliged to eliminate restrictions inconsistent with the RTC, and these obligations apply to nationals and capital from other Member States. To give effect to the treaty rights, some Member States have adopted the Movement of Factors Act or equivalent legislation, amendments to investment and financial laws, and revised foreign exchange regulations. For example, Antigua and Barbuda has passed Movement of Factors Act, but operational amendments are pending; Guyana has enacted a formal Movement of Factors Act and adopted laws to facilitate capital movement for investors and businesses, and these laws generally permit repatriation of profits and dividends is generally permitted; and Barbados has an equivalent legislative framework incorporating capital mobility and undertaken regulatory reforms which permit freer movement of capital for investment and adjusted foreign exchange and investment rules to align with CSME obligations.

Despite legal commitments and some reform, significant barriers and gaps remain in practical implementation of the free movement of capital. This includes delays with capital account liberalisation —several Member States (Belize, Guyana, and Suriname) retain foreign exchange control requirements that apply to outward remittances of profits and dividends, capital transfers by individuals, and certain categories of investment funds. Several Member States also maintain discretionary approval requirements, and approval by the Central Bank or relevant minister of government is still required in practice for certain types of capital movement, including large outbound investments, repatriation of capital derived from sales of assets, and cross-border transfer of corporate shareholdings. For example, Belize retains foreign exchange controls on certain payments and transfers.⁸⁰ In addition to these factors, the free movement of capital is constrained by differing tax treatments on dividends, capital gains, and interest, alongside the lack of harmonised withholding tax. Still, other Member States, especially Barbados, Jamaica, and Trinidad and Tobago, have progressively deregulated foreign exchange markets and introduced more liberal investment codes, among other things, facilitating cross-border banking and insurance services. For example, Republic Bank operates across multiple Member States under harmonised regulatory conditions.

⁸⁰ Exchange Control Regulations Act, Revised Edition 2011, <https://www.centralbank.org.bz/about-the-bank/laws-and-regulations/exchange-control-act>

Meanwhile, practical capacity is still emerging. For instance, a major institutional initiative underway in CARICOM which will help establish a regional payments infrastructure is the establishment of the CARICOM Payment and Settlement System (CAPSS), and this is modelled on the Pan-African Payment and Settlement System (PAPSS). However, capital flows still often rely on extra-regional correspondent banking services.

2.2.1.5 Right of Establishment

Core Regime	Status of Implementation
Right of Establishment	Legal framework: Recognized under the RTC and partially transposed into national law Business incorporation: this is generally permitted for CARICOM nationals, but subject to national company law procedures Discretionary approvals: Retained in several Member States through licensing, screening, or ministerial approval requirements Sectoral restrictions: Nationality requirements or caps persist in sensitive sectors (e.g., media, utilities, tourism) Administrative barriers: Lengthy registration processes and inconsistent interpretation by national agencies Practical establishment: Used actively by regional firms, but uneven enforcement of treaty rights
The right of establishment is assessed as 60–70% implemented, with widespread business activity across borders but continuing administrative and regulatory barriers in several Member States.	

The Right of Establishment, provided for under Articles 32 to 34 of the RTC, entitles CARICOM nationals and businesses to establish and operate businesses in another Member State on a non-discriminatory basis. The Right of Establishment is only partially implemented, and uneven, but legally secure. Most Member States have accepted the right of establishment in law and some have enacted domestic legislation to give effect to the rights of establishment. Thus, CARICOM nationals have the right to move freely to other Member States (in the case of *Shanique Myrie v. State of Barbados* (2013), the CCJ held that CARICOM nationals have a right to freedom of movement within CARICOM and this includes a right of entry without unreasonable restrictions)⁸¹, and can register companies, acquire shares, and lease commercial property in those Member States. Additionally, when exercising the right of establishment, they generally do not require work permits to manage or operate their businesses. However, in *Bain v Trinidad & Tobago*,⁸² the CCJ emphasised that ‘CARICOM nationals seeking entry must present clear documentary proof of nationality to exercise their treaty rights’.

Some Member States have also passed the Movement of Factors Act (MoFA), intended to give domestic legal effect to the right of establishment (as well as the right to provide services and the free movement of capital and investment) but still need to enact this in their domestic legislation. Dominica has submitted the Bill to Cabinet but it is not enacted; St Kitts and Nevis has a draft bill and has reported provisional facilitation; and Suriname has not enacted a bill yet.⁸³ Meanwhile, Jamaica has not adopted a standalone Movement of Factors Act but instead

⁸¹ *Shanique Myrie V. State of Barbados*, [2013] CCJ 3 (OJ). Summary available at https://ccj.org/wp-content/uploads/2021/08/2013-CCJ-3-Myrie-v-Barbados_CD.pdf

⁸² *Bain v Trinidad & Tobago*, [2019] CCJ 3 (OJ)

⁸³ Update 13 – Implementation Plan

it has enacted equivalent legislation in the form of the Caribbean Community (Establishment, Services, Capital and Movement of Community Nationals Act).⁸⁴

Regional Multinationals have made good use of this regime but SMEs seem to have more difficulties establishing in other Member States. For example, while companies like GraceKennedy established subsidiaries and production facilities in Barbados, Guyana, OECS, and Trinidad and Tobago, and Trinidad Cement Limited (TCL) established operations or distribution networks across Jamaica, Guyana, and OECS states, SMEs and self-employed persons have made limited use of the right. The manufacturing, retail and distribution, financial services and banking, and telecommunications and media sectors seem to have experienced the highest uptake levels across the region. The tourism sector, including the hotels sub-sector, have also taken up the right of establishment. For instance, Chukka Caribbean Limited, headquartered in Jamaica, established operations in Antigua and Barbuda, Barbados and Belize; and Sandals Resorts, also headquartered in Jamaica, have established in the Bahamas, Barbados, and Grenada.

Table 6: Implementation of Right of Establishment, by Member State

Member State	Legal Implementation	Administrative & Regulatory	Practical Uptake	Approx. % Implementation
Barbados	Yes (enacted CSME Implementation Miscellaneous Provisions Act of 2004)	Mostly aligned	Moderate	85%
Guyana	Yes (MoFA enacted)	Mostly aligned	Moderate	80%
Jamaica	Partial (functional legislation)	Some discretionary barriers remain	High	75%
Antigua & Barbuda	Passed MoFA but amendments needed	Some procedural barriers remain	Moderate	70%
Dominica	Draft/partial	Licensing and regulatory alignment incomplete	Low	60%
St Kitts & Nevis	Draft/provisional	Some barriers remain	Low	60%
St Lucia	Not active	Regulatory and licensing barriers present	Low	50%
St Vincent & Grenadines	Passed but not enacted	Barriers remain	Low	55%
Grenada	Not Action Required	Barriers remain	Low	50%
Belize	Not Action Required	Barriers remain	Low	50%
Suriname	Drafting	Barriers remain	Low	50%
Trinidad & Tobago	Enacted the Caribbean Community Removal of Restrictions Act No 2 of 2005	Hiatus needs to be resolved by the passage and entry into force of the Movement of Factors Act.	Moderate	70%

(Source: Update 13 – Implementation Plan)

Although the Right of Establishment is legally recognised, there are still barriers to entry including lengthy business registration procedures, discretionary licensing and approvals, and lack of transparent timelines. For

⁸⁴[https://laws.moj.gov.jm/legislation/statutes/C/The%20Caribbean%20Community%20\(Free%20Movement%20of%20Skilled%20Persons\)%20Act.pdf](https://laws.moj.gov.jm/legislation/statutes/C/The%20Caribbean%20Community%20(Free%20Movement%20of%20Skilled%20Persons)%20Act.pdf)

instance, establishing a business in CARICOM Member States typically requires engagement with multiple uncoordinated agencies such as company registries, tax authorities, licensing board, immigration departments, and local government bodies. For example, CARICOM businesses attempting to register in Belize need to submit a standard company registration, obtain a trade license, GST registration, register with Social Security, obtain permits and approvals for utilities, environmental compliance, etc.), and meet financial due diligence.⁸⁵ In the OECS, local government consent is required for commercial activity, and Cabinet or ministerial approval is required for certain types of investments. In Belize, foreign and CARICOM investors attempting to set up business there must obtain investment approval from national authorities and sector-specific licenses, particularly in retail and services. Moreover, although work permits are not required, entrepreneurs often find they must regularise resident status repeatedly, apply for extensions, and face uncertainties over length of stay.

There are also barriers in certain sectors, mainly in the form of sectoral exclusions or reservations, or requirements for additional documentation when registering in regulated (e.g., media, professional services, etc.) or sensitive sectors (e.g., taxi services, tour guide services, construction) —Member States retain licensing caps or nationality requirements in practice for tour guide services, retail and small-scale commerce, taxi services, skilled trades, and professional services. For example, in Barbados, CARICOM nationals establishing in regulated sector such may face sequential approvals and requests for additional approvals. In Antigua and Barbuda, St Lucia, and Grenada, registering a business for taxi services often require proof that no local operator is displaced. Other constraints include administrative procedures, differing company and investment law regimes, and non-harmonised regulatory systems.

2.3 Assessment of the status of implementation of the Single Economy

The analysis found that the Single Economy represents the deepest level or pinnacle of integration envisaged under the CSME, intended to harmonise fiscal, monetary, and regulatory systems while consolidating the gains of the five core regimes. In theory, the Single Economy should enable seamless cross-border investment, efficient payments, integrated capital markets, and coordinated macroeconomic policy. “At a deeper level, macroeconomic convergence is geared towards fiscal discipline, favourable balance of payments, stable prices, and stable and competitive exchange rates[...].”⁸⁶ Yet, progress in these areas has been largely limited and uneven.

Table 7: Status of Implementation of the CARICOM Single Economy

Pillar of the Single Economy	Approximate Implementation (%)	Gaps
Macroeconomic policy coordination	30%	Institutions and reporting frameworks (COFAP, Secretariat surveillance) exist, but coordination is voluntary, non-binding, and uneven outside the OECS. No coordinated tax policy or harmonised debt rules.
Fiscal policy harmonisation	10%	No common fiscal rules, tax harmonisation, or binding deficit/debt targets; national sovereignty dominates.

⁸⁵<https://mfa.gov.bz/freemovementfaq/#:~:text=The%20Leigh%20Richardson%20Building%2C%20North,of%20Belmopan%2C%20Cayo%2C%20Belize.&text=mail.gov.vc-,10,Is%20a%20returned%20ticket%20required?>

⁸⁶ The effects of globalisation on CARICOM Caribbean economies, Chapter 11, <https://www.rrojasdatabank.info/globdev/Globalization-Chap11.pdf>

Monetary integration (CARICOM-wide)	5%	No common currency or central bank; only the OECS/ECCU operates a monetary union.
Free movement of capital	35%	Legal commitments exist and some cross-border investment flows occur, but FX controls and regulatory differences remain. Also, there is no regional payments system.
Capital market integration	40%	National stock exchanges established in three Member States but partial harmonisation of banking supervision and securities markets, and uneven enforcement and coverage.
Regulatory harmonisation (investment, competition, taxation)	25%	Model legislation and regional bodies exist, but adoption and enforcement vary widely.
Institutional governance for the Single Economy	35%	Councils and coordination mechanisms exist but lack binding authority and enforcement powers.

(Source: CARICOM)

Legally, the Single Economy is embedded in the Revised Treaty of Chaguaramas, with binding obligations for Member States to implement harmonised tax and investment policies, adopt double taxation frameworks, and facilitate cross-border economic activity. To this end, CARICOM has established several institutional mechanisms, including the Council for Finance and Planning (COFAP), created to monitor fiscal and economic policies across Member States (though this seems to be intermittently active), and the Community Council of Ministers, which provides reporting and advisory functions to Member States. Meanwhile, the CARICOM Secretariat has previously macroeconomic convergence reports that assess Member State's adherence to benchmarks such debt-to-GDP ratios, fiscal deficits, and inflation targets.⁸⁷ However, these benchmarks are non-binding and compliance is voluntary). Only the OECS/ECCU sub-region has consistently monitored convergence under the Eastern Caribbean Central Bank framework. Outside the OECS sub-region, many Member States, including Jamaica, Trinidad and Tobago, and Guyana, do not fully meet convergence criteria, and no enforcement mechanism exists to ensure compliance. As a result, progress has largely been limited to dialogue, reporting, and coordination rather than actual harmonisation of macroeconomic policy and there still is no common currency, no CARICOM-wide central banking coordination, and no exchange rate policy alignment.

Commitments under the Single Economy also include the free movement of capital. While legal frameworks permit cross-border investments, particularly in financial services, many Member States retain discretionary measures such as foreign exchange controls and prior approval requirements for foreign direct investment. These restrictions mean that capital mobility has only been partially realised in practice. In terms of regulatory harmonisation, CARICOM has made some progress, particularly in the financial services sector, where harmonised banking regulations and prudential standards exist. Additionally, competition policy frameworks have been established at the regional level, and the CARICOM Competition Commission⁸⁸ established, though enforcement of anti-competitive practices across the region remains weak. However, significant divergences persist across Member States in taxation regimes — there is no coordinated tax policy, but there is agreement among some Member States on double taxation.⁸⁹

The development of a regional payment system is essential to the Single Economy because it underpins cross-border trade, investment, and financial integration. In this area, CARICOM has made moderate but uneven

⁸⁷ The consultants were unable to secure a copy of such reports.

⁸⁸ <https://caricomcompetitioncommission.com/en/>

⁸⁹ The adoption of the CARICOM Double Taxation Agreement has reduced formal tax barriers and provided a baseline for investment harmonisation.

progress, with the most tangible advances occurring at the sub-regional and national levels rather than CARICOM-wide. At the national level, most Member States have implemented modern real-time gross settlement (RTGS) systems through their central banks, improving the speed and safety of domestic large-value payments. These systems support electronic funds transfers, government payments, and interbank settlements. However, they remain largely nationally segmented, with limited interoperability across borders. The exception to this is the OECS/ECCU, where the Eastern Caribbean Central Bank operates a shared RTGS system for all ECCU members, a regional automated clearing house (ECACH) for retail payments, and common rules and oversight for payment services. This arrangement allows for relatively seamless cross-border payments within the OECS and represents the closest approximation to a regional payment system in CARICOM but cross-border payments between non-OECS Member States remain costly, slow, and dependent on correspondent banking relationships, often routed through extra-regional financial centres. At the wider CARICOM level, progress has been slower. While central banks cooperate through information sharing and technical assistance, there still is no CARICOM-wide RTGS or retail payment platform, no common settlement currency, and no harmonised legal framework for payment services. This undermines intra-regional trade and small-value commercial transactions, particularly for SMEs.

Regarding regional securities integration/capital market integration, progress towards this is more advanced than payments integration, though still incomplete. The Ninth Special Meeting of the Council for Finance and Planning (COFAP) in May 2023, approved the CARICOM Policy for the Development and Regulation of the Regional Securities Market and Model Legislation and specific regulations have also been drafted to operationalise the policy. However, because CARICOM seems to have pursued a model of market linkage rather than full unification, Member States have established national exchanges and these are allowed to remain autonomous while enabling cross-listing and cross border trading, at least until a workable model for a regional stock exchange is identified and implemented.⁹⁰ Stock exchanges are currently established in only three Member States, namely, Barbados - Barbados Stock Exchange (BSE), Jamaica – Jamaica Stock Exchange (JSE), and Trinidad & Tobago Stock Exchange (TTSE). Still, there has been partial harmonisation of listing requirements, disclosure standards, and market conduct rules however the regional securities system remains constrained by fragmented regulation (no single regional securities regulator), multiple currencies and settlement systems, and uneven participation across the Community (not all Member States have exchanges or active listings).

2.4 Key Gaps in Implementation

The assessment found that while significant progress has been made in implementing the CSME across its five core regimes (i.e., the overall framework is significantly progressed), there are still gaps and challenges that need to be addressed (domestic implementation and enforcement are uneven) to fully realize the benefits of regional integration in the Caribbean. Three recurring gaps seem to dominate the progress of implementation under the Single Market. These gaps manifest differently in each of the core regimes, but they are structurally linked. These include

1. *Incomplete domestic incorporation of treaty obligations*

Although the RTC is binding international law, for treaty rights to be enforceable by firms and individuals, they must be incorporated into primary (domestic) legislation, reflected in subsidiary regulations, and operationalised through administrative procedures. Across all five regimes, treaty obligations are not

⁹⁰ The consultants understand that the national stock exchanges and the CPSO are working towards this.

consistently transposed into national law, and implementation often depends on ministerial discretion, administrative practices, and informal practice, and treaty rights are applied inconsistently across agencies. For example, for the free movement of goods, CET and RoO rules exist regionally, but customs legislation and schedules are not always updated. Or, for the free movement of skilled labour, skills certificates are issued, but immigration statutes do not always explicitly waive work permit requirements. And for services, treaty commitments exist, but no national services acts or registers are enacted.

To help Member States align their national laws with CSME treaty obligations, the CARICOM Secretariat prepared several Model Bills (harmonised legislative texts). This includes a

- ⇒ Model Customs Bill which was completed and agreed by Member States around 2014 or 2015 as part of trade facilitation efforts (so far only Grenada has enacted a new Customs Act based on the Model, but Antigua and Barbuda as well as Suriname have draft legislation to give effect to this; Barbados is reportedly at an advanced stage of revising its legislation; while St Kitts and Nevis is working on the regulations)⁹¹;
- ⇒ Competition Law Bill – only 4 of the Member States (Barbados, Guyana, Jamaica, and Trinidad & Tobago) have enacted competition laws that align with the Model Law concepts and established competition authorities;
- ⇒ Model Consumer Protection Bill – recommended by COTED in 2011 to promote common consumer welfare protections across the Community (St Vincent and the Grenadines passed the Bill and the Act came into effect in 2022; St Kitts and Nevis prepared a bill which is being revised; Jamaica is determining “whether there is a need to amend its current legislation”; Barbados is to “undertake a review of the Bill to determine gaps with existing legislation”; and Dominica is exploring support for drafting its legislation)⁹²;
- ⇒ Model Legislation for Trademarks and Business Names

Other Model Bills, including revisions for skilled labour and movement of factors, have been developed and consulted regionally, but there is no comprehensive data showing Member States have enacted these into national law. Additionally, draft model Bills to “assist Member States to harmonise their laws and administrative practices with respect to companies and other legal entities”, and to “implement the principle of mutual recognition of companies in relation to all companies incorporated in a Member State”, along with a Draft Insolvency Regulations have been prepared and consultations for all of these are ongoing.⁹³

2. Persistent administrative discretion and regulatory divergence

Even where legal frameworks exist, administrative authorities retain wide discretion in applying them. This discretion often substitutes for harmonised, rule-based governance and systems. For instance, discretion appears in customs administration, immigration decisions, licensing and registration, and capital transfers and approvals. In practice these manifests in skilled workers admitted “subject to verification”, capital transfers requiring Central Bank approvals, different qualification standards, licensing criteria, and fees

⁹¹ Update 13 – Implementation Plan, pp. 94-95

⁹² Ibid, pp. 102-103

⁹³ Update 13 – Implementation Plan, pp. 83-84

and timelines. For example, Skills Certificates are recognized in Member States, but employment is delayed pending local approvals; or professional bodies impose additional exams or recognition requirements; or investment agencies in Member States screen CARICOM nationals like foreign investors.

3. *Weak regional enforcement, monitoring, and coordination*

CARICOM's institutional design prioritises consensus and sovereignty, resulting in limited binding enforcement powers, reliance on voluntary compliance, and weak monitoring mechanisms. Because the CARICOM Secretariat's authority is limited, it cannot compel legislative reform or sanction non-compliance, and it relies on Member State reporting. Against this backdrop, litigation is costly and slow, private actors hesitate to sue Member States, and cases may address symptoms and not failures in the system.

When the gaps are evaluated by core regime, the analysis found that what remains outstanding includes, for

Free movement of goods: a structural gap exists where goods are legally liberalised but its free movement is administratively constrained.

- Persistent non-tariff barriers (NTBS) – discretionary customs practices, import licensing requirements, and administrative delays constrain intra-regional trade
- Incomplete application of CET disciplines – lack of implementation of the revised Structure of the CET, frequent suspensions and uneven use of Article 164 , amounting to almost permanent application in some cases
- Regional quality and standards infrastructure remains not fully harmonised – only limited mutual recognition of conformity assessment
- A Protocol in relation to the Free Circulation of Goods (Art. 239) is yet to be developed –only preliminary discussions on its feasibility have taken place

Free movement of skilled labour: mobility exists, but rights, including contingent rights, are fragile.

- Incomplete statutory anchoring of skilled labour rights – the rights of CARICOM skilled nationals to enter, work and reside in another Member States are not always clearly, expressly, and comprehensively embedded in national law
- Uneven recognition of qualifications – national professional bodies retain discretion in some Member States
- Weak appeals mechanism for CARICOM nationals refused certificates or entry
- Incomplete implementation of contingent rights – spouse and dependents don't have rights to immediate employment or to social security portability

Free movement of services: services liberalisation is incomplete, and there are no binding MRAs in most services sectors.

- Absence of binding Mutual Recognition Agreements (MRAs) in most sectors
- Lack of national services legislation and registries
- Persistent licensing and regulatory barriers, including discretionary approvals and nationality requirements in some Member States

- Limited data and monitoring of services trade flows

Free movement of capital: a structural gap exists where capital mobility is partial and crisis-contingent

- Residual capital controls – several Member States retain exchange controls and approval thresholds
- Fragmented financial regulation and supervision
- Incomplete regional payments and settlement integration – there is still no regional payments and clearance system in place
- Limited harmonisation of investment rules and protections

Right of Establishment: establishment appears to be accommodated, but is not guaranteed

- Discretionary screening and approval regimes – investments are subject to approvals and some Member States retain sectoral licensing caps
- Nationality or residency requirements in sensitive sectors – especially in the tourism sector
- Incomplete regional payments and settlement integration – there is still no regional payments and clearance system in place
- Limited harmonisation of investment rules and protections

There are also gaps related to governance of the CSME and the built in agenda as well.

Table 8: Summary of gaps in implementation of the core regimes of the Single Market

Core Regime	Legal Status	Core Structural Gap	Specific Constraints / Manifestations	Practical Impact
Free Movement of Goods	Largely legally liberalised	Goods are liberalised <i>in law</i> but constrained <i>in administration</i>	• Persistent non-tariff barriers (discretionary customs practices, import licensing, administrative delays) • Incomplete application of CET disciplines (frequent suspensions; uneven and quasi-permanent use of Article 164) • Weak harmonisation of regional standards and quality infrastructure; limited mutual recognition of conformity assessment • Incomplete application of Protocol on Free Circulation of Goods (Art. 239); most Member States have not ratified	• Higher trade costs • Reduced predictability for exporters • Limited trade creation and intra-regional sourcing
Free Movement of Skilled Labour	Mobility exists in principle	Rights are fragile and unevenly embedded in national law	• Incomplete statutory anchoring of skilled labour rights to enter, work and reside • Uneven recognition of qualifications; discretion retained by national professional bodies • Weak or unclear appeals mechanisms for refused certificates or entry • Incomplete implementation of contingent rights (no automatic right to employment for spouses; limited social security portability)	• Reduced labour mobility • Underutilisation of regional skills • Social insecurity for mobile workers
Free Movement of Services	Partial liberalisation	Liberalisation is incomplete and weakly institutionalised	• Absence of binding Mutual Recognition Agreements (MRAs) in most services sectors • Lack of national services legislation and service supplier registries	• Constrained services exports • Higher compliance costs

			• Persistent licensing, regulatory and nationality requirements; discretionary approvals • Limited data collection and monitoring of services trade	• Fragmented regional services market
Free Movement of Capital	Legally recognised but conditional	Capital mobility is partial and crisis-contingent	• Residual capital and exchange controls; approval thresholds in several Member States • Fragmented financial regulation and supervision • Incomplete regional payments and settlement integration (no unified regional clearing system) • Limited harmonisation of investment rules and protections	• Reduced cross-border investment • Higher transaction costs • Weak capital market integration
Right of Establishment	Formally accommodated	Establishment is permitted but not guaranteed	• Discretionary investment screening and approval regimes • Sectoral licensing caps and nationality or residency requirements (notably in tourism and sensitive sectors) • Incomplete regional payments and settlement integration • Limited harmonisation of investment protections	• Investment uncertainty • Slower regional firm expansion • Uneven business climate across Member States

(Source : Compiled from analysis for this consultancy)

2.5 Root cause analysis of the implementation gaps

A detailed root cause analysis⁹⁴ of the challenges to implementation of the CSME found that a complex interplay of internal, external, and institutional factors lie at the heart of such challenges.⁹⁵ The problem facing the CSME is that, despite a largely complete treaty framework, implementation of the CSME remains partial, uneven, and administratively weak across Member States, even when political commitment exists. The direct causes for the implementation gaps in the CSME may be attributed to

2.5.1.1 Internal Factors

The internal root causes of implementation gaps stem from domestic political, legal, and administrative dynamics within Member States. National governments tend to balance regional commitments against domestic political economy pressures, including resistance from organised interest groups, electoral sensitivities, and concerns about employment, competition, and social mobility. These pressures are compounded by uneven administrative and technical capacity, as well as entrenched bureaucratic cultures that prioritise control and risk management over facilitation. Together, these internal factors shape how, and how far, CSME obligations are incorporated into national law and applied in practice.

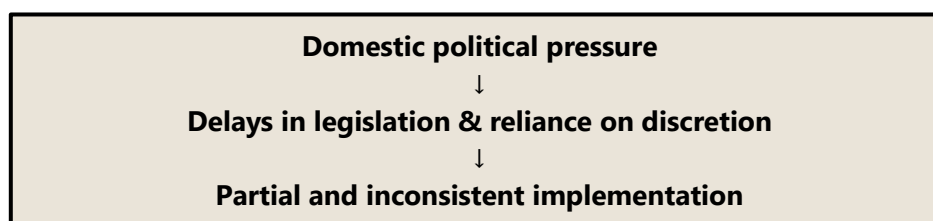
- (a) **Domestic Political Economy Constraints** – the analysis found that CSME reforms often create concentrated domestic costs and generate diffuse regional benefits or gains. For example, skilled labour

⁹⁴ A problem-tree/ causal chain approach was ultimately used for completing, and revising, the root cause analysis. This approach is commonly used in policy diagnostics and evaluation and given the policy oriented nature of this consultancy, this was deemed appropriate.

⁹⁵ This also seemed to be the analysis of other studies about regional integration in CARICOM. See for example, Al-Hassan, Abdullah, Burfisher, Mary E., Chow, Julian T., Ding, Ding, Di Vittorio, Fabio, Kovtun, Dmitriy, McIntyre, Arnold, Ötoker, Inci, Santoro Marika, Shui, Lulu, and Youssef, Karim (2020), *Is the Whole Greater than the Sum of its Parts? Strengthening Caribbean Regional Integration*, *IMF Working Paper* 20/8, <https://doi.org/10.5089/9781513525860.001>

mobility benefits employers and the region, but threatens domestic workers; services liberalisation benefits consumers, but challenges protected professions; and establishment rights attract investment but increase competition for local firms. These costs tend to be felt immediately and locally, while benefits are long-term and regional. Hence, Member State governments have responded to the changes by delaying legislative reforms, retaining discretionary controls, and implementing obligations informally rather than legally. They also revert to use of exemptions, safeguards, and administrative processes. These responses allow Member States to 'honour' regional commitments while managing any fallout domestically and this works because national elections dominate political horizons in Member States and domestic interest groups are organised and vocal. It also helps that regional beneficiaries are dispersed and politically weak.

- (b) **Capacity Asymmetries among Member States** – the analysis found that limitations in legislative drafting and regulatory expertise alongside under-resourced government departments and regulatory agencies, and weak IT systems combine to create structural imbalances for Member States. Smaller CARICOM Member States (i.e., the LDCs) struggle to draft complex implementing legislation and lack specialised regulators (e.g., for services) and therefore rely on case-by-case discretion instead of rules-based approaches. This leads to patchy implementation and harmonisation based on the lowest-common-denominators, and ultimately slow regional convergence and integration.
- (c) **Administrative and Professional Culture** – the analysis found that across Member States, there seems to be a gatekeeping mentality among government departments in Member States, especially customs and immigration departments and staff, and also regulators.⁹⁶ Frontline officials tend to interpret treaty rights narrowly, and discretion is used defensively and this results in delays at borders, additional licensing requirements, and inconsistent recognition of rights. This is not surprising and tends to reflect domestic institutional culture and training systems. To aggravate matters, many stakeholders seem to be risk averse and some appear to have limited awareness about the CSME.



2.5.1.2 External Factors

The external root causes of CSME implementation gaps arise from the structural economic and geopolitical environment within which CARICOM Member States operate. As small, open, and highly vulnerable economies, Member States face persistent exposure to external shocks, asymmetric levels of development, and binding international obligations that constrain policy space. These conditions shape national risk perceptions and encourage cautious approaches to liberalisation, particularly in sensitive areas such as labour mobility, services, and capital flows. While not created by the CSME itself, these external pressures significantly influence the pace, depth, and unevenness of implementation across the Community.

⁹⁶ The response of stakeholders during consultations and country visits seem to support this analysis.

- (d) **Small state vulnerability and economic structure** – the analysis found that the narrow production bases of many Member States, high dependence on fiscal revenues, and repeat exposure to external shocks heightens their vulnerabilities. In short, these vulnerabilities arise from the structural economic realities of being, for the majority of Member States, Small Island Developing States (SIDS), although the policy choices of some Member States tends to compound this. Consequently, governments tend to retain controls as policy insurance and are also reluctant to fully liberalise labour and capital.
- (e) **Asymmetric levels of development across the Community** – the analysis found that differences in economic development, market size, regulatory sophistication, and institutional maturity has affected the rate of implementation across the Community. This is because the disparities create unequal starting positions for Member States and this results in fear of unequal benefits and resistance to deeper harmonisation, and to meeting integration obligations. These asymmetries exists independently of the CSME but nonetheless shape behaviour of Member States. Hence, uptake is slower by smaller or less-developed Member States, and there are repeated requests for special and differential treatment (this is evident in the way Article 164 and other provisions are used by the LDCs). A practical example of disparity was evident during recent economic downturns —Member States restabilized their national economies at different rates, and some Member States struggled more than others to do so due to limited fiscal resources and higher unemployment rates.⁹⁷
- (f) **Global and external economic pressures** – the analysis found that invariably, pressures that originate outside of CARICOM, heavily influence national policy priorities. These pressures arise from WTO obligations and other trade relationships, financial volatility due to weak export performance and external shocks, and security and migration concerns. Governments in Member States tend to respond to such pressures by prioritising external stability over regional commitments, and regional integration becomes secondary during periods of crisis, and this results in delayed reforms and even temporary reversals. This is evident during the aftermath of natural disasters (i.e., hurricanes) and was also evident during the global financial crisis and Covid-19 pandemic, all of which had catastrophic impacts on the region's economies, especially the tourism sector.



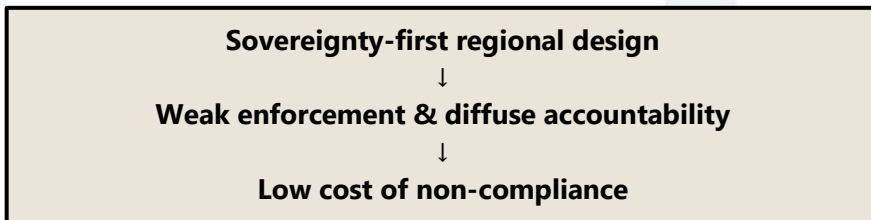
2.5.1.3 Institutional Root Causes

The institutional root causes are embedded in the design and functioning of CARICOM's governance architecture. The Community's intergovernmental, sovereignty preserving model limits the authority of regional institutions

⁹⁷ Pajares-Yngson, Matthew (2021) Overcoming the Crisis in St. Vincent and the Grenadines, *Modern Diplomacy*, online article, <https://moderndiplomacy.eu/2021/07/07/overcoming-the-crisis-in-st-vincent-and-the-grenadines/#:~:text=The%20current%20situation%20in%20Saint,pandemic%20and%20the%20volcanic%20eruption>. For economic data see Country Economic Review 2022 – Saint Vincent and the Grenadines, Caribbean Development Bank.

to compel implementation, enforce compliance, or sanction non-performance. Decision making by consensus, overlapping mandates among regional organs and institutions, and weak monitoring and enforcement mechanisms dilute accountability and slow follow-through. As a result, implementation depends heavily on political goodwill and voluntary compliance, creating structural incentives for partial, delayed, or event execution of CSME commitments.

- (g) **Sovereignty-first Institutional Design** – the analysis found that CARICOM was deliberately designed as a coordination arrangement among sovereign states, not a supranational system. Therefore, unlike the European Union (EU), CARICOM institutions cannot legislate directly for Member States, cannot override conflicting national laws, cannot impose, sanctions for non-implementation, and cannot initiative enforcement actions on their own. Therefore, every obligation under the RTC must pass through national political and legislative systems before it becomes enforceable. This is important, because CARICOM's design (perhaps unintentionally) creates a two-stage compliance process involving agreement at the regional level (which has low political costs but high symbolism), and implementation at the national level (which has high political costs and domestic exposure). This, as is made evident by the rate of implementation of the CSME, results in systemic implementation lag, because the second stage is where political risk, administrative complexity, and resistance arise. Given the political cycle's horizons in Member States, political leaders are highly sensitive to loss of power and potentially see integration as a tool and not a destination in itself.
- (h) **Weak Incentives and Sanctions** – the analysis found that in the CSME, non-implementation has low immediate costs, and implementation has high political and administrative costs. For instance, there are no automatic penalties, no suspension of benefits, and no infringement procedures. Rather, enforcement relies on peer pressure, moral suasion, and occasional CCJ litigation. Given this, governments tend to behave rationally, prioritising domestic concerns, deferring costly reforms, and selectively implementing commitments. This persists because the nature of CARICOM decision-making is for consensus over discipline, and because sanctions may be viewed as incompatible with Caribbean solidarity. Hence, partial compliance and implementation has become the equilibrium and this suits both the LDCs and the MDCs, albeit differently.
- (i) **Fragmented Governance Architecture** – the analysis found that CSME implementation involves multiple regional organs with overlapping mandates, numerous national ministries and agencies, and independent regulators and professional bodies. This means that there is no single actor that owns the implementation outcome, is accountable for delays, and that can compel coordination. The upshot of this is that responsibilities are diffused and decisions are taken at the regional, and even the national level, but not operationalised, and follow up is inconsistent. Fragmented governance architecture therefore is an institutional coordination root cause of the slow and staccato progress of implementation of the CSME.





3. The Potential Impacts and Benefits of CSME

This study conducted a policy-oriented, qualitative and quantitative assessment of the potential benefits and impacts of the CSME, particularly across the five core regimes, recognizing both their interdependence and their uneven levels of implementation. While the legal architecture of the Single Market is largely in place, the economic gains derived from integration have been shaped by the extent to which these regimes operate effectively in practice. Where implementation has been more advanced, the CSME has reduced trade costs, expanded access to the regional market, facilitated labour mobility, and supported (to a limited extent) regional production and investment. Conversely, where administrative, regulatory, and legal constraints persist, the benefits have been attenuated or unevenly distributed. In analysing the impacts, Baastel attempted to move beyond formal commitments to examine how each regime functioned in practice, the channels through which benefits have materialized, and the constraints that continue to limit the full realisation of integration gains across Member States.

The rest of this section sets out the findings of the benefits and impacts of the CSME on the Single Market, across its core regimes.

3.1 The Single Market

3.1.1 Free movement of goods

The free movement of goods constitutes the most mature and operational pillar of the CSME and has generated some of the most tangible and measurable benefits of regional integration. Through the progressive elimination of intra-regional tariffs, the application of the CET, and the establishment of shared rules of origin, the CSME has expanded access to the regional market for regional producers and reduced trade costs for businesses and consumers. These reforms have supported trade creation within the Community, facilitated the reallocation of production, in some industries and sectors, toward more efficient regional suppliers, and encourages the development of cross-border supply chains in key sectors such as agro-processing, manufacturing, and construction inputs. At the same time, the impacts of free movement of goods have been uneven, reflecting persistent non-tariff barriers, administrative discretion at border, and incomplete harmonisation of standards and customs procedures. Assessing the benefits and impacts from this regime therefore required balancing the demonstrable gains from tariff liberalisation against the remaining institutional and regulatory constraints that continue to limit the full integration of the regional good market.

Tariff liberalisation under the CSME has played a central role in deepening intra-regional trade by reducing the landed cost of goods moving within the region,⁹⁸ narrowing price differences between domestic and regional products, and improving competitiveness of regional exports relative to extra-regional goods. This was particularly important for rice and sugar, other fresh agricultural produce, some processed foods (e.g.,

⁹⁸ CARICOM members started removing duties on intraregional trade well before the establishment of the CSME and followed this in the 1990s with gradual reduction of tariffs on imports from outside the bloc. See Sadikov, Azim M. (2008), "External Tariff Liberalization in CARICOM: A Commodity-Level Analysis," International Monetary Fund Working Paper Volume 2008, Issue 033, available at <https://doi.org/10.5089/9781451868951.001>

condiments, juices), construction materials, and chemicals and packaging inputs. For example, in OECS Member States staple items like flour and pasta experienced some of the most significant price decreases, while in Jamaica, rice from Guyana was imported more cheaply than extra-regional imports. Similarly, sauces, and juices from regional brands such as Caribbean Pride, produced in Belize, became more competitively priced in many markets. Hence, imports of these and other regional brands such as Blue Diamond Flour from Trinidad and Grace Foods' pasta and sauces expanded their reach into markets in Barbados and the OECS, offering consumers a wider selection of more affordable, high-quality, processed products. This shift not only reduced the cost to consumers, but also strengthened intra-regional trade flows in CARICOM.⁹⁹ Prior to the CSME, intra-regional tariffs on processed foods, beverages, construction materials, and light manufactured goods often ranged between 10 and 20 per cent or more, and this made the landed cost of regional exports more expensive.¹⁰⁰ Conversely, pre-CSME, rice imported in CARICOM Member States faced tariffs of 15%-25%, and sugar attracted tariffs of 40%.¹⁰¹ Recently, Antigua and Barbuda, in an effort to reduce the cost of living in the country, signed an agreement with Guyana to import foodstuffs produced there.¹⁰²

Tariff liberalisation has also generated trade-creating effects within CARICOM (i.e. substitution of higher-cost domestic production or extra-regional imports with lower cost regional suppliers). For example, removal of tariffs, and quotas, allowed rice from Guyana to enter markets in Jamaica, OECS Member States, and Trinidad and Tobago at lower cost than extra-regional imports.¹⁰³ For the Jamaican market, Guyana was able to secure higher prices per tonne FOB (US\$400 versus US\$350 - \$375 per tonne previously).¹⁰⁴ In several Member States, higher-cost domestic production has been replaced by lower-cost imports from more efficient regional suppliers. This has been particularly evident in food and agro-processed products such as poultry, processed meats, dairy substitutes, and packaged foods—all products which had relatively high external tariffs—¹⁰⁵ where larger regional producers have been able to supply neighbouring markets more efficiently. One standout example is Jamaica's condensed milk industry. Jamaica scaled up production to meet approximately 75% of CARICOM-wide demand, prompting the Council for Trade and Economic Development (COTED) to classify condensed milk as a "commodity ineligible for conditional duty exemptions."¹⁰⁶ This action triggered the application of the 30% CET on condensed milk imported from outside the region. As a result, Jamaican brands like Betty and Dairy Champ gained a regional price advantage, protecting local producers from extra-regional competition and reinforcing Jamaica's role as a key supplier in the CARICOM market. Notwithstanding the effects of the Covid-19 pandemic

⁹⁹ Securing Economic Integration: The importance of intraregional trade (2019), OECS Media Statement, <https://pressroom.oecs.int/securing-economic-integration-the-importance-of-intraregional-trade>

¹⁰⁰ By comparison, extra-regional tariffs in 1992 was around 18 percent, but fell to around 10 percent by 2002, reflecting tariff reductions under the World Trade Organisation. This is based on tariff figures for Barbados, Guyana, Jamaica, and Trinidad & Tobago. See Azim (2008).

¹⁰¹ The Common External Tariff (CET) – Certification of Common Market Origin, p. 14, <https://miticca.gov.kn/wp-content/uploads/2021/07/CET-Rate-Structure.pdf>

¹⁰² NG24 Guyana's Breaking News post, <https://www.facebook.com/newsguyana24/posts/antigua-and-barbuda-guyana-sign-food-import-deal-to-tackle-rising-pricesaccording/1376380904497456/>

¹⁰³ Guyana reports Record Export of Rice, <https://caricom.org/guyana-reports-record-export-of-rice/>; Jamaica, Guyana to Hold Rice Talks, <https://caricom.org/jamaica-guyana-to-hold-rice-talks/#:~:text=Jamaica%20had%20requested%20a%20suspension,consideration%20of%20Jamaica's%20emergency%20needs.>

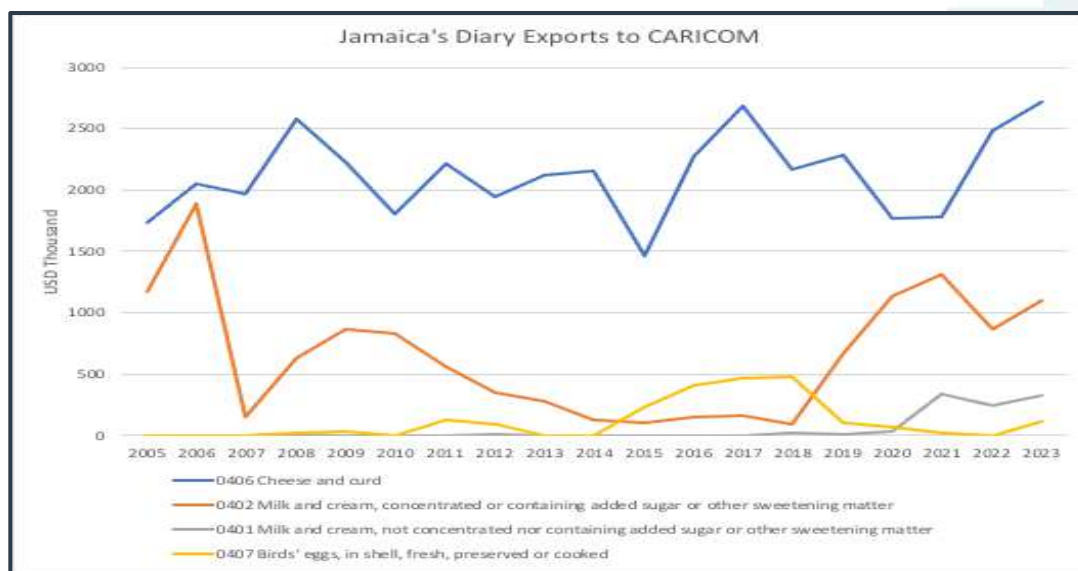
¹⁰⁴ GRDB-JRML Musson Agreement amended, <https://agriculture.gov.gy/2016/03/30/grdb-jrml-musson-agreement-amended/>

¹⁰⁵ According to Azim, up to 2002 (i.e., prior to the CSME), "imports from member countries were heavily concentrated in commodities with relatively high external tariffs." Azim (2008)

¹⁰⁶ COTED approved placement of condensed milk on the "List of Ineligibles" with effect from 1 January 2022. Government of Belize, Press Release, <https://www.pressoffice.gov.bz/alteration-of-import-duties-on-condensed-milk-imported-into-caricom/>

on its trade during 2020-2022, Jamaica's exports of in HS 0402 has been on the rise as seen in the graph 1 below. The beverage industry provides another clear example: regional producers of beer, soft drinks, and spirits have expanded their market share as tariff-free access allowed them to exploit economies of scale and out-compete smaller, less efficient domestic producers. However, CARICOM's intra-regional trade in mineral and aerated waters exhibited mixed results under the early years of the CSME.¹⁰⁷ In the construction sector, cement and related inputs produced in manufacturing-based states have increasingly replaced inefficient domestic production in smaller economies, further illustrating trade creation within the Single Market.

Figure 1: Growth in Jamaica's Dairy Exports to CARICOM



(Source: ITC Trade Maps)

This pattern of trade creation has been particularly evident among the smaller economies of the OECS, whose limited domestic markets and small-scale production often resulted in high unit costs prior to the establishment of the Single Market. For example, in the OECS, domestic production of manufactured goods such as cement, paints and coatings, plastics, packaging materials, and other household items has increasingly been replaced by imports from Trinidad and Tobago. Trinidad and Tobago's more developed manufacturing sector, supported by economies of scale and access to petrochemical inputs, has allowed its producers to supply these goods at lower cost. As a result, several Member States from the OECS sub-region reduced or discontinued inefficient local production or shifted away from costly extra-regional imports, leading to lower prices for consumers and construction firms and a rise in intra-regional trade. A similar pattern has emerged in food and agro processing. In Dominica, St Lucia, and St Kitts and Nevis, small-scale domestic food processing has gradually been displaced by imports from Jamaica. Jamaican producers benefit from a larger domestic market, more developed agro-processing industries, and greater production capacity, enabling them to export processed foods, sauces, baked goods, and beverages at lower prices. This shift has improved consumer choice and affordability while expanding Jamaica's regional export footprint. Trade creation has also occurred in the poultry and processed meat sectors. In Antigua and Barbuda and St Vincent and the Grenadines, higher-cost domestic poultry production has been partially replaced by imports from Trinidad and Tobago, where producers operate at lower average cost. This substitution has reduced prices for consumers and reinforced regional supply linkages. For instance, facing

¹⁰⁷ CARICOM's Mineral and Aerated Waters Trade (2012), CARICOM Office of Trade Negotiations, *Private Sector Trade Note*, Vol. 2, https://caricom.org/documents/9984-private_sector_trade_note_vol._24_caricom_mineral_and_aerated_waters_trade.pdf

potential higher prices because of the tariff dispute between the USA and China, chicken producers in Saint Vincent and the Grenadines were able to import broiler chickens from Barbados and Trinidad and Tobago to boost their local production.¹⁰⁸

Removing tariffs on goods of CARICOM origin and implementing CET has also allowed Member States to specialise according to their resource endowments and productive strengths, thereby enhancing efficiency and regional interdependence, and strengthening trade complementarities. For instance, in agriculture and food trade, the CSME has strengthened complementarities between land-abundant and land-scarce Member States. Hence, Guyana, Belize, and Suriname, with ample arable land and agricultural capacity have been able to supply rice, sugar, fresh produce, and livestock products to small island developing states, often more densely populated, like the OECS countries, Jamaica, and Barbados. Additionally, tariff-free access to these regional markets has allowed agricultural producers in the exporting Member States move towards economies of scale and increase production, while importing states benefit from lower-cost, high-quality food supplies. For example, Guyana is moving towards economy of scale in rice, marked by massive production increases (this reached 725,000 tonnes in 2024¹⁰⁹) and improved yields (from 4.5 to 6.5+ tonnes/hectare); and Belize's sugar and fresh produce have increasingly replaced higher-cost domestic production in importing CARICOM Member States, demonstrating trade creation driven by complementarity. This flow of goods has not only improved regional food security but has also helped integrate agricultural supply chains across CARICOM, linking producers in one state to processors and distributors in another.

The CSME has also reinforced complementarity in the provision of key industrial inputs, particularly fertilisers and industrial chemicals. Trinidad and Tobago, with its well-developed petrochemical and energy sector, has become a primary supplier of fertilisers and industrial chemicals to other Member States. According to the Energy Chamber of Trinidad and Tobago, the country produced more than four million tons of ammonia in 2024, making it the largest exporter in the world.¹¹⁰ Most of this is exported outside of CARICOM but the intra-CARICOM exports are nonetheless essential for agricultural production, food processing, and light manufacturing across the region. For instance, fertilisers like ammonia, urea, and UAN from Trinidad and Tobago are used in Guyana and Belize to enhance crop yields, supporting their roles as major agricultural exporters within CARICOM, and stabilising regional agricultural and agro-processing supply chains.¹¹¹ Similarly, industrial chemicals and plastics supplied to Barbados, Jamaica, and OECS states underpin manufacturing activities, including food packaging, beverages, and household goods. The availability of these inputs at lower cost strengthens production networks and allows member states to focus on sectors where they have a comparative advantage, rather than duplicating high-cost domestic production.

Finally, tariff liberalisation has encouraged the development of regional production networks by facilitating sourcing and the free movement of intermediate goods from across the region and organisation of production processes across borders. This has been particularly evident in agro processing, where agricultural inputs from

¹⁰⁸ <https://onenewsstvincent.com/2025/04/10/svg-imports-10000-day-old-broiler-chickens-to-boost-local-production-amid-tariffs/>

¹⁰⁹ Guyana's rice revolution – record breaking harvest fuelled by bold government action, <https://dpi.gov.gy/guyanas-rice-revolution-record-breaking-harvests-fueled-by-bold-government-action/> Also, Guyana Chronicle, 5 March 2025, <https://www.facebook.com/gychronicle/videos/guyanas-agricultural-sector-has-achieved-significant-milestones/1016499186586477/>

¹¹⁰ <https://energynow.tt/blog/tampt-export-markets-for-ammonia> For a Review of Trinidad and Tobago's merchandise trade, see <https://cso.gov.tt/wp-content/uploads/2023/01/Trade-Bulletin-Q3-2022.pdf>

¹¹¹ In 2023 Guyana imported US \$11.6 million in fertilizers from Guyana, and US \$3.15 million (2024) to Belize. See <https://oec.world/en/profile/bilateral-product/fertilizers/reporter/guy> for Guyana and for Belize, see <https://tradingeconomics.com/trinidad-tobago/exports/belize/fertilizers>

countries such as Guyana, Belize, and Suriname are processed and packaged in Trinidad and Tobago, Jamaica, or Barbados before being distributed throughout CARICOM. For example, Citrus Producers of Belize Ltd. (CPBL) produces a range of juices for Pine Hill Dairy of Barbados for the market there.¹¹² In manufacturing and chemicals, petrochemical inputs from Trinidad and Tobago support downstream production of paints, plastics, fertilisers, and industrial chemicals in other CARICOM Member States. Similarly, regional networks have emerged in packaging and logistics, where packaging materials produced in one country are used in food, beverage, cosmetics, and pharmaceutical industries elsewhere in the region.

3.1.1.1 Macroeconomic benefits and impacts

The macroeconomic benefits and impacts of the free movement of goods across CARICOM can be assessed in terms of increased economic growth and regional output, improved balance of payments stability, and FDI performance. It can also be assessed in terms of inflation management, structural transformation and economic diversification, and employment effects.

The analysis completed for this study found that the CSME's framework of free movement of goods provides structural conditions conducive to trade and intra-regional commerce. However, in the absence of large natural-resource booms, and relatively small share of intra-CARICOM goods trade (only 15%-18% of total goods trade, despite tariff-free trade), this has not translated into robust aggregate growth for all Member States. For example, GDP growth across the region over the past two decades have averaged about 1.8% per year, which is "lower compared with the previous two decades (1980-2000)."¹¹³ However, states with competitive manufacturing, agriculture, and agro-processing sectors have experienced higher GDP growth, but performance has varied considerably among Member States, and many Member States have struggled to achieve sustained expansion. Guyana is an outlier to this, especially over the last decade. In 2024 Guyana grew by 43.8%, up from 33.8% the previous year, the highest real GDP growth rate across the region. In 2024 alone, real oil-GDP in Guyana rose nearly 58% and real non-oil GDP grew by over 13%. Guyana, 43.8% GDP annual growth between 2015 and 2024. Thus, while Guyana's economic boom is driven by oil production, growth is broad-based as agriculture, construction, services and non-oil private sector activity have also expanded.

The analysis found that the free movement of goods positively influences the investment climate in CARICOM, but that investment flows remain nationally focussed. According to the Caribbean Association of Investment Promotion Agencies (CAIPA), the islands in the region "are among the top recipients of FDI in the World [... with the CAIPA region] recording 247 FDI projects between 2015 and 2020, with annual inflows rising by nearly 26%, from US\$5.8 billion to US \$7.3 billion."¹¹⁴ For instance, Belize received investments in sugar refining and to develop citrus concentrate plants; Jamaican producers expanded capital investments in bottling plants, snack food lines, and packaged goods facilities; and local producers in Trinidad and Tobago invested in cement batching plants and roofing and steel fabrication facilities, among other things. By comparison, Guyana stands out again with the highest FDI inflows in the region in 2022 at US\$4.389 billion, driven almost entirely by investment in oil, but it also had significant investments in its rice value chains.¹¹⁵ This confirms that, overall, CARICOM has remained an attractive destination for FDI (relative to its size). The investment flows suggest there

¹¹² Citrus Producers of Belize Ltd. Started producing juices for Pine Hill Dairy in 2010.

¹¹³ The Caribbean Challenge: Fostering Growth and Resilience Amidst Global Uncertainty, <https://www.imf.org/en/news/articles/2025/06/10/dmd-clerke-cdb-speech-june-10>

¹¹⁴ CAIPA, "Invest in the Caribbean: The Caribbean islands are among the Top Recipients of FDI in the World," <https://www.investincaribbean.org/industry-opportunities/>

¹¹⁵ For example, NAMILCO invested GY\$10 billion in expanding milling capacity and new value-chain partnerships. See <https://newsroom.gy/2025/10/21/namilco-to-invest-10b-in-state-of-the-art-flour-mill/>

been some shift towards manufacturing reflecting growing interest in renewable energy, mining, and infrastructure projects.

Regarding the benefits and impacts of the free movement of goods on balance of payments stability, specific data on Member States performance is not explicitly detailed in available reports. However, import substitution within CARICOM has reduced exposure to external supply disruptions for select sectors, especially agro processing. For example, Jamaica imports rice from Guyana instead of Asia or the USA, Member States in the OECS source cement from Trinidad and Tobago instead of extra-regional suppliers, and Belize's sugar exports are increasingly oriented regionally as EU preferences and other external markets declined. Conversely, Guyana's sustained rice exports increased export receipts and reduced its reliance on distant markets. Guyana has shown strong economic performance over the past decade or so, and it is expanding its intra-regional export capacity for agricultural and food crops, but the impact of this on national balance of payments is minor compared to the impacts from oil exports. By comparison, Belize has not experienced consistently stable balance of payments under the CSME, and Jamaica has shown intermittent periods of stability¹¹⁶ but has also experienced persistent trade deficits in goods under the CSME. Additionally, several Member States including Antigua & Barbuda, Dominica, Grenada, Saint Lucia, Saint Vincent and the Grenadines, Saint Kitts & Nevis experienced loss of revenue from import duties/tariffs under the CSME,¹¹⁷ affecting their balance of payment positions.

Table 9: Summary of macroeconomic benefits and impacts

Macroeconomic Category	Key Benefits	Observed / Likely Impacts
GDP Growth & Output Expansion	• Larger regional market increases demand for regional goods • Elimination of tariffs stimulates production and trade	• Higher GDP growth in exporting industries • Greater utilisation of regional productive capacity • Reduced dependence on extra-regional markets
Productivity & Efficiency	• Economies of scale from serving a wider market • Harmonised standards reduce duplicated compliance costs	• Increased firm-level productivity • Lower unit costs and improved competitiveness • Enhanced ability to join global value chains
Balance of Payments Stability	• More intra-regional trade keeps foreign exchange circulating locally • Reduced reliance on extra-regional imports	• Improved trade balances in more diversified economies • Stronger resilience to external shocks • Reduced pressure on foreign exchange reserves
Investment & Capital Formation	• Predictable regional market attracts domestic and foreign investment • Improved logistics and regulatory coherence incentivise expansion	• Increased FDI in export-oriented sectors • Greater domestic investment in manufacturing and logistics • Technology upgrades and modernisation of production
Price Stability & Inflation Control	• Removal of tariffs lowers landed costs • Increased competition prevents excessive markups	• Downward pressure on inflation, especially food and basic goods • Reduced price volatility during supply disruptions

¹¹⁶ This may be attributable to Jamaica's sound domestic fiscal and monetary policies.

¹¹⁷ These countries are all part of the OECS and are categorized as Less Developed Countries (LDCs).

		• Lower transport-related costs for regional sourcing
Economic Diversification & Structural Transformation	• Incentives for countries to specialise based on comparative advantage • Harmonised standards support higher-value manufacturing	• Growth of regional production clusters • Less dependence on tourism or single-commodity exports • Stronger, more diversified productive base
Employment & Labour Market Effects	• Expansion of manufacturing and agro-processing boosts job creation • Growth in logistics, distribution, and services	• More formal employment opportunities • Higher household income and stronger labour market resilience • Increased potential output through greater labour utilisation
Equity & Distributional Effects	• Shared regional market opportunities	• Larger economies gain more export benefits • Smaller states benefit mainly from import-side price reductions • Export capacity gaps may widen regional disparities

(Source: Compiled from the analysis)

3.1.1.2 Trade benefits and impacts

The free movement of goods has direct and indirect, but mixed, trade benefits and impacts for CARICOM Member States. The most obvious benefit is the expansion of intraregional trade. Analysis of the data shows that intra-CARICOM trade in goods expanded significantly in the first two decades of the CSME era. For example, by 2011 CARICOM reported that intra-regional exports grew by roughly 9% annually (faster than CARICOM's extra-regional exports) expanding by roughly 30 times the nominal levels of 1973. By 2024, intra-regional trade was US \$4.1 billion or about 11.2% of total CARICOM trade. At the aggregate level, intra-CARICOM exports grew by 56%, from 2005 to 2024. These figures suggest that trade liberalisation (i.e., tariff removal, trade facilitation) under CSME has succeeded in raising intra-regional trade volumes compared with pre-integration levels but this remains modest when compared with total CARICOM trade (e.g., CARICOM exports to the rest of the world grew by 151% over the same period), and gains are unevenly distributed. The combination of these outcomes reveals that the impact of trade performance and economic transformation under the CSME has been limited in scope and the region continues to rely heavily on extra-regional imports, including food.

Another benefit of the free movement of goods under the CSME is export diversification, in terms of both export markets for regional goods and categories of goods produced. Regarding the former, several Member States now export consistently to intra-regional markets.¹¹⁸ The obvious examples of this are rice exports from Guyana expanding to respond to the demand in Jamaica; and construction inputs from Trinidad and Tobago finding markets in Barbados, Grenada, St Lucia, St Vincent and the Grenadines; but also, beverages and niche agro products from OECS. Regarding the latter, Guyana's traditional export basket shifted from exports of rice, sugar, bauxite and timber (primary commodities) to now include semi-processed and packaged rice, rice-based food products, processed agricultural inputs, and value-added forestry products exported to Jamaica, Trinidad and Tobago, and Member States in the OECS sub-region.¹¹⁹ For Jamaica, the complexion of exports likewise shifted

¹¹⁸ Guyana exporting locally produced processed goods to CARICOM markets, Jamaica Observer 31 December 2025, <https://www.jamaicaobserver.com/2025/12/31/guyana-exporting-locally-produced-processed-goods-caricom-markets/>

¹¹⁹ Export diversification in Guyana is focused on increasing value-added production, especially in the agriculture sector. See for example, Kirwin, Sean and Craig, Kelvin (2017), Sector Selection in Guyana: Finding export and value-added opportunities in thin markets," International Labor Organisation (ILO), available at https://www.ilo.org/sites/default/files/2024-05/guyana_wcms_575274.pdf Also,

from raw exports of bauxite, sugar, and bananas to manufactured consumer goods including processed foods and condiments, beverages and soft drinks, packaged consumer goods, and household and light manufactured products exported to Barbados, Trinidad and Tobago, and OECS Member States among others. By comparison, Belize also diversified its export basket, away from preference-dependent agriculture (i.e., sugar, bananas, citrus) to refined sugar products, molasses by-products, grains, fishery products, and beverages and processed foods like hot sauces —CARICOM markets absorbed much of the new product lines.¹²⁰

Table 10: Summary of export diversification outcomes

Member State	Old Export Core	New Product Categories Enabled by FMG
Guyana	Rice, sugar, bauxite	Packaged rice, agro-processed foods
Jamaica	Bauxite, sugar	Processed foods, beverages, manufactures
Trinidad & Tobago	Energy	Cement, food products, fertilisers
Barbados	Services	Alcoholic beverages, specialty foods
Belize	Sugar, bananas	Refined sugar products, food processing
OECS	Primary agriculture	Artisanal foods, niche manufactures

Intra-CARICOM Trade Performance

Intra-CARICOM trade has increased modestly since 2001. Overall, Intra-regional trade has increased and was estimated at US\$4.1 billion in 2024 or about 11.2% of total CARICOM trade at the aggregate level, intra-CARICOM exports grew by 56% from 2005–2024, while CARICOM’s exports to the rest of the world increased by a much larger 151%. Top intra-regional exporters in 2024 were; Guyana (US \$2.2bn), Trinidad and Tobago (US \$1.3bn), Jamaica (US \$0.2bn), Barbados (US \$0.2bn), and St. Lucia (USD 0.1bn). Conversely, imports have increased from US \$2.3 bn in 2005 to US \$2.7 bn in 2024 (17.4% increase in value) whilst exports increased from USD 2.6 bn in 2005 to US \$4.1 bn in 2024 (57.7% increase in value). Top intra-regional importers were; Guyana (US \$0.7bn), Barbados (USD 0.5bn), Jamaica (US \$0.3bn), St. Lucia (US \$0.3bn) and Suriname (US \$0.2bn). It must be noted that trade by CARICOM Member States has fluctuated over the years and its trends have been more distinctly tied to the region’s high exposure and volatility to external shocks and events.

The trade in goods regime has provided a stable trading regime and contributed to creating export opportunities within the region, especially for more diversified or industrialised Member States, but also for Less Developed Member States. For instance, Trinidad and Tobago has long been the single largest supplier of goods to the CARICOM internal market and this is based on oil and gas and diversified light manufacturing. For many of the smaller economies, especially in the OECS sub-region, their intra-regional export volumes remain very small compared to the larger producers like T&T, and some of them run trade deficits within CARICOM. Less Developed Member States like Belize (food and beverage), Saint Lucia (households and personal care products), Dominica and Saint Vincent (agro-processing and beverages), and Grenada (value -added agro-products) have benefitted from duty-free access to all CARICOM markets for Article 164 goods, and this provision has encouraged LDCs to produce niche goods that compete regionally, reducing dependence on primary agriculture, tourism, and imports. It has also helped LDCs expand output and grow domestic employment, and small manufacturing firms to sustain rural jobs and female and low-income employment.

Guyana embarks on economic turnaround and diversification, *Economy and Finance*, 7 April 2016, <https://www.theworldfolio.com/news/guyana-embarks-on-ec/4068/>

¹²⁰ Belize Export Basket, 2019 (updated May 2020), <https://www.dgft.gov.bz/belize-export-basket/>

Table 11: CARICOM intra-regional trade from 2005-2024

COUNTRY	% CHANGE OF INTRA-CARICOM EXPORTS FROM 2005 - 2024	% CHANGE OF CARICOM EXPORTS TO THE WORLD FROM 2005 - 2024	% CHANGE OF INTRA-CARICOM IMPORTS FROM 2005 - 2024	% CHANGE OF CARICOM IMPORTS FROM THE WORLD FROM 2005 - 2024
Aggregation CARICOM	56%	152%	17%	106%
Aggregation CSME Member States	56%	151%	16%	108%
Antigua and Barbuda	-69%	-72%	-32%	26%
Bahamas	93%	249%	255%	93%
Barbados	14%	28%	31%	29%
Belize	130%	33%	186%	180%
Dominica	-62%	-13%	9%	82%
Grenada	-2%	57%	53%	90%
Guyana	1948%	4061%	143%	827%
Haiti	-14%	nil	-20%	nil
Jamaica	244%	-20%	-58%	37%
Montserrat	117%	6011%	-10%	-12%
Saint Kitts and Nevis	394%	48%	37%	78%
Saint Lucia	124%	45%	151%	238%
Saint Vincent and the Grenadines	47%	46%	39%	108%
Suriname	-73%	49%	2%	67%
Trinidad and Tobago	-39%	-21%	65%	34%

(Source: ITC Trade Map data)

The CSME also played an important role in offering alternate markets within CARICOM, for some Member States, for which a significant portion of trade is intra-regional rather than extra-regional. For instance, Belize expanded its trade with the region by 130% between 2005 and 2024, and CARICOM was an important market for sugar exports. Jamaica's intra-regional trade, by comparison, grew by 244% over the same period and Jamaica benefitted from imports of raw materials and intermediate goods essential for local manufacturing. For example, Jamaica scaled up production of condensed milk to meet approximately 75% of CARICOM-wide demand,¹²¹ and this triggered application of a 30% Common External Tariff (CET) on condensed milk imported from outside the region. Yet, despite, these gains, intra-CARICOM trade remains relatively small (about 15% to 20%) as a share of total CARICOM trade, and a small number of Member States dominate intra-regional trade (i.e., Trinidad and Tobago alone accounts for about 70% of all intra-CARICOM exports). Additionally, many CARICOM economies are small with overlapping production structures (e.g., similar agricultural outputs), limiting the potential for complementary trade. Thus, while the CSME provides them a potential trading platform, many small Member States remain marginal participants, and their benefits from intra-regional trade have been limited or modest.

¹²¹ This led to the Council for Trade and Economic Development (COTED) classifying condensed milk ineligible for conditional duty exemptions.

Table 12: Intra-regional share of export by CSME Member State

Exporters	Exports to CARICOM 2024 (USD 000)	Exports to the World 2024 (USD 000)	% of CARICOM Exports to World Exports
CARICOM Aggregation	4084019	35945308	11%
CSME MS Aggregation	4083197	35000897	12%
Saint Lucia	77317	93111	83%
Saint Vincent and the Grenadines	36263	58409	62%
Barbados	165070	461264	36%
Grenada	12657	43434	29%
Dominica	9489	36395	26%
Antigua and Barbuda	8329	33362	25%
Belize	49557	277036	18%
Trinidad and Tobago	1283767	7910706	16%
Jamaica	168827	1210966	14%
Saint Kitts and Nevis	6348	50940	12%
Guyana	2248499	22414584	10%
Montserrat	1427	88115	2%
Suriname	15308	1484158	1%
Bahamas	822	944411	0%
Haiti	339	838417	0%

(Source: ITC Trade Map data)

3.1.1.3 Social benefits and impacts

Although the free movement of goods is typically framed as an economic pillar, it produces significant social spillovers for citizens, households, workers and communities. This is because in CARICOM, trade in goods is tightly linked to employment and rural livelihoods, food affordability and security, and regional equity. For example, tariff free access to CARICOM markets increased and stabilised rice exports from Guyana. The social impact of this was sustained employment for thousands of rice farmers and mill workers in Berbice and Essequibo and reduced rural out-migration. Additionally, the more predictable incomes improved household welfare. Conversely, in Member States that are part of the OECS sub-region, tariff-free imports of rice from Guyana, poultry and processed foods for Jamaica, and cement and building input from Trinidad and Tobago have lowered and provided more stable food prices in those countries, and also provided greater certainty for household budgeting, especially for low-income households.

Increased local production of food stuffs and the ability to export goods freely within CARICOM has increased participation of small and medium firms (MSMEs) in the regional market, especially MSMEs in the agricultural and agro processing sectors. For example, dozens of MSMEs in Suriname, after receiving support through the CSME Standby Facility for Capacity Building,¹²² are now able to better access markets across the Community. This trend is expected to continue as demand for locally produced agricultural grows, especially under implementation of CARICOM's 25 by 2025 plus 5 (25 X 2025 + 5) initiative. However, the level of participation of SMEs will remain low if non-tariff barriers and other implementation challenges persist. Inclusion in intra-regional

¹²² 60 Micro Small and Medium-sized enterprises in Suriname to Gain Support to Access Regional Markets, <https://www.caribank.org/newsroom/news-and-events/60-micro-small-and-medium-sized-enterprises-suriname-gain-support-access-regional-markets>

trade helps MSMEs create and maintain jobs, supports family farms, and reduces poverty in vulnerable communities.

3.1.2 Free movement of services

CARICOM Member States have benefitted from the free movement of services under the CSME, and all have gained economically and socially, but the benefits vary among Member States. The regime, grounded under Articles 32-37 of the RTC, is intended to allow CARICOM nationals and firms to supply services across Member States without discrimination, whether temporarily or through establishment. While the regime does not explicitly adopt the WTO's four modes of supply, it effectively covers, cross-border supply (e.g., digital services, consultancy delivered remotely); consumption abroad (e.g., tourism, education); commercial presence (establishment); and temporary movement of services providers (e.g., architect, engineers, consultants). Additionally, Member States must not treat CARICOM service suppliers less favourable than nationals or impose nationality-based licensing or ownership requirement. However, given the development needs of Member States, the RTC calls for Mutual Recognition Agreements (MRAs) for regulated services sector, and also calls for transparent licensing rules, objective criteria, and no disguised restrictions on services.

The free movement of services under the CSME encouraged economic interdependence and allow service providers (such as teachers, engineers, artists, consultants, nurses, ICT specialists, and firms) to offer services across the larger regional market without major restrictions. This had clear benefits, but also some negative impacts, especially for smaller or less-development Member States. For instance, services MSMEs and professionals can operate across Barbados, Belize, Dominica, Jamaica, Saint Vincent and the Grenadines, etc. in most services sectors, and mostly without facing restrictive licensing or nationality rules. Additionally, the CSME has stimulated the development of several services subsectors including accounting, architecture, engineering, creative industries (e.g., art, fashion, music and events), and ICT and digital services, among other.

These gains stem from increased efficiency, competitiveness, investment, and economic integration across the region. Freer access to regional markets allows service providers (e.g., education, finance, ICT, professional services and tourism) to expand their operations, and this boosts regional GDP by increasing production, employment and consumption of services. Additionally, a (more) unified services market makes the region more attractive to investors and facilitates cross-border partnerships among regional firm and diversification towards and integration of services sectors in national economies reduced regional economic vulnerability and created more stable export revenue streams which supported economic stability.

3.1.2.1 Macroeconomic benefits and impacts

One benefit of liberalizing services under Articles 32 and 36 of the RTC is that it shifted regional economies away from declining primary exports such as sugar and bananas and towards higher value-added activities such as tourism, finance, ICT, and professional services. Thus, the services sector in Member States now reflect a greater contribution to national GDP (over 60% of GDP in several CARICOM Member States), employment, and foreign exchange earnings. For instance, services account for 80% to 90% of GDP¹²³ and employment in Barbados, with tourism being the dominant force (driving foreign exchange via hotels, restaurants, travel), followed by

¹²³ <https://stats.gov.bb/subjects/economic-statistics/gross-domestic-product/gdp-contribution-by-industry/>

International Financial Services,¹²⁴ IT, education and health services.¹²⁵ Barbados also experienced “strong net foreign exchange inflows from higher tourism receipts and taxes from the global business sector.”¹²⁶ In the OECS, services is also the backbone of the economies of Member States—for Antigua & Barbuda sectors such as agriculture [...] and manufacturing never accounted for more than 6% of GDP—¹²⁷ over half of the GDP and foreign exchange is generated by services, primarily tourism, financial services, and the burgeoning Blue economy.¹²⁸ For example, in 2022, travel services (tourism) receipts totaled approximately US\$8.2 billion for Member States from the OECS sub-region, and this helped narrow the current account deficit of these economies.¹²⁹

Notably, available reports and current data do not lend to this assessment being able to definitively ascertain the contribution of intra-regional services trade to GDP, employment, and foreign exchange earnings. It also does not allow for the study to discern whether the lack of growth in intra-regional services trade within the Community helped to reduce leakages from using extra-regional providers, or whether Member States have been able to build more resilient economies, especially in service-dependent economies such as Antigua and Barbuda. However, it appears that such resilience is tempered by increases in services and goods imports.¹³⁰ One area that the CSME had not been able to address is extra-regional services imports for sectors like construction services. According to one study, the “demand for construction services, when not met domestically, was met outside CARICOM.”¹³¹ At an aggregate level, Member States from the OECS sub-region are net services exporters,¹³² but for specific sectors like construction services, some Member States may exhibit high import performance.

3.1.2.2 Trade benefits and impacts

As it relates to trade benefits and impacts, the free movement of services helped improve the export competitiveness of services exports and contributed to the expansion of regional trade in services. As mentioned, Member States that are part of the OECS sub-region, as well as Barbados¹³³ and Jamaica¹³⁴, are all net services exporters. Total services receipts for the CARICOM region experienced a severe pandemic-induced contraction regionally, especially in tourism, services earning fell by 50% between 2019 and 2020 (from US \$10.1 billion to

¹²⁴ Barbados – Selected Issues, IMF Country Report No. 18/134, <https://www.imf.org/-/media/files/publications/cr/2018/cr18134-barbadossi.pdf>. The International Business and Financial Services sector is economically important to Barbados.

¹²⁵ According to the Central Bank of Barbados, real GDP increased by 4 percent in 2024 driven by the services sector and is set to

¹²⁶ <https://www.centralbank.org.bb/news/economic-reviews/central-bank-of-barbados-review-of-barbados-economy-in-2024>

¹²⁷ Annex 1 – Antigua and Barbuda, WT/TPR/S/437, https://www.wto.org/english/tratop_e/tpr_e/s437-01_e.pdf

¹²⁸ OECS Media Release, 26 May 2021, <https://pressroom.oecs.int/another-step-towards-domestic-regulation-in-the-services-sector-for-the-oecs-region>

¹²⁹ ECCU External Sector Statistics 2022, <file:///Users/davidgomez/Documents/Consulting%20Projects/CARICOM%20Regional%20Integration%20Project/CARICOM%20Documents/2024-03-14-05-06-04-ECCU-External-Sector-Statistics-2022.pdf>

¹³⁰ This may be gleaned from the WTO Trade Policy Review, Antigua and Barbuda, https://www.wto.org/english/tratop_e/tpr_e/s437-01_e.pdf

¹³¹ CRNM (2009), Private Sector Trade Note, Volume 8, https://caricom.org/documents/10004-private_sector_trade_note_vol_7_caricom_construction_services_trade.pdf More recent studies like this that could provide more recent data and analysis were not identified by the consultants.

¹³² WTO Trade Policy Review – Report by the Secretariat, WT/TPR/S/437, March 2023, https://www.wto.org/english/tratop_e/tpr_e/s437_e.pdf

¹³³ WTO Trade Policy Review – Report by the Secretariat, Barbados, 20 September 2022, https://www.wto.org/english/tratop_e/tpr_e/s431_e.pdf

¹³⁴ WTO Trade Policy Review – Report by the Secretariat, Jamaica, 13 September 2024, <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/TPR/S457R1.pdf&Open=True>

US \$5.1 billion) because of border closures sharply reduced tourism travel-related inflows. However, this was followed by a strong but uneven recovery across Member States, again especially in tourism, and by 2022 total services receipts surpassed pre-pandemic levels, rising to US \$10.4 billion. The removal of regulatory barriers and discrimination against regional services providers (i.e., the framework for services trade under the CSME) enabled services firms in CARICOM Member States to recover post-pandemic, perhaps more quickly. The services regime also helps Member States diversify away from dependence on primary commodity goods exports (also previously mentioned), but the extent to which such diversification, and services trade diversification as well, reduced vulnerabilities to external shocks is unclear. However, services receipts for a few Member States, especially Dominica, Saint Vincent and the Grenadines, and Guyana, remained below pre-pandemic reflecting structural differences in their service sectors and slower tourism recovery.

3.1.2.3 Social benefits and impacts

The free movement of services has produced some social benefits across Member States. For instance, expansion of services sectors has created new jobs in finance, information technology, professional services (e.g., legal and engineering services), and tourism. For instance, countries like Barbados and Jamaica have developed regional financial centers, attracting international banks, insurance companies, and investment firms.¹³⁵ Also, higher wages in these sectors have helped raise household income and domestic consumption. At the same time, consumers benefit from wider access to higher quality services, lower prices due to increased competition, and innovation and better technological solutions. Additionally, youth and skilled professionals across CARICOM gain mobility, income opportunities, and entrepreneurship prospects. Barbados have increased availability of high-quality professional services (medical, legal and engineering) due to regional services providers operating in Barbados, and it has also strengthened education and cultural exchange as regional institutions and services professionals collaborate. Member States that are part of the OECS sub-region have also experienced social benefits including improved healthcare, education and legal services through access to professionals from across CARICOM, and enhanced consumer welfare from higher-quality more diverse service offerings. For Belize, the social benefits experienced include strengthening Belize's identity as a CARICOM country through greater interaction with regional professionals. However, the services regime has led to some intra-regional brain-drain, with skilled workers moving from smaller and less developed Member States to larger ones. For example, Barbados and Trinidad and Tobago have attracted significant numbers of skilled workers from other Member States,¹³⁶ especially from the OECS Member States.¹³⁷

3.1.3 Free movement of skilled labour

Under the CSME, the free movement of skilled labour has produced several region-wide benefits for Member States, though the impacts differ across Member States. Benefits include full free movement in four Member

¹³⁵ Prime Minister Andrew Holness of Jamaica claims that the country has the most advanced financial services sector in the entire Caribbean region. See <https://our.today/jamaica-is-the-caribbeans-leading-financial-hub-holness/#:~:text=Vanassa%20McKenzie%20/%20Our%20Today,over%20the%20last%20seven%20years>.

¹³⁶ Data Report: Trends in Caribbean Migration and Mobility (2023), International Organisation for Migration (IOM), pp. 30-31, <https://lac.iom.int/sites/g/files/tmzbd11446/files/documents/2023-07/data-report-trends-in-caribbean-migration-and-mobility.pdf>

¹³⁷ This has been a long-standing issue within the region, as reported as far back as 2005 by ECLAC. See, Migration in the Caribbean – What Do We Know? An overview of data, policies and programmes at the international and regional levels to address critical issues, Report of Expert Group Meeting on International Migration and Developments in Latin America and the Caribbean, Population Division, Department of Economic and Social Affairs, United Nations Secretariat, Mexico City, 30 November to 2 December 2005, https://www.un.org/development/desa/pd/sites/www.un.org.development.desa.pd/files/unpd-egm_2005_11-12_p09_eclac_port_of_spain.pdf

States; access to a wider pool of skilled workers (e.g., teachers, nurses, artists, architects, engineers, and ICT specialists, etc.) across the Community; and improved allocation of resources as skilled labour moves from countries with surplus skills to those with shortages.¹³⁸ For example, Sandals & Beaches Resorts, major hospitality brands operating properties in Jamaica, Barbados, Antigua and Saint Lucia, frequently recruited skilled chefs, resort managers, and hotel operation experts across Member States – enabled by the free movement of skilled labour regime. Similarly, Republic Bank operates in several CARICOM Member States including Barbados, Guayana, and Trinidad and Tobago have moved skilled bankers, risk management experts and compliance officers to its branches in different islands, and this has helped cut costs and increases the quality of cross-border service delivery. It also includes increased remittances from outward-moving skilled laborers, and enhanced innovation and knowledge transfer, among other benefits. The outward movement of Skilled Nationals reduces domestic unemployment in sending Member States while the remittances from nationals working in other Member States boosts household income, consumption, education, housing and social stability.

3.1.3.1 Macroeconomic benefits and impacts

CARICOM Member States benefit from improved allocation of human capital across the Community as skilled labour flows from low-demand to high-demand economies. This improves overall regional economic efficiency, but national outcomes differ. For example, the movement of skilled labor has generally improved economic efficiency in Antigua and Barbuda, Barbados, and Trinidad and Tobago by filling critical skills gaps and supporting key sectors like education, construction, financial services and tourism.¹³⁹ The free movement of skilled labor regime has also helped Member States increase labor productivity. For example, according to the Barbados Small Business Association, (BSBA) a recent IDB study identified that Barbados is faced with low productivity and needs an infusion of skilled labor from across the region to help address this.¹⁴⁰ As the BSBA points out “MSMEs are critical to employment and economic activity [...] yet often face significant barriers to productivity growth due to inadequate access to skilled labor,”¹⁴¹ and the free movement of skilled labour within the region helps to address this challenge. Additionally, the movement of skilled labor within CARICOM from countries with surplus to those with shortages leads to a more efficient regional matching of workforce skills to economic and supports service industries that rely heavily on skilled human capital,¹⁴² and this helped some Member States address structural unemployment. For instance, Jamaica which has a large labor force relative to domestic opportunities saw outward movement of teachers, nurses, creatives, and technicians and this helped it to reduce its structural unemployment. Dominica (outflows of nurses, teachers and other professionals) and Grenada (for education and tourism) similarly experienced outflows of skilled nationals to other CARICOM Member States. However, such outflows of high skilled labor from other sending countries are have negative impacts on the productive capacities of those countries. For instance, according to a study by the Caribbean Policy Research Institute (CAPRI), while Jamaica is experiencing record low unemployment, [it is also experiencing] a worsening shortage

¹³⁸ The medical sector in CARICOM has addressed the issue of the impact of free movement on the sector. See Chief Medical Officers Discuss Regional Health Cooperation in Saint Lucia, <https://caricom.org/chief-medical-officers-discuss-regional-health-cooperation-in-saint-lucia/>

¹³⁹ Unlocking Mobility Potential for Sustainable Growth, IOM, 2024, [https://www.iom.int/sites/g/files/tmzbd12616/files/documents/2025-11/ps-labour-migration-](https://www.iom.int/sites/g/files/tmzbd12616/files/documents/2025-11/ps-labour-migration-16nov.pdf#:~:text=Improved%20access%20to%20a%20skilled,diligence%20and%20ethical%20employment%20standards.)

[16nov.pdf#:~:text=Improved%20access%20to%20a%20skilled,diligence%20and%20ethical%20employment%20standards.](https://www.iom.int/sites/g/files/tmzbd12616/files/documents/2025-11/ps-labour-migration-16nov.pdf#:~:text=Improved%20access%20to%20a%20skilled,diligence%20and%20ethical%20employment%20standards.)

¹⁴⁰ Small Business Association (2025), Skilled labour needed for work of the future, online article available at <https://barbadostoday.bb/2025/08/27/skilled-labour-needed-for-work-of-the-future/#:~:text=At%20present%2C%20the%20country%20is,market%20changes%2C%20and%20scale%20operations.>

¹⁴¹ Ibid

¹⁴² See for example the IDB Country Strategy 2025-2030 for Barbados. This Strategy identifies the countries skills gaps and labour needs.

of skills,”¹⁴³ especially in the construction and business process outsourcing sectors, as well as animation, cybersecurity and business analytics.¹⁴⁴

3.1.3.2 Trade benefits and impacts

The free movement of skilled labour has had several trade benefits and impacts for Member States, including (indirect) expansion of trade in services, reduction of trade costs, and circular labour migration (brain circulation). Mobility of skilled labour makes it easier for professionals to provide services across CARICOM and increases the volume and value of services traded within the Community. Free movement also creates a bigger pool of skills, making firms in some sectors more competitive by improving quality and expanding offerings. Thus, sectors like tourism, financial services, creative industries, education and training, health, and ICT, were strengthened by enabling these sectors to access required skilled talent from across the region. For example, Queen Elizabeth Hospital in Barbados, as part of its Strategy, actively recruits staff from across CARICOM to fill critical healthcare gaps, with recruitment often managed by national health ministries for their public systems.¹⁴⁵ As another example, Chukka Caribbean Adventures, based in Jamaica used talent (e.g., environmental and nature tourism professionals) from across the region to expand operations to Belize and even the Dominican Republic (CARIFORUM) and regularly sent experienced Jamaican staff to help open or strengthen operations in other territories. The regional airline industry also benefitted from free movement. Caribbean Airlines Limited benefitted from access to pilots, engineers, flight attendants and aviation technicians from across CARICOM while LIAT historically relied on regional pilots, mechanics, and customer service workers from several Member States. In the financial services sector, including banking, Republic Bank Group employs regional managers, IT specialists and finance professionals to support its branches and operations in Trinidad and Tobago, Grenada, Guyana, Barbados, etc., and First Caribbean International Bank (FCIB) used regional recruitment to fill positions in risk management, compliance, finance and IT in Barbados, Belize, Jamaica, OECS, and Trinidad.

Free movement also helped to harmonise standards, encourage cross-border business operations, and promote regional value chains. For example, Sandals Resorts International expanded resorts into Antigua, Barbados, Grenada, and Saint Lucia while Digicel Group operates across nearly all CARICOM states; Massy Group which operates supermarkets, gas stations, automotive centers and engineering and industrial services expanded into Barbados, Guyana, Grenada, Jamaica, St Lucia ; and GraceKennedy expanded into Belize, Guyana, and Trinidad & Tobago and has regional distribution networks.¹⁴⁶

3.1.3.3 Social benefits and impacts

The free movement of skilled Nationals has contributed to social movements across the Community. Because professionals (i.e., teachers, nurses, architects, engineers, consultants, artists, musicians) have moved more freely, Barbados, Antigua and Barbuda, Guyana, Saint Kitts and Nevis, and Trinidad and Tobago have gained improved access to healthcare workers, engineers, teachers and specialists in the tourism industry. This helps improve the quality of services, including social services, available to citizens and residents in these and other Member States. For instance, a study by the Pan-American Health Organisation (PAHO) found that the migration of health

¹⁴³ CAPRI (2024), Brain Gain: Solving the Labour Shortage and Competing for Global Talent, p. VI and 25, available at URL https://www.capricaribbean.org/sites/default/files/documents/migrationreport2024_0.pdf

¹⁴⁴ Gaya, Romina, Lucenti, Krista and Martincus, Christian Volpe (n.d.), “Jamaica: Creativity, Talent, and the Rise of Global Services,” https://www.wto.org/english/tratop_e/ts4d_e/case_studies_e/jamaica.pdf

¹⁴⁵ The Queen Elizabeth Hospital (QEH) Strategy 2025-2028, https://www.qehconnect.com/wp-content/uploads/2025/02/QEH-Strategy-2025-2028_-Final.pdf

¹⁴⁶ Based on discussions and information gathered during visits to Member States.

workers helped countries improve the density ratio of nurses and physicians in the receiving Member States.¹⁴⁷ Nurses from Grenada, St Lucia, and Saint Vincent and the Grenadines have helped Trinidad and Tobago improve its density ratio of nurses.¹⁴⁸ Similarly, the mobility of educators, trainers, and academic professionals benefits Barbados, Belize, Jamaica and several Member States that are part of the OECS subregion – students are exposed to diverse teaching styles and educational institutions recruited skilled teachers from across the region. Member States, including Guyana, Antigua & Barbuda, and Saint Lucia among others, similarly benefitted from incoming nurses, doctors and allied health professionals – this supported delivery of public health programs and expanded access to rural healthcare. Additionally, sending Member States benefitted from workers sending money home, supporting family income and food security, children’s education, and construction of homes. For example, Jamaica, the largest remittance-receiving Member State in CARICOM, benefitted from the significant outward migration of teachers, nurses, hospitality workers, creatives, and technical professionals across the region. And in Dominica and Grenada, remittances from skilled workers that migrated to other Member States helped stabilize family incomes and fund education and health expenses.

One of the downsides of the free movement of skilled labour has to do with the potential strain on housing, health care, education system by the receiving Member States.¹⁴⁹ The influx of foreign workers also leads to job competition and potentially depresses wages.

3.1.4 Free movement of capital

Under the Revised Treaty of Chaguaramas, the free movement of capital enables firms in different CARICOM Member States to invest in each other’s economies more easily and provides them with access to a wider pool of financing. This is especially true for companies in the banking and financial services sectors such as Republic Financial Holdings and SAGICOR Financial Corporation and First Caribbean Bank, as well as companies in the distribution sector such as GraceKennedy, Goddard Enterprise, and the Massy Group. The key benefits from the free movement of capital include stronger capital markets in Member States that have established national stock markets (i.e., Barbados, Jamaica, and Trinidad & Tobago), more cross-border investment which enhances ability to fund acquisitions and expansions, and commercial and economic growth. The free movement of capital also leads to more efficient allocation of resources, especially where companies can raise funds regionally. Regional capital flows also support cross border business operations across Member States, and investors can spread investments across the Community, reducing risk. However, big firms can dominate local markets but MSMEs have better access to regional financing.

3.1.4.1 Macroeconomic benefits and impacts

The free movement of capital under the CSME has several macroeconomic benefits. For instance, it enables broader access to finance and capital markets. In the distribution sector, firms like GraceKennedy, Massy Holding Ltd., Digicel, and Sandals Resorts have taken advantage of access to regional capital for expansion, leading to

¹⁴⁷ Pan-American Health Organisation (2019), <https://www.paho.org/sites/default/files/2022-12/health-worker-perception-and-migration-caribbean-region-jan-2020.pdf>

¹⁴⁸ Ibid.

¹⁴⁹ Concerns over this have been expressed by citizen and stakeholder groups as well as in the media in both Barbados and Trinidad and Tobago, as well as elsewhere in CARICOM. See Barbados Today, “Nurses want urgent talks on CARICOM open border impact,” 30/09/2025, available at <https://barbadostoday.bb/2025/09/30/nurses-want-urgent-talks-on-caricom-open-borders-impact/>; Wood, Anthony (2025), Free movement considerations, available at https://nationnews-brb.newsmemory.com/?publink=0744bbd67_134fbb0; and Felmine, Kevon (2025), T&T’s economy can’t support expanded CARICOM migration, available at <https://www.facebook.com/groups/newshoundtt/posts/32126704350248167/>

regional growth in financial services, ICT, and tourism. These firms and others also used injected capital into subsidiaries (intra-firm capital flows) without ownership barriers and limited or no exchange controls. For Massy Holdings Ltd., intra-firm capital injections appears to be a core component of its strategy for expansion and modernization, and the company uses external financing to distribute to its subsidiaries across CARICOM.¹⁵⁰ Meanwhile, establishment of national stock markets in Barbados, Jamaica, and Trinidad and Tobago allows small and medium-sized firms in the region to raise equity, including through attracting regional investors. Another key benefit of the free movement of capital under the CSME is successful business expansion across borders. The ability for capital to move freely to where it is most needed encourages Foreign Direct Investments (FDI) and intra-regional investment while facilitating business expansion, job creation and infrastructure development. For example, Republic Financial Holdings Limited 's expansion across the CARICOM (and wider Caribbean) regions was facilitated and influenced by the free movement of capital regime under the CSME.¹⁵¹

Free movement of capital under the CSME also encourages the creation of new businesses and establishment of private sector led investment funding facilities.¹⁵² For instance, the regime influenced the establishment of AIC Caribbean Fund Capital, an investment vehicle launched and managed by Portland Private equity, and having a regional outlook "focused on compelling business opportunities across sectors in the Caribbean."¹⁵³ Regional banking and insurance companies and groups also mobilised capital into SME lending and tourism and construction financing. For example, First Citizens Bank channelled Trinidad-based capital into projects across CARICOM, and SAGICOR pooled insurance premiums and invested funds regionally that financing for SMEs –for credit and business support; tourism –for hotel and resort development finance;¹⁵⁴ and construction –for residential and commercial real estate.

Capital mobility under the CSME also facilitates mergers and acquisitions (M&A) by CARICOM firms across the Community but this is tempered by the lack of a unified, legally binding regional M&A policy.¹⁵⁵ Still, Massy Group completed several acquisitions including a 100% stake in Jamaican gas company IGL (St Lucia) IBC Ltd. valued at US \$140.3 million deal,¹⁵⁶ and Air Liquide International (ALI) for US \$51 million,¹⁵⁷ while ANSA McAL acquired 100% of the outstanding shares of Bank of Baroda in Trinidad and Tobago.¹⁵⁸ There were a few mergers and acquisitions in the banking and financial services sector as well. For example, in 2018 Republic Financial

¹⁵⁰ Massy Partnership for Strategic Expansion and Sustainable Growth in the Caribbean (Massy Group), <https://www.idbinvest.org/en/projects/massy-partnership-strategic-expansion-and-sustainable-growth-caribbean-massy-group>

¹⁵¹ Republic Financial Holdings, [https://www.rfhl.com/company-history/#:~:text=In%20December%202015%2C%20a%20decision,interest%20of%20US\\$195.8%20million.](https://www.rfhl.com/company-history/#:~:text=In%20December%202015%2C%20a%20decision,interest%20of%20US$195.8%20million.)

¹⁵² The CARICOM Development Fund (CDF) was established under the CSME with the objective of providing financial and technical assistance to disadvantaged countries, regions, and sectors within the community to help them benefit equitably from the CSME.

¹⁵³ <https://portlandpe.com/our-funds/aic-caribbean-fund/>

¹⁵⁴ Micro and Small Business Funding, <https://www.sagicor.com/en-jm/business-solutions/banking/credit-and-loans/micro-small-business-funding/micro-small-business-funding>

¹⁵⁵ A draft Regional Policy on the Regulation of Mergers & Acquisitions in the CSME has been developed by CARICOM but is still awaiting approval and enactment via national competition legislation in Member States.

¹⁵⁶ Massy buying IGL for US\$140 million, The Gleaner, 23 December 2022, <https://jamaica-gleaner.com/article/business/20221223/massy-buying-igl-us140m>

¹⁵⁷ Air Liquide signs an agreement to divest its business in Trinidad and Tobago, <https://www.airliquide.com/group/press-releases-news/2022-12-05/air-liquide-signs-agreement-divest-its-business-trinidad-and-tobago> See also, Massy Group makes more major acquisitions, <https://www.caribbean-council.org/massy-group-makes-more-major-acquisitions/>

¹⁵⁸ BroadSpan (Caribbean) and Singhi (India) advise ANSA McAL on acquisition of Bank of Baroda Trinidad, July 2021, <https://www.mergers-alliance.com/broadspan-advises-ansa-mcal-on-acquisition-of-bank-of-baroda-trinidad/> ANSA Merchant acquires Bank of Baroda, Trinidad and Tobago Guardian, 2019, <https://www.guardian.co.tt/news/ansa-merchant-acquires-bank-of-baroda-6.2.1006406.47e623d1e4>

Holdings Limited moved to acquire Scotiabank's retail and commercial banking operations in multiple CARICOM Member States, including Guyana, Antigua and Barbuda, Grenada, Saint Lucia, and St. Vincent and the Grenadines for a sum of US \$123 million.¹⁵⁹

Notably, Member States with the most noticeable macroeconomic benefits from free movement of capital include Trinidad and Tobago (energy, manufacturing and regional firms), Jamaica (in tourism, ICT, financial services, and regional corporations), and Barbados (banking, insurance, real estate and tourism). Other Member States like Guyana (energy, mining, infrastructure), Belize (tourism) and OECS states (tourism, agriculture, and infrastructure) also benefit from inflows of capital not available domestically, supporting development and employment.

3.1.4.2 Trade benefits and impacts

Free movement of capital under the CSME addresses constraints to trade performance resulting from the small size of firms, shallow capital markets, and high trade costs, facilitates cross-border investment and trade in services and encourages regional business expansion. For example, regional banks, private equity and foreign investors finance BPO facilities in Belize and Jamaica and capital flowed more freely into these Member States because profits could be repatriated and equity held regionally. The investments flowing into the BPO sector in Belize and Jamaica have also transformed the sector from a small niche into a mass employment sector, and in Belize BPOs currently employ around 20,000, mostly young people, or about one-fifth of the total workforce.¹⁶⁰ In Trinidad and Tobago, Trinidad-based capital flowed into petrochemical, LNG and energy-related service firms, and this enabled Trinidad and Tobago to become a major exporter of energy products and energy-related services.¹⁶¹

The free movement of capital in CARICOM has helped encourage intra-regional sourcing, especially in the construction and tourism industries. For instance, Sandals and Beaches Resorts prioritise sourcing regionally within the Caribbean to supply its operations Barbados, Jamaica, and Saint Lucia.¹⁶² Similarly, Massy Group has shown an increased focus on regional and local sourcing,¹⁶³ especially after its M&A activities – this provided the group with the scale and scope to leverage a centralised procurement function more effectively. Rainforest (formerly Rainforest Foods), which has a significant regional footprint in the Caribbean (it has facilities in Jamaica, Barbados, Belize, St. Lucia, and St. Vincent and the Grenadines sources local products across the region including seafood such as conch, crab, lobster, and various finfish.¹⁶⁴

Another benefit of the free movement of capital under the CSME is in firms being able to raise funds and establish operations in across the Community – for example, Rainforest (formerly Rainforest Foods) now operates across

¹⁵⁹ CARICOM Competition Commission monitoring sale of Scotiabank, Jamaica Observer, 7 December 2018, <https://www.jamaicaobserver.com/2018/12/07/caricom-competition-commission-monitoring-sale-of-scotiabank/>

¹⁶⁰ Belize's BPO sector to transform into the Global Digital Services sector, <https://www.youtube.com/watch?v=ETXDPjpvkyY>. See also <https://www.facebook.com/JohnBricenoBZE/posts/belize-is-an-attractive-investment-location-for-the-bpo-sectorready-call-center-987476886517184/>

¹⁶¹ See for example, How Trinidad & Tobago is Advancing its LNG and Petrochemical Strategy, <https://energycapitalpower.com/how-trinidad-tobago-is-advancing-its-lng-and-petrochemical-strategy/>

¹⁶² <https://onenewsstvincent.com/2020/07/23/sandals-wants-to-work-with-local-farmers-suppliers/>

¹⁶³ "Global Reach. Caribbean Heart." Business Barbados, January 2024, <https://www.businessbarbados.com/articles/boldly-going-global-but-still-very-local#:~:text=In%20recent%20years%20we%20also,overall%20development%20of%20their%20businesses.>

¹⁶⁴ Rainforest reportedly purchased EC\$20 million worth of seafood from local fisherfolk in the region. See Jamaica's Rainforest products blazing regional markets, <https://www.stabroeknews.com/2022/08/26/business/jamaicas-rainforest-products-blazing-regional-markets/#:~:text=Over%20time%20the%20company%20has,30%20countries%20across%20the%20globe.%E2%80%9D>

several Member States, creating a larger market and allowing them to trade their products more efficiently. For MSMEs, the scale and types of benefits and impacts are different from large firms. For example, small firms from St Lucia, Grenada and St Vincent and the Grenadines, among other Member States, benefitted from the Republic Bank and Caribbean Export's virtual finance funding facility¹⁶⁵ and, in St Lucia, from Caribbean Development Bank's (CDB) US\$3.7 million facility to support to micro, small and medium-sized enterprises.¹⁶⁶

3.1.4.3 Social benefits and impacts

The free movement of capital has delivered social benefits for CARICOM Member States, including employment and wealth creation, reduced cost of capital, and knowledge and technology transfer. For example, as it relates to technology transfer, "Republic Bank collaborated with the Caribbean Public health Agency (CARPHA) to support an innovative approach to sustainable economic development using advanced technology"¹⁶⁷ that benefitted the wider Community. Capital mobility also led to improvements in social infrastructure in Member States via private sector investments. For example, Digicel have invested in community and social infrastructure via its Digicel Foundation. The Foundation financed literacy programs, enrichment rooms, and Smart Labs(digital classrooms) in several Jamaican schools, helping improve access to quality education across urban and rural communities.¹⁶⁸ As another example, Sygnus Capital Limited, a regional asset manager, helped raise the Caribbean Community Resilience Fund – a US \$135 millions impact investing vehicle,¹⁶⁹ designed to channel equity and debt into projects for affordable and sustainable housing. In the smaller economies, free movement of capital has a notable effect on economic inclusion, social welfare, and knowledge transfer. In 2022 Massy Holdings Limited invested in several initiatives in the health and wellness, education, and youth sectors, and in 2023 Massy reported that it "engages in projects and programmes which support the development of the societies in which [it] operates."¹⁷⁰

3.1.5 Right of establishment

Under Articles 30-40 of the RTC, the Right of Establishment gives CARICOM nationals and CARICOM-owned enterprises the legal right to enter other participating Member States, establish and operate businesses, and engage in commercial, industrial, agricultural, professional, and non-wage-earning activities on the same basis as local nationals. This covers both self-employed individuals and companies substantially owned and controlled by CARICOM nationals. The intent is to deepen market integration by reducing barriers to cross-border business activity, facilitating investment, and increasing economic opportunities across the region.

One of the fundamental benefits of the right of establishment regime has been the formal right for CARICOM nationals to set up businesses in other Member States without discriminatory legal restrictions. For instance, GraceKennedy which is headquartered in Jamaica, used the CSME to scale its operations beyond the domestic

¹⁶⁵ <https://stlucianewsnow.net/republic-bank-and-caribbean-export-partner-to-help-businesses-thrive/>

¹⁶⁶ <https://www.jamaicaobserver.com/2022/09/29/msmes-in-st-lucia-gets-new-financing/>

¹⁶⁷ CARPHA and republic Bank Limited Collaborate on Technological Advancement and Innovations, 9 August 2021, <https://www.caricomstats.org/E-CISTAR/2021/08/09/carpha-and-republic-bank-limited-collaborate-on-technological-advancement-and-innovations/>

¹⁶⁸ Bridging the Digital Divide, <https://www.digicelfoundation.org/jm/en/apply-for-a-grant/smart-room>

¹⁶⁹ <https://caribbeanclimateresilience.com/>

¹⁷⁰ <https://www.businessbarbados.com/articles/boldly-going-global-but-still-very-local#:~:text=As%20a%20responsible%20corporate%20citizen,overall%20development%20of%20their%20businesses.> For more on Massy's engagement see Massy Holdings Limited Corporate Social Responsibility Report 2022, available at <https://massygroup.com/wp-content/uploads/2022/11/MASSY-HOLDINGS-LTD-CORPORATE-SOCIAL-RESPONSIBILITY-REPORT-2022-FINAL.pdf>

market and expanded its food and financial services across the region, entering markets like Barbados, Belize, Guyana, and Trinidad and Tobago;¹⁷¹ Rainforest (formerly Rainforest Foods), also headquartered in Jamaica, similarly scaled its business by expanding into Belize, Guyana, Saint Vincent and the Grenadines, and Saint Lucia. In 2019 Rainforest invested EC\$10 million in a 30,000 square foot, value-added processing plant in Saint Vincent that allows for at-source retail packaging and featuring a 250,000 lb. cold-storage capacity.¹⁷² Even smaller companies like Baron Foods, an agro-processor based in Saint Lucia, have used the CSME framework to scale its business through expansion into Grenada and Trinidad & Tobago (Chaguanas). The opportunities have not been limited to the agro foods and retail and distribution sectors, and businesses and companies in the tourism and financial services sectors, among others, have also leveraged the CSME to expand their operations and presence.

Another benefit of the right of establishment is enhanced regional production and trade integration. For example, businesses in sectors like tourism, construction, professional services, and retail have been able to explore establishment opportunity in ways not previously feasible under strict national licensing regimes. For example, Sandals Resorts expanded into Barbados, Saint Lucia and Saint Vincent, effectively using the integration framework to scale its Caribbean presence and promote itself as a “Caribbean” brand.¹⁷³

The right of establishment under the CSME has delivered a few, limited, macroeconomic, social, and developmental benefits to CARICOM Member States, particularly through investment, employment, and skills development and by means of CARICOM Nationals and businesses setting up and operating businesses across Member States without, or with fewer, restrictions and regulatory hurdles. Companies operating across Member States accessed new customers without facing national restrictions. However, the benefits of this regime seemed to benefit the larger and more developed Member States (Barbados, Jamaica, and Trinidad & Tobago) more than did the smaller and Less Developed Member States, and the latter struggled more with adjusting to the differences in business laws and local regulatory requirements.

While benefits exist, a few uneven outcomes and negative effects are observable. For instance, larger and more developed economies such as Barbados, Jamaica, and Trinidad & Tobago (the MDCs), tend to attract more regional investment and business establishment. Conversely, smaller economies (i.e., Belize and the OECS) sometimes experience limited inflows of CARICOM businesses. Another negative effect is that small domestic enterprises have faced increased competition from regional firms entering their markets, and without effective competition policies or adjustment support, this can strain local producers. For instance, Chukka Caribbean Limited significantly increased competition for local Belizean tour operators, particularly smaller ones, by securing major contracts with cruise lines like Carnival, and effectively dominating certain tour segments. Chukka’s expansion into Belize via Bakabush Tours, coupled with strong cruise line relationships, shifter the market dynamics there, challenging established players and smaller businesses.¹⁷⁴

¹⁷¹ Stakeholder feedback from in-country consultations in Jamaica, 14-19 July 2025.

¹⁷² Rainforest Seafoods invests in new facility in St Vincent, online article, April 21, 2019, <https://rainforestcaribbean.com/rainforest-seafoods-invests-new-facility-st-vincent/>

¹⁷³ Sandals Resorts Unveils New Global Brand Campaign, “Made of Caribbean”, Sandals Resorts International, online article, 19 December 2024, <https://www.prnewswire.com/news-releases/sandals-resorts-unveils-new-global-brand-campaign-made-of-caribbean-302336350.html> ;Sandals Resorts Rebrand: Making a Splash in the Caribbean, 9 January 2025, <https://www.canny-creative.com/news/sandals-resorts-rebrand/>; Sandals: A True Caribbean Brand and Global Flag-bearer, Antigua Trumpet, online article, June 24, 2021, <https://antiguantrumpet.com/2021/06/sandals-a-true-caribbean-brand-and-global-flag-bearer/>

¹⁷⁴ Tour Guides; Chuck out Chukka! 7News Belize, news transcript, August 17, 2010, <https://www.7newsbelize.com/sstory.php?nid=17595#:~:text=There's%20no%20arguing%20with%20the,put%20them%20out%20of%20business.>

3.1.5.1 Macroeconomic benefits and impacts

One of the most visible benefits of the right of establishment regime is economic growth through increased investment and job creation. Companies like Massy Group of Trinidad & Tobago have established branches across several OECS states, Barbados, and Jamaica, bringing with them significant capital investment. These investments not only fund business operations but also create critical infrastructure such as distribution centres, retail outlets, and service facilities. Similarly, GraceKennedy from Jamaica has expanded into Guyana and Trinidad, establishing food distribution networks that diversify local markets and introduce new products. This influx of business activity strengthens local economies, boosts GDP, and enhances regional trade flows. Increased investment and capital formation is another benefit. For example, ADM Mills or Caribbean Cement expanding into other Member States brings capital for infrastructure, retail, distribution, and industrial operations. Another macroeconomic benefit is job creation – Republic Bank and SAGICOR expanding operations regionally created hundreds if not thousands of jobs in Barbados, OECS countries, and Trinidad & Tobago.

3.1.5.2 Trade benefits and impacts

The right of establishment has had some trade creation effects within CARICOM and has also expanded intra-regional transactions. For instance, Sandals Resorts sources inputs regionally for its resorts in Barbados and Saint Lucia, including goods and services. Its presence in other CARICOM Member States also expands trade in services, enabling the chain to integrate its marketing, leverage its workforce, and engage cross-border services. For example, “Sandals Resorts is leveraging its regional workforce and suppliers to power both hospitality excellence and economic growth.”¹⁷⁵

Regional companies operating across Member States are able to integrate their marketing efforts, pursue regional procurement, and leverage mobility. For example, Sandals Resorts uses integrated marketing across its CARICOM properties with global campaigns like “Made of Caribbean,”¹⁷⁶ and, to feature authentic Caribbean culture in their resorts, also employs regional procurement through strong local supplier programs like their Farmers Programme. Grace Kennedy similarly uses its regional scale and presence to leverage shared resources like integrated marketing communications (IMC)¹⁷⁷ and supply chains (like beverage acquisitions) to build overall group strength.

3.1.5.3 Social benefits and impacts

The right of establishment generates social benefits within CARICOM through employment creation, human capital mobility, and technology transfer. Chukka’s expansion into Belize and across the Caribbean created jobs for more than 800 people, including dozens of Belizeans.¹⁷⁸ Sandals Resorts expansion across CARICOM has also created new employment opportunities in Barbados and Saint Lucia. Similarly, Republic Bank and SAGICOR’s expansion across CARICOM have had an impact on employment, including through new jobs created. In Guyana and OECS countries, both Republic Bank and SAGICOR employ local staff in administrative, technical, and professional roles. The right of establishment also produced other social benefits across CARICOM. For example, Republic Bank invested EC\$ 2 million in community partnerships in the Eastern Caribbean through its Power to

¹⁷⁵ Skift Global Forum Video: Crafting an Authentic Vision for All-Inclusive Hospitality,

¹⁷⁶ McCarthy, Daniel (2025), Sandals and Beaches Resorts Celebrate ‘Made of Caribbean’ Global Campaign, https://www.travelmarketreport.com/hotels-resorts/articles/sandals-and-beaches-resorts-celebrate-made-of-caribbean-global-campaign#:~:text=Sandals%20Resorts%20has%20a%20new%20global%20marketing,and%20design%20*%20Highlight%20%22pure%20Caribbean%20expression%22

¹⁷⁷ Digital marketing GraceKennedy is one of the Caribbean’s largest and most dynamic corporate entities in the digital marketing sector.

¹⁷⁸ David, Garwin (2020), Chukka Caribbean – A Major Contributor to Tourism, online article, <https://jis.gov.jm/features/chukka-caribbean-a-major-contributor-to-tourism/>

Make a Difference (PMAD) programme.¹⁷⁹ And Sandals Resorts, through its non-profit arm Sandals Foundation, has “invested US\$115 million in community programs that have reached 1.7 million people across the Caribbean.”¹⁸⁰

3.2 Potential Impacts and benefits of the CSME, by sector

The expectation of CARICOM leaders at the time of its establishment, was that the CSME would promote the integration of production and deliver greater intra-regional trade and trade with other countries and set the foundation for long-term sustainable development,¹⁸¹ and greater economic competitiveness. Thus, the core regimes of the Single Market serve as ‘factors of production’ for key sectors across the Community, including agriculture, manufacturing, and services, especially tourism, financial services, and ICTs, as well as transport and logistics and energy. This section of the Report sets out an analysis of the benefits and impacts of the CSME on these sectors, as well as the likely combined impacts of those sectors on the sustainable development of the Region and Member States, as required by the Terms of Reference for this project. The analysis draws on key macroeconomic, trade, and social indicators.

3.2.1 Agriculture

3.2.1.1 Brief context for the agricultural sector

The agriculture sector is historically important, and remains central, to the CARICOM region and Member States in terms of economy, trade, and food security. Prior to establishment of the CSME, the agriculture sector in the CARICOM region operated in an environment characterised by colonial production structures, heavy dependence on a few traditional crops, an over-reliance on extra-regional trade preferences, and small fragmented markets. Against this backdrop, pre-CSME agricultural policies in CARICOM were largely national, with weak coordination across the region, and aimed at maintaining rural employment, and securing foreign exchange earnings. Thus, Member States that produced bananas and sugar (e.g., Belize – sugar and banana; Guyana – sugar; Windward Islands – banana; etc.) focused on meeting quotas under the EU’s preferential regimes, often at the cost of quality. At the same time, production was managed by state owned entities (marketing boards) like the Jamaica Banana Board and Sugar Industry Authority; the Guyana rice and sugar boards; and the Belize Marketing Board, for rice. The policy of governments at the time was orientated towards protecting domestic producers and products with tariffs and quotas, while encouraging production of staples like rice, sugar, poultry, and root crops. Hence, they maintained subsidies for agricultural inputs, and mechanisation and technology adoption was limited and slow, while private investment was minimal.¹⁸²

¹⁷⁹ Republic Bank’s Power to Make a Difference Invests EC\$2 million in Eastern Caribbean Partnerships, Emonews, December 12, 2025, <https://emonewsdm.com/republic-banks-power-to-make-a-difference-invests-ec2-million-in-eastern-caribbean-community-partnerships/>

¹⁸⁰ Love in Action: Sandals Resorts Releases Corporate Social Responsibility Report in Celebration of Earth Month, Sandals Resorts International, April 22, 2025, <https://www.prnewswire.com/news-releases/love-in-action-sandals-resorts-releases-corporate-social-responsibility-report-in-celebration-of-earth-month-302434625.html>

¹⁸¹ Terms of Reference, p. 2.

¹⁸² Canterbury, Dennis (2007), Caribbean agriculture under three regimes; Colonialism, nationalism, and neoliberalism in Guyana, *Journal of Peasant Studies*, <https://doi.org/10.1080/03066150701311837>

At the regional level (i.e., at the CARICOM level), there were early coordination attempts to address trade and food security in CARICOM.¹⁸³ In the 1990s EU preferences started eroding and WTO disciplines constrained policy options, especially protection, even as global competition in the sector intensified.¹⁸⁴ Hence, following the establishment of the World Trade Organisation (WTO), the region considered the matter of trade preferences and finding the right mix of policies to address the challenges that result from being small, vulnerable economies. Hence, Member States addressed their agricultural profiles in the context of general tariff reductions under the WTO. In sum, prior to establishment of the CSME, agricultural policy in CARICOM was protective, state-led, and nationally fragmented. While it preserved rural employment and food supply, it failed to generate sustained productivity growth, investment, or competitive performance, thus making regional integration under the CSME both economically and politically inevitable.

At the time the Revised Treaty of Chaguaramas established the CSME, it specified a “common agricultural policy for the integrated development of agriculture in the region.”¹⁸⁵ Thus, the agricultural sector in CARICOM is “framed by the RTC, and the Policy lays the basis for transforming the sector enable it to meaningfully contribute to improving food and nutrition security,”¹⁸⁶ as well as support increased cross-border production and strengthened linkages with tourism. Specifically, the Policy provides a framework for regional food security, aiming to transform agriculture through sustainable, competitive production, increased exports, reduced food imports, and poverty alleviation. The Regional Food and Nutrition Security Action Plan (RFNSAP)¹⁸⁷ agreed by CARICOM leaders in 2012 was designed to operationalise the food security and nutrition objectives, linking production, trade, and standards at the regional level. Under the combined Policy and Plan, Guyana consistently exceeded regional average production growth, driven mainly by infrastructure investment, technology adaptation, and policy reforms that reduced production costs. Guyana’s agriculture output helped stabilize supply in CARICOM markets, and the rice and livestock sectors, as well as agro processors in Guyana benefitted.

A key weakness of the agriculture sectors under the CSME is that trade in agricultural goods tends to mirror wider intra-regional trade performance under the CSME, and this remains but a small share of total CARICOM exports. This suggests that productivity gains have not yet translated fully into sustained intra-regional market integration. Agriculture has experienced mixed performance, with notable growth in some subsectors, continued challenges in others, and ongoing efforts toward regional integration and food production strengthening. Agriculture in CARICOM remains “dual-structured”: small farm holdings are focused on local food supply and subsistence agriculture, and large export-oriented industries are mainly bananas, rice, sugar, and spices. The sector exhibits strong intra-regional trade in poultry, condiments and aquaculture; diversification toward high-value exports such as cocoa and coffee; and growth in niche industries such as hot sauces, cassava products, and agro-processing. Traditional export crops play a significant economic and social role in the Windward Islands (bananas), Belize (sugar, banana, and citrus), Guyana (rice), and Jamaica (coffee) but new export crops have risen in importance in Grenada and Trinidad & Tobago (cocoa), Dominica, St Lucia and Guyana (coconut and coconut products), and Belize and Jamaica (aquaculture).

¹⁸³ Food and Agriculture Organisation (FAO), 2007, *Agricultural trade policy and food security in the Caribbean*, <https://www.fao.org/4/a1146e/a1146e.pdf>

¹⁸⁴ Nash, John (1990), *Agricultural Trade in the Caribbean Community*, Report No. IDP-071, The World Bank, <https://documents1.worldbank.org/curated/en/784761468914120250/pdf/Agricultural-trade-in-the-Caribbean-Community.pdf>

¹⁸⁵ Atkins, Vincent J. (2005), Paper presented to the joint INTAL-UWI/IIR seminar on “The CSME: Status, Issues and Priorities,” UWIL, St. Augustine, Trinidad and Tobago, available at https://caricom.org/documents/10157-priorities_for_the_rationalisation.pdf

¹⁸⁶ Common Agricultural Policy, <https://caricom.org/documents/common-agriculture-policy/>

¹⁸⁷ Regional Food and Nutrition Security Action Plan, 15 October 2011, available at <https://openknowledge.fao.org/server/api/core/bitstreams/de8b09ed-cee6-4c2c-96a5-c149890ea4ba/content>

Another weakness is that agricultural trade continues to lack deep diversification (i.e., agricultural output and exports remain largely concentrated in a narrow set of commodities). While there have been movement into higher-value added crops and agro-processing has increased, Member States still rely on traditional staples and agro-exports rather than high-value, processed agricultural products, and also because insufficient harmonisation of SPS standards creates non-tariff barriers that impede agricultural trade. For example, Guyana's exports remain concentrated in rice, sugar and bulk grains; Belize's main exports are still sugar, bananas, and citrus, and the main exports of Member States in the OECS sub-region is still predominantly root crops, bananas and small livestock. This may be the product of the region's historical agricultural structures based on export mono-cropping and commodity-oriented infrastructure, and also because CARICOM markets are small (this presents problems for scaling), geographically dispersed, and logistically costly. Also, while the CSME framework removed tariffs and provided legal market access, it has not strongly incentivised crop-switching and innovation-driven diversification.

Finally, despite the prior initiatives mentioned, CARICOM Member States not only failed to achieve better food security, but remained heavily dependent on food imports (regional imports currently stand at more than US \$6 billion)¹⁸⁸ — this continues to put pressure on public budgets in Member States, affects balance of payments, and requires significant foreign exchanges.¹⁸⁹ Thus, CARICOM leaders devised the “25 by 2025, plus 5” initiative, and implemented this alongside the RFNSAP. To date, the “25 by 2025, plus 5” has increased regional food production and intra-regional trade in agriculture products produced in CARICOM, and it also renewed policy focus and investment. Between 2022 and 2024, CARICOM recorded a 23.1% increase in aggregate food production,¹⁹⁰ from roughly 1.92 million tonnes in 2022, to 2.36 million tonnes in 2024. Some Member States, notably Guyana, registered major output gains, especially in rice, shrimp, corn, soya, and other primary commodities. The increases suggest that the initiative has helped revive production in some key sectors. Additionally, under the 25 by 2025 initiative, several Member States have increased budgetary allocations for agriculture, and there have been investments infrastructure, including farm-to-market access roads; cold storage; solar dryers, dairy facilities, and other agro-processing support mechanisms. And the initiative has led to greater mobilisation of research, innovation, and improved agronomic practices. The Caribbean Agricultural Research and Development Institute (CARDI) has aligned much of its research agenda around the 25 by 2025 priorities, developing improved crop varieties, disease-resistant coconuts, and better animal feed inputs. However, the original goal of the 25 by 2025 initiative has not been achieved, and food imports into the CARICOM region have not reduced significantly and hence the reason this was extended to 2030, but meeting the 25% goal may be elusive.

3.2.1.2 Benefits & impacts of CSME on Agriculture

3.2.1.2.1 Macroeconomic benefits and impacts

Agriculture is no longer the dominant engine of CARICOM economies (its contribution to GDP is shrinking in the OECS, Barbados, and Trinidad and Tobago), but the sector has played a stabilizing macroeconomic role by reducing vulnerability to external food price shocks and supporting balance-of-payments stability, the latter especially during periods of tourism downturn. The first effect is most visible in food-import-dependent Member States, especially in the OECS sub-region. These Member States collectively have small domestic agriculture sectors and are structurally exposed to global food price shocks because more than 60% of food consumed in

¹⁸⁸ CARICOM, Food Security Initiative Expanded, Extended to 2030 (February 2025), <https://caricom.org/food-security-initiative-expanded-extended-to-2030/>

¹⁸⁹ By some estimates CARICOM Member States import more than 60% of the food they consume.

¹⁹⁰ <https://dpi.gov.gy/despite-the-challenges-25-by-2025-initiative-recorded-significant-progress-min-mustapha-tells-coted/>

many of the OECS states, and other CARICOM Member States, is imported. Hence, alongside boosting their own food production,¹⁹¹ regional sourcing under the CSME, including during the COVID-19 pandemic and Ukraine war, reduced their dependence on extra-regional food imports,¹⁹² and this improved food availability without additional strain on foreign exchange. As another example, following destruction to agricultural crops and production in Dominica, Grenada, or St Lucia from hurricanes, imports from Belize, Guyana and Jamaica helped stabilize prices by reducing shortages. Without access to regional suppliers under the CSME, prices in the affected Member States would spike. Instead, intra-CSME flows cap price increases. Price stabilizing effects are also evident for sugar and poultry industries in the region. Regarding the former, following the collapse of the EU sugar price regime, Belize and Guyana diversified markets by exporting more sugar intra-regionally, allowing them to continue operating and consumers to access sugar at stable prices. And regarding poultry, production in OECS countries is small and subject to disease outbreaks, feed shortages, and hurricanes. When these issues arise, producers in Barbados, Jamaica, and Trinidad & Tobago can quickly increase exports, and this helps to buffer against significant price increases.

In terms of balance-of-payments stability, the clearest case where agriculture under the CSME directly supported macroeconomic stability is Guyana. For Guyana, the expansion of rice, corn, soy and livestock production reduced food import dependence and created export surpluses sold into the regional market. This helped Guyana lower pressures on its current account, and the increased export activity resulted in stronger fiscal revenues. Guyana long struggled with external debt, even though it possesses a wealth of natural resources. For Belize, continued agricultural exports of sugar, bananas, and citrus also supported its macroeconomic stability, especially during the COVID-19 pandemic when tourism collapsed, by providing (and stabilizing) foreign exchange earnings. For Jamaica, food import substitution of vegetables, poultry, and eggs reduced growth in its food import bill post-2015. This helped Jamaica reduce inflation-pass through from global food price increases and, crucially, supported its IMF backed macro-stabilization efforts. For Jamaica, the macroeconomic gains were incremental but relevant, given Jamaica's tight external constraints and its structural merchandise trade deficit.¹⁹³

Another macroeconomic impact of the CSME on the agricultural sectors has to do with agro-processors across the region achieving better economies of scale through lower costs and lower barriers to trade in agricultural products. Several industries benefit from this including poultry and eggs (Barbados, Jamaica, and Trinidad & Tobago), hot sauces and condiments (Belize, Jamaica, and Trinidad & Tobago), juices and beverages (Belize and Jamaica), cocoa (Grenada and Trinidad & Tobago), rice (Guyana), sugar (Belize and Guyana), and spices (Grenada). Intra-regional and extra-regional exports of these goods helps the region gain new foreign exchange earnings, including from processed foods, and develop regional manufacturing capacity (i.e., Jamaica and Trinidad & Tobago are emerging as manufacturing hubs). The larger regional market helps reduce price volatility and having diversified operations and export markets help agricultural producing Member States deal with shocks better.

¹⁹¹ CARICOM, Member States to Boost Food Production to Lessen COVID-19 Impact, <https://caricom.org/member-states-to-boost-food-production-to-lessen-covid-19-impact/>

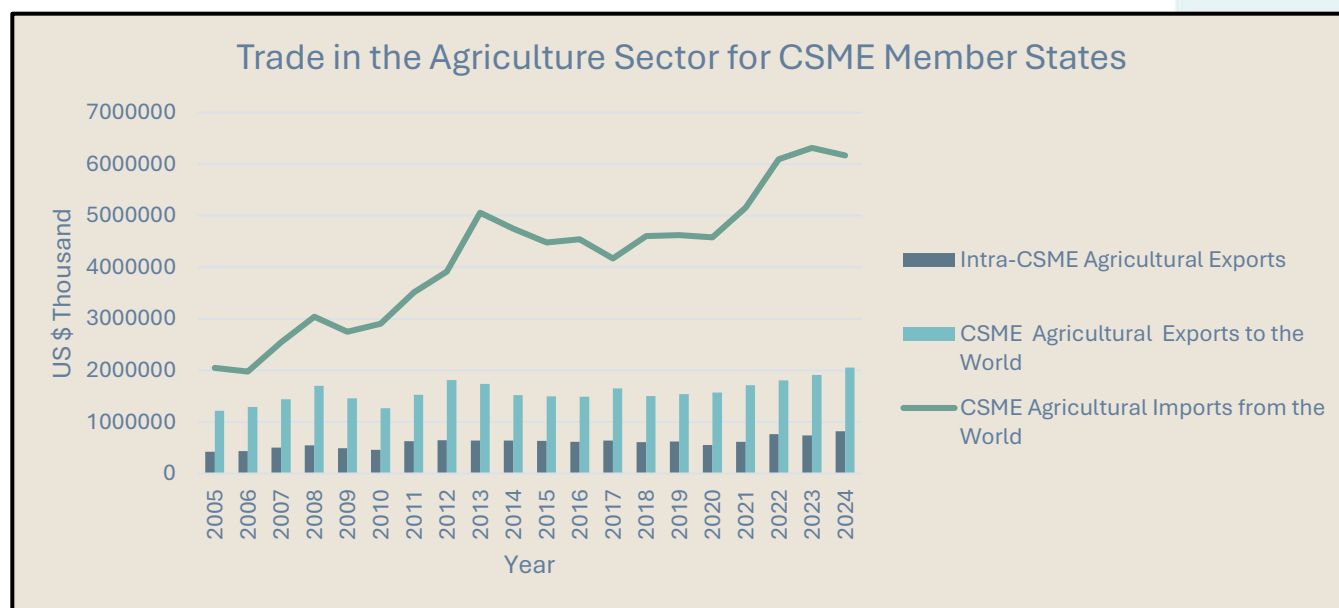
¹⁹² OECS Secretariat, Strengthening Food and Nutrition Security in the Caribbean: A Legacy Response to the COVID-19 Pandemic, online article available at <https://pressroom.oecs.int/strengthening-food-and-nutrition-security-in-the-caribbean-a-legacy-response-to-the-covid-19-pandemic>. See also, Trade Policy Review – Report by the Secretariat, OECS-WTO Members, WT/TPR/S/437, 29 March 2023, https://www.wto.org/english/tratop_e/tpr_e/s437_e.pdf

¹⁹³ Jamaica has reduced its public debt, through prioritizing macroeconomic stability, among other things. Jamaica, 2025 Article IV Consultation – Staff Report (IMF Country Report No.25//146). Available at <https://www.imf.org/-/media/files/publications/cr/2025/english/1jamea2025001-print-pdf.pdf>

3.2.1.2.2 Trade benefits and impacts

In terms of trade, the CSME has several benefits and impacts on the agriculture sector. The most evident benefit and impact is increased intra-regional exports in agriculture. From 2005 to 2024, intra-CSME agricultural exports grew from US \$420 million to US \$818 million, an increase of 94.8% (meanwhile, CARICOM exports to the world rose from US \$1.2 billion to US \$2.1 billion). Member States like Antigua & Barbuda, despite its small base, achieved notable growth in the sector (+509%), suggesting development of niche trade. In contrast, Grenada (-84%) and Suriname (-89%) experienced sharp declines in their agricultural sectors, pointing to reduced competitiveness and production volatility. Although intra-CARICOM agricultural exports more than doubled overall, its growth was highly uneven across Member States. Top performers including Jamaica (+251%), Belize (+144%), Trinidad & Tobago (+123%), Barbados (+100%), and Guyana (+77%) demonstrated strong export integration within the region, reflecting investment in agro-processing, improved logistics, and trade facilitation under the CSME framework consistent with the region's push toward value addition and import substitution. Antigua & Barbuda, despite its small base, achieved notable relative growth (+509%), suggesting expanding niche trade. However, the uneven growth across Member States underscores the implementation and capacity gaps that persist within the CSME framework. In contrast, Suriname (-85%) and Grenada (-84%) saw sharp declines, pointing to production volatility, reduced competitiveness, or data gaps in export reporting. Smaller economies such as Saint Vincent, Dominica, and Saint Lucia, despite policy access to the same trade mechanisms, struggle with high transport costs, limited economies of scale, and regulatory inconsistencies that undermine their competitiveness.

Figure 2: Agriculture Trade for CSME Member States



(Source: ITC Trade Data)

The CSME has created a larger, more predictable, and more accessible regional market for agricultural goods produced in the region. This led to several key trade benefits and measurable impacts on production, exports, food security, and value-added activity. The CSME removes tariffs on about 90% of agricultural goods traded intra-regionally and also removed most non-tariff barriers to agricultural trade within the region. Hence, trade was boosted by US \$500 million in 2024 (an 8% increase over 2023) and many CARICOM producers no longer

have to depend solely on small domestic markets in the region. For example, rice producers in Guyana, have secured reliable buyers across the Community while producers of vegetables and root crops in the Windward Islands have found stable markets in Antigua, Barbados and Trinidad. Fish and crustaceans have consistently been among the top regional exports, with trade in these products peaking at US \$40.4 million in 2015, declining to US \$15.7 million in 2024. Intra-regional sugar exports (sugar and confectionary – HS17) also declined from US \$50.2 million in 2005 to around US \$ 33.4 million in 2024. On the other hand, beverages, spirits, and vinegar (HS 22) more than doubled from US \$933.8 million to US \$204.5 million over the reference period, emerging as one of the fastest—growing agro-based exports. Cereal preparations (HS 19) similarly grew from US \$6.4 million to US \$136.3 million, and exports of cereals (HS 10) almost tripled from US \$32.6 million to US \$93.8. These changes reflect structural shifts across the agriculture sector, linked to CSME policy, lower regional trade barriers and harmonisation of standards.

Table 13: Intra-CARICOM Agricultural Exports by Country (2005–2024)

Country	2005 Value (US\$ '000)	2024 Value (US\$ '000)	Total Growth (%)	Avg. Annual Growth (%/yr)	Member State Status
Antigua & Barbuda	385	2,344	+509%	+9.5%	Strong Performer
Barbados	29,093	58,246	+100%	+3.9%	Winner
Belize	18,259	44,629	+144%	+5.0%	Winner
Dominica	3,640	4,552	+25%	+1.2%	Lagging/Flat
Grenada	5,766	894	–84%	–8.3%	Declining Performer
Guyana	65,312	115,885	+77%	+3.2%	Winner
Jamaica	22,530	79,031	+251%	+7.0%	Strong Winner
Saint Kitts & Nevis	722	—	N/A	—	Incomplete Data
Saint Lucia	13,067	18,896	+45%	+2.1%	Moderate Performer
Saint Vincent & the Grenadines	17,561	23,347	+33%	+1.6%	Moderate Performer
Suriname	14,491	2,199	–85%	–8.6%	Severe Decline
Trinidad & Tobago	202,622	451,626	+123%	+4.7%	Winner

(Source: ITC Trade Data (Compiled by Trade Economist, Leeooi-Oneika Howard))

Another benefit of the CSME for the agricultural sector is increased production. CARICOM's agricultural sector exhibited highly uneven growth in production capacity, resource endowments, and structural resilience across Member States. The data reveal clear “winners” such as Guyana, Jamaica, and Belize, which recorded substantial gains. Guyana's output surged by over 1,200% to US \$ 1.14 billion, driven by rice, sugar, and crop diversification; Jamaica's doubled to US \$ 2.52 billion, reflecting strong domestic crop expansion and post-COVID recovery; and Belize's increased by 131%, supported by export diversification and modernization. Trinidad and Tobago also doubled its agricultural output, though volatility and import dependency remain challenges. Moderate performers including Barbados, Saint Vincent and the Grenadines, and Grenada achieved steady but limited growth through niche and value-added products such as spices, cocoa, and agro tourism. Conversely, Antigua and Barbuda, Saint Lucia, Suriname, and Saint Kitts and Nevis showed stagnation or decline, constrained by small scale, climatic shocks, and reliance on imported food. These disparities highlight widening productivity gaps within CARICOM: while resource rich states with greater investment and land availability have scaled up production and exports, smaller island economies continue to face structural limitations in competitiveness and agricultural resilience.

Table 14: Gross Agricultural Production Growth, CARICOM (2005–2023)

Country	2005 Value (US\$ '000)	2023 Value (US\$ '000)	Total Growth (%)	Avg. Annual Growth (%/yr)	Member State Status
Guyana	84,140	1,136,890	+1,251% ¹⁹⁴	+13.8%	Strong Winner
Jamaica	1,114,445	2,519,724	+126%	+4.5%	Winner
Belize	176,297	407,830	+131%	+4.6%	Winner
Trinidad & Tobago	162,721	339,716	+109%	+4.1%	Moderate Winner
Barbados	112,057	162,997	+46%	+2.1%	Moderate Performer
Grenada	49,621 (2010)	84,158	+70%	+4.1%	Moderate Performer
Saint Vincent & the Grenadines	53,371 (2008)	106,629	+100%	+4.7%	Moderate Performer
Saint Lucia	51,724	79,272	+53%	+2.4%	Stagnant/Slow Growth
Suriname	118,799	209,803	+77%	+3.2%	Stagnant/Volatile
Antigua & Barbuda	20,856	20,671	−0.9%	0%	Declining Performer
Saint Kitts & Nevis	9,834 (2012)	13,391	+36%	+2.9%	Small, Limited Growth

(Source: FAO Statistics, Compiled by Trade Economist, Leeo-i-Oneika Howard)

The larger regional market demands common agricultural health and safety standards to reduce compliance costs and trade delays (i.e., to make goods produced within the region more competitive). CARICOM regional organizations such as the CARICOM Regional Organisation for Standards and Quality (CROSQ) and the Caribbean Agricultural Health and Food Safety Agency (CAHFSA) together have been instrumental in establishing regional standards on coconut oil, poultry, and eggs among others, and this has enabled Barbados, Jamaica and Trinidad & Tobago to export seamlessly to Member States in the OECS sub-region. In similar vein, CROSQ created regional standards for fresh peppers; condiments, sauces and seasonings; and labelling and allergen declarations and this has helped Grenada's nutmeg and mace meet harmonised grading standards, improving intra-regional sales and access to processors. St Lucia's fresh pepper suppliers also face fewer rejections accessing the Trinidad market because the quality and grading standards match regional requirements; and Dominica's dasheen enters Trinidad under uniform quality guidelines, reducing delays that once caused spoilage.

The CSME has also helped develop regional agricultural value chains. For instance, regional value chains have emerged for raw peppers processed into hot pepper sauces (Belize, Jamaica, and Trinidad & Tobago); fresh fruits processed into juices (Belize and Jamaica); and cocoa beans processed into chocolate (Grenada and Trinidad & Tobago). For example, fresh hot peppers grown in Dominica, St. Lucia, St Vincent, and Jamaica are shipped to processors like Matouk's (Trinidad & Tobago), Baron Foods (St Lucia and Trinidad & Tobago), and Walkerswood (Jamaica) and the finished products are then distributed and sold in supermarkets across CARICOM. Less Developed Member States in the OECS benefit from receiving stable demand and premium prices due to regional processing contracts and food labels like Baron Foods expand regionally and internationally. Similarly for cocoa, growers in Belize, Grenada, Saint Lucia and Trinidad ship high-quality cocoa beans to regional processors and artisan chocolate makers such as the Belize Chocolate Company, the Grenada Chocolate Company, Belmont Estate, and Trinidad's cocoa cooperatives, and the finished chocolate products are sold locally into the domestic and tourism markets, and regionally through supermarket chains.¹⁹⁵

¹⁹⁴ Currently benefitting from the Country's Oil Boom.

¹⁹⁵ Belize has a dynamic and growing chocolate industry involving a dozen or more chocolate makers such as The Belize Chocolate Company, Moho Chocolate Company, Ixcacao, Cotton Tree Chocolate, AJAW Chocolate, Cheil Mayan Chocolate, Gross Chocolate, Lamanai Chocolate, Dragon Chocolate, Le Especial Chocolate, and BFREE Foundation (which produces chocolate from rare Criollo cacao varieties to support rainforest conservation). A March 2025 online article by the Chocolate Journalist claims that "Belize is the New Black for Chocolate Makers", <https://www.thechocolatejournalist.com/blog/belize-is-the-new-black-for-chocolate-makers>

Poultry value chain investment across CARICOM

According to the CARICOM Secretariat, the region recognizes the poultry meat and hatching eggs sector as a high potential export/intra-regional trade opportunity (estimated value around US\$320 million) under Vision 25 by 2030 (25 x 2025 + 5). The poultry sector is now the region's largest agro-industrial enterprise with annual gross industry sales estimated at more than US\$500M¹. It employs more than 75,000 persons directly and is the largest generator of small business and rural entrepreneurship. In 2012, CROSQ developed a regional standard for poultry and poultry products, addressing sanitation, packaging, labeling, and ante/post-mortem inspection requirements (GNBS, 2025). In 2017–2018, Guyana adopted this regional standard as national law (mandatory), embedding it into regulation. Public consultations brought together regulators and poultry producers, securing industry commitment to labeling, hygiene, and quality improvements. In October 2017, nine poultry processing plants from Barbados, Belize, Guyana, Jamaica, Suriname, and Trinidad & Tobago were approved for intra-regional trade after meeting the standard and CAHFSA sanitary clearances (COTED). Regional producers highlighted value-added lines (jerk, seasoned, liquid eggs), while noting bottlenecks in consistent standard adoption.

Another trade related benefit and impact of the CSME is agricultural diversification. Although limited, this is an important structural outcome of the CSME. Because traditional crops such as citrus, bananas, and sugar lost their trade preferences and any global competitiveness, Member States producing these needed new crops, industries, and markets. The growth of intra-regional trade under the CSME has helped shift agricultural exports away from a narrow set of traditional crops (e.g., bananas and sugar) – Belize, Grenada, Guyana, Jamaica, and St. Lucia have diversified into higher-niche markets – towards more competitive, market-driven, and value-added forms. For example, Grenada has expanded its agricultural output and exports, moving beyond traditional spices like nutmeg to include cocoa, organic produce, fisheries, and other high-value crops,¹⁹⁶ and Dominica, St. Lucia and St. Vincent scaled up production of various root crops, targeting crops like cassava, dasheen, yams, and sweet potatoes for export to Barbados, Jamaica, and Trinidad & Tobago for use in hotel chains there.¹⁹⁷ Thus, specialty crops and high-value agro-processing now contribute more to earnings in these Member States. Meanwhile, regional supermarkets create stable regional demand for non-traditional crops.

The CSME has had a few negative trade-related impacts for the agricultural sector in region. Traditionally, the sugar industry has been a key component of the region's agriculture sector providing employment and contributing to export revenues. However, the implementation of the CSME, in addition to other market realities and inefficiencies have proliferated challenges that have adversely affected the sector. The suspension of the CET for refined sugar imports has led to an influx of cheaper, extra-regional sugar, often priced more than 50% lower than domestic/regional sugar, undermining the competitiveness of local producers, shifting investments away from the sector and threatening the viability of the regional sugar industry. Belize's legal challenge against Trinidad and Tobago for not applying the CET on imported brown sugar highlighted significant enforcement issues within the CSME framework. The Caribbean Court of Justice (CCJ) ruled that the evidence presented was insufficient to shift the burden to Trinidad and Tobago, exposing gaps in the enforcement mechanisms of the CSME and the challenges in ensuring compliance with regional trade policies.

¹⁹⁶ <https://www.gov.gd/agriculture/departments/agronomy>

¹⁹⁷ FAO launches Regional Project to boost Food Production and Trade in the Caribbean, online article, <https://fao.sitemapcloud.com/americas/news/news-detail/FAO-launches-Regional-Projects-to-boost-Food-Production-and-Trade-in-the-Caribbean/en#:~:text=The%20projects%20have%20just%20begun,over%20the%20next%20two%20years>. For cassava project in Dominica see, Food and Agriculture Organization of the United Nations (FAO/UN) 2021. Small Scale Cassava Production in Dominica. FAO Dominica. 32 pgs.

Article 164 and agriculture

The agriculture sector, given its structural vulnerabilities and strategic importance for food security, rural livelihoods, and foreign exchange savings, is one of the primary intended beneficiaries of Article 164. It has enabled governments to shield key agricultural subsectors from import surges and prevent premature collages of domestic productions. For example, St. Vincent and the Grenadines applied Article 164 treatment to protect its domestic flour and animal feed industries.¹⁹⁸ When this protection was breached (i.e., imports of flour entering without paying the CET), the country saw a significant drop in the performance of its flour producers.¹⁹⁹ This example shows Article 164 being used to shield a food input industry from competitive import surges that would otherwise undermine local capacity, usually in a CARICOM LDC.

While Article 164 is intended as temporary and targeted, it appears that some measures became long-lasting, especially as extensions were frequently renewed. For example, effective 1 January 2020, Saint Lucia implemented Article 164 measures covering 15 product groups across 36 or more tariff lines—including flour, aerated waters and beverages, malt, beer and stout, animal feed, candles, and paints and varnishes, among others—for a period of 10 years (2 products, curry powder and pasta, received 5-year long protections).²⁰⁰ The nature of this application of Article 164 is longer-term and goes significantly beyond short, temporary safeguards.

Another weakness or failure of Article 164 in relation to agriculture, is that protection in Member States was not tied to yield or quality improvements, technology adoption, or investment benchmarks and consequently some protected sub-sector and goods remained high-cost, uncompetitive, and saddled with low productivity. For example, despite tariff protection for the flour industry in Saint Vincent and the Grenadines, flour prices in the country rose significantly under domestic price controls, indicating that even the protected local supplier (the East Caribbean Group of Companies (ECGC)) charged high prices relative to what might have prevailed in a more competitive market.²⁰¹ Actually, the prices that were set at XCD \$1.75 - \$1.80 per pound in 2022 seem to reflect inflation-adjusted cost pressures rather than efficiency gains. This example shows that there were no strong conditionalities in the Article 164 regime requiring local flour producers to meet performance benchmarks, and that the local firms still faced high-input costs that were ultimately passed on to consumers.

Recommendations for reforming the application of Article 164 are articulated in sub-Section 6.4 of this report.

Article 239 and agriculture:

Article 239 which establishes the Protocol on the Free Circulation of Goods, is designed to move the CSME beyond tariff liberalisation toward full internal market integration. For agriculture this meant eliminating all non-tariff restrictions on intra-regional trade in agricultural goods and ensuring that goods of Community origin could move freely without import licensing, quantitative restrictions, or discretionary border controls. In practice, Article 239 has delivered only modest direct benefits to agriculture, largely because it has not been widely ratified or operationalised by Member States. As a result, most agricultural trade within the Community continues to be governed by tariff liberalisation under the CET rather than true free circulation, and NTBs remain widespread. Still, and despite limited formal implementation, Article 239 has supported regional food security objectives by

¹⁹⁸ Saint Vincent and the Grenadines, Act No. 12 of 2015, 17th August 2015

¹⁹⁹ CARICOM's Trade: Unequal gains for member states, <https://www.stvincenttimes.com/caricoms-trade-unequal-gains-for-member-states/>

²⁰⁰ Implementation of the Extended Article 164 Regime of the Revised Treaty of Chaguaramas, 31 December 2019, [https://thevoiceslu.com/2019/12/implementation-of-the-extended-article-164-regime-of-the-revised-treaty-of-chaguaramas/Article 164](https://thevoiceslu.com/2019/12/implementation-of-the-extended-article-164-regime-of-the-revised-treaty-of-chaguaramas/Article%20164), <https://exportsaintlucia.org/wp-content/uploads/2020/05/Article-164.pdf>

²⁰¹ SVG's Flour Price Increase is Official, 28 June 2022, <https://onenewsstvincent.com/2022/06/28/svg-s-flour-price-increase-is-official/>

contributing to a regional policy shift toward intra-regional sourcing (i.e., fomenting greater acceptance that food deficits in one Member States should be met by regional supply before extra-regional imports – the 25 by 2025 plus 5 initiative). For example, during the Covid-19 pandemic extra-regional supply chains were disrupted and global food prices rose, and freight costs increased sharply. During this time, CARICOM governments increasingly relied on regional suppliers, reflecting the logic of Article 239. For instance, Guyana supplied rice to Jamaica, the OECS, and Trinidad and Tobago as global rice markets tightened;²⁰² and root crops and fresh produce from Dominica, St. Vincent and the Grenadines, and St Lucia were prioritised in OECS food distribution. In the case of Guyana rice exports to Jamaica, the supply chain for rice between the two Member States remained active during the pandemic. Meanwhile, Article 239 also facilitated trade in less sensitive agricultural products such as root crops, fresh fruits and vegetables, and some processed agricultural goods. Thus, the OECS sought to establish a virtual marketplace that would provide information about “location, products, supplier details and potential suppliers.”²⁰³

3.2.1.2.3 Social benefits and impacts

Agriculture remains one of the largest rural employers, and through the income it provides for rural families, helps to reduce poverty in farming communities and rural areas. It also helps to curb rural to urban migration and to maintain local products and livelihoods —the persistent high import food bill has negative social consequences for Member States, such as displacing local products, led to job losses in rural communities, and contributes to rural-to-urban migration. The CSME mitigates against these trends through the policies implemented under the CARICOM Agricultural Policy, and now through the 25 by 2025 initiative. The CSME leads to more stable and higher rural incomes. For instance, Dominica’s dsheen farmers earn consistently because the markets in Barbados and Trinidad have year-round demand for this commodity, while cassava and pepper farmers in Guaya benefit from dependable demands from regional buyers. The knock on effect of this is that, as farming, especially small-scale farming becomes profitable, young people and families remain in rural communities instead of migrating to urban centre or overseas. For example, Grenada’s cocoa sector maintains farmer cooperatives that keep farming and rural communities anchored.

Another important social benefit of agriculture under the CSME is the significant progress to date in food security through the 25 by 2025 plus 5 (25 x 2025 + 5) initiative,²⁰⁴ which aims to cut the region’s food import bill by 25%.²⁰⁵ Addressing food insecurity is a long-standing objective of CARICOM,²⁰⁶ and this has been attempted through different initiatives and means, including By most estimates, CARICOM imports more than 60% of its

²⁰² Even before and during the pandemic, Guyana was Jamaica’s second-largest source of imported rice, supplying over 32,000,000 kg, valued at \$26.6 million.

²⁰³ <https://pressroom.oecs.int/oecs-commission-moving-towards-a-virtual-marketplace>

²⁰⁴ CPSO, Supporting production and trade of agri-food products within the CSME, <https://thecpso.org/twenty-five-25-by-2025-initiative/#:~:text=At%20present%20less%20than%201,most%20of%20the%20identified%20opportunities.&text=Investments%20in%20the%20opportunities%20proposed,producers%20in%20CARICOM%20Member%20States>. Major achievements under food security initiative, <https://caricom.org/major-achievements-under-food-security-initiative/> For a synopsis of CARICOM’s latest food security initiative, see O’Garro, Leonard W. (2025), CARICOM 25 by 2025 food security plan: synopsis and brief commentary, <https://doi.org/10.1080/00358533.2025.2499906>

²⁰⁵ The initiative was expanded and extended to 2030. See Food security initiative expanded, extended to 2023, <https://caricom.org/food-security-initiative-expanded-extended-to-2030/#:~:text=While%20acknowledging%20the%20significant%20progress,of%20young%20people%20and%20women>.

²⁰⁶ For a better understanding of the food security issue in CARICOM see FAO (2015), State of Food Insecurity in the CARICOM Caribbean: Meeting the 2015 hunger targets: Taking stock of uneven progress, <https://openknowledge.fao.org/server/api/core/bitstreams/45b0eaed-e766-4646-abbd-86ec9aecfcc5/content>

food, with some Member States importing over 80% of their food, and a high dependence on “imports of basic food items such as wheat, fresh produce, dairy meats, animal products, and a range of processed foods.”²⁰⁷ For instance, Trinidad and Tobago still imports more than 98% of its food, most of this from outside of the CARICOM region, to the tune of TT \$7.3 billion (about US \$1.1 billion).²⁰⁸ Thus, the regional food import bill has grown to more than US \$6 billion annually.²⁰⁹ The initiative has driven significant increases in regional agricultural output over the period 2022-2024. Guyana’s progress is notable, and has often exceeded the regional average (80-88% achievement by 2024), marked by very high production growth (roughly 40% over the same period) especially in key staples like rice, corn, soya, and shrimp.²¹⁰ Other Member States have obtained moderate progress in terms of production performance, including Belize, Jamaica, and Suriname of their production targets (achieved between 63% and 88%), while several Member States from the OECS sub-region have experienced more limited progress (i.e., between 5% and 29%). The upshot of this is that there has only been limited overall success to date in terms of reducing their food imports from sources outside of the region. The challenge in meeting the food security objectives of the region stems partly from the impacts of the COVID-19 pandemic, partly from the destruction to agricultural production caused by repeated hurricanes, and from structural issues still facing the sector.

Figure 3: CARICOM Food Imports, USD Billions



(Source: Govind Seepersad²¹¹, using ITC data sources)

²⁰⁷ Matus, Milagro (2022), Presentation titled CARICOM COTED 25% by 2025 – Heads of Government Conference Update, <https://agricarib.org/wp-content/uploads/2024/04/Overview-of-CARICOM-Agriculture-Policy-25-by-2025.pdf>

²⁰⁸ Trinidad and Tobago Guardian, 2024, <https://www.guardian.co.tt/news/tt-food-import-bill-highest-ever-at-73b-6.2.2127409.c88a7fcd2a>

²⁰⁹ Matus, Milagro (2022).

²¹⁰ Guyana obtains highest food production achievement rates amongst CARICOM states, https://dpi.gov.gy/regional-imports-guyana-exceeds-targets-achieves-88-of-food-production-goal-one-year-early/#:~:text=Guyana's%20achievements%20include:%20**2022**%20Produced%20nearly,2025%20initiative%20has%20been%20extended%20to%202030.

²¹¹ Dr Govind Seepersad, Profile of Regional Food Imports in the CARICOM Region, presentation at the Virtual Caribbean Food Policy Research Symposium, 5-6 April 2022. Available at <https://www.healthycaribbean.org/wp-content/uploads/2022/05/Dr-Govind-Seepersad-Profile-of-Regional-Food-Imports-in-the-CARICOM-Region-CAIHR-HCC-Symposium-2022-04-05.pdf>

The CSME also unlocked new opportunities for women and youth in agriculture. For example, Baron Foods (St Lucia) employs a majority-women workforce in processing; herb and tea cooperatives in St Vincent are mostly women-owned; Jamaica's agro parks employ young people targeting regional market demand; and cocoa processors in Grenada have revitalised rural communities and attracted youth. The CSME also facilitates movement of extension officers, veterinarians, and agronomists (free movement of skilled labour) and allows agro-processors to set up regionally – for example, Jamaican and Trinidadian food companies are established in other Member States. Rainforest (formerly Rainforest Foods) headquartered in Jamaica has established physical operations, including processing facilities in several other CARICOM Member States including Belize (a value-adding processing facility opened there in 2017), St Lucia (a distribution center), Barbados, and St Vincent and the Grenadines (which processes conch for exports to the USA). Rainforest employs hundreds of CARICOM nationals across its operations in Jamaica and these Member States.²¹²

3.2.2 Manufacturing Sector

3.2.2.1 Brief context of the Manufacturing Sector

From the 1960s through the 1980s, manufacturing in CARICOM developed largely under import-substitution industrialisation strategies inherited from colonial and early post-independence policy approaches. In this context, manufacturing faced high tariff protection at the national level; small, inward-looking domestic markets; the use of state incentives such as tax holidays; and limited export orientation.²¹³ As a result, manufacturing tended to be limited to food processing, beverages, and some building materials but the sector faced a fundamental limitation in the form of national markets that were too small to support efficient scale. During this period, the manufacturing sector was in the early stage of development in some CARICOM Member States (e.g., Antigua and Barbuda).²¹⁴ Under the original Common Market (i.e. 1973 to 2001), the CET was adopted and there was partial integration of the sector across the Region, but Member States (e.g. Saint Vincent and the Grenadines), used fiscal incentives and tax holidays to attract investments into the sector.²¹⁵ Thus, manufacturing in CARICOM was characterised by firms that were still oriented primarily towards their home markets, but with some exports though these frequently faced protectionist measures. Structural adjustments and trade liberalisation in the 1980s led to many firms contracting, or closing, and manufacturing's share of GDP stagnated or declined across the region, "accounting for a relatively low proportion of [CARICOM] exports at the end of the decade."²¹⁶ In the 1990s manufacturing output and export rose, albeit slowly, and some firms remained operational, but faced high costs and were under-capitalised.

The CSME was a turning point for the manufacturing sector within CARICOM, to the extent that it shifted from protecting national industries to supporting firms to become more competitive regionally.²¹⁷ The key change was that firms now had a larger regional market, and this enabled larger production runs and operating more at scale, lowered average costs, and led to more investments in machinery and more modern plant. Under the CSME

²¹² Hendricks, D'Ashan (2022), Rainforest cements presence in Eastern Caribbean, The Jamaica Observer, https://www.jamaicaobserver.com/2022/06/30/rainforest-cements-presence-in-eastern-caribbean/#google_vignette

²¹³ UN-ECLAC, Trade Policy in CARICOM: Overview of the Main Policy Measures, GENERAL LC/CAR/G.591, 30 December 1999, [https://www.ceintelligence.com/files/documents/LCcarG591_en\(1\).pdf](https://www.ceintelligence.com/files/documents/LCcarG591_en(1).pdf)

²¹⁴ Lazare, Alick, Antoine, Patrick, and Samuel, Wendell, (2001), RNM/OECS Studies to Inform Trade Negotiations: Antigua and Barbuda, https://caricom.org/documents/10123-antigua_and_barbuda.pdf

²¹⁵ Lazare, Alick, Antoine, Patrick, and Samuel, Wendell, (2001), RNM/OECS Studies to Inform Trade Negotiations: Saint Vincent and the Grenadines, https://caricom.org/documents/10123-st_vincent_and_the_grenadines.pdf,

²¹⁶ Chapter VIII, Economic and social performance in the Caribbean, chapter in *A decade of light and shadow. Latin America and the Caribbean in the 1990s*, https://www.un.org/esa/usg_ocampo/books/pdf/lcg2205i_cap8.pdf

²¹⁷ Ibid;

manufacturing linkages between manufacturing and agriculture, construction, and tourism all deepened, and the sector became more productivity driven. The upshot of this was expansion of intra-regional trade in manufactured goods, the emergence of regional manufacturing champions, stronger agro-manufacturing linkages, and increased investment in leading Member States such as Trinidad and Tobago, Jamaica, and Barbados. However, persistent non-tariff barriers, uneven CET application, high production costs, and incomplete integration of services and capital have limited the sector's full potential. Hence, manufacturing gains under the CSME have been concentrated rather than evenly distributed, highlighting the need for deeper integration and targeted industrial policy. More recently, CARICOM advanced consultations on a regional Industrial Policy and Strategy aimed at "boosting productivity [...] and connecting the region to value chains critical for production."²¹⁸

The manufacturing sector within CARICOM is diverse and includes key areas like food and beverage processing, textiles and apparel, chemicals and paper, mining (oil/gas, minerals), and construction materials, with recent growth in agro-processing, packaging, and digital manufacturing. Challenges currently facing manufacturing in CARICOM include i) dependence on raw materials with exports of minerals and hydrocarbons, representing 70% of industrial flows and subject to variations in world prices (e.g., fall in oil prices in 2020, implying a 10% drop in GDP in Trinidad and Tobago), ii) the significant amount of imports amounting to US \$ 5 billion in 2024 on machine tools and chemicals, with low local added value, iii) skills and employment problems with a shortage of skilled labor (only 20% technical training) and youth unemployment reaching up to 25%, and iv) environmental issues, due to climate impacts (e.g., hurricanes causing material damage reaching up to 2% of GDP per year) and a certain delay in the energy transition. In addition, the CARICOM region faces a dependence on industrial imports (4 to 5 billion US \$/year) and low industrialization (average 15% GDP vs. 25% global).

Still, manufacturing represents an important sector for economic diversification of CARICOM Member States and contributes around 15% of GDP on the regional average but this varies across the Community. Industrial production increased by 4% in 2024 (post-COVID period), particularly in the energy/oil sector (e.g. Guyana with +15% production) and the infrastructure and construction sector. Other sectors are emerging, mainly in the digital industry (e.g. 3D printing in Jamaica) and the renewable energy sector, with solar and wind energy (+10% mix in 2025). Its contributions to GDP and employment vary strongly depending on the Member States because this sector is heterogeneous. The petrochemical industry dominates in Trinidad and Tobago (40% of exports), and the oil sector is growing rapidly in Guyana with a growth of 62% / GDP in 2022.

Between 2005 and 2024, manufacturing exports within the Community grew by about 56%. Traditionally dominant exports such as mineral fuels and oils declined sharply, by nearly 44% as energy diversification and changing trade patterns reduced dependence on Trinidad and Tobago's refined petroleum exports. In contrast, higher value manufactured products including beverages, cereal-based goods, and edible preparations recorded strong growth, indicating the strengthening of food processing value chains. These trends highlight the rising importance of agro-industrial manufacturing as a core area of regional production integration within CARICOM. Nonetheless, persistent structural constraints, such as high transport costs, logistics bottlenecks, and non-tariff barriers, have limited the scale and depth of manufacturing integration.

3.2.2.2 Benefits and Impacts of CSME on the Manufacturing Sector

3.2.2.2.1 Macroeconomic benefits and impacts

The CSME has transformed the manufacturing sector from small, island-based industries into a more integrated, scalable, and regionally competitive production system. These shifts produced several macroeconomic benefits

²¹⁸ <https://caricom.org/work-advances-on-caricom-industrial-policy/>

for Member States including (mostly modest) contributions of manufacturing to GDP, employment, and investments, including FDI. For instance, the manufacturing industry contributes meaningfully to GDP in several Member States, especially Barbados (4.7% - 2021),²¹⁹ Guyana (4.2% of non-oil GDP, including food processing), Jamaica (8.0% between 2017 and 2023)²²⁰, and Trinidad and Tobago – 15.7%²²¹ (but the aim is for 25%-30% in the medium term).²²² In the OECS states, the contribution of manufacturing to GDP is understandably smaller – between 3.3% and 4.7%.²²³ For Trinidad & Tobago, manufacturing consistently contributes to double-digit share of non-energy GDP, and there is a strong manufacturing presence for food and beverages, chemicals and plastics, and construction materials. In Jamaica, manufacturing contributes a moderate but stable share of GDP, and the agro-processing and consumer goods sub-sectors are strong. Conversely, in Guyana, the manufacturing sector's share of GDP has grown modestly, especially post-2015, and complements both agriculture and oil production.

In terms of employment, manufacturing in Trinidad and Tobago accounted for 11% of employment in 2017,²²⁴ compared to Jamaica where the sector accounted for 6.2% of the labour force in 2023, down from 6.6% in 2017, with "women making up about 32% of those employed in the sector."²²⁵ For Barbados, manufacturing accounts for 6% of total employment,²²⁶ and for Guyana, 10.2% (2020).²²⁷

In terms of investments, opportunities in the sector are available in Guyana, Jamaica, Barbados, Saint Lucia, Dominica, and Trinidad and Tobago, including in agro-processing, cosmetics, pharmaceuticals, furniture, packaging materials, garments, and construction, among others.²²⁸ Regional companies have taken up these opportunities. For example, Carib Brewery (ANSA McAL Group) has completed substantial investments across the CARICOM including \$150 million in operations in Jamaica.²²⁹ As another example, in 2017 CEMEX of Mexico acquired Trinidad Cement Limited (TCL) and its plants in Trinidad & Tobago, Jamaica, and Barbados for US \$86.36 million, giving CEMEX a significant FDI into the cement sector in the Caribbean.²³⁰ TCL has since, invested US \$50.2 million in upgrading its plant, including US \$42 million in capital projects at its Caribbean Cement Company Limited (CCCL) Rockfort plant in Jamaica.²³¹

Inward investment flows into the manufacturing have varied across Member States over the past decade, or so. For Guyana, FDI inflows totalled US \$26 million in 2020, double the 2015 level; while inflows for Trinidad and

²¹⁹ Trade Policy Review – Barbados, p. 73, https://www.wto.org/english/tratop_e/tpr_e/s431_e.pdf

²²⁰ Trade Policy Review Jamaica, p. 80, <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/TPR/S457R1.pdf&Open=True>

²²¹ TPR – Trinidad and Tobago, 2017, p. 102, https://www.wto.org/english/tratop_e/tpr_e/s388_e.pdf

²²² Caribbean Manufacturing Report: Investment Opportunities, Caribbean Business & Travel, (2025), available at URL: <https://caribbeansignature.com/wp-content/uploads/2025/09/Caribbean-Manufacturing-Sector-Report.pdf>. See also, Caribbean

manufacturing sector poised for significant growth, Jamaica Observer, 22 September 2025, <https://www.jamaicaobserver.com/2025/09/22/caribbean-manufacturing-sector-poised-significant-growth/>

²²³ Trade Policy Review, OECS, https://www.wto.org/english/tratop_e/tpr_e/s437_e.pdf

²²⁴ TPR – Trinidad and Tobago, 2017, p. 102, https://www.wto.org/english/tratop_e/tpr_e/s388_e.pdf

²²⁵ TPR Jamaica, p. 80.

²²⁶ TPR – Barbados, p. 73

²²⁷ TPR – Guyana, https://www.wto.org/english/tratop_e/tpr_e/s422_e.pdf

²²⁸ Ibid, p.29

²²⁹ ANSA Group to Invest More Than \$150M in Jamaica operations, 7 July 2023, <https://jis.gov.jm/ansa-group-to-invest-more-than150m-in-jamaica-operations/#:~:text=%E2%80%9CThis%20year%20alone%20we%20will,%2C%20Europe%2C%20and%20North%20America.>

²³⁰ CEMEX announces take-over bid for Trinidad Cement Limited at 33.1% premium, <https://www.cemex.com/w/cemex-announces-take-over-bid-for-trinidad-cement-limited-at-33-1-premium>

²³¹ TCL Invests US\$42M to Expand Cement Output in Jamaica, <https://sheppard.tt/tcl-invests-us42m-to-expand-cement-output-in-jamaica/>

Tobago were more volatile in the food and drink, chemicals, and assembly type industries.²³² For Barbados, overall FDI inflows amounted to US \$1,046.3 million in 2021,²³³ while Belize registered overall FDI inflows of US \$2,055 million in 2015, up by 3.4% from 2014,²³⁴ but the available data does not provide any figures for the manufacturing sector. Notably, Dominica, and other OECS states,²³⁵ still offer “duty-free concessions on imported machinery and equipment, packaging, and manufacturing inputs.” Belize and Guyana also offers fiscal incentives to manufacturing industries, including “various specific tax incentives.”²³⁶ policies that are not necessarily available in other Member States, highlighting the persistence of nationally focused investment promotion. Conversely, Barbados repealed its Fiscal Incentives Act in 2019 and also “abolished the fiscal incentive of a 15-year tax holiday for businesses engaged in the manufacturing of an approved product exclusively for export outside of CARICOM, or of an approved product containing a specified percentage of local value added.”²³⁷ Barbados has identified the pharmaceuticals sector and renewable energy, among others, as priority sectors for development, and note that “the gradual decline of the sugar industry has opened land for other agricultural uses, niche manufacturing, and agro-processing.”²³⁸

3.2.2.2 Trade benefits and impacts

The CSME has strengthened the trade performance of CARICOM’s manufacturing sector by creating a single, integrated market of 18 million consumers, lowering trade barriers, harmonising standards (for some sub-sectors), and building regional value chains. Firstly, the CET along with regional liberalisation (tariff liberalisation) has encouraged intra-regional sourcing, and this has enabled manufactured goods to show strong growth within the CARICOM market. For example, At the firm or enterprise level, small and medium sized manufacturers in Barbados like Fiberpol Inc., a manufacturer of solid surface countertops, have reported an 80% increase in intra-regional export sales following support from Caribbean Export.²³⁹ Conversely, tariff-free intra-CARICOM movement of goods has enabled K.C. Confectionary Limited, producers of confectionary and sweets, export roughly 70% of its outputs to Member States across the Community, including Antigua & Barbuda, Bahamas, Barbados, Belize, Dominica, Suriname, and more.²⁴⁰ Larger regional firms like Caribbean Cement Company Ltd. (CCCL) has used the tariff-free provisions of the CSME to lower export costs and expand into markets beyond Jamaica, enabling the company to operate at scale and compete more effectively. Carib Brewery Ltd. has likewise expanded into other markets across the region –a feat made easier by having physical production sites in multiple Member States.

Secondly, trade in manufactures under the CSME has benefitted from harmonised standards via organizations like CROSQ, as these have reduced the costs and time of complying with multiple regulatory requirements, making intra-regional exports easier. National Milling Company of Guyana (NAMILCO) have used the free movement of goods combined with harmonised standards to reach several CARICOM markets including Antigua, Barbados, and Suriname —ISO and quality certification gains, including receiving the ‘Made in Guyana

²³² TPR – Trinidad and Tobago, 2017, p. 22

²³³ TPR – Barbados, p. 34

²³⁴ TPR – Belize, https://www.wto.org/english/tratop_e/tpr_e/s353_e.pdf

²³⁵ Trade Policy Review, OECS, p. 46

²³⁶ TPR – Guyana, p. 58.

²³⁷ TPR – Barbados, p. 74

²³⁸ 2025 Investment Climate Statements: Barbados, <https://www.state.gov/reports/2025-investment-climate-statements/barbados>

²³⁹ <https://carib-export.com/blog/how-fiberpol-inc-reduced-operational-costs-after-implementation-of-dags/>

²⁴⁰ <https://chamber.org.tt/wp-content/uploads/2022/10/media-release-IKTTO-and-Business-Exporter-.pdf>

certification mark, helped NAMILCO to meet regional standards, easing entry into markets that previously required duplicative testing.²⁴¹

And thirdly, the CSME has enabled companies to expand their regional footprints and strengthen their regional value chains. For example, regional conglomerates like ANSA McAL, Agostini, and the Massy Group have leveraged the CSME's tariff-free access, scale of the regional market, and the right of establishment to expand regionally and extra-regionally,²⁴² and thereafter to employ firm level integration strategies to own and control processing, packaging, and supply activities in several Member States. Another company, Seprod, a major manufacturer and conglomerate in the region is currently operating four factories and multiple distribution networks throughout the region, predominantly in Jamaica and Trinidad and Tobago, giving It a significant regional footprint.²⁴³ The company has been successfully using CSME frameworks, especially after the US imposed tariffs on exports from the region,²⁴⁴ to increase its competitive advantage in the production and distribution of food and beverages, in particular Biscuits and Snacks, Grains and Cereals, Milks and Juices, and Oils and Fats.²⁴⁵

The expansion of the intra-regional trade in manufactured goods is significant for the overall expansion of intra-regional exports within CARICOM, and this is dominated by manufacturers in Barbados, Jamaica, and Trinidad & Tobago, and to a lesser extent Guyana and Belize.

Table 15: Select Intra-CARICOM Manufacturing Trade Performance (2005-2024)

	Product Type	2005 Exports (US \$ '000)	2024 Exports (US \$ '000)	% Growth (2005–2024)	Key Insights
TOTAL	All Manufactured Goods	2,612,109	4,084,578	+56%	Overall modest growth: trade rebounded post-2020 but remains uneven; intra-regional manufacturing integration has been limited.
27	Mineral fuels & oils	1,663,462	937,585	–44%	Once dominant intra-regional trade item, now declining as member states diversify energy sources and rely less on T&T fuel exports.
86	Railway & rolling stock	1,075	1,586,974	+147,500%	Surging after 2020, likely driven by one-off or project-based exports of heavy equipment; reflects growing construction/infrastructure trade.
22	Beverages, spirits, vinegar	93,824	204,528	+118%	Strong regional market integration: Caribbean rum, beer, and soft drinks benefit from brand recognition and CSME free movement.
19	Cereal preparations	46,379	136,354	+194%	Rising processed food trade, especially flour, biscuits, and bakery products, showing successful agro-industrial linkages.
84	Machinery & mechanical appliance	20,357	93,545	+360%	Expanding trade in manufactured equipment; shows early signs of regional industrial specialization.

²⁴¹ 'We're in the big league'..., 16 June 2022, <https://namilco.com/were-in-the-big-league/>

²⁴² Hamilton, Ryan (2025), TTMA CEO: Looking beyond CARICOM, <https://newsday.co.tt/2025/10/30/ttma-ceo-looking-beyond-caricom/>

²⁴³ Seprod fires off \$113B revenue surge, <https://www.youtube.com/watch?v=Pl11H6Hj1w>

²⁴⁴ Seprod Doubles Down on Caribbean, <https://www.jamaicaobserver.com/2025/07/30/seprod-doubles-caribbean/>

²⁴⁵ Seprod now targeting Latam for expansion, The Gleaner, <https://jamaica-gleaner.com/article/business/20240717/seprod-now-targeting-latam-expansion#:~:text=Food%20manufacturer%20and%20distributor%20Seprod,lot%20more%20was%20in%20store.>

20	Fruit & vegetable preparations	39,942	83,376	+109%	Healthy growth led by sauces, jams, and preserved goods; strong potential for scaling up agro-industrial value chains.
48	Paper & paperboard	70,952	80,645	+14%	Relatively stagnant; trade dominated by a few producers (e.g., T&T, Jamaica).
39	Plastics & plastic articles	39,361	65,574	+67%	Steady regional demand; inputs for packaging and construction industries.
21	Misc. edible preparations	16,885	58,850	+249%	Rising exports of sauces, condiments, and snacks — driven by branding and food processing growth.
15	Fats and oils	22,800	44,125	+94%	Stable expansion: intra-regional edible oil and margarine trade sustained by regional agri-processing capacity.
89	Ships & floating structures	2,132	41,920	+1,866%	Significant growth; likely reflects ship repair and small craft exports, particularly from Barbados and T&T.
24	Tobacco products	25,196	41,060	+63%	Mature industry: modest growth sustained by cross-border brand consolidation.
85	Electrical machinery & parts	42,997	40,823	-5%	Stagnant, reflecting limited regional electronics manufacturing.
73	Iron & steel articles	26,693	40,228	+51%	Gradual expansion: construction materials remain key intra-CARICOM trade goods.
30	Pharmaceuticals	22,784	39,425	+73%	Stable, growing trade in generic medicines and healthcare goods
17	Sugars & confectionery	50,293	33,364	-34%	Decline due to erosion of sugar competitiveness and diversification away from traditional commodities.

(Source: Compiled by the Trade Economist)

3.2.2.2.3 Social benefits and impacts

The CSME has created a few social benefits and impacts for the manufacturing sector in CARICOM. Firstly, the CSME has helped stabilize manufacturing employment, particularly in mid-skill, formal jobs that provide steady wages and benefits. For example, cement and beverage manufacturers in Trinidad and Tobago, Jamaica, and Barbados expanded capacity to serve regional markets, sustaining hundreds of direct and indirect jobs. Agro-processors in Guyana and Jamaica similarly used regional demand to absorb agricultural labour into formal manufacturing roles. Prior to the CSME, manufacturing jobs were vulnerable to plant closures due to small domestic markets and limited ability to absorb labour displaced from agriculture of the public sector. Under the CSME, the need for manufacturing jobs has grown. Trinidad & Tobago's manufacturing sector now employs thousands of nationals, supplying the entire CARICOM region, while companies like Baron Foods, WIBISCO, and Banks Holdings have generated multi-island employment and support hundreds, if not thousands, of stable manufacturing jobs. Moreover, agro-processing, cosmetics, pharmaceuticals, packaging and light assembly have higher than average participation of women. For example, Baron Foods and Winfresh affiliates employ predominantly female workforces in their food processing plants. Additionally, the free movement of skilled labor to work across the region in the manufacturing sector – e.g., engineers, food technologists, lab technicians, logistics specialists, quality control professionals etc. – has helped develop stronger technical capacity in smaller states, reduced “brain drain” as profession

Another benefit of the CSME on the manufacturing sector is improved worker training and skill upgrading. The larger regional market demands that workers gain transferable technical and managerial skills, raising earning potential. This need is partly addressed by the free movement of skilled nationals, but companies also delivered training and capacity building to ensure their staff. For example, GraceKennedy introduced modern food safety

systems across its Jamaican plants and regional subsidiaries and provided continuous technical training in quality control, logistics, and supply-chain management to new and existing staff in an attempt to build a competent and skilled workforce.²⁴⁶ These programs had a high representation of women. This helped expand opportunities for women in manufacturing industries such as food processing, and also youth in technical, ICT-enabled manufacturing roles.

During the Covid-19 pandemic, CARICOM manufacturers pivoted to help supply Member States and the region with essential goods. For example, during the Covid-19 pandemic regional distillers from across the region worked with public health agencies, including the Caribbean Public Health Agency (CARPHA) and national governments to produce and donate essential hand sanitizers and alcohol.²⁴⁷ Thus, regional distillers like Antigua Distillery, Mount Gay Distilleries (Barbados),²⁴⁸ Westerhall Estate Ltd in Grenada,²⁴⁹ and J. Wray and Nephew (Jamaica) retooled their rum production lines to manufacture alcohol-based hand-sanitizers, produce high-strength alcohol, and leveraged their distribution networks to help the region respond to the pandemic.²⁵⁰ Meanwhile, companies like Wisynco donated disposable masks, bottled water, and Vitamalt to healthcare personnel.²⁵¹ The social impact of these initiatives have to do with reducing the region's dependence on imported sanitizers, cleaning products, and other essential goods during a period of global shortages. As a result, had sanitizers were more readily available to frontline workers, hospitals, and schools during the pandemic.

Article 164

The assessment found that Article 164 prevented the collapse of small manufacturing bases in CARICOM LDCs that face high production costs, small domestic markets, and infrastructure constraints. For example, Saint Lucia's use of Article 164 provided multi-year protection of a list of manufacturing products including beer, stout, and malt, as well as pasta and paints. Without this, manufacturers in Saint Lucia would have been crowded out by firms in CARICOM MDCs benefitting from scale and lower unit costs. Article 164 also had positive social and trade effects in terms of enabling domestic manufacturers to retain market share and reducing immediate import penetration from MDCs, while preserving manufacturing jobs, including for women and semi-skilled workers. At the same time, the imposition of Article 164 restricted access for more efficient regional producers.

As with agriculture, Article 164 has been effective as a tool for preserving the survival of small manufacturers, especially in CARICOM LDCs, but it is weak as an instrument for transforming these entities into more efficient producers. Thus, the recommendation for reforming application of Article 164, as it relates to manufacturing, should include aligning this with regional industrial and investment policies.

²⁴⁶ <https://www.linkedin.com/pulse/gracekennedy-launches-2024-internship-programme-gracekennedy-ltd--bsaac/>

²⁴⁷ Dr T. Alafi Samuels, Alcohol industry actions in the English Caribbean and the role of civil society in fighting back, <https://www.paho.org/sites/default/files/2021-09/Presentation-Alcohol%20industry%20actions%20in%20the%20English%20Caribbean-2020-EN.pdf>

²⁴⁸ Mount Gay donates hand sanitizer to assist in local fight against Covid-19, 07/06/2020, <https://barbadostoday.bb/2020/06/07/mount-gay-donates-hand-sanitizer-to-assist-in-local-fight-against-covid-19/#:~:text=Mount%20Gay%20Distilleries%20Ltd.%2C%20is,care%2Dpackages%20for%20their%20homes.>

²⁴⁹ <https://reliefweb.int/report/antigua-and-barbuda/regional-distilleries-join-fight-against-covid-19#:~:text=Westerhall%20Estate%20Ltd.%2C%20especially%20while%20in%20isolation.%E2%80%9D&text=The%20West%20Indies%20Rum%20&%20Spirits,%2C%20Suriname%20and%20Trinidad%20&%20Tobago.>

²⁵⁰ Regional Distilleries Join in the Fight Against Covid-19, 22 April 2020, <https://caricom.org/regional-distilleries-join-in-the-fight-against-covid-19/>

²⁵¹ Medical staff to benefit from Wisynco contributions, <https://wisynco.com/medical-staff-to-benefit-from-wisynco-contributions/#:~:text=Wisynco%20Group%20Limited%2C%20in%20recognition,Next%20post>

Article 239

Article 239 supports manufacturing scale by turning CARICOM into a single production space where firms can operate larger production runs, reduce unit costs, and invest based on regional demand. For example, food and beverage manufactures in Trinidad and Tobago expanded production with the understanding or assumption of unrestricted access to other markets within CARICOM, such as the OECS and Jamaica. Similarly, Jamaican processed food manufacturers of sauces, condiments, and bakery inputs invested in larger plants partly to supply Eastern Caribbean markets. For example, Caribbean Producers Jamaica (CPJ) has been actively expanding production and operations, investing in modernizing its meat processing plant, upgrading juice production, building new warehouses,²⁵² and expanding its St. Lucia presence to meet growing tourism demand,²⁵³ with major projects planned for 2024 and beyond, including a new IT system and a significant solar project. These expansions aim to boost capacity, enhance efficiency, and facilitate broader regional export of CPJ's food and beverage products. Baron Foods similarly expanded its production capacity, including in Saint Lucia and Trinidad and Tobago,²⁵⁴ to meet growing intra and extra-regional demand.

3.2.3 The Tourism Sector in CARICOM

3.2.3.1 Brief context of the tourism sector

Before the establishment of the CSME, Caribbean tourism was characterised by national, fragmented tourism industries, each competing independently for visitors. The sector was also marked by a heavy dependence on extra-regional markets (especially North America and Europe, including the UK), and foreign owned hotel chains, airlines, and tour operators dominated. There was limited regional coordination on investment, labour mobility, standards, and marketing. During the period tourism grew but the industry suffered heavy leakage along the entire tourism value chain,²⁵⁵ and Member States, despite their differences in terms of geography and development, shared a number of key challenges including labour market constraints —skilled tourism workers were immobile across borders and worker permits were discretionary, costly, and slow; the fragmented and small size of each country's market size led to underinvestment in hotels and infrastructure and reliance on foreign capital rather than regional investors; and regional supply chains were weak —hotels sources food, beverages, and inputs extra-regionally, even when supplies existed within the region (leakages often exceeded 60%-70%). Additionally, the region faced high transport costs, export dependence on single commodities, and limited access to international finance,²⁵⁶ including FDI. Moreover, during the 1990s, "CARICOM Member States lost [...] market share to newly emerging, lower-cost, tourism destinations elsewhere in the Caribbean."²⁵⁷

The CSME fundamentally reframed tourism from a set of national industries to a sector that is more regionally integrated, but the focus on national industries persists. Still, the free movement of capital and the right of establishment enabled regional hotel groups to expand across borders and mobilised Caribbean-owned capital into tourism, resulting in more regionally owned tourism assets, and greater retention of profits within CARICOM. The CSME also encouraged intra-regional trade in food, beverages, construction materials, and services and strengthened linkages between tourism, agriculture and manufacturing. And under the CSME, labour and

²⁵² <https://www.cpj.com/tag/expansion/>

²⁵³ CPJ charting \$1.1-billion expansion plan, 25 May 2023, jamaicaobserver.com/2023/05/25/cpj-charting-1-1-billion-expansion-plan/

²⁵⁴ <https://investstlucia.com/baron-foods-gears-up-for-multimillion-dollar-expansion-in-vieux-fort/>

²⁵⁵ Randall, Ruby, (2006), Eastern Caribbean Tourism: Development and Outlook, chapter in *The Caribbean: From Vulnerability to Sustained Growth*, International Monetary Fund, <https://doi.org/10.5089/9781589065147.071>

²⁵⁶ Caribbean Tourism Organisation (CTO), 2001, Caribbean Sustainable Tourism Policy Framework, <https://caricom.org/documents/10910-cbbnsustainabletourismpolicyframework.pdf>

²⁵⁷ Randall, (2006).

supplies could be redeployed regionally after economic shocks. However, while the CSME addressed structural weaknesses in tourism, it also exposed new challenges, including uneven benefits across the Community —the MDCs captured more investment, infrastructure and transport constraints remained undermining multi-destination tourism; and regulatory inconsistencies (e.g., labor mobility and work permit delays) persist. Tourism is now the largest industry in many CARICOM Member States, in terms of contribution to GDP, foreign exchange earnings, and employment; and it operates in an environment shaped by global competitions, climate vulnerability, rising energy and food costs, and sustainability and climate resilience imperatives. Also, the industry is still enduring post-Covid global restructuring. Thus, in this ‘new’ context, the CSME is increasingly viewed as a tool for resilience, efficiency, and value retention, and not just growth.²⁵⁸ Hence, the free movement of services, skilled labor, and right of establishment directly shape tourism in CARICOM. For instance, the CSME enables chefs, entertainers, managers, accountants, hospitality supervisors, spa & wellness professionals, wedding planners, photographers, scuba instructors, and tour guides among other professional services and roles to move more freely across the region. The industry within the region is also influenced through the harmonisation of regional standards and integration of supporting sectors such as agriculture, creative industries, manufacturing and transport. Here, the Caribbean Tourism Organisation (CTO) an intergovernmental tourism body with wider Caribbean membership but not a CSME institution, coordinates regional marketing and branding (e.g., CTO has launched different regional marketing campaigns,²⁵⁹ and uses the tagline “One Sea, One Voice, and One Caribbean” to market the region and promote sustainable tourism development), supports human resource development, and advocates for sustainable tourism practices. The CTO’s strategies are not always aligned with CSME trade and labour rules, and tourism policy sometimes sit outside formal CSME decision-making.

Based on the data available, intra-regional tourism flows are smaller compared to extra-regional flows, inferring that that CSME’s direct impact on the sector remains modest. According to the CARICOM Secretariat’s data, intra-regional trade in tourism accounts for approximately 6% of total tourists visiting the region. While the CSME has promoted the liberalization of tourism services by removing restrictions on travel agents, hotels, and guides within the region, tourism services trade and intraregional flows since 2006 continues to be minimal. Due to the limited intra-regional demand for CARICOM Member States tourism, structural benefits of regional integration via the CSME are not fully realized in this sector. However, stronger regional value chains, labour mobility and service integration can be inferred. Moreover, efforts to promote multi-destination tourism packages and regional branding have had limited traction (no real positive change to intra-tourism trade), although there is growing interest in leveraging CSME provisions to facilitate the movement of tourism professionals and develop integrated tourism services across Member States.

Table 16: Summary of Intra-Regional Share (Average 2018–2023), select Member States

Country	Average % of arrivals from CARICOM	Insights
Jamaica	3%	Very low intra-regional tourism; heavily dependent on extra-regional (US, UK, Canada).
Barbados	13%	Moderate but declining share; extra-regional markets dominate.
Saint Lucia	12%	Similar to Barbados; some intra-regional flows but still minor.
Trinidad & Tobago	17%	Highest share among the sample; still fewer than one in five tourists from CARICOM.

²⁵⁸ *Tourism Industry Reform: Strategies for Enhanced Economic Impact*, 2017, Caribbean Development Bank, https://www.caribank.org/sites/default/files/publication-resources/CDB_Tourism_Industry_Reform_Web_FINAL.pdf

²⁵⁹ WTM 2018: Caribbean launches region-wide marketing campaign, <https://travelweekly.co.uk/in-depth/wtm-2018-caribbean-launches-region-wide-marketing-campaign>

Belize	N/A	Data not published by source region; anecdotal evidence suggests intra-regional share <10%.
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(Data Sources: TTO CSO, BDS Ministry of Tourism, JAM Ministry of Tourism, Government of SLU)

3.2.3.2 Findings, impact/benefit assessment of tourism

3.2.3.2.1 Macroeconomic benefits and impacts

The CSME has generated positive macroeconomic effects for tourism including contribution to GDP, foreign exchange earnings, and regional investment. Tourism contributes between 25% and 90% of GDP in several CARICOM Member States. In the OECS Member States, tourism is estimated to contribute around 39% to GDP²⁶⁰ and around 11 percent of employment²⁶¹ —in Antigua and Barbuda the sector's direct contribution to GDP is only around 10% (2021);²⁶² Jamaica – 4.2% (2023); Belize – this is 15% of GDP and contributes over 1/3 of employment; for Jamaica – this is between 9.5% and 20%²⁶³ of GDP and contributes more than 113,000 jobs;²⁶⁴ and in Suriname the sector contributes 4.2% (2018).

As it relates to foreign exchange earnings, tourism contributed US\$3.3 billion (2018 estimates) and US\$4.3 billion in 2024 for Jamaica and is the second-largest source of foreign income for the country;²⁶⁵ in the OECS sub-region, tourism is the major foreign exchange earner,²⁶⁶ and in 2011 the OECS adopted a Common Tourism Policy. This called for cooperation at the sub-regional level, including harmonising standards and practices that will enhance competitiveness and

In terms of investment, the free movement of capital under the CSME has enabled regional banks and insurance companies to finance hotels, villas, and tourism infrastructure; and regional conglomerates —especially from the MDSCS- to invest across multiple islands, spreading risk. For example, as it relates to the former, Republic Bank from Trinidad and Tobago has historically provided significant loans for tourism projects in the region, including a reported US \$34 million loan to Royalton Grenada Resort & Spa as part of a US\$80 million investment in the hotel.²⁶⁷ And as it relates to the latter, Sandals Resorts have similarly taken advantage of the opportunities offered by the CSME to expand investments across the Region (Sandals is currently investing US\$500 million for a Beaches resort in Saint Vincent and The Grenadines and will be spending US \$1 billion expanding its Beaches brand over the next five years).²⁶⁸ Smaller firms like Chukka Caribbean Adventures, a Jamaican company, have also invested in tourism facilities and services in Barbados, Belize, and Jamaica and is investing in transforming its sites into larger park experience.²⁶⁹ Other smaller establishments like Bay Garden Resorts from Saint Lucia

²⁶⁰ TPR – OECS, p. 57. However, elsewhere in the TPR (p. 12), this is reported closer to 5.5% for the hotels & restaurant sector. The OECS Secretariat puts this figure at 39%

²⁶¹ OECS Common Sustainable Tourism Policy 2025-2035, <https://oeqs.int/en/our-work/knowledge/library/tourism#:~:text=Tourism%20is%20of%20critical%20importance,social%20future%20of%20the%20OECS>.

²⁶² TPR – Antigua and Barbuda, p. 63

²⁶³ Tourism Sector Profile, p. 2, <https://dobusinessjamaica.com/wp-content/uploads/2019/11/Tourism-Sector-Profile.pdf>

²⁶⁴ Some estimates place tourism's contribution to GDP as high as 30%. <https://dobusinessjamaica.com/wp-content/uploads/2019/11/Tourism-Sector-Profile.pdf>

²⁶⁵ Hanna, Lisa, Who benefits from our tourism dollars, <https://www.jamaicaobserver.com/2025/01/05/benefits-tourism-dollars/>

²⁶⁶ TPR – OECS, http://www.sice.oas.org/ctyindex/OECS/WTO/TPR_2023/g437_e.pdf Tourism's relevance differs by OECS Member State

²⁶⁷ Republic invests US\$34m in luxury hotel in Grenada, <https://newsday.co.tt/2019/12/29/republic-invests-us80m-in-luxury-grenada-resort-2/#.Xgj8rLr72VY.facebook>

²⁶⁸ Jelski, Christina (2025), Sandals is investing \$1 billion in the expansion of family brand beaches, <https://www.travelweekly.com/Travel-News/Hotel-News/Sandals-investment-Beaches-brand>

²⁶⁹ Davis, Garwin (2020), Chukka Caribbean A Major Contributor to Tourism, <https://jis.gov.jm/features/chukka-caribbean-a-major-contributor-to-tourism/#:~:text=The%20Key%20Point,the%20country's%20booming%20tourism%20sector>.

have likewise expanded regionally into Barbados and Grenada by partnering with regional hospitality and marketing firms;²⁷⁰ and Caribbean Destination Management Companies (DMCs), which provides regional wedding planning and events coordination along with other tourism related services, now operates in Antigua, Saint Kitts, Saint Lucia and Barbados.²⁷¹ Similarly, Caribbean Eco-Adventure and Zipline, Jamaican and Saint Lucian adventure-tourism operators, expanded to Antigua through short term service provision during peak season, while smaller companies modeled after Chukka have also expanded to other Member States than the one, they originally established in.

Table 17: Summary of Intra-Regional Share of Tourist Arrivals (average 2018–2023)

Country	Average % of Arrivals from CARICOM/ Caribbean	Insights
Jamaica	3%	Very low intra-regional tourism; heavily dependent on extra-regional (US, UK, Canada).
Barbados	13%	Moderate but declining share; extra-regional markets dominate.
Saint Lucia	12%	Similar to Barbados; some intra-regional flows but still minor.
Trinidad & Tobago	17%	Highest share among the sample; still fewer than one in five tourists from CARICOM.
Belize	N/A	Data not published by source region; anecdotal evidence suggests intra-regional share <10%.

(Data Sources: TTO CSO, BDS Ministry of Tourism, JAM Ministry of Tourism, Government of SLU)

3.2.3.2.2 Trade benefits and impacts

The CSME has delivered several important trade-related benefits for tourism under the CSME. Tourism is primarily a services industry, but its operations depend on the seamless movement of people, capital, and goods, and supporting services across borders. An important trade benefit therefore comes from the liberalisation of services within the region. The CSME allows tour operators, event planners, entertainers, chefs, dive instructors, and other tourism-related service providers to move and operate across Member States without facing prohibitive licensing restrictions. This mobility has broadened the range of tourism services available in host countries, enriched visitor experiences, and promoted innovation in niche areas such as adventure tourism, weddings and events, wellness and eco-tourism. The increased availability of specialized services helps Member States offer more competitive and diversified tourism products. For instance, Sandals Resorts International moved skilled workers (chefs, trainers, managers) across borders without heavy restrictions.

The CSME has impacted the tourism sector by promoting the liberalization of tourism services. For example, the CSME has facilitated the removal of restrictions on travel agents, hotels, and guides within the region; stimulated intraregional tourism flows which now account for 10% of total tourism flows; and led to greater promotion of the Caribbean brand and promotion of multi-destination packages. However, the CSME has not adequately addressed the intra-regional air travel challenges and the lack of full free movement across all Member States hinders achieving greater intraregional tourism flows.

²⁷⁰ Guyanese firm partners with St Lucia's Bay Gardens to expand Caribbean tourism, iNews Guyana, 6 February 2023, <https://inewsguyana.com/guyanese-firm-partners-with-st-lucias-bay-gardens-to-expand-caribbean-tourism/>

²⁷¹ <https://micebook.com/blog/2025/03/24/global-dmc-partners-expands-portfolio-in-the-caribbean-costa-rica-and-u-s/>

Tourism has also benefitted from expanded intra-regional travel and consumer mobility. The CSME, through harmonised immigration arrangements for CARICOM nationals, has contributed to the growth of an important secondary tourism market: regional travel. Caribbean Nationals travel for leisure, festivals, carnivals, sports events and short-term business trips. For example, nationals from Barbados and the OECS regularly travel to Saint Vincent and Trinidad to participate in or attend their carnivals and vice-versa. This intra-regional travel supports airlines, ferries, hotels, restaurants, and attractions, helping to stabilize tourism demand. This regional tourism trade makes the sector more resilient to external shocks.

And the tourism sector under the CSME has also benefitted from strengthened linkages with other sectors under the CSME. This is because tourism depends on a wide range of goods such as fresh produce, beverages, construction materials, furniture, linens, soaps, detergents, and packaging. The free movement of goods with the CSME allows hotels, restaurants, and tourism businesses to source more of their inputs from regional manufacturers and agro-processors at lower transportation cost and shorter lead times. This strengthens backward linkages into agriculture and manufacturing reducing dependence on extra-regional imports. It also helps to reduce leakages in the sector. For Member States that are tourism dependent, this internal supply chain development is critical for improving the balance of payments and supporting sustainable growth. For example, in Belize, the ability to source fresh produce, seafood, meats, beverages, and furniture has helped to strengthen the tourism product offering, enabling the country to achieve success offering a more unique, local experience.

3.2.3.2.3 Social benefits and impacts

The CSME has delivered several social benefits in the tourism sector for Member States, including employment creation, including opportunities for youth; cross-border skills training and professional development; entrepreneurship opportunities, and more inclusive tourism economies. In terms of employment creation, tourism is the largest employer in several CARICOM Member States and the CSME has amplified this by enabling regional to invest, labour mobility and service integration. In terms of employment creation, companies with a regional footprint like Sandals Resorts International, employes thousands of CARICOM nationals across its branches in the region. For example, Sandals Grenada created over 1,000 direct jobs with Grenadians forming the majority of staff;²⁷² Sandals Grande St Lucia employs large numbers of local youth and women in hospitality, housekeeping, culinary services, and administration; Sandals Barbados created hundreds of jobs for locals;²⁷³ and Sandals Antigua, expanded employment opportunities there, helping reduce youth unemployment pressures.

The CSME has also enhanced access to skills training and professional development in tourism. For example, Sandals and Beaches Resorts invests heavily in staff skills development through its Sandals Corporate University (SCU), offering programs like the Hospitality Training Programme (HTP) for new hires,²⁷⁴ leadership bootcamps,²⁷⁵ and specialized training, often delivered with local partners like HEART²⁷⁶. Through shared qualifications frameworks, mutual recognition agreements, and mobility of educators (i.e., teachers, lecturers, and technical professionals), CARICOM Nationals are able to pursue training and career advancement across the region. Royalton Blue Diamond resorts similarly partners with educational institutions like the West Indies School of Hospitality (WISH) to develop talent and a skilled, locally-rooted workforce for their numerous resorts across the

²⁷² <https://nowgrenada.com/2014/12/sandals-lasource-increase-investment-employment/>

²⁷³ <https://antiguanewsroom.com/sandals-to-create-3500-jobs-with-massive-new-resort-in-barbados/>

²⁷⁴ Big training push from Sandals, 24 August 2024, <https://www.jamaicaobserver.com/2023/08/24/big-training-push-from-sandals/>

²⁷⁵ <https://www.instagram.com/reel/DIKAMv8PRz5/>

²⁷⁶ <https://jis.gov.jm/jamaica-building-capacity-for-tourism-resilience-through-education-and-training/>

region.²⁷⁷ The University of the West Indies (UWI) and regional accreditation bodies have further strengthened this learning ecosystem by offering relevant courses like service quality in hospitality and tourism,²⁷⁸ ensuring that skills are recognised across borders. These developments have supported upward mobility, especially for young people and emerging professionals.

The tourism sector under the CSME has also benefitted local entrepreneurs, improving livelihoods. For example, in Belize Chukka Caribbean works with local farmers, fishermen and their communities to enhance community integration and regularly employs local staff (i.e., more than 1600 across the Region) and showcases local cuisine, culture, and crafts. Sandals Resorts across the region have hire dozens of locals for various job roles and functions with their operations. Expansion of tourism sectors across the Community have also enhanced livelihoods and standards of living through shifting economies of Member States from agriculture to services, creating opportunities for employment, including self-employment, and improving public infrastructure (especially roads and airports) and transportation.

Impact of Free Movement of Skilled Nationals on Tourism Sector

Tourism is highly skills-intensive and service-quality driven. Unlike agriculture or manufacturing, its competitiveness depends heavily on managerial expertise, customer facing skills, services standards, and technical certification. Small tourism-dependent Member States in CARICOM often cannot train or retain all required skills domestically, making regional labour mobility critical. The free movement of skilled nationals enables hotels and resorts to scale more quickly when skilled managers and specialists are mobile and also reduces labour-availability risks for investors. For example, Royalton Blue Diamonds Resorts in Antigua and Saint Lucia employed culinary supervisors from Jamaica and front-office managers from Barbados. For smaller hotels, access to regional chefs, dive instructors, and managers fill critical gaps and reduce reliance on skills from outside the Region. For example, small luxury accommodation and hotel properties in Soufrière (in Saint Lucia) and St Georges (in Grenada) regularly employ regional chefs on 1-3 year contracts or peak season arrangements. Tourism establishments and operators in Antigua, Barbados, St. Kitts, and Saint Lucia also actively use hospitality workers from Jamaica, Guyana and Trinidad during peak tourist season.

Impact of Right of Establishment on Tourism Sector

The main impact of the right of establishment regime has to do with expansion of regionally owned tourism companies and firms. The regime encourages tourism and tourism-related companies to expand their business operations across multiple Member States, contributing directly to trade in services, investment flows, and movement of skilled labour. Thus, larger hotel and tourism related businesses such as Sandals Resorts, Elite Island Resorts, ANSA McAL, and Goddard Catering Group, as well as smaller tourism businesses such as Chukka Caribbean Adventures have used the right of establishment and free movement of capital to set up multi-island/ multi-jurisdiction operations across the Region. Larger players establishing in local markets carry displacement concerns and create increased competition for local stakeholders. For example, when Chukka Caribbean established operations in Belize, it placed tour operators, tour guides, and other stakeholders in the industry there at a competitive disadvantage, resulting in sustained protests against Chukka.²⁷⁹

²⁷⁷ <https://www.royaltonresorts.com/press/blue-diamond-resorts-and-west-indies-school-of-hospitality-forge-transformative-partnership#:~:text=In%20an%20innovative%20initiative%20aimed,growth%20and%20empowering%20our%20staff.%E2%80%9D>

²⁷⁸ <https://www.cavehill.uwi.edu/lifelong-learning/course/service-quality-in-hospitality-tourism/>

²⁷⁹ FECTAB still not happy with Chukka Tours and Bak-A-Bush Tours, Amandala, 24 September 2010, <https://amandala.com.bz/news/fectab-still-not-happy-with-chukka-tours-and-bak-a-bush-tours/>

3.2.4 The Financial Services Sector

3.2.4.1 Brief context of the financial sector

The financial service sector in CARICOM is a diverse landscape primarily structures around national systems, but with growing regional integration efforts. The sector is dominated by commercial banks, complemented by a range of non-bank financial institutions, and includes significant, though separate, offshore banking sectors in some Member States. The sector —banking, insurance, credit unions, capital markets, investment firms and payment systems— is systemically important to, and affected by, the CSME. This is because financial services mobilized and allocate regional savings, enable cross-border investment and trade, and support macroeconomic stability and growth. Pre-CSME, the sector operated in a context characterised by 'small, fragmented economies and financial markets, a high degree of concentration of firms in the [commercial banking] sector, and the presence of indigenous firms.'²⁸⁰ The financial assets of commercial banks across the region account for the majority of total financial assets in the sector, exceeds 150% of regional GDP, and contributes between 10% and 20% of GDP in the most advanced economies in CARICOM. In the Eastern Caribbean Central Bank (ECCB) region, a region comprising eight member states, total banking assets reach EC\$28.361 million (approximately US\$10.5 billion), with loans to the private sector at EC\$11.006 million and deposits at EC\$21.585 million. In Trinidad and Tobago, the sector contributes 12% of GDP.²⁸¹

Under the CSME, "financial sector linkages have increased ... with cross-border capital flows, and commercial conglomerates dominating the financial system."²⁸² As an IMPF study pointed out, increased financial integration has facilitated the flow of funds and financial intermediation,²⁸³ but this came with risks, and highlighted the need for reforms. The CSME introduced reforms that directly affected the sector, including removing discriminatory restrictions on the free movement of capital and financial services (as mandated by Article 38 of the RTC). Thus, CARICOM nationals and companies now provide services and established financial services businesses across the region; national stock exchanges are established in Barbados, Jamaica, and Trinidad and Tobago; and attempts at harmonising legislation and regulations for the sector continue. Member States also adopted the CARICOM Financial Services Agreement (CFSA) which aims to liberalize and integrate financial markets in the region by removing restrictions on banking, insurance, and capital flows. More recently, according to the CARICOM Secretariat, efforts at modernizing the financial sector in the region "are accelerating as regional Central Banks, regulators, stock exchanges, private-sector stakeholders, and development partners work to align the Region's financial architecture with global standards."²⁸⁴

Generally speaking, the CSME expanded the potential customer base from small national markets into a regional market of 18 million plus consumers. The right of establishment allows financial firms to incorporate subsidiaries or branches in other Member States, and CARICOM nationals to manage and control businesses and institutions

²⁸⁰ Henry, Lester (2003), "The FTAA and the Financial Services in the Caribbean: Issues and Prospects," Caribbean Centre for Monetary Studies, XXXV Annual Conference of Monetary Studies, <https://www.cert-net.com/files/publications/conference/823.pdf>

²⁸¹ Sources:file:///C:/Users/User/Downloads/9781589066724-ch06.pdf-<https://www.savoryandpartners.com/blog/richest-caribbean-country-gdp-economy>-<https://www.worldfinance.com/banking/the-pivotal-role-of-the-financial-sector-in-the-caribbean-economy> - <https://www.centralbankbahamas.com/viewPDF/documents/2022-06-16-11-19-22-Gross-Economic-Contribution-of-The-Financial-Sector-in-The-Bahamas-2021.pdf>

²⁸² Ogawa, Sumiko, Park Joongkyu, Sing, Diva and Thacker, Nita, 2013, Financial Interconnectedness and Financial Sector Reforms in the Caribbean, *IMF Working Paper*, WP/13/175, p. 3, <https://www.imf.org/external/pubs/ft/wp/2013/wp13175.pdf>

²⁸³ Ibid.

²⁸⁴ Modernisation of CARICOM Financial Sector in Focus in Trinidad and Tobago, <https://caricom.org/modernisation-of-caricom-financial-sector-in-focus-in-trinidad-and-tobago/>

regionally —banks, insurance companies, and investment firms or regional conglomerates to expand across the region without discriminatory restrictions. For example, small financial services companies like Quickstop Finance Center, a credit and loan provider, owned and operated by CRNCY Group which first established in Belize in 2006, has now expanded to other Member States, including Barbados in 2025.²⁸⁵ Conversely, the free movement of capital (the backbone of financial services integration) allowed bankers and insurers to deploy surplus liquidity regionally by enhancing capital mobility.

The achievements above notwithstanding, the analysis found that the CSME's impact on the financial services sector to date has been mixed: on one hand the CSME's impact on the sector has been limited by incomplete implementation, but on the other hand, it has prompted efforts to harmonise financial regulations, improve regional capital allocation, and increase the efficiency of financial services, especially cross-border payments. Progress remains slow due to the implementation gap in the Single Market. In 2016, only 10% of planned Single Economy actions, including the Financial Services Agreement and Capital Markets Integration, had been completed. Nonetheless, the CSME provides an (incomplete) regional framework aimed at harmonising national regulations to allow for the free movement of capital, services and the right of establishment for financial firms and professionals across Member States. Notably, it does not involve a single, central financial regulator but instead relies on regulators (e.g., Central Banks, Securities Commissions, Insurance Supervisors, etc.) in Member States working within a harmonised framework. To date, the CSME has not fully achieved a harmonised regional framework and neither has it established a regional cross-border payments mechanism.

3.2.4.2 Benefits and impacts of CSME on the financial sector

3.2.4.2.1 Macroeconomic benefits and impacts

An important benefit of the CSME for the financial services sector is deepening of regional financial services as financial firms and groups expanded across the Community. That is to say, the CSME enables the emergence of regionally diversified financial conglomerates, allowing risks to be spread across multiple economies rather than being concentrated nationally. For example, several Trinidad-based banks such as Republic Financial Holdings Ltd. (RFHL) and First Citizens Bank operate subsidiaries in other Member States. RFHL now operates in 14 countries (including Barbados, Dominica, Grenada, St. Kitts and Nevis, Saint Lucia, St Vincent and the Grenadines, Suriname, and Trinidad and Tobago) offering a wide range of services including retail and commercial banking.²⁸⁶ Financial conglomerates from Jamaica such as NCB Financial Group and SAGICOR also expanded across the region, including through establishing partnerships.²⁸⁷ Even micro-finance institutions and firms have expanded regionally. For example, Jamaica based Dolla Financial Services expanded to Barbados and Saint Lucia,²⁸⁸ while others such as CRNCY Group²⁸⁹ (Belize) expanded to other Member States under the CSME (i.e., to Barbados). In doing so, these entities helped establish regional banking and financial services networks that span most if not all Member States. One upshot of this is that shocks in any single Member State can be more easily absorbed (risk diversifies across economies), and access to credit expands. For instance, when faced with hurricanes, credit supply was maintained, making this more readily accessible.

²⁸⁵ <https://crncy-group.com/our-companies/>

²⁸⁶ ECCB Approves Republic Financial Holding Limited's Application to Acquire Bank of Nova Scotia Operations in Most ECCB Member Countries, <https://www.eccb-centralbank.org/news/eccb-approves-republic-financial-holding-limited-s-application-to-acquire-bank-of-nova-scotia-operations-in-most-eccb-member-countries>

²⁸⁷ <https://www.mynccb.com/News/NCB-Financial-Group-Limited-%E2%80%9898NCBFG%E2%80%99-announces-la#:~:text=About%20Guardian%20Holdings%20Limited,US%20Virgin%20Islands%20and%20Belize.>

²⁸⁸ <https://www.ncbcapitalmarkets.com/research/latestnews/4832-dolla-financial-services-getting-set-for-regional-expansion>

²⁸⁹ <https://crncy-group.com/>

Another benefit is mobilization of regional savings for investment. CSME capital mobility allowed pension funds, insurance pools, and banks to invest regionally, rather than hold excess liquidity domestically. This makes it possible for tourism, construction, and manufacturing projects to be financed with capital from the region. For example, Trinidadian pension and insurance capital financed hotels in Grenada and Saint Lucia, as well as commercial real estate and infrastructure in Barbados. For example, Trinidad and Tobago's National Insurance Property Development Company (NIPDEC) has been a significant investor in regional tourism, including reportedly in Grenada (Radisson Grenada) and Saint Lucia (Royal Saint Lucian, part of Sandals). Sagicor Group similarly pooled regional savings and reinvested in tourism and construction projects across CARICOM.²⁹⁰

A third macroeconomic benefit is that financial services providers, especially regional banks, were better positioned to lend to sector with cross-border business models. In doing so, they were able to support growth in productive sectors, including to regional hotel chains, agro-processors, and construction firms. The impact of this happening is growth in tourism and construction in OECS Member States, and manufacturing expansion in Barbados, Jamaica, and Trinidad.

3.2.4.2.2 Trade benefits and impacts

The analysis found that the CSME has transformed the financial services across CARICOM into regionally traded services exports. For instance, banks and insurance companies not only open branches and subsidiaries in other Member States but they sell banking services and policies regionally, including payments, credit card services, foreign exchange, trade finance, and financial advisory services. For example, Sagicor, uses its network of branches and operations across CARICOM to deliver financial services to nationals and residents in Member States.²⁹¹ Republic Bank Financial Holding similarly, via its branches in Grenada, Guyana, Suriname and Barbados 'exports' banking and financial services to those Member States; CRNCY Group now exports its services to Barbados; and NCB Financial Group, via its expansion into Trinidad & Tobago by acquiring Guardian Holdings, now sells insurance cross-border. In short, under the CSME, financial services itself became intra-regional exports. Meanwhile, several new firms or entities in the financial services sector have emerged including regional digital payment platforms WiPay,²⁹² PayWise, MMG+ and GK One.

Another trade-related benefit of the CSME on the financial services sector is enabling regional firms to scale, not only firms in the financial services sector, but also firms in other sectors, especially agriculture and manufacturing. This is because access to regional finance makes it possible for firms to expand production and distribution across CARICOM. For example, in addition to the examples mentioned above, distribution and manufacturing firms from Barbados, Jamaica, and Trinidad have accessed credit and finance that is used to establish branches and distribution hubs in other Member States including Belize and OECS Member States.²⁹³ In 2023 ANSA McAL Group of Companies invested \$150 million in its operations in Jamaica, and six years earlier (in 2017) also acquired "Lewis Berger Overseas Holdings, a major shareholder of all three Berger paint companies"²⁹⁴ in the CARICOM MDCs. As another example, construction companies in CARICOM primarily access regional credit and support for cross-border projects through regional institutions like the Caribbean Development Bank (CDB) and the

²⁹⁰ Sagicor Group Annual Report, https://www.sagicor.com/-/media/jamaica-pdfs/sagicor%20group%20annual%202023_edocument.pdf

²⁹¹ <https://www.sagicor.com/en-tt/about-sagicor/our-companies/sagicor-financial-corporation-limited>

²⁹² <https://www.wipayremittance.com/#:~:text=Your%20Trusted%20Partner%20for%20Caribbean,for%20seamless%20transactions%20every%20time.>

²⁹³ <https://idbinvest.org/en/news-media/idb-invest-partners-massy-group-advance-sustainable-development-caribbean>

²⁹⁴ ANSA Group to Invest More than \$150M in Jamaica Operations, <https://jis.gov.jm/ansa-group-to-invest-more-than150m-in-jamaica-operations/#:~:text=The%20Full%20Story,to%20Jamaica%20is%20simply%20amazing%E2%80%9D.>

CARICOM Development Fund (CDF) but have also accessed credit from commercial banks with a regional footprint.²⁹⁵

And, the CSME has enabled nationals working in the financial services sector and financial professionals — bankers, insurance agents, actuaries, accountants, and analysts— to work across the region. For example, Jamaican bankers, insurance executives; Barbados actuaries and accountants; and Trinidadian banking and financial analysts are working in different Member States across the Region, and regional banks are using shared management or technical staff across the Community. The liberalisation of services and movement of capital has also supported the regional spread of digital payment platforms, online banking, mobile e-money and e-wallets, and regional POS networks.²⁹⁶ For example, regional digital wallet providers WiPay and First Atlantic Commerce²⁹⁷ operate across several Member States, and consumers purchase financial services online from institutions located in other Member States. Meanwhile, GK One/ GK MPay (GraceKennedy Group),²⁹⁸ SurePay Caribbean,²⁹⁹ and MMG+ (Mobile Money Guyana)³⁰⁰ support cross-border merchant payments, bill pay systems, and ecommerce.

3.2.4.2.3 Social benefits and impacts

The CSME has delivered important social benefits to the financial services sector, including employment creation and skills upgrading and SME access to credit. The rise of regional digital payment platforms WiPay, PayWise, MMG+ and GK One and POS networks are enabled by the CSME's liberalised financial services environment, and this expanded access to financial services for underserved populations. Hence, more people can open digital wallets even without a traditional bank account, rural residents can access mobile money and bill payments through agents, and small merchants in Saint Lucia, Grenada, and Dominica use low-cost POS services. For example, MMG+ increased access to digital bill payment in Guyana, reducing long queues and giving low-income households easier ways to pay utilities. Additionally, these new services and payment option have helped to reduce the costs of electronic payments. As regional competition in the financial service sector increases, fees and financial products become more affordable. Hence, remittance transfers between Member States are cheaper, merchants pay lower fees when using regional fintech such as WiPay and PayWise (for example WiPay reduced the cost of receiving electronic payments for microentrepreneurs in Barbados and Saint Lucia), and online payments are cheaper for students and families. FinTech companies in the region also empowered government payment management systems – for example, WiPay empowered the GOPAY Digital Payment Management System in Grenada.³⁰¹

As it relates to SME access to capital, the CSME has primarily facilitated improved access to credit for SMEs by promoting a harmonised regional financial environment. This encourages innovative financing mechanisms and supports development of a single enlarged economic space. According to Caribbean Export, all the CARICOM MDCs have implemented government-supported initiatives to enhance SME trade finance, including “the Export-Import Bank of Trinidad and Tobago, (EXIMBANK), which provides credit to businesses to facilitate and encourage

²⁹⁵ <https://newsday.co.tt/2019/12/29/republic-invests-us80m-in-luxury-grenada-resort-2/#.Xgj8rLr72VY.facebook>

²⁹⁶ <https://wipaycaribbean.com/solutions/online-payments>

²⁹⁷ First Atlantic Commerce (FAC) is a Bermuda company but has operations in Barbados, Jamaica, the OECS, and Trinidad and Tobago among others. FAC powers ecommerce payments for many businesses and banks regionally including CIBC FirstCaribbean, Butterfield, and Republic Bank.

²⁹⁸ <https://gkmonline.com/mobile-wallet/>

²⁹⁹ <https://app.surepayonline.com/>

³⁰⁰ <https://mmg.gy/>

³⁰¹ WiPAY empowers with GOVPAY Digital Payment Management System, <https://nowgrenada.com/2024/08/wipay-empowers-with-govpay-digital-payment-management-system/>

their exports; the Enterprise Growth Fund Ltd. (EGFL) [in Barbados], which offers debt and equity financing to SME; and [...] the Jamaica National Small Business Limited (JNSBL), which offers loans to small entrepreneurs.”³⁰²

3.2.5 The transport and logistics sector

3.2.5.1 Brief context of the transport & logistics sector

Before the establishment of the CSME, the transport and logistics sector in the Caribbean operated in a highly fragmented and inward-looking environment. Each Member State managed transport primarily as a national public service rather than as part of a regional economic system. Shipping, aviation, ports, and logistics services were organised around small domestic markets with limited coordination across borders. As a result, intra-regional connectivity was weak, costs were high, and the sector functioned more as a constraint on regional trade than as an enabler of integration. During this period, one of the most persistent challenges was the high cost of moving goods and people within the region. Shipping a container between two CARICOM states often cost more than shipping the same container to North America or Europe. Cargo volumes were small, routes were irregular, and competition among carriers was limited. Many islands lacked direct maritime links and depended on indirect routes through extra-regional hubs, but Jamaica benefitted from its geographical location along East-West trade routes.³⁰³ Air transport was similarly constrained: regional travel was expensive and dominated by national flag carriers and tightly controlled bilateral air services agreements; routes were thin and underdeveloped; and airline networks prioritised long-haul tourism markets to North America and Europe/United Kingdom over regional passenger and cargo movement.³⁰⁴

Policy choices adopted by Member States reinforced the structural weaknesses in the sector. Transport services were treated as sovereignty-sensitive sectors, leading to protectionist policies such as licensing restrictions, preferential treatment for national carriers, and tightly controlled bilateral air service agreements. Cabotage-type rules and discretionary approvals limited entry and competition. At the same time, logistics services themselves were underdeveloped. Freight forwarding, customs brokerage, warehousing, and cold storage capacity were limited, and customs procedures were largely paper-based, slow, and unpredictable. Ports and airports were designed for older break-bulk trade or tourism traffic rather than modern containerised or integrated logistics systems. Within CARICOM’s earlier Common Market framework, transport received little sustained policy attention. The focus of regional integration was on tariffs and trade preferences, not on the physical and regulatory infrastructure needed to move goods efficiently. There was no effective regional transport policy, little coordination among port authorities or civil aviation bodies, and few mechanisms to pool investment or rationalise routes across Member States.

The introduction of the CSME marked a significant conceptual shift in this operating context. Transport and logistics were redefined as tradable services and as essential enablers of the free movement of goods, services, capital, and labour. Logistics firms gained the right to establish and operate across borders, and regional capital could be mobilised to finance shipping fleets, port terminals, warehouses, and aviation services. Transport was

³⁰² <https://carib-export.com/blog/enhancing-trade-finance-for-smes-in-the-caribbean/>

³⁰³ Sanchez, Ricardo J., and Wilmsmeier, 2009, Maritime sector and ports in the Caribbean: the case of CARICOM countries, CEPAL – Natural Resources and Infrastructure Division, https://unctad.org/system/files/non-official-document/cimem7_2014_C2_Martime_CARICOM_en.pdf

³⁰⁴ Concept Paper – Strategic Plan for Air Transport Services in CARICOM, 11 January 2009, https://caricom.org/documents/9504-concept_paper_air_transport.pdf

no longer viewed solely as a national utility but increasingly as part of a regional production and distribution system. In practice, this shift led to several important changes. Regional logistics operators began to emerge, offering freight forwarding, shipping agency, port services, and aviation support across multiple Member States. Investment in port and airport infrastructure increased, particularly in the more developed economies, with facilities upgraded to handle containerised cargo, trans-shipment, and cold storage. Customs administrations began to modernise, adopting systems such as ASYCUDA and moving—albeit unevenly—toward risk-based inspections and electronic documentation. Small states, especially in the OECS, gained access to regional transport and logistics services that would have been uneconomical to sustain on a purely national basis.

In the air transport and aviation sub-sector, the CSME has mixed impacts—it brought aviation services within the scope of the free movement of services and the right of establishment and led to establishment of the Regional Transportation Commission (RTRC) in 2013 to address long-standing transport challenges across the region, especially in air and maritime services. The RTRC has continued to meet periodically but its operational influence has been modest, intermittent and largely advisory, not yet resulting in a fully implemented regional transport policy or single transport space. However, the landmark Multilateral air Services Agreement (MASA).³⁰⁵ This aims for a single market for air transport services within the Community marked by the type of strong regional connectivity now evident and involving carriers like Caribbean Airlines (CAL), InterCaribbean Airways, and formerly LIAT. Still, airfares for intra-regional travel remain high due to the lines using small aircraft, high fuel and insurance costs, and limited economies of scale. In the maritime transport sub-sector, regional shipping agents, logistics firms, and port services providers operate across member States and investment in container terminals and port management systems increased under the CSME. For the small Member States this means improved access to regional shipping services and indeed, regional freight volumes have been rising slowly, and maritime transport plays a strong role in intra-regional food of rice, sugar, beverages, fresh produce, and manufactured goods.³⁰⁶

The CSME has not transformed the transport and logistics sector significantly, but it altered the context in which air and maritime transport operate in CARICOM. It created the legal and economic space for regional services, investment, and coordination, and it has delivered real—if modest—improvements in connectivity, capacity, and inclusion of the LDCs. has created important structural changes that support efficiency, competitiveness, and cross-border operations. For instance, the free movement of skilled labour has allowed customs brokers, port managers, freight forwarders, marine engineers, truck drivers, and aviation technicians to work across Member States. This reduced skills shortages in key transport hubs across the region such as Antigua, Barbados, Jamaica, and Trinidad. Additionally, the right of establishment enabled logistics firms to expand across the region. Yet the sector remains one of the least integrated elements of the Single Market.

For example, Laparkan, which provides freight forwarding and air cargo services, expanded from Guyana and now operates across the Community; Ramps Logistics, which provides port and customs brokerage services, has expanded from Trinidad to Guyana, Suriname, and Barbados. And the CSME has encouraged airlines to develop new routes and enabled the OECS sub-region to coordinate ferry services among the islands.

3.2.5.2 Impacts/benefits of the transport & logistics sector

³⁰⁵ This entered into force in 12 Member States in 2020. See <https://caricom.org/49th-thematic-focus-air-and-maritime-transportation/>

³⁰⁶ For a detailed assessment of the impact of air transport in small states in CARICOM see, Warnock-Smith, David, The socio-economic impact of air transport in small island states: An evaluation of liberalisation gains for the Caribbean Community (CARICOM), *Cranfield University PhD Thesis 2008*, <https://files01.core.ac.uk/download/pdf/139251.pdf>

3.2.5.2.1 Macroeconomic benefits and impacts

The CSME has produced a couple of important macroeconomic benefits for the transport and logistics sector in CARICOM, including lower trade costs and improved connectivity and mobilizing investments in the sector. The free movement of services and right of establishment regimes under the CSME led to gradual reduction in logistics bottleneck and better utilization of port and airport infrastructure, leading to more efficient regional distribution networks. For instance, Jamaica leveraged logistics reforms and regional shipping connectivity to position Kingston as a trans-shipment and logistics hub;³⁰⁷ and Barbados established itself as the services hub for shipping agencies, aviation support, and maritime services. Conversely, the OECS states benefitted from regional shipping and aviation services that individual markets could not sustain.

The CSME also led to mobilization of regional and international capital for transport assets, with firms operating across multiple CARICOM states rather than duplicating nationally. For example, Jamaica leveraged its position with CARICOM to attract investments into the Kingston Container Terminal, transforming it into a regional trans-shipment hub serving CARICOM and extra-regional routes. Investments included a US\$256 million financing package from the Inter-American Investment Corporation (IIC) to optimize and expand the terminal's capacity,³⁰⁸ as well as a JA\$100 million by CMA CGM, a French ocean carrier, in exchange for a 35-year lease at the terminal. Trinidad and Tobago also invested in port and maritime infrastructure lined to Point Lisas, supporting regional manufacturing exports. The macroeconomic benefits of these investments are realised in the higher capital formation and improved productivity in trade-related sectors. Conversely, Member States in the OECS upgraded their airports (Saint Lucia, Grenada, and Antigua) using financing premised on regional connectivity.³⁰⁹

Another benefit of the CSME, including from the above types of investments, is that the CSME has led to regional transport networks diversifying across multiple markets. For example, shipping agents and ports service firms such as Laparkan – a leading provider of freight services serving Barbados, Guyana, Suriname, and Trinidad;³¹⁰ Nirint Shipping;³¹¹ and Tropical Shipping operate in multiple Member States. Also, regional airlines have spread demand risk across CARICOM routes leading to greater resilience to tourism downturns and hurricanes. And by consolidating multiple small markets into one region, the CSME allows airlines to operate multi-island routes and encourages regional shipping firms to expand fleets. This similarly lowers operating costs and attracts investments in aviation, cargo handling, and warehousing.

However, gains have been uneven across Member States. The CSME created a larger market for air travel, maritime cargo, ferry services, and logistics and courier operations and these have resulted in more goods and

³⁰⁷ In 2023, Prime Minister Andrew Holness stated that “Jamaica is now a serious player in global shipping...” <https://www.instagram.com/reel/DL-NfIKO7Y2/> See also, Starner, Ron, Meet the New Logistics Capital of the Caribbean, online article, <https://siteselection.com/meet-the-new-logistics-capital-of-the-caribbean/> and Kingston, Jamaica <https://www.unisco.com/international-ports/kingston-jamaica>

³⁰⁸ IIC finances expansion of Kingston's Container Terminal in Jamaica, <https://idbinvest.org/en/news-media/iic-finance-expansion-kingstons-container-terminal-jamaica#:~:text=The%20Inter%2DAmerican%20Investment%20Corporation,by%20the%20IIC%20in%20Jamaica>.

³⁰⁹ World Bank Provides US\$159 million for Regional Air Transport Connectivity in Dominica, Grenada, Saint Lucia and Haiti, <https://www.worldbank.org/en/news/press-release/2020/05/28/world-bank-provides-us159-million-for-regional-air-transport-connectivity-in-dominica-grenada-haiti-and-saint-lucia>

³¹⁰ Laparkan Barbados – Superior Services with a Client-Centered Approach, 28 November 2022, <https://businessviewcaribbean.com/laparkan-barbados-superior-service-client-centered-approach/>, Also, <https://acct.laparkan.com/news.html>

³¹¹ <https://www.nirint.com/shipping-companies-to-the-caribbean/>

people moving through ports, generating higher revenues in the sectors and supporting economies of scale and attracting investments. The CSME also increased intra-regional trade through growth in cargo flows, mainly because of the removal of tariffs, and the higher cargo volume and throughput improved port utilization while lowering per-unit shipping costs due to increased frequency. The right to establish in any Member State also encourages private investment in transport and logistics. For example, Laparkan, Ramps Logistics, Ezone, WebSource, King Ocean, and Tropical Shipping have all invested in expanding their operations, resulting in higher FDI in ports, shipping and warehousing. This created jobs in logistics and transport support services across the Community.

3.2.5.2.2 Trade benefits and impacts

The CSME has generated important trade-related benefits for the transport and logistics sector, including expansion and improvements of transport and logistics service exports within the region, and supporting the trade of other economic sectors.³¹² The CSME rules on establishment and services also let transport companies expand their operations across the region and export their services intra-regionally. For example, Laparkan operates freight services in and to several CARICOM Member States; Caribbean Airlines now operates in Barbados, Guyana, Jamaica, and Trinidad & Tobago; and Inter-Caribbean Airways is expanding throughout the OECS. The CSME also lowered tariffs and removed restrictions on regional goods and this increased trade in food and beverages, construction materials, fresh agricultural produce, and manufactured goods. The larger trade volumes under the CSME led to shipping lines and courier services operating more frequent sailings and offering more competitive pricing and better transport and logistics services across the Region. It also led to improvements in transport services, including creating new ferry services to boost trade connectivity.³¹³ As logistics improved under the CSME, multi-country production networks formed and regional value chains became more viable, including the food and beverage (networks formed between Trinidad & Tobago, Barbados, and OECS countries), agro-processing (networks formed between Guyana, Barbados, and Saint Lucia), and tourism supply value chains (the latter includes regional suppliers working with hotels, cruise ports, and restaurants).

Another trade-related benefit of the CSME for the transport and logistics sector has to do with the sector's support for other economic sectors like agriculture, manufacturing, and tourism.³¹⁴ Intra-CARICOM agri imports averaged 16.6% of total regional agricultural imports between, but CARICOM launched a new concerted effort to increase this to address food security concerns, among other things. According to a recent study by FAO and CDB, "the current state of the shipping networks in the Southeastern Caribbean suggests that there is sufficient capacity and therefore [there is] no need for additional maritime transport capacity."³¹⁵ Given CARICOM's efforts

³¹² CARICOM Prioritises Regional ferry to Boost Trade Connectivity, <https://www.guyanabusinessconference.com/ibc-news/caricom-prioritises-regional-ferry-boost-trade-connectivity#:~:text=CARICOM%20leaders%20have%20approved%20the,%2C%20services%2C%20and%20creative%20industries>.

³¹³ CARICOM priorities Regional ferry

³¹⁴ The CPSO argues that this is vital for these sectors, and crucial for Member States, especially in the OECS sub-region. See Attachment I, CARICOM Private Sector Organisation (CPSO) Statement Delivered to the United States Trade Representative (USTR) Public Hearing on Proposed Actions in Section 301 Investigating China's Targeting of Maritime, Logistics and Shipbuilding Sectors For Dominance, 24 March 2025, <https://thecpso.org/wp-content/uploads/2025/03/Attachment-I-CPSO-Testimony-Dr.-Patrick-AntoineSTATEMENTVERSION-AS-DELIVERED-24-03-25.pdf>

³¹⁵ FAO/Caribbean Development Bank Cooperative Programme, Study for the Establishment of a Maritime Service to Improve Agrifood and Food Security Between Guyana, Trinidad and Tobago, Grenada, and Barbados, Report No. 00X/CDB, December 2023, <https://agricarib.org/wp-content/uploads/2024/04/MARITIME-SERVICE-TO-IMPROVE-AGRIFOOD-TRADE-AND-FOOD-SECURITY-BETWEEN-GUYANA-TRINIDAD-AND-TOBAGO-GRENADA-AND-BARBADOS-1.pdf>. Developing agriculture and manufacturing transport

at expanding agricultural production and exports under the 25 by 2025 plus 5 initiative, establishing maritime services to improve agrifood trade and food security across the region is a key objective of CARICOM. Improved air cargo capacity, and greater shipping connections and services under the CSME has help CARICOM Member States grow their high value trade. For example, expanded airline services by regional airlines like Caribbean Airlines support trade in high-value fresh produce and tourism linked goods like hotel and restaurant supplies.³¹⁶

Another trade benefit is improved connectivity and services trade resulting from expanding the list of skilled categories to include aviation personnel. Including aviation personnel in the free movement regime strengthens regional carriers by easing the cross-border movement of essential staff. For example, Airlines like Caribbean Airlines are better able to deploy pilots and engineers across route network without repeated work permits and regional carriers and partners can optimize crew deployment based on demand. Additionally, aviation is a service in itself and also enables trade in other service areas, and easier deployment of aviation experts improves route planning, safety compliance, and maintenance standards. For example, aviation professionals from Barbados and Trinidad and Tobago working in other CARICOM Member States helps support expanded regional routes, and regional collaboration on air traffic management and safety systems enhances interoperability. Regarding the latter, the Caribbean Aviation safety and Security Oversight System help the SIDS Member States in CARICOM address shared challenges in implementing aviation safety standards, training, and improving regional oversight.³¹⁷

3.2.5.2.3 Social benefits and impacts

The CSME has produced social benefits for the transport and logistics sector, including creating and expanding employment, and including the CARICOM LDCS more in the sector. For instance, transport integration across the Region led to employment in high-skill services for jobs in port management, aviation, logistics planning, and maintenance and engineering. These positions have traditionally been concentrated in the MDCs but with some spillovers to OECS Member States. Recently, recognizing the importance of the transport sector to the performance of other sectors, CARICOM expanded the categories of skilled nationals to include aviation personnel (aircraft maintenance engineers, professional pilots, air traffic controllers, flight operations officers, and photogrammetrists and field maintenance technicians). From a social impact perspective, expanding the skills categories to include aviation personnel supports employment mobility and skills transfer. For example, experienced pilots or maintenance engineers from larger markets are able to take up positions in smaller states (e.g., OECS airports) bringing best practices and training junior staff.

Another social benefit is inclusion of LDCS – regional transport services serve markets too small to sustain national systems. For example, the Member States of the OECS sub-region rely on regional maritime services for food imports, medical supplies, construction materials, etc., and regional air and ferry services connect small islands to major hubs without routing via extra-regional airports and maritime ports. By improving regional transport links and reducing bureaucratic barriers, the CSME not only improved availability of goods and services but also made it easier for CARICOM Nationals to visit family across the region; travel for education, health care,

and logistics corridors and hubs were recommendations of a USAID study in 2023. See Chambers, Amy and Rigal, Nicolas, Intra-regional Agricultural Trade in the Eastern and Southern Caribbean: An Operational Model for Agri-Food Corridors, <https://agricarib.org/wp-content/uploads/2024/04/Intra-Regional-Agricultural-Trade-in-the-Caribbean.pdf>

³¹⁶ Caribbean Airlines Luring Agro exporters with new Cargo Deal, <https://caricom.org/caribbean-airlines-luring-agro-exporters-with-new-cargo-deal/>

³¹⁷ Caribbean Aviation Safety and Security Oversight System (CASSOS), <https://clone.caricom.org/institutions/caribbean-aviation-safety-and-security-oversight-system-cassos/#:~:text=Caribbean%20Aviation%20Safety%20and%20Security,a%20territory%20by%20territory%20basis;>

and training; and participate in cultural events, festivals and sports. It also allows Nationals to move freely in emergencies and disasters. For instance, strong and reliable ferry connections between Saint Lucia and Dominica facilitates families in those Member States visiting each other, and connections and routes flown by Caribbean Airlines, enables increased mobility between Jamaica, Barbados, Guyana, and Trinidad & Tobago.

3.2.6 The ICT Sector

3.2.6.1 Brief context of the ICT sector

Development of the ITC sector in CARICOM has been shaped by the freedoms created under the CSME. Before the CSME began to shape the digital agenda in the early 2000s, the ICT sector across CARICOM was fragmented, uneven, and largely underdeveloped. For instance, infrastructure gaps were a defining feature – broadband penetration, quality of service, and digital infrastructure varied widely among Member States, with the LDCs often underserved relative to larger markets like Jamaica and Trinidad and Tobago. National policies were also fragmented across the Region. For instance, Member States developed ICT strategies independently, resulting in inconsistent regulatory regimes, spectrum allocation policies, and standards that limited cross-border harmonisation. And there were limited digital integration —prior to the CSME's digital priorities, ICT was often an afterthought in national development plans, with little coordination for e-government, e-commerce, or regional ICT staffing; and sector capacity constraints —limited skilled human capital, small domestic markets, and weak business support systems constrained the growth of ICT firms and digital entrepreneurship.

With establishment of the CSME, CARICOM began to consciously treat ICT as a core enabler of regional economic and social integration.³¹⁸ Thus, Heads of Government mandated the creation of a CARICOM Single ICT Space to reduce digital fragmentation and foster a region-wide digital ecosystem.³¹⁹ Additionally, CARICOM ministers approved an integrated workplan to coordinate efforts regionally.³²⁰ The Caribbean Telecommunications Union (CTU), a CARICOM institution since 1989, plays a key coordinating role for the Single ICT Space and ICT for Development efforts within the CSME. However, ICT is not governed by a dedicated sectoral regime within the CSME, but the broader integration framework nonetheless created conditions that allow digital services, telecommunications, fintech, and software development to flourish across the region. In practice, the CSME's free movement of services, capital, skilled labour, and the right of establishment have collectively strengthened CARICOM's digital economy, supported innovation, and accelerated technological transformation in both large and small Member States.

The ICT sector currently contributes approximately 5-8% of regional GDP³²¹ in the CARICOM area with an average internet penetration of 78% and near-universal mobile phone adoption of nearly 100% in several Member States.³²² The sector also supports 25% of service exports (e.g., digitalized tourism). Overall, the CSME has been a major catalyst for the expansion and integration of the ICT sector in the region by enabling the free flow of skills, services, capital and digital innovation, it has helped transform the region into a more connected, competitive, and technology-driven space. The sector's growth has contributed to economic diversification,

³¹⁸ This is still the view. See, CARICOM Secretary-General Highlights Connectivity as Cornerstone of Regional Progress at Connected Caribbean Summit 2025, <https://caricom.org/caricom-secretary-general-highlights-connectivity-as-cornerstone-of-regional-progress-at-connected-caribbean-summit-2025/>

³¹⁹ CARICOM Single ICT Space, <https://ctu.int/caricom-single-ict-space/>

³²⁰ For the vision and roadmap for a CARICOM Single ICT Space see <https://caricom.org/documents/vision-and-roadmap-for-a-caricom-single-ict-space/>

³²¹ See : appendix 1.6

³²² Sources: OECD, World Bank, CARICOM, UNCTAD

improved social outcomes, and enhanced regional competitiveness, positioning the region to participate more fully in the global digital economy.

3.2.6.2 ICT sector findings and impact assessment to date

3.2.6.2.1 Macroeconomic benefits and impacts

The analysis found that the CSME produced important macroeconomic impacts for the ICT Sector, including enabling productivity, encouraging investment in digital infrastructure, and growth of the sector itself. Regarding ICT as an enabler of productivity, integration and harmonisation of ICT policies create economies of scale for digital services providers. Improved digital infrastructure across CARICOM Member States supports more efficient public and private sector operations and helps to reduce the cost of transactions across the region. For instance, the Caribbean Regional Communications Infrastructure Program (CARCIP), includes joint procurement, shared backbone infrastructure, and undersea (submarine) connectivity, which means that islands that couldn't individually afford high-capacity networks get state-of-the-art broadband connections at lower cost. For example, Grenada, Saint Lucia, and Saint Vincent and the Grenadines have contracts with Digicel under CARCIP to build new Government Wide Area Networks (G-WANs) and fiber links between them,³²³ and these networks connect government offices, homes, schools, and businesses with high-speed broadband. CARCIP uses an innovative, region-wide public-private sector partnership (PPP) design that lets multiple governments negotiate a single contract for digital infrastructure.³²⁴ This enabled participating governments to procure extensive digital infrastructure at a lower cost and higher quality than they could have achieved individually. In 2013, LIME officially launched the Caribbean Research and Education Network (CaribNET), "a broadband fibre-optic network which connects tertiary institutions, schools, hospitals and other educational establishments to knowledge development and research platforms."³²⁵ Similarly, the Caribbean Knowledge and Learning Network (CKLN), a CARICOM-led initiative to build an interconnected broadband network for educational and research institutions across Member States,³²⁶ has been effective in fostering transformative learning across the region.

The CSME also has strong influence on investment flows into the ICT sector. The Single ICT Space encourages regional investment in broadband and digital backbone infrastructure. In general, Member States with stronger markets (e.g., Jamaica, Barbados, and Trinidad and Tobago) often lead in investments, which spill over to smaller Member States through shared initiatives and harmonised frameworks. For example, the national spectrum allocation and competitive licensing that supported the rollout of high-speed 4G and fiber networks in Jamaica serve as benchmarks and attractors for regional operators who then participate in joint regional infrastructure projects like CARCIP. Likewise, Investments in undersea fiber connectivity through initiatives like the Southern Caribbean Fiber network linking Barbados to neighbouring islands helps extend broadband capacity to the wider sub-region. Moreover, Barbados' success in broadband adoption influences policy harmonisation and investment

³²³ Caribbean Regional Communications Infrastructure Program – Caribbean Telecommunications Project (First Phase), <https://ctu.int/caribbean-regional-communications-infrastructure-project/>

³²⁴ <https://ctu.int/caribbean-regional-communications-infrastructure-project/#:~:text=CARCIP%20provides%20a%20holistic%20approach,to%20and%20use%20of%20ICT.>

³²⁵ LIME-powered Caribbean learning network launched, 1 March 2013, <https://jamaica-gleaner.com/power/43182#:~:text=%E2%80%9CWhen%20you%20compare%20it%20to,innovation%2C%20diversity%20and%20global%20engagement.&text=Video%20Player%20is%20loading.&text=This%20is%20a%20modal%20window,cancel%20and%20close%20the%20window.&text=End%20of%20dialog%20window.&text=Close%20Modal%20Dialog-,This%20is%20a%20modal%20window.,or%20activating%20the%20close%20button.>

³²⁶ <https://caricom.org/caribbean-knowledge-and-learning-network-ckln-project-to-boost-regional-competitiveness/>

interest in the OECS. In Belize, significant investments have poured into the BPO sector which now includes more than 20 companies, establishing the country as a significant regional player in the industry.³²⁷

An important impact of the CSME digital economy has been the rapid expansion and growth of the sector, including cross-border ICT services. Companies involved in software development, mobile payments, cloud hosting, cybersecurity, app design, and business process outsourcing (BPO) now operate regionally, enabled by the CSME's regulatory environment. Firms such as WiPay Caribbean, First Atlantic Commerce, SurePay, and Digicel provide services across multiple Member States, effectively helping to unify the region's digital infrastructure. This has turned ICT into a key export sector, particularly for countries such as Jamaica, Trinidad and Tobago, and Barbados, and has enabled micro and small enterprises to sell digital products and services throughout the region. The ability to operate seamlessly across borders has also allowed ICT companies to achieve scale in a way that would not be possible if they were confined to their small domestic markets. Additionally, the free movement of capital and the right of establishment have encouraged major regional telecommunications companies – most notably Digicel, which originated in Jamaica, and FLOW (formerly Cable & Wireless) – to expand across the region and invest heavily in broadband, mobile data, and fibre networks. For instance, Global Digital Services/BPO Industry in Jamaica employs approximately 60,000³²⁸ people in contact centres, customer experience, and technical support, with plans to reach 70,000 jobs by 2025.

The industry is supported by intra-regional labour mobility and cross border service delivery with growth potential in higher value knowledge process and IT outsourcing services. And in Saint Vincent and the Grenadines, Paywif Digital Payments, a locally developed fintech platform, supports digital payments and the broader digital economy strategy in SVG. It enables local firms to participate in cross-border digital commerce, aligning with CSME objectives for service exports and investment integration. These investments have modernised infrastructure across Member States in the OECS sub-region, Guyana, Barbados, and Trinidad & Tobago. At the same time, financial groups like NCB Financial Group, Republic Financial Holdings, and Massy have supported regional ICT investment, while fintech start-ups have attracted venture capital from across the region. The combined effect has been lower connectivity costs, improved internet speeds, and wider broadband availability, benefitting consumers and businesses alike.

Yet another benefit is the ICT sector supporting the digital transformation of other sectors of the economy. Tourism, financial services, government administration, agriculture, and manufacturing now depend heavily on ICT tools, from e-commerce and digital marketing to digital payments, cloud-based management systems and automation. Platforms such as WiPay, PayWise, MMG+, and GK ONE have made it easier for households and businesses to transact electronically, facilitating e-government services, online retail, and remote working. As these sectors integrate digitally, the demand for ICT services, infrastructure, and labour grows, deepening the sector's importance within the wider regional economy.

3.2.6.2.2 Trade benefits and impacts

The analysis also found that the CSME produced trade-related benefits for the ICT sector, including a common digital environment that facilitates cross-border services trade, improving the competitiveness of other sectors important to CARICOM. CSME's facilitation of skilled labour mobility has been an important driver of ICT development nationally and across the region. The free movement of skilled nationals allows software

³²⁷ Robles, Cherry Joy, 2024, From Beaches to Business: Belize emerges as new BPO Powerhouse, online article, available at <https://unity-connect.com/our-resources/news/from-beaches-to-business-belize-emerges-as-new-bpo-powerhouse/>

³²⁸ <https://jamaica-gleaner.com/article/business/20230521/bpo-jobs-grow-beyond-60000>

developers, network engineers, digital media specialists, cybersecurity analysts, and ITC educators to move more freely to where their skills are needed. This has been especially beneficial to smaller Member States such as Saint Lucia, Grenada, and Dominica, which often face skill shortages in specialised ICT roles. Trinidadian telecom engineers have supported broadband expansion in the Member States in the OECS sub-region; Barbadian digital creatives have provided services across the region; and Jamaican ICT professionals have contributed to digital transformation in Barbados and Trinidad and Tobago. This mobility has allowed for knowledge transfer, reduced costs for companies, and supported the emergence of a regional pool of ICT talent.

As it relates to facilitating cross-border trade, there has been noticeable investment, business activity, and interest in ICT and digital services across CARICOM Member States. These developments span areas such as data centres, e-commerce platforms, and business process/digital outsourcing, reflecting the region's move toward greater digital integration supported by the CSME:

- **Jamaica** – Global Digital Services/BPO Industry employs approximately 60,000³²⁹ people in contact centres, customer experience, and technical support, with plans to reach 70,000 jobs by 2025. The industry is supported by intra-regional labour mobility and cross border service delivery with growth potential in higher value knowledge process and IT outsourcing services.
- **Barbados** – National Data Centre Development³³⁰ investment to enhance cybersecurity, data hosting, and regional digital services aimed at facilitating cross border data flows and regional infrastructure.
- **Saint Vincent and the Grenadines** – Paywif Digital Payments, a locally developed fintech platform, supports digital payments and the broader digital economy strategy in SVG. It enables local firms to participate in cross-border digital commerce, aligning with CSME objectives for service exports and investment integration.
- **CARICOM (Jamaica/Trinidad & Tobago)** – CaribShopper E-Commerce Platform is a regional online marketplace for Caribbean made products, connecting merchants across Member States to international markets, particularly the diaspora. It promotes intra-regional digital entrepreneurship and supports the CSME's objectives for service exports and market integration. The platform continues to expand into new markets, offering high growth potential and support for regional SMEs.
- **CARICOM (Jamaica/Trinidad & Tobago)** – WiPay Digital Payments Platform enables secure digital transactions across the Caribbean and into international markets. By lowering barriers to cross border e-commerce, it advances the CSME's goals for integrated services trade and digital financial inclusion. As e-commerce and fintech adoption accelerate, WiPay serves as key infrastructure for expanding intra- and extra-regional digital trade.

3.2.6.2.3 Social benefits and impacts

The social benefits for the ICT sector produced by the CSME include job creations, digital inclusion and access, supporting education, health and public services; and encouraging digital skills and entrepreneurship, especially among youth. The expansion of ICT infrastructure and digital services has created thousands of jobs for young people, especially in the BOP industries in Belize and Jamaica's, and in the growing fintech and digital creative

³²⁹ <https://jamaica-gleaner.com/article/business/20230521/bpo-jobs-grow-beyond-60000>

³³⁰ <https://barbadostoday.bb/2024/03/23/data-centre-to-open-new-tech-door-boost-cybersecurity-caddle/>

sectors in Barbados and Trinidad and Tobago. In Belize, the BPO sector now employs more than 20,000 people, the majority of them youth, making it a significant employer in the country.³³¹

Regarding digital inclusion and access, improved broadband access has supported online learning, telemedicine, and digital public services, which are essential for social inclusion in smaller islands and rural communities. Digital payments and mobile money platforms have enhanced financial inclusion for the unbanked and underbanked. Enhanced connectivity supports cultural exchange and strengthens the sense of regional community, particularly among youth who interact daily through digital platforms, media, and online markets.

3.2.7 The energy sector in CARICOM

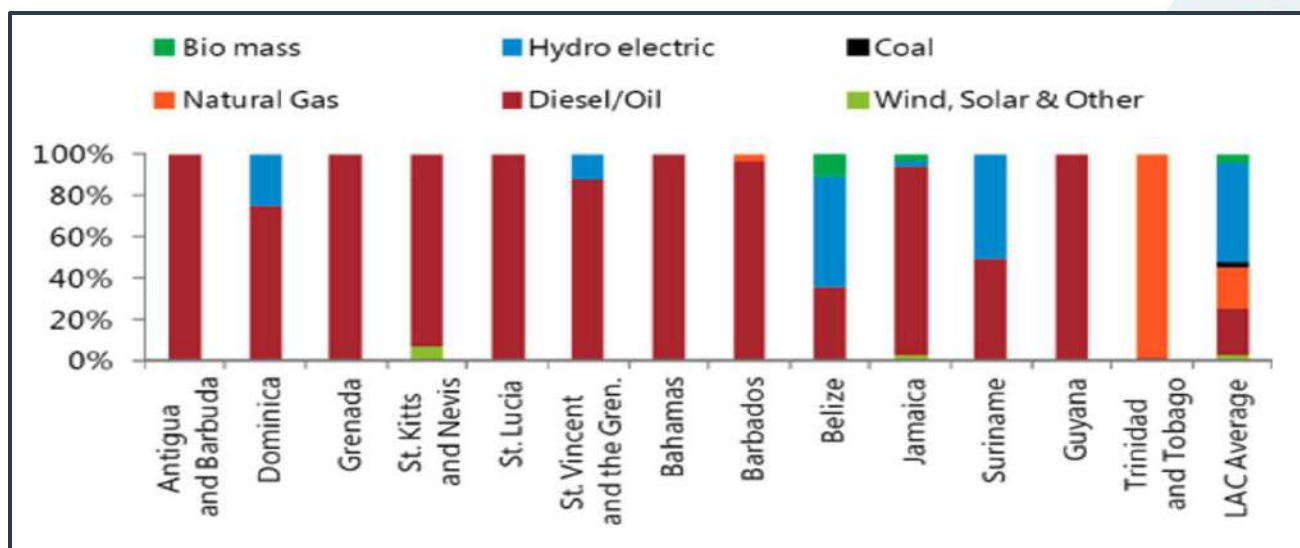
3.2.7.1 Brief context of the energy sector

Before the establishment of the CSME, the energy sector in CARICOM was highly fragmented, nationally managed, and structurally uneven. Two very different energy realities co-existed: on one hand there were energy-exporting states, notably Trinidad & Tobago, with oil and natural gas production, petrochemicals, and refining capacity; on the other hand, energy-importing states, especially the OECS and Barbados, which depended almost entirely on imported petroleum products for electricity generation and transport. During this period, energy policy was treated as a sovereignty-sensitive national issue, not a regional economic sector. There was no regional energy market, no coordinated planning, and very limited cross-border investment in generation, transmission, or energy services. Additionally, electricity utilities were mostly state-owned monopolies (they controlled energy generation and distribution) or tightly regulated national companies, operating in small markets with limited private participation, high unit costs, aging infrastructure, and limited investment capacity.³³² Meanwhile, fuel procurement, power generation, and tariff-setting were done country by country, often resulting in wildly different electricity prices across the region. Most CARICOM Member States relied on imported diesel, heavy fuel oil, or gasoline for electricity generation. There were no regional standards for renewable generation, no harmonised regulatory frameworks, and no mechanisms for regional energy investment or trading.

Figure 4: Installed Generation Capacity in Caribbean Countries

³³¹ GOB Prepares BPO Sector for Critical Transition, [https://www.pressoffice.gov.bz/gob-prepares-bpo-sector-for-critical-transition/#:~:text=The%20Ministry%20of%20Investment%2C%20through,Digital%20Services%20\(GDS\)%20industry](https://www.pressoffice.gov.bz/gob-prepares-bpo-sector-for-critical-transition/#:~:text=The%20Ministry%20of%20Investment%2C%20through,Digital%20Services%20(GDS)%20industry).

³³² McIntyre, Arnold, El-Ashram, Ahmed, Ronci, Marcio Valerio, Reynaud, Julien, X Che, Natasha, Wang, Ke, Acevedo Mejia, Sebastian, and Lutz, Scott, 2016, Caribbean Energy: Macro-Related Challenges, Volume 2016: Issue 03, <https://doi.org/10.5089/9781513560908.001>



(Source: IMF Working Paper 2016, 053)

The CSME fundamentally changed the policy and investment environment in the energy sector in CARICOM in several important ways. Firstly, energy became a tradable service and area of private investment. Under the right of establishment, free movement of capital, and free movement of services, energy generation, energy services, and project development could now be treated as regional commercial activities, not purely national utilities. For example, energy companies and financiers from Trinidad and Tobago participate in power generation, LNG supply, and fuel distribution across CARICOM. The impact of this is increased regional investment in energy infrastructure and more private sector participation, especially in renewables.³³³ Secondly, under the CSME, CARICOM articulated a shared energy transition objective recognising that energy costs were a binding constraint on the Single Market. This included the CARICOM Energy Policy (2013)³³⁴ – the first region-wide energy policy framework; the Caribbean Sustainable Energy Roadmap and Strategy (C-SERMS)³³⁵ – this set targets for renewable energy and energy efficiency and aligned financing for the sector with climate finance initiatives. For example, geothermal development in Dominica,³³⁶ Grenada,³³⁷ St. Lucia, and Saint Vincent and the Grenadines,³³⁸ supported regional coordination and shared technical expertise.³³⁹ The expansion of solar PV in Barbados, with regional firms exporting expertise and business models is another example. And thirdly, under the CSME, there is regional investment spillovers from larger markets as these helped catalyse energy investments region wide. For example, Barbados developed regulatory frameworks for rooftop solar and IPPS that were later adapted by Member States in the OECS sub-region. Barbados has also rolled out an island-wide solar charging network for electric vehicles (EVs). Additionally, Barbados developed an Energy Transition and Investment Plan which places a high priority on investments in solar energy.³⁴⁰ Another example is the renewable energy auctions for wind and solar in Jamaica demonstrated competitive procurement approaches used elsewhere.

³³³ Williams, Joseph (2010), "End of Decade Stock-taking," *CARICOM Energy Programme Quarterly Newsletter*, https://caricom.org/documents/9412-caricom_sec_energy_nl_issue_5_dec_2010.pdf

³³⁴ CARICOM Energy Policy, https://caricom.org/documents/10862-caricom_energy_policy.pdf

³³⁵ CARICOM Sustainable Energy Roadmap and Strategy, https://cekh.ccreee.org/wp-content/uploads/2021/04/C-SERMS_Baseline_10.29.2015.pdf

³³⁶ <https://caricom.org/dominica-takes-lead-in-renewable-energy-use-in-caricom/>

³³⁷ <https://caricom.org/grenada-receives-grant-for-geothermal-energy-development/>

³³⁸ <https://caricom.org/geothermal-energy-getting-increasing-attention-in-eastern-caribbean/>

³³⁹ <https://caricom.org/oecs-to-focus-on-geothermal-energy-at-st-kitts-and-nevis-forum/>

³⁴⁰ <https://www.seforall.org/system/files/2025-04/EnergyTransitionandInvestmentPlan-Barbados.pdf>

3.2.7.2 Energy sector findings and impact assessment to date

3.2.7.2.1 Macroeconomic benefits and impacts

The CSME has produced macroeconomic impacts for the energy sector in CARICOM, including reduced energy import vulnerability, improved macroeconomic stability (for Member States), and investment and capital formation. The CSME reframed energy costs as a regional macroeconomic constraint on competitiveness, inflation, and balance of payment stability and this encouraged renewable energy investment and regulatory reform.³⁴¹ For example, Barbados scaled up rooftop solar PV and solar water heating³⁴² using regional investment capital and harmonised IPP frameworks.³⁴³ As a result, fuel imports declined and this reduced exposure to oil price shocks. In Jamaica, renewable energy auctions attracted regional and international capital into wind and solar projects, lowering average electricity costs.³⁴⁴ For example, Wigton Windfarm, a subsidiary of the Petroleum Corporation of Jamaica, listed on the Jamaica Stock Exchange in May 2019, reported that the company's share offering to the public was "over-subscribed by over 158% [...] successfully raising \$5.5 billion for their 100% shareholding in Wigton Farm."³⁴⁵

The use of auctions for expanding the uptake of renewable energy technologies in CARICOM reflects the trend in the wider Latin America area and is on one of the financing mechanisms Member States governments are using to support renewable energy growth.³⁴⁶ At the same time, regional investors are leveraging the free movement of capital regime to finance power generation and energy infrastructure across CARICOM. For example, Trinidadian banks like Republic Bank and ANSA Merchant Bank (AMBL)³⁴⁷ are actively financing renewable energy, with Republic Group investing significantly in climate finance, including loans for solar and other green projects.³⁴⁸ For instance Other regional players such as CIBC Caribbean also offer substantial financing for power and infrastructure, including renewables, often working with IDB and other development partners to support Trinidad's energy transition.³⁴⁹

3.2.7.2.2 Trade benefits and impacts

In terms of trade in the energy sector, the CSME led to expansion of trade in energy-related services and trade competitiveness gains in the form of reductions in the cost of energy. Under the CSME, energy services - engineering, maintenance, project development- became tradable services, and trade increased in energy

³⁴¹ Recognizing this Caribbean Export has stepped up promoting investments in the renewable energy sector in CARICOM. See, https://www.investincaribbean.org/media/userfiles/subsite_196/files/reports/Renewable-Energy-Booklet-Caribbean-Website.pdf

³⁴² Seizing the Sunshine: Barbados' thriving solar water heater industry, <https://ndcpartnership.org/knowledge-portal/good-practice-database/seizing-sunshine-barbados-thriving-solar-water-heater-industry>

³⁴³ <https://www.pvknowhow.com/news/barbados-solar-energy-ultimate-2030-transition-plan-unveiled/>

³⁴⁴ Jamaica: RELP and GPE extend their cooperation to deploy renewables and BESS, RELP online article, 5 June 2025, <https://www.relp.ngo/news/RELP%20and%20Jamaica>

³⁴⁵ <https://dbankjm.com/wigton-wind-farm/>

³⁴⁶ Public tenders and auctions have boosted 80% of the current renewable energy capacity in Latin America and the Caribbean, <https://www.olade.org/en/noticias/public-tenders-and-auctions-have-boosted-80-of-the-current-renewable-energy-capacity-in-latin-america-and-the-caribbean/#:~:text=Public%20tenders%20and%20auctions%20have,the%20growth%20of%20renewable%20energies>.

³⁴⁷ Green Financing, <https://bb.ansamerchantbank.com/Personal/Green-Financing#:~:text=We're%20proud%20to%20be%20leaders%20in%20Green%20Financing>.

³⁴⁸ Republic Group Hits US\$134 million Milestone in Climate Financing, <https://republictt.com/news/republic-group-hits-us134-million-milestone-climate-financing-goal#:~:text=You%20are%20here:-,You%20are%20here,and%20investments%20across%20the%20Group>.

³⁴⁹ Powering renewable energy in the Caribbean: Leading the way in Renewable Energy Financing, <https://www.cibccaribbean.com/corporate-investment-banking/renewable-energy-financing#:~:text=Powering%20renewable%20energy%20in%20the%20Caribbean&text=CIBC%20has%20built%20a%20strong,energy%20bills%20and%20create%20jobs>.

services grew across the Region. For example, Barbadian and Jamaican firms are exporting energy services through renewable energy project design, grid integration expertise, and energy efficiency consulting to OECS states.

Intra and extra-regional energy trade among CARICOM Member States reflects both the opportunities and limitations of regional integration under the CSME framework. Data shows that intra-CARICOM trade in mineral fuels (HS 27) declined overall from approximately US\$1.66 billion in 2005 to US\$0.94 billion in 2024, a drop of 44%, largely due to the decreasing intra-regional supply from Trinidad and Tobago, historically the dominant exporter. T&T's intra-regional exports fell from US\$1.59 billion in 2005 to US\$416 million in 2024 (–74%), driven by refinery closures and reduced production capacity. Meanwhile, Guyana's intra-regional exports have grown from US\$11,000 in 2005 to US\$410 million in 2024, reflecting the country's emergence as a major oil producer and highlighting the potential for diversification of regional energy sources under CSME. Smaller Member States, including Barbados (US\$20 million), Jamaica (US\$551,000 - US\$44 million), and Saint Lucia (US\$8.6 million - US\$46 million), contribute modestly through refining, storage, and re-export activities, underscoring the role of niche logistics and local infrastructure in supporting intra-regional trade. Extra-regional exports for CARICOM, dominated by T&T and Guyana, remain the main driver of revenue, reflecting strong global demand and foreign investment in oil and gas infrastructure. Overall, the data shows that while intra-regional energy trade remains limited, constituting only a fraction of total CARICOM exports, the CSME framework's provisions for service liberalization, cross-border investment, and tariff-free movement of goods offer pathways to strengthen regional energy security and enhance supply diversification.

Table 18: Intra-CARICOM Energy Exports (2005–2024) by Member State

Exporter (Supplying Market)	2005 - 2024 Export (US\$ '000)	% Growth / Decline	Trade Impact	CSME Impact / Implications
Trinidad & Tobago	1,590,665 - 416,729	–74 %	Long-term decline due to refinery closure and lower output. Formerly supplied >90 % of intra-CARICOM fuel trade.	Still primary intra-regional fuel supplier: CSME allows tariff-free access and service movement, but dependency on one source persists.
Guyana	11 - 410,191	+3,727,000 % (oil boom)	Post-2019 oil production turned Guyana into a major new regional supplier, exporting crude to CARICOM partners.	Strengthens regional energy security and potential CSME-based investment/labour flows; rising intra-regional trade share.
Barbados	20,238 - 19,071	0 % (stable)	Small-scale refining/re-exports; steady trade within CARICOM.	Supports niche fuel re-exports; benefits from CSME transport and services integration.
Jamaica	551 - 44,042	+7,890 %	PetroJam refinery supplies limited volumes regionally; gradual rise since 2015.	Enhances regional refinery linkages; shows modest benefit from CSME liberalization.
Suriname	26,734 - 4	–99.9 %	Early-period exporter; intra-regional trade collapsed after 2014 as exports turned extra-regional.	Illustrates weak intra-CARICOM integration; new offshore projects may reverse trend if CSME mechanisms used.
Saint Lucia	8,641 - 46,132	+434 %	Growth from storage/bunkering re-exports.	Demonstrates logistics driven intra-regional trade
Antigua & Barbuda	16,256 - 1,314	–92 %	Early re-exports diminished sharply.	Minimal exporter; CSME supports import resilience, not export expansion.
Belize	0 - (10,162 in 2019; 0 later)	Short-term growth then decline	Temporary re-exports; currently inactive.	Could use CSME investment & expertise for small-scale energy revival.

Saint Kitts & Nevis	6 - 84	+1,300 % (low base)	Minimal but growing re-exports.	Symbolic of small-state participation under CSME trade facilitation.
Saint Vincent & Grenadines	23 - 18	≈ 0 %	Negligible trade.	Relies on CSME energy supply channels.
Grenada	7 - 0	-100 %	Ceased exports.	CSME relevance in energy access, not export.
Dominica	1 - 0	-100 %	One-off early transaction.	Focus under CSME is renewable cooperation, not fossil fuels.
Haiti	0 - 0	0 %	No intra-CARICOM fuel exports.	Depends on regional imports; key beneficiary of CSME energy coordination.
Montserrat	329 - 0	-100 %	No current trade.	Could benefit from shared procurement and energy projects via CSME.

(Source: Compiled by Leeooi Oneika-Howard, Trade Economist, based on ITC Trade Data)

The free movement of services under the CSME has enabled the movement of energy services regionally. This includes renewable energy system design, grid upgrade engineering, energy auditing and efficiency consulting, LNG bunkering and fuel logistics, and petroleum technical services. For example, Wigton Windfarm's renewable energy training in Jamaica supports technicians regionally; megaPower (Barbados) is rolling out EV charging networks in other Member States in the OECS sub-region;³⁵⁰ the Power Generation Company of Trinidad and Tobago Limited (Powergen)³⁵¹ provides maintenance services across Member States in the OECS sub-region; and solar firms from Barbados and Trinidad are installing systems in Grenada, Guyana, and St Lucia.

3.2.7.2.3 Social benefits and impacts

The CSME also has social impacts on the energy sector across the region, including enhanced access to energy and employment creation. Energy report and renewable expansion reduced household vulnerability to fuel price volatility in Member States. For example, Barbados' solar water heating industry lowered household electricity bills and has seen almost ubiquitous uptake across the island (i.e., there is high adoption across income groups). The experience gained over the more than 40 years in this sector has enabled Barbados to export technology and skills regionally. The social benefit of this is found in reduced energy poverty and greater disposable income, which in turn leads to improved quality of life. Hence, Barbados is now making efforts to ensure that low-income households in the country benefit from the clean energy transition.³⁵²

As it relates to employment creation and skills development, wind and solar projects in Barbados and Jamaica created construction jobs and long-term technical assistance roles. For instance, "Barbados has launched an \$11.6 billion energy plan to make solar power its primary source by 2030."³⁵³ This project is expected to create 1,500 new jobs by 2035. Smaller companies are benefitting from the energy transition in Barbados and are also creating employment opportunities. For instance, megaPower, an electric charging and EV company founded in Barbados in 2013, now employs a team of 8 – 10 persons, and have created indirect employment opportunities for more. Growth in the renewable energy sector in CARICOM has led to implementation of key training initiatives and programs. For example, the Regional Energy Apprenticeship Programme (REAP), conceptualised by the CARICOM

³⁵⁰

<https://megapowerantigua.com/our-story-electric-vehicles-clean-energy-antigua/#:~:text=Electric%20Car%20Sales,and%20clean%20seamless%20and%20enjoyable>.

³⁵¹ The Power Generation Company of Trinidad and Tobago Limited (Powergen), <https://www.powergen.co.tt/>

³⁵² Put low-income folks in our green energy future, Barbados Today, online article, 03/05/2024, <https://barbadostoday.bb/2024/05/03/put-low-income-folks-in-our-green-energy-future/amp/>

³⁵³ Barbados solar energy plan: Impressive \$11.6B, essential shift, Barbados Solar News, <https://www.pvknowhow.com/news/barbados-solar-energy-plan-impressive-11-6b-essential-shift/>

Secretariat Energy Unit and implemented by the Technical Assistance Programme for Sustainable Energy in the Caribbean (TAPSEC) offers paid 3-12 months internships at pioneering sustainable energy institutions.³⁵⁴ In Jamaica, an initiative is being implemented for an initiative under the “eDrive Train-the-Trainer” programme to certify technicians and first responders in electric vehicle repair, maintenance, and safety.

Also, the CSME’s skills mobility regime and regional education partnerships support energy sector jobs. Wigton Renewable Energy Training Lab in Jamaica trains students from across CARICOM, and Barbados Community College and UWI programs attract students from across the region.

3.3 Potential Impacts and Benefits of the Single Economy

Implementation of Single Economy is still in progress but functional, though the degree of achievement varies sharply across the major pillars and there are deficits or gaps. For instance, fiscal policy harmonisation is not yet achieved but most Member States have agreed a double-taxation treaty; the regional capital market is similarly not yet in place, but national stock exchanges have been established in Barbados, Jamaica (the idea for a regional capital market was first proposed by Jamaica in 1989³⁵⁵), and Trinidad and Tobago; a regional payments systems is not yet in place but cross-border banking and financial services, though not cross-border payments, is employed by a growing number of banks and financial institutions in the region; and finally, monetary cooperation is also not yet in place. However, several Member States have liberalised rules on movement of capital, dividends, and investments; banks and financial institutions with regional footprints increasingly facilitate cross-border transactions though exchange controls still exist in several Member States, and there is increased cooperation among banking regulators through the Caribbean Group of Banking Supervisors (CGBS)³⁵⁶; and regional companies like GraceKennedy, Massy, and SAGICOR are investing across the Region.

3.3.1 Macroeconomic benefits and impacts

Incomplete implementation of the Single Economy has led to mixed macroeconomic experiences for CARICOM Member States, with some experiencing higher capital formation, regional investment, and expanded private sector activity, as well as greater cross-border business linkages. Member States that have relaxed restrictions in capital movements (e.g., Barbados, Jamaica,) have seen measurable outcomes in terms of higher inflows of regional FDI, more business expansion, and more joint ventures between CARICOM businesses. For instance, Guyana has attracted large regional capital inflows from Barbados, Jamaica and Trinidad & Tobago especially in banking, retail, construction, and energy. Conversely, Barbados and St. Lucia attracted capital from Trinidadian and Jamaican conglomerates Massy and GraceKennedy.

The stock exchanges (BSE, JSE, and TTSE) play key roles in mobilising domestic and regional savings, channeling investments more efficiently, leading to higher rates of regional investment and reduced dependence on volatile

³⁵⁴ TAPSEC Hosts Free Virtual Training for Financial Institutions in Evaluating Renewable Energy, Energy Efficiency Investments, <https://caricom.org/tapsec-hosts-free-virtual-training-for-financial-institutions-in-evaluating-renewable-energy-energy-efficiency-investments/#:~:text=The%20two%2Dday%20training%20is,RE/EE%20project%20documentation%E2%80%9D>.

³⁵⁵ Bissember, Enid (1995), A Regional Capital Market, XXVII Annual Conference of Monetary Studies, p. 4, <https://cert-net.com/files/publications/conference/550.pdf>

³⁵⁶ <https://portal.boj.org.jm/CGBS/> The CGBS was established in 1983 under the aegis of the CARICOM Central Bank Governors with mandate to enhance and coordinate the harmonisation of bank supervisory practices in the English-speaking Caribbean. Membership of the CGBS includes CARICOM and non-CARICOM countries.

extra-regional financing and short-term bank credit. For example, the Jamaica Stock Exchange (JSE) enabled firms like GraceKennedy, Wisynco, and Caribbean Cement to raise equity and bonds, supporting expansion and productivity growth; the Trinidad & Tobago Stock Exchange (TTSE) provided capital-market financing for financial conglomerates such as Republic Financial Holdings and Guardian Group; and the Eastern Caribbean Securities Exchange (ECSE) allowed OECS governments to issue longer-term securities, improving debt maturity profiles and reducing rollover risk. Additionally, more investments from the USA, Canada, and the United Kingdom has flowed into the region via the BSE, JSE, and TTSE.

CARICOM is moving closer toward regional investment promotion, though this currently remains nationally focused. For example, the Caribbean Association of Investment Promotion Agencies (CAIPA), which serves as a collaborative network of 24 national Investment Promotion Agencies (IPAs), builds capacity regionally for investment attraction and also works to establish the Caribbean as a recognised global brand for sustainable investment.³⁵⁷

The Double Taxation Agreements (DTAs) agreed by Member States lowers the effective tax burden and uncertainty on cross-border investments for CARICOM companies with regional footprints. This encourages firms from the region to invest regionally rather than extra-regionally, and this not only increases FDI flows within CARICOM, but it also supports development of regional corporate structures. Additionally, companies and firms with regional footprints contribute tax revenue in multiple Member States via business license fees, duties on imports, and corporate and employment taxes. For example, Republic Bank's subsidiaries in Guyana, Grenada and Barbados generates tax revenues for those Member States, while retail chains operating regionally (e.g., Goddard, Massy, Courts) contribute broad fiscal benefits, including government revenues.

3.3.2 Trade benefits and impacts

Relaxed capital movements, even though limited to only some Member States, allows regionally integrated CARICOM companies to treat CARICOM as a single production and investment space, and this led to deepening of regional supply chains across the Region. For example, GraceKennedy uses a mix of Merger& Acquisitions, agricultural investments,³⁵⁸ regional sourcing, and improvements in logistics³⁵⁹ and financing to enhance manufacturing and distribution across the Community. By comparison, ANSA McAL and the Massy Group have established manufacturing and distribution hubs across multiple Member States (in the case of the former), and retail, manufacturing, and logistics operations across the OECS, Guyana, and Jamaica (in the case of the latter). Meanwhile, Goddard Enterprises uses Barbados as a base for importing and exporting goods throughout the Eastern Caribbean. Other companies like Wisynco³⁶⁰ and Seprod also expanded production and exports by mobilising capital via the JSE, and Massy Holdings used Trinidad and Tobago Stock Exchange (TTSE) capital to expand their operations across the region and build a multi-country presence in distribution, retail, and gas industries. By providing capital to manufacturing and distribution firms in the region, the stock exchanges have indirectly expanded exports and production.

³⁵⁷ <https://www.investincaribbean.org/about>

³⁵⁸ GraceKennedy Goes into Farming – Targets 50% more Supplies from Agro Park, <https://www.agroinvest.gov.jm/2019/02/20/gracekennedy-goes-into-farming-targets-50-more-supplies-from-agro-park/#:~:text=GraceKennedy%20opened%20its%20Hounslow%20facility,%2C%20lettuce%2C%20callaloo%20and%20onions.>

³⁵⁹ GraceKennedy Limited consolidates and automates warehouse operations, <https://bccdistribution.com/wp-content/uploads/pdfs/GraceKennedy.pdf>

³⁶⁰ <https://wisynco.com/>

Another trade-related benefit of the Single Economy has to do with intra-Regional M&A and corporate restructuring. Regional banks and conglomerates have acquired other banks, insurance services, and other corporate entities, facilitating cross-border business, transactions, banking, and regional insurance underwriting. For example, Massy Holdings' acquisition of IGI Limited in 2023 significantly expanded Massy's industrial and medical gases business across the Caribbean region and helped the company secure economies of scale, control prices, and protect margins against global competitors.

The Double Taxation Agreements lower cost of cross-border business operations by reducing withholding tax on management fees, technical services, and royalties. The trade impact of this is lower cost of supplying services regionally, and this helps to improve the competitiveness of CARICOM firms. For example, accounting, engineering, and legal consultants and firms supplying services across CARICOM have lower cost of providing their services. The DTAS also facilitate development of regional value chains by allowing manufacturing firms with production in one Member State and packaging or distribution in another Member State to be taxed only once as their goods move across borders with a corporate group. This encourages specialisation and supports economies of scale, and in this way deepens intra-regional trade.

3.3.3 Social benefits and impacts

An important social impact of the Single Economy is the deeper inclusion of small states in CARICOM. Without the Eastern Caribbean Securities Exchange, OECS states would individually struggle to sustain deep financial systems and capital markets, and governments in the countries would have needed to issue government securities nationally rather than regionally. Member States in the OECS sub-region also would not have benefitted from the expansion of banking operations by regional banks, at least not at the levels experienced, and the impact of this would have been less table access to credit, and less financial resilience during times of crisis. The level of investments in Member States in the OECS sub-region would also have been affected. For example, the OECS Member States would also likely not have realised the level of intra-regional investment, especially in tourism, but also in agro-processing, manufacturing, and financial services.

Another social impact is employment creation. Capital moving more freely across the Community led to companies opening branches, acquiring equipment, hiring staff and scaling operations and these in turn led to more employment opportunities, and increased demand for skilled and non-skilled workers from across the region.

The double taxation agreement agreed by some Member States plays a key role in supporting the free movement of skills and services, and establishment of businesses. This makes free movement socially sustainable for households. For example, Guyanese employees of Sagicor working regionally (in other Member States) are able to remit more funds to support their households back home, improving education, healthcare and nutrition. The agreements allow architects, engineers, accountants, construction consultants and other consultants from one Member State working in another Member States to retain their full earnings. Jamaican nurses, teachers and IT professionals who take up short-term or permanent roles in other CARICOM Member States are only taxed in the host country and therefore are able to retain higher incomes, improving household welfare. Skilled workers who retained more of their earnings were able to remit more money to support their families, to invest, or to pay of bills. Thus, a key benefit is stronger family welfare systems built on intra-regional labour mobility. Additionally, retirees and pensioners living in a Member State different from where they earned their pensions are protected from double taxation of pensions. This allowed retirees to participate in community life and support their families.



4. Conclusions

The assessment completed for this consultancy confirms that the CARICOM Single Market and Economy remain a fundamentally sound and relevant framework for advancing regional integration, economic resilience, and shared prosperity. The CSME has already delivered measurable economic and social benefits, demonstrating that regional integration can work in practice. However, these gains have been incremental rather than transformational because implementation remains uneven, incomplete, and weakly enforced across Member States and across the five core regimes.

Key Findings Requiring Policy Action

The most critical finding of the report is that the primary constraint on CSME performance is not the absence of legal frameworks, but the persistence of implementation gaps. While the Single Market is legally well established, it functions in practice as a partially integrated space. Non-tariff barriers, fragmented customs and border procedures, inconsistent application of safeguards and ineligible lists, weak regional transport and logistics systems, and uneven regulatory harmonisation continue to constrain intra-regional trade and investment. These issues must be directly addressed in the recommendations if the CSME is to deliver scale, predictability, and competitiveness.

Labour mobility has emerged as one of the most visible and socially impactful achievements of the CSME, particularly through the expansion of eligible skill categories and the widespread issuance of CARICOM Skills Certificates. Nonetheless, the report finds that labour mobility remains administratively fragmented and under-utilized. Inconsistent immigration practices, delays in verification, limited mutual recognition of qualifications, and weak implementation of contingent rights (including access to education, healthcare, and social security portability) reduce the productivity and welfare gains that labour mobility could generate. These shortcomings point to the need for systemic, region-wide solutions rather than ad hoc administrative arrangements.

The free movement of capital and the right of establishment are legally advanced but institutionally incomplete. Weak regulatory harmonisation, fragmented tax and investment regimes, and the absence of an integrated regional payments and settlements system prevent capital mobility from reinforcing labour and services mobility. As a result, the emergence of region-wide firms, deeper SME expansion, and efficient capital allocation remain constrained. Addressing these issues is essential to moving from a single market in law to a single economy in practice.

Most significantly, the report finds that the Single Economy remains the weakest pillar of the CSME. There has been limited progress toward macroeconomic convergence, fiscal coordination, or harmonised financial regulation. This divergence undermines investor confidence, increases transaction costs, and limits the resilience of Member States to external shocks. Without progress on the Single Economy, the gains from the Single Market will remain capped.

Impacts of the CSME to Date

Despite these challenges, the CSME has generated important benefits that validate the integration project. These include expanded market access for goods and services, the growth of regional firms across multiple Member States, improved allocation of skills in key sectors such as health, education, tourism, ICT, and construction, deeper regional financial integration, and enhanced food security through increased intra-regional sourcing and

supply chain diversification. Sectoral impacts are evident in agriculture, manufacturing, tourism, financial services, and the digital economy, demonstrating that the CSME has already contributed positively to economic opportunity and regional connectivity.

However, the report underscores that these benefits remain unevenly distributed and below potential. The absence of full implementation has prevented the CSME from delivering the structural transformation, productivity gains, and resilience that were originally envisaged.

What Is Possible Under the Two Scenarios

Under the Baseline Scenario, where partial and fragmented implementation continues, the CSME will deliver modest improvements but fall short of its strategic promise. In this scenario, intra-regional trade and investment grow slowly, labour mobility remains limited in scale, productivity gains are incremental, and Member States remain highly vulnerable to external economic, climate, and geopolitical shocks. Regional integration continues, but without decisiveness, it does not fundamentally alter development trajectories.

Under the Optimistic Scenario, characterised by full implementation of the Single Market and credible progress toward the Single Economy, the CSME becomes a genuine engine of transformation. This scenario enables significantly higher levels of regional trade and investment, more dynamic and responsive labour markets, stronger food and energy security, deeper financial integration with lower financing costs, and the emergence of competitive regional firms capable of operating at scale. Importantly, it also enhances macroeconomic stability, resilience to shocks, and inclusive growth across both More Developed and Less Developed Member States.

Overall Implication

The conclusion of the assessment is unequivocal: the future impact of the CSME is a matter of political choice, not technical feasibility. The legal instruments, institutions, and policy frameworks already exist. What is now required—and what the recommendations directly address—is decisive political commitment, enforceable implementation timelines, strengthened regional institutions, and coordinated action to remove the binding constraints identified in this assessment. The difference between incremental progress and structural transformation lies in whether CARICOM chooses to move decisively toward the optimistic scenario.



5. 10-Year Scenarios (2026-2035)

Over the next decade (i.e., 2026-2035), the trajectory of the CSME will depend heavily on the extent to which Member States deepen integration and remove the remaining barriers to free movement, invest, trade, and right of establishment. It will also depend on the extent to which Member States harmonise tax and monetary policies, and whether the region establishes an effective cross-border payments system. From the analysis, two distinct futures emerge from the region's current policy landscape: a baseline scenario in which implementation continues gradually but unevenly (i.e., partial implementation of the CSME continues); and an optimistic scenario in which Member States complete their CSME commitments and unlock the full potential of the regional market (i.e., full implementation of the CSME). The two scenarios are built around macroeconomic performance, trade outcomes, social development, and sectoral effects across CARICOM under the CSME hitherto.

5.1 Scenario 1: Baseline (partial implementation continues)

If the present pace of integration persists, with only partial removal of non-tariff barriers, slow progress on labour mobility, fragmented transport systems and inconsistent regulatory harmonisation, the region is likely to experience a decade (2026-2035) of slow but steady improvement, without structural transformation.

Assumptions:

- Tariff barriers largely removed, but non-tariff barriers persist.
- Free movement of skilled labour remains limited by administrative delays.
- Right of establishment functioning but uneven and challenges remain in some Member States.
- Capital movement is mostly liberalised, but regulatory harmonisation is incomplete.
- Sectoral 'regimes' are not fully integrated and remain inconsistent (e.g., agriculture standards, ICT harmonisation, transport infrastructure, services, and integration).
- Transport and logistics constraints persist.
- CARICOM regional institutions underfunded, experiencing mandate drift, and reforms moving slowly.
- Single Economy framework only partially implemented (only double taxation agreement in place, but tax systems are not harmonised, and investment codes not agreed)

Projections:

Under this scenario, macroeconomic performance remains modest. Regional GDP grows from approximately US \$96 in 2025 to roughly US \$120 - \$125 billion by 2035, representing cumulative growth of 25%-30%. Meanwhile, annual growth rates remain subdued at 2-2.5%, constrained by low productivity gains of less than 1% annually, and unemployment declines only slightly, from around 12% today to 10%-11%, while youth unemployment continues to hover above 20%. At the same time, Foreign Direct Investment (FDI) increases marginally to about US \$7- \$8 billion annually, reflecting lower than required investor optimism in tourism, ICT, transportation, and some niche manufacturing, but held back by regulatory fragmentation.

In terms of trade, integration improves slowly with intra-regional trade rising from US \$4.8 billion to US \$6.3 billion, a small increase of 25-30% over the decade. However, non-tariff barriers, high logistics costs, and an under-developed regional transport systems continues to constrain flows of agriculture, manufacturing, and industrial goods. Meanwhile, dependence on external imports deepens and the total import bill increases, while

manufacturing exports grows only marginally to US \$2.5 billion, and services exports, driven by growth in tourism, expands modestly.

Under this scenario, social outcomes improve only gradually, and unevenly. Poverty declines slightly from 22% to around 20% and rural connectivity gaps persist, but digital inclusion rises from 68% to 78% driven by investments from major telecom providers. Also, labour mobility grows moderately, reflecting continued administrative hurdles and skill shortages in critical sectors such as healthcare, ICT, and education.

Overall, the baseline scenario delivers incremental but uneven progress, and leaves the region fundamentally vulnerable to external shocks, food insecurity, and competitiveness challenges.

Table 19: Projections, Baseline scenario

Indicator (CARICOM aggregate)	2025	2035 Projection	10-Year Change
Real GDP Growth	2.1%	2.5%	+0.4 pp
Regional GDP (USD)	\$96B	\$120–125B	+25–30%
Productivity Growth	0.5%	0.7%	+0.2 pp
Unemployment Rate	12%	10–11%	–1–2 pp
FDI Inflows	\$6B	\$7–8B	+20–30%
Inflation	6.0%	4.5–5%	–1–1.5 pp
Intra-regional Trade	\$4.8 billion	\$6 - \$6.3 billion	+25 - 30%
Food Import Bill	\$5.9 billion	\$6.5 – \$7 billion	+10 - 15%
Poverty rate (avg.)	22%	20%	-2 pp
Youth Unemployment	26%	20 - 22%	-4 to -6pp
Labour Mobility Flows	13,000	16,000	+20 – 25%
Regional Inequality	High	High	

5.1.1 Supporting analysis

A review of overall economic growth across the Community shows that this has been weak over the past two decades (and longer) – i.e., average real GDP growth rate historically averaged 1.5%-2.0%,³⁶¹ excluding commodity booms, and hovered between 1.7% and 2.3% per year between 2022 and 2025.³⁶² The projected outcomes under the baseline scenario are consistent with an integration process that delivers incremental efficiency gains without altering the region’s underlying economic structure, at least too quickly. While the near-complete removal of tariffs provides a stable foundation for trade, the persistence of non-tariff barriers, weak regulatory harmonisation, and fragmented support systems significantly constrains productivity growth, investment response, and structural diversification. As a result, the CSME continues to function primarily as a market-smoothing mechanism rather than a catalyst for transformation.

³⁶¹ Anneke, Jensen and Christopher Vignobles showed that between 1884 and 2004, CARICOM economies grew at a low rate – confirming that the region’s low growth rate extend back almost four decades. CARICOM Report No. 2 (2005), <http://dx.doi.org/10.18235/0008587>

³⁶² The UN Word Economic Situation and Prospects 2025 report project that economic growth in the Caribbean, excluding Guyana, will remain at 2.5%, outpacing growth of around 1.7% in 2024 (see Caribbean Development Bank, “Regional Economic Performace and Prospects ...”), and the averages in 2010 and 2019 – see <https://policy.desa.un.org/sites/default/files/publications/2025-11/mb196.pdf>

The projected increase in regional GDP, equivalent to cumulative growth of 24-30% seem to align with gravity model estimates where tariffs are roughly equivalent to zero and NTBs remain high.³⁶³ Empirically, trade growth in the 2-3% annual range is not usually trade deepening (i.e., integration is shallow and coordination failures persist).³⁶⁴ The projected GDP growth is also consistent with annual growth rates of 2-2.5% in small, open economies with limited productivity gains, and where economic expansion is driven largely by factor accumulation and cyclical recovery, particularly in tourism and services, rather than innovation, economies of scale, and industrial upgrading. Meanwhile, the slow pace of labor market integration explains the only modest decline in unemployment and persistent youth unemployment (i.e., above 20%).

5.2 Scenario 2: Optimistic (full implementation and deep integration)

The optimistic scenario envisions the full implementation of the CSME's core regimes, including the complete removal of non-tariff barriers, seamless free movement of labour, harmonised regulations and standards, improved regional transport connectivity, and the operationalisation of the Single ICT Space and regional capital market.

Assumptions:

- Full implementation of free movements of goods, labour, services, capital and right of establishment.
- Removal of all remaining non-tariff barriers.
- Harmonised standards are in place for the sectors (agriculture, manufacturing, financial services, ICT).
- Functioning regional transport strategy and services (air and sea).
- Integrated regional digital economy and Single ICT Space fully implemented.
- Modernized customs and border systems.
- Full operationalisation of the Single Economy framework (i.e., harmonised tax systems, cross-border payment system, investment codes)
- Caribbean Development Fund investing in Member States integrating more deeply under the CSME.

Projections:

Under this scenario, macroeconomic performance improves dramatically: regional GDP expands to US \$145-155 billion By 2035, representing 50%-60% cumulative growth, with annual growth rates between 3.5% and 5%; productivity gains accelerate sharply, reaching around 2% annually, and supported by technology adoption, labour mobility, and the expansion of regionally integrated industries; and unemployment falls to 7%-8%, while youth unemployment drops by nearly half to 12%-15%. Meanwhile, FDI rises to US\$10-12 billion annually, driven by the appeal of a unified regional market of 18 million + consumers.

In terms of trade, outcomes are significantly more dynamic, and intra-regional trade doubles to US\$10-\$11 billion, reflecting the creation of efficient regional agriculture value chain, expansion of manufacturing capacity and output, and growth in ICT-enabled services and regional tourism. Meanwhile the food import bill falls by as much as 30%, as regional production, agro-processing, and standards harmonisation unlock CARICOM food systems. At the same time, manufacturing exports nearly double to US\$4 - \$5 billion while digital services and

³⁶³ For long-run datasets for the region which supports this analysis of modest projected growth see CARICOM Intra-regional Export by SITC, 1973-2023, available here: https://statistics.caricom.org/data_categories/caricom-intra-regional-trade/

³⁶⁴ This analysis seems to align with the findings of Al Hassan et al, 2020, "Is the Whole Greater than the Sum of its Parts?" IMF Working Paper.

ICT exports grow from US\$1.2 billion to roughly US\$3-\$4 billion, and extra-regional imports stabilize rather than rise, as the region becomes more internally self-sufficient.

Under this scenario, the social impacts are transformative: poverty falls sharply to between 12% and 14% (from 22%) reflecting higher wages, stronger job markets, and wider access to opportunities. Digital inclusion approaches universality across the Community, rising to 95% and supported by harmonised ICT regulations, lower roaming rates, and regional investments in broadband. At the same time, labour mobility more than doubles to 28,000-30,000 skilled workers moving annually, boosting productivity and correcting skills mismatches across the region, and tertiary education attainment rises to 28%-30%, driven by the demand for professional and technical skills in high-value sectors. Thus, social cohesion strengthens as citizens experience greater access to health services, economic mobility, and financial inclusion.

Table 20: Projected 10-Year indicators, Optimistic scenario

Indicator	2025	2035 Projection	10-Year Change
Real GDP Growth	2.1%	4.2–5.0%	+2.1 – 2.9 pp ³⁶⁵
Regional GDP (USD)	\$96B	\$145–155B	+50–60%
Productivity Growth	0.5%	2%	+1.5 pp
Unemployment Rate	12%	7–8%	–4–5 pp
FDI Inflows	\$6B	\$10–12B	+70–100%
Inflation	6%	3.5–4%	–2–2.5 pp
Intra-regional Trade	\$4.8 billion	\$10–\$11 billion	+100–130%
Food Import Bill	\$5.9 billion	\$4 – \$4.5 billion	–30%
Poverty rate (avg.)	22%	12%–14%	–8 to –10
Youth Unemployment	26%	12–15%	–11 to 14%
Labour Mobility Flows	13,000	28,000–30,000	+120%
Regional Inequality	High	Much lower	Structural improvement

5.2.1 Supporting analysis

The optimistic scenario represents a qualitative shift in CARICOM’s integration process, from shallow integration to a fully operational Single Market and Economy. The projected expansion of regional GDP to US\$145–\$155 billion by 2035 is plausible and consistent with full removal of non-tariff barriers, harmonised standards, and significantly reduced transaction costs across the goods and services markets. However, as Table 8 shows, to achieve this requires a structural transformation of factor allocation toward more productive sectors, large efficiency improvements from removing NTBs and reducing logistics costs, and significant increases in FDI inflows responding to a unified regional market.³⁶⁶ It also requires that the projected 3.5% to 5% annual growth rates are supported by sharp acceleration in productivity growth to approximately 2% per year, driven by a genuinely integrated labour market and labour mobility that improves skills across the Community raising labor productivity, technology diffusion enabled by the Single ICT Space initiative and regional digital integration, and scale economies emerging from regionally integrated industries in agriculture, manufacturing, tourism and ICT services.

³⁶⁵ PP = Percentage points

³⁶⁶ See for example the analysis by the report titled Caribbean Development Dynamics 2025. OECD & Inter-American Development Bank (2024), Caribbean Development Dynamics 2025, OECD Publishing, Paris.

Guyana has posted high growth in recent years due to oil sector expansion and demonstrates that new productive sectors and investment surges can grow well above 4% for sustained periods. For some of the SIDS Members States, opportunities for such growth may be resident in leveraging their Blue Economies.³⁶⁷ Additionally, other regional blocs like the European Union and ASEAN show that deep economic integration, harmonised standards and seamless factor mobility are correlated with higher growth and productivity boosts over time.³⁶⁸

³⁶⁷ Sarker, Subrata et al (2018), From science to action: Exploring the potentials of Blue Economy for enhancing economic sustainability in Bangladesh, *Ocean & Coastal Management*, Volume 157, <https://www.sciencedirect.com/science/article/abs/pii/S0964569117307809>.

³⁶⁸ See for example Preepremmote, Patcharee et al (2019), Economic Integration in the Asean and its effects on empirical economic growth, *Journal of Applied Economic Sciences*, 13 (4), 922-935; Asean Secretariat (2020), *ASEAN Integration Report 2025: Harnessing the Benefits of Regional Cooperation and Integration*, available at <http://dx.doi.org/10.22617/SGP250106-2>. For the EU, see Kammer, Alfred (2025), *Europe's Integration Imperative: The case for closer economic union has become more compelling as external challenges multiply*, *Finance & Development*, Volume 62, Issue 002, <https://doi.org/10.5089/9798400297359.022>; Productivity trends using key national account indicators, available at https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Productivity_trends_using_key_national_accounts_indicators#:~:text=at%20regional%20level,-Evolution%20of%20key%20labour%20productivity%20indicators%20at%20total%20economy%20level,2024%20and%200.2%25%20in%202023, and Crescenzi, Riccardo and Rodriguez-Pose, Andres (2012), *Infrastructure and regional growth in the European Union*, *Papers in Regional Science*, Vol 91, Issue 3, <https://doi.org/10.1111/j.1435-5957.2012.00439.x>



6. Recommendations

6.1 Recommendations for accelerating implementation

6.1.1 Adopt a binding regional timetable to eliminate remaining non-tariff barriers

To further expand intra-regional trade and meaningfully reduce the costs of such trade, Member States need to agree to a binding, time-specific schedule that identifies each outstanding NTB in—such as duplicative SPS requirements, arbitrary mark-ups, etc.—and set clear deadlines for their elimination or removal. The timetable should be tied to the CSME Unit’s monitoring mechanism that publicly reports progress on implementation.

A binding regional timetable would convert long-standing political commitments into time-bound, enforceable obligations. This timetable should be adopted by the Conference of Heads of Government and embedded in a formal COTED decision, making it politically authoritative even within CARICOM’s intergovernmental framework.

The timetable should begin with a comprehensive NTB inventory across Member States, categorised by type (e.g., SPS measures, technical regulations, administrative fees, discretionary licensing, customs practices) and by sector. Each NTB should be assigned a responsible national authority, a concrete corrective action (elimination, harmonisation, or mutual recognition), and a clear deadline. Priority should be given to high impact NTBs that affect intra-regional trade volumes and costs, such as duplicative SPS certification for agricultural goods, product testing requirements that are not based on recognised regional or international standards, etc.

To ensure credibility, the timetable should be directly linked to the CSME Implementation Unit’s monitoring and reporting mechanism, with

- Publicly available implementation scorecards by Member State.
- Regular reported to COTED and the CHOG; and
- Escalation procedures for persistent non-compliance (e.g., referral to the CCJ)

6.1.2 Standardise key licensing and accreditation requirements for services across Member States

Fragmented national licensing regimes remain one of the most significant practical barriers to the free movement of service. To address this, CARICOM should move beyond voluntary cooperation and adopt regionally agreed minimum licensing and accreditation standards for priority service sectors. Initial focus should be placed on services with:

- High intra-regional demand;
- Demonstrated cross-border activity; and
- Relatively mature professional bodies – such as tourism services, ICT and digital services, architecture, engineering, health professions, and creative industries.

Implementation should proceed in stages, including:

1. Agreement on common minimum entry standards, including education, training hours, professional experience, and ethical requirements.
2. Mutual recognition frameworks whereby licenses or certifications issued by an approved authority in one Member State are automatically recognised in others.
3. Regional registers of licensed professionals and firms, accessible to regulators, employers, and consumers across CARICOM.

Professional bodies and national regulators must be formally integrated into this process, with clear mandates to align curricula, accreditation criteria, and continuing professional development requirements. Over time, could evolve into shared regional accreditation bodies for certain professions. The objective is functional equivalence – ensuring that service providers can operate region-wide without re-licensing, repeated fees, or discretionary approvals in each jurisdiction.

6.1.3 Establish a regional labour market information system to match labour supply and demand

A regional labour market information system (LMIS) is necessary to match labour demand and supply across CARICOM and would provide the informational backbone for effective labour mobility under the CSME. At present, labour market information is fragmented, outdated, and largely national in scope, limiting the practical use of free movement provisions. The LMIS should be established as a centralised digital platform hosted at the regional level, with mandatory data inputs from Member States. Core data should include:

- Job vacancies and occupational demand
- Skills availability and certification profiles
- Labour shortages and surpluses by sector
- Migration and mobility trends under the CSME

The system should integrate data from:

- National employment services
- Immigration and skills certification authorities
- Tertiary and TVET institutions, and
- Private sector job platforms

For employers, the LMIS would function as a region-wide recruitment tool, allowing vacancies to be advertised across all Member States. For workers, it would clarify employment opportunities, skills requirements, and mobility pathways. For policymaker, it would support evidence-based decisions on skills certification expansion, education planning, and migration management.

Critically, the LMIS should incorporate forward-looking labour market forecasting, identifying emerging skills needs in areas such as digital services, renewable energy, logistics, agro-processing, and healthcare. This would allow ACRICOM to align labour mobility with long-term development objectives rather than short-term labour shortages.

6.1.4 Begin incremental reforms to unify capital market rules and introduce regional mechanisms to facilitate SME access to credit

The Single Economy cannot function effectively without deeper financial integration. Therefore, rather than pursuing immediate full unification, CARICOM should adopt an incremental and pragmatic approach to capital market harmonisation. Hence, initial reforms should focus on aligning the regulatory frameworks of the region's principal stock exchanges (Barbados, Jamaica, and Trinidad & Tobago) through

- Harmonised listing and disclosure requirements,
- Common prospectus standards
- Aligned corporate governance codes, and
- Cross-border recognition of brokers and investment professionals

These steps would lower compliance costs for firms seeking regional capital, improve market liquidity, and facilitate cross-listing securities. In parallel, targeted regional financial instruments should be developed to address chronic SME financing constraints. These could include

- > Pooled regional credit-guarantee schemes to reduce lender risk,
- > Regionally capitalised venture and private equity funds, and
- > Cross-border trade finance instruments such as factoring and leasing platform.

Such mechanisms would allow SMEs, particularly in smaller and less developed Member States, to access financing beyond narrow domestic banking systems. Over time, these reforms would strengthen capital mobility, deepen regional financial markets, and support private sector led growth consistent with the objectives of the Single Economy.

6.2 Recommendations for completing formation of the Single Market

6.2.1 Create a Single CARICOM Business Registration Portal

A unified regional Business Registration Portal will allow companies and firms to incorporate or register once and operate in all Member States, eliminating the need for repetitive documentation, multiple national registrations, and inconsistent legal requirements. This requires harmonising company laws, agreeing on common documentation standards, and adopting shared digital infrastructure, but the result will be reduced administrative costs, greater ease of doing business, and increased investment, particularly from SMEs looking to expand regionally. Thus, the portal should provide:

- a single digital form for incorporation and registration;
- integrated national company registries connected through secure APIs;
- standardised requirements for business name approval, incorporation documents, and beneficial ownership declarations;
- automatic notification to tax and social security agencies; and
- cross-border validation of company status and compliance.

6.2.2 Remove discriminatory requirements for (local equity rules, excessive fees, etc.)

Despite treaty commitments, several Member States continue to apply de fact or de jure discriminatory measures that undermine the right of establishment. These include mandatory local equity participation, differential licensing fees, nationality-based restriction, and discretionary approval processes that disproportionately affect CARICOM investors. However, completing the Single Market requires a systematic audit of national laws, regulations, and administrative practices to identify measures that violate national treatment obligations under the Revised Treaty. This audit should be coordinated regionally and validated by the CARICOM Secretariat's legal services. Reform should focus on

- Eliminating mandatory local equity requirements except where explicitly justified under Treaty-consistent public interest exceptions;
- Aligning licensing fees so CARICOM national and firms are treated no less favourable than domestic investors;
- Replacing discretionary approvals with transparent, rules based criteria and statutory timelines; and
- Strengthening administrative appeal mechanisms for denied applications.

To ensure compliance, these reforms should be linked to monitoring and reporting mechanisms, with persistent violations escalated to the CHOG or, where appropriate, adjudicated by the CCJ. Removing discriminatory requirements is essential to restoring investor confidence and ensuring that the right of establishment operates in practice rather than in principle.

6.2.3 Establish a CARICOM Transport and Logistics Authority

High transport and logistics costs remain the single most binding constraint on intra-regional trade. Fragmented regulation, uncoordinated shipping routes, inconsistent port charges, and underinvestment in logistics infrastructure all undermine the competitiveness of regional producers. A CARICOM Transport and Logistics authority would provide a regional coordination platform with responsibility for

- Harmonising transport and logistics regulations;
- Standardising port charges, documentation, and procedures;
- Coordinating regional maritime and air cargo routes;
- Implementing risk-based inspection and trade facilitation measures; and
- Planning and prioritising regional logistics infrastructure investments.

The Authority would work closely with national port authorities, civil aviation bodies, customs administrations, and private logistics providers. It would also serve as a focal point for mobilising donor and multilateral financing for infrastructure projects with regional spillover benefits.

Over time, a coordinated regional logistics framework would reduce freight costs, improve reliability and connectivity, enhance food security, and support the emergence of regional production and distribution networks, particularly in agriculture, agro-processing, and manufacturing.

6.3 Recommendations for completing formation of the Single Economy

6.3.1 Develop binding macroeconomic convergence criteria

A functioning Single Economy requires macroeconomic stability and policy predictability. To this end, CARICOM should adopt binding macroeconomic convergence criteria covering key indicators such as inflation, fiscal deficits, public debt-to-GDP ratios, and external reserve adequacy. Unlike previous voluntary targets, these criteria should be supported by:

- Legally binding commitments endorsed by the Conference of Heads of Government
- Clear timelines for convergence
- Harmonised statistical definitions and reporting standards
- Regular peer review and surveillance conducted by COFAP or a dedicated technical unit

Recognising differences in economic size and vulnerability, the framework should allow for graduated adjustment paths and target technical assistance for smaller and more vulnerable Member States. The objective is policy coherence and discipline sufficient to support deeper economic integration.

6.3.2 Establish binding fiscal rules³⁶⁹

For the CARICOM Single Market and Economy to evolve into a genuinely integrated Single Economy, fiscal policy can no longer remain entirely national, discretionary, and weakly coordinated. As integration deepens—through freer movement of capital, labour, services, and investment—fiscal spillovers increasingly cross borders. High debt in one Member State raises regional borrowing costs, weakens financial stability, and undermines confidence in the CSME as a whole. Without a credible framework for fiscal discipline, the benefits of market integration will remain constrained and uneven.

The experience of the OECS and the Eastern Caribbean Central Bank (ECCB) demonstrates that small, open economies gain credibility and resilience not by preserving full fiscal autonomy, but by pooling and constraining it through binding rules and strong regional institutions. CARICOM now faces a similar choice. A binding fiscal framework under the CSME would need to be anchored in law, not aspiration. Previous CARICOM commitments to debt targets and convergence criteria have failed largely because they relied on voluntary compliance and political goodwill. To succeed, fiscal rules must be simple, transparent, enforceable, and regionally monitored, while still allowing flexibility for shocks such as hurricanes and global crises.

At the core of such a framework should be a clear public debt anchor, set at a sustainable medium-term ceiling—such as 60 percent of GDP—already recognised in CARICOM policy discourse. This anchor would be supported by operational rules that guide day-to-day fiscal behaviour, particularly an expenditure growth rule that limits the expansion of primary spending to the economy's long-term growth rate. This approach is especially well suited to small open economies, as it reduces pro-cyclical spending and is easier to monitor than headline deficit targets. To ensure correction when slippages occur, the framework would incorporate

³⁶⁹ The approach articulated in this report draws from the OECS experience with establishing the Eastern Caribbean Central Bank (ECCB). This involved creating a fixed exchange rate alongside strict monetary financing rules and the establishing a single regulator and supervisor of commercial banks across the OECS.

an automatic adjustment mechanism, requiring governments whose debt paths deviate from agreed trajectories to implement primary balance corrections. Borrowing would be permitted but disciplined: debt financing would be reserved for capital investment and climate resilience, while current spending would need to be financed from revenues. In this way, fiscal policy would support growth and resilience rather than recurrent consumption.

Crucially, these rules cannot be left solely to national discretion. A regional institutional anchor is essential. Establishing a CARICOM Fiscal Council would provide independent, technical oversight of compliance with fiscal rules across Member States. The Council's role would not be punitive, but credibility-enhancing: publishing assessments, identifying risks early, and providing a common analytical framework for Ministers of Finance. Its findings would feed into formal peer review processes under CARICOM's economic governance structures, ensuring that fiscal performance becomes a matter of regional accountability rather than domestic politics alone. Enforcement would need to be graduated and realistic. Early deviations would trigger mandatory adjustment plans and enhanced monitoring. Persistent non-compliance would carry reputational consequences through public reporting, and more serious breaches could result in restricted access to regional facilities or conditionality on regional financing mechanisms. Importantly, discipline would be reinforced not only through sanctions, but through incentives: compliant states would benefit from preferential access to regional development finance, climate funds, and risk-sharing instruments.

Given the Caribbean's exposure to natural disasters and external shocks, the framework must also incorporate clearly defined escape clauses. Temporary suspension of fiscal rules would be permitted in the event of hurricanes, pandemics, or severe global shocks, but only under strict conditions: the fiscal impact would need to be quantified, the suspension time-bound, and a credible return-to-rule plan agreed in advance. Flexibility would exist, but discretion would be limited.

Implementation would need to be carefully sequenced. In the initial phase, Member States would agree on a common rule set, draft a model Fiscal Responsibility Act, and establish the CARICOM Fiscal Council in an advisory capacity. In the second phase, national legislation would give the rules binding legal force, and regional monitoring would become mandatory. Over time, compliance with the fiscal framework could be linked explicitly to access to regional capital markets, crisis financing, and deeper elements of the Single Economy, laying the groundwork for limited fiscal risk-sharing in the future. Differentiation would be necessary, particularly for the LDCs. Slower convergence paths, higher disaster-related borrowing allowances, and greater access to concessional financing would recognise structural asymmetries. However, differentiation must not become permanent exemption. However, all Member States would ultimately be bound by the same framework and objectives.

6.3.3 Establish a CARICOM Regional Capital Market

To advance the formation of the Single Economy and deepen financial integration under the CSME, CARICOM should establish a Regional Capital Market (RCM) that integrates national capital markets into a single, interoperable framework. The objective is to mobilise regional savings more efficiently, expand access to long-term finance, and lower the cost of capital for firms—particularly SMEs and growth-oriented enterprises—across Member States.

Implementation should proceed incrementally, beginning with the harmonisation of core capital market rules across participating Member States. This includes aligning listing requirements, disclosure standards, accounting and corporate governance rules, and introducing mutual recognition of prospectuses and licensed market intermediaries. These measures would allow firms listed in one Member State to access investors region-wide without duplicative compliance costs. In parallel, CARICOM should facilitate the development of integrated trading, clearing, and settlement infrastructure, either through interoperable national platforms or a shared regional system. Harmonised settlement cycles, common securities depositories, and coordinate oversight arrangements would reduce transaction costs, enhance market liquidity, and mitigate cross border settlement risk.

Strengthened regional supervisory coordination will be essential. Building on existing arrangements, regional bodies such as the Caribbean Group of Securities Regulators should be given a clearer mandate to coordinate supervision, enforce common standards, and manage cross-border market risks, while national regulators retain primary oversight responsibilities.

To ensure inclusiveness, the Regional Capital Market should include a dedicated SME and growth-enterprise segment, supported by simplified listing rules, regional credit-enhancement mechanisms, and technical assistance. This will help address persistent financing constraints faced by SMES across the region, particularly in the smaller and less developed Member States.

Participating in the Regional Capital Market should follow a variable-geometry approach, allowing Member States to join based on readiness while providing technical support to facilitate broader participation over time. Overall governance should be led by COFAP, with political endorsement by the CHOG and implementation support from the CARICOM Secretariat.

6.3.4 Harmonise banking, insurance, and securities regulations across CARICOM

Fragmented financial regulation constrains cross-border financial services and capital mobility. Harmonisation should therefore focus on achieving regulatory equivalence rather than identical rules. Priority areas for Member States should include

- Prudential standards for banks and insurers
- Disclosure and governance requirements for financial institutions
- Supervisory practices and enforcement powers; and
- Crisis management and resolution framework

Regional bodies such as the Caribbean Group of Securities Regulators and the Caribbean Association of Insurance Regulators should be empowered with clearer mandates, stronger coordination mechanisms, and formal links to national supervisors. Over time, this would enable cross-border licensing, reduce compliance costs, deepen capital markets, and improve financial resilience.

6.3.5 Harmonise AML/CFT rules

AML/CFT compliance is a critical enabler of financial integration and international credibility. Divergent national rules increase compliance costs, complicate cross-border operations, and expose the region to de-

risking by correspondent banks. Therefore, CARICOM should pursue full harmonisation of AML/CFT frameworks by

- Adopting uniform legislative definitions, thresholds, and due diligence standards;
- Implementing common risk-based supervisory models;
- Establishing secure regional information-sharing platforms among Financial Intelligence Units (FIUs); and
- Coordinating responses to international assessments and mutual evaluations

A harmonised AML/CFT regime would reduce regulatory fragmentation, support digital payments and fintech development, preserve correspondent banking relationships, and protect the integrity of the regional financial system.

6.4 Recommendations for reforming the application of Article 164

Article 164 remains an important instrument for supporting vulnerable sectors within the CSME, but its effectiveness has been undermined by how it is applied in practice. Reform should therefore focus not on eliminating Article 164, but on strengthening its design, discipline, and development impact.

- First, the application of Article 164 should be fixed by making protection explicitly time-bound rather than automatic or open-ended. Protection should be granted only as a transitional measure and not treated as an entitlement. To achieve this, every application for Article 164 protection should be accompanied by a Competitiveness Action Plan (CAP) that is formally reviewed and approved by the Council for Trade and Economic Development (COTED). This would ensure that protection is clearly linked to restructuring and competitiveness outcomes rather than simply preserving existing production.

The Competitiveness Action Plan should be a substantive and measurable document. At a minimum, it should set out the industry's baseline cost structure, identify productivity gaps relative to regional benchmarks, and assess technology gaps that constrain competitiveness. It should also include clear transformation milestones, alongside defined tests for quality upgrading and standards compliance, including relevant regional and international standards. For agricultural sub-sectors in particular, the CAP should specify concrete yield targets, while agro-processing and manufacturing activities should include unit cost-reduction targets tied to scale, efficiency, or technology adoption.

- Second, Article 164 protection should be phased and declining over time, rather than fixed for long periods. A time-bound, phased approach would ensure that industries face progressively stronger competitive pressure as restructuring proceeds, reinforcing the temporary nature of protection and discouraging long-term dependency.
- Third, clear and transparent criteria should govern both the approval and extension of Article 164 measures. Extensions should not be automatic. Instead, they should be granted only where there is verifiable evidence of improvements in productivity, quality, yields, or cost competitiveness in line with the commitments set out in the CAP. This would align Article 164 more closely with its original purpose of facilitating adjustment and industrial development.

- Fourth, sunset clauses must be enforced. Where industries fail to meet agreed benchmarks or demonstrate meaningful progress toward competitiveness, protection should lapse as scheduled. This is essential to preserving the credibility of the CSME and avoiding the entrenchment of permanently protected high-cost sectors.
- Finally, renewal of Article 164 protection should be contingent on an independent review of its economic impact. Such reviews should assess effects on productivity, prices, consumer welfare, intra-regional trade, and fiscal and balance-of-payments outcomes. Crucially, no renewal should be granted in the absence of an independent evaluation, ensuring that policy decisions are evidence-based and aligned with regional development objectives.

Table 21: Recommendations for completing the Single Market and Economy under the CSME

Area	Recommendation	Objective	Key Actions / Instruments	Expected Impact
Accelerating Implementation of the CSME				
Governance & Compliance	6.1.1 Binding regional timetable to eliminate non-tariff barriers (NTBs)	Reduce trade costs and improve predictability	• Comprehensive NTB inventory by sector • Time-bound elimination schedule • Assignment of responsible authorities • Public implementation scorecards • Escalation for non-compliance	Faster NTB removal, lower trade costs, increased intra-regional trade volumes
Services Integration	6.1.2 Standardise licensing and accreditation for services	Lower entry barriers and enable cross-border services	• Regional minimum licensing standards • Mutual recognition frameworks • Harmonised curricula and CPD • Regional registries of professionals • Collaboration among regulators	Greater services mobility, expanded regional services markets, reduced compliance costs
Labour Mobility	6.1.3 Regional Labour Market Information System (LMIS)	Improve matching of skills supply and demand	• Centralised digital LMIS platform • Integration with national employment and immigration systems • Employer vacancy posting across CARICOM • Skills forecasting and analytics	More efficient labour mobility, reduced skills mismatches, evidence-based training policy
Financial Integration	6.1.4 Incremental unification of capital market rules & SME finance mechanisms	Deepen capital markets and expand SME access to finance	• Harmonised listing and disclosure standards • Cross-border broker recognition • Regional credit-guarantee schemes • Venture and private equity funds • Regional factoring/leasing platforms	Increased cross-border investment, improved SME financing, stronger private-sector growth
Completing Implementation of the Single Market				
Single Market	6.2.1 Single CARICOM Business Registration Portal	Reduce administrative barriers to establishment and operation	• Single digital incorporation form • Interconnected national registries (APIs) • Harmonised company law standards • Automatic notification to tax/social agencies • Cross-border validation of firms	Lower entry costs, faster market entry, greater SME expansion, increased intra-regional investment
Single Market	6.2.2 Remove discriminatory establishment requirements	Ensure full national treatment for CARICOM investors	• Audit of laws and regulations • Eliminate local equity requirements • Align licensing fees • Replace discretion with rules-based approvals • Strengthen appeal mechanisms	Improved investor confidence, effective right of establishment, reduced regulatory uncertainty
Single Market	6.2.3 CARICOM Transport and Logistics Authority	Reduce trade and logistics costs	• Harmonise transport regulations • Standardise port charges and procedures • Coordinate shipping and air cargo routes • Risk-based inspections • Regional infrastructure planning	Lower freight costs, improved reliability, stronger regional supply chains, enhanced food security
Completing Implementation of the Single Economy				
Single Economy	6.3.1 Binding macroeconomic convergence criteria	Promote stability and policy predictability	• Regionally agreed fiscal, debt, inflation targets • Harmonised data reporting • Peer review and surveillance • Graduated adjustment paths for small states	Increased macroeconomic discipline, reduced policy divergence, foundation for deeper integration
Single Economy	6.3.2 Establishing binding fiscal rules	Anchor macroeconomic stability and reduce	• Regionally agreed fiscal rule framework (debt anchor, expenditure rule, borrowing limits)	Improved fiscal discipline, reduced debt vulnerabilities, greater investor confidence,

		fiscal spillovers within the Community	Model CARICOM Fiscal Responsibility Act for national adoption • Legal embedding of fiscal rules in national legislation with CSME supremacy clauses • Harmonised fiscal data reporting standards	stronger foundation for a viable Single Economy
Single Economy	6.3.3 Establish a CARICOM Regional Capital Market	Create an integrated regional platform for mobilising savings and financing investment	• Harmonised listing, disclosure, accounting, and corporate governance standards • Mutual recognition of prospectuses and market intermediaries • Integrated trading, clearing, and settlement infrastructure • Coordinated regional supervision through existing regulatory bodies • Dedicated SME and growth-enterprise market segment • Variable-geometry participation by Member States	Deeper capital markets, lower cost of capital, increased cross-border investment, improved SME access to finance, stronger foundation for the Single Economy
Single Economy	6.3.4 Harmonise banking, insurance, and securities regulation	Enable integrated regional financial markets	• Regulatory equivalence frameworks • Harmonised prudential and disclosure rules • Cross-border licensing recognition • Stronger regional regulatory coordination	Deeper capital markets, lower compliance costs, increased cross-border investment
Single Economy	6.3.5 Harmonise AML/CFT rules	Safeguard financial integrity and enable digital finance	• Uniform AML/CFT legislation • Common risk-based supervision • FIU information-sharing platforms • Coordinated international compliance	Preserved correspondent banking, reduced compliance fragmentation, growth of digital payments



Table 22: Integrated Action Plan for Accelerating and Completing Implementation of the CSME

Strategic Objective	Recommendation	Key Actions (What must be done)	Lead / Coordinating Institutions	Time Horizon	Measurable Outputs / Indicators
Reduce trade costs and NTBs	Binding regional timetable to eliminate NTBs	• Region-wide NTB inventory by sector • Time-bound elimination schedule approved by COTED • Assignment of national focal points • Public compliance scorecards • Escalation for persistent non-compliance	COTED; CARICOM Secretariat (CSME Unit); National Trade Ministries	Short (1–2 yrs)	• NTB inventory published • % of NTBs eliminated • Reduction in border clearance times
Enable seamless business entry	Single CARICOM Business Registration Portal	• Agree minimum company law standards • Develop regional digital gateway • Interconnect national registries via APIs • Standardise documentation and BO disclosures • Enable cross-border verification	CARICOM Secretariat; Legal Affairs Committee; National Registrars	Medium (2–3 yrs)	• Portal operational • No. of firms registered region-wide • Reduction in time/cost to establish
Ensure real Right of Establishment	Remove discriminatory establishment requirements	• Audit of laws, fees, licensing rules • Repeal local equity and nationality restrictions • Introduce statutory approval timelines • Strengthen administrative appeals	CARICOM Secretariat (Legal); National Ministries of Trade/Justice	Short–Medium	• Number of discriminatory measures repealed • Reduction in investor complaints
Deepen services integration	Standardise licensing & accreditation for services	• Agree regional minimum standards • Establish MRAs for priority sectors • Harmonise curricula and CPD • Create regional professional registries	COTED; Professional Bodies; Education Ministries	Medium	• MRAs adopted • No. of professionals registered region-wide
Improve labour mobility efficiency	Regional Labour Market Information System (LMIS)	• Design centralised digital platform • Integrate national employment & immigration data • Enable region-wide job postings • Introduce skills forecasting	CARICOM Secretariat; Labour Ministries; TVET Bodies	Medium	• LMIS operational • No. of vacancies filled regionally
Lower logistics and transport costs	CARICOM Transport & Logistics Authority	• Harmonise transport regulations • Standardise port charges & procedures • Coordinate shipping & air cargo routes • Plan regional logistics investments	Council for Trade & Transport; CARICOM Secretariat	Medium–Long (3–5 yrs)	• Reduction in freight costs • Improved shipping frequency/connectivity
Strengthen macroeconomic stability	Binding macroeconomic convergence criteria	• Agree inflation, debt, deficit targets • Harmonise statistical reporting	COFAP; Central Banks; CARICOM Secretariat	Medium–Long	• Regular convergence reports • Improved macro indicators alignment

		• Introduce peer review & surveillance • Provide TA for vulnerable states			
Deepen financial integration under the Single Economy	Establish a CARICOM Regional Capital Market (RCM)	• Harmonise listing, disclosure, accounting, and corporate governance standards • Introduce mutual recognition of prospectuses and licensed intermediaries • Establish binding fiscal rules Align tax treatment of cross-border investments • Develop interoperable or shared trading platforms • Establish regional clearing and settlement arrangements • Create an SME and growth-enterprise market segment • Adopt variable-geometry participation framework	COFAP; CARICOM Secretariat; Central Banks; Caribbean Group of Securities Regulators; National Securities Commissions; Stock Exchanges	Medium–Long (3–5 years)	• Harmonised capital market rulebook adopted • No. of cross-listed firms • Reduction in average listing and compliance costs • Growth in regional market capitalisation and liquidity • SME participation in regional capital markets
Deepen financial integration	Harmonise banking, insurance & securities regulation	• Align prudential and disclosure rules • Enable cross-border licensing • Strengthen regional regulators' mandates	Central Banks; CGSR; Insurance Regulators	Medium–Long	• Cross-border financial licences issued • Increased regional capital flows
Expand SME access to finance	Regional SME finance mechanisms	• Establish pooled credit guarantees • Launch regional venture funds • Develop cross-border factoring & leasing	CARICOM Secretariat; Development Banks	Medium	• SME credit volumes • SME participation in regional trade
Safeguard financial credibility	Harmonise AML/CFT frameworks	• Adopt uniform AML/CFT legislation • Implement shared risk-based supervision • Create FIU data-sharing systems	CFATF; FIUs; Ministries of Finance	Short–Medium	• Compliance with FATF standards • Retention of correspondent banking



7. Limitations of the study

This study faced several limitations, including data related and methodological issues, and institutional and policy constraints. These limitations are not merely technical in nature but are deeply embedded in the structural, institutional, and political realities of Caribbean integration, confining the robustness of empirical findings. One of the most significant limitations arose from persistent data constraints within CARICOM member states. Statistical capacity varies widely across the region, resulting in inconsistent, incomplete, and often outdated datasets. This unevenness complicated efforts to conduct comparative or longitudinal analyses, particularly when attempting to track changes in trade flows, labour mobility, or investment patterns attributable to the CSME. In many cases, key indicators that would normally allow for a rigorous assessment—such as firm-level productivity, the scale of informal cross-border activity, or the actual utilization of CSME provisions—are either poorly measured or entirely absent. Consequently, the consultants were compelled to rely on qualitative assessments and some proxy indicators, which weakens the precision and quality of impact evaluations.

Closely related to the data challenges was the difficulty of isolating the specific effects of the CSME from a range of external and domestic influences. The economies of CARICOM Member States are highly open and vulnerable to global economic shocks, including financial crises, commodity price volatility, natural disasters, and most recently, the COVID-19 pandemic. These factors often exert a far more immediate and visible influence on economic performance than regional integration initiatives. As a result, observed economic outcomes—whether positive or negative—cannot be easily attributed to the CSME itself. This attribution problem is compounded by the gradual and uneven rollout of CSME measures, which blurs the distinction between pre- and post-integration periods and undermines causal inference.

Methodologically, the heterogeneity of CARICOM member states alongside differences in economic structure, income levels, institutional capacities, and development trajectories mean that aggregate regional findings, where discernible, often obscure divergent national experiences. In this context, regional averages may suggest modest or negligible benefits while masking substantial gains in some states and losses or adjustment costs in others. For example, under CARICOM's 25 by 2025 plus 5 initiative, Guyana's benefits stand out, but the impact on CARICOM LDCs is more difficult to ascertain. This heterogeneity raises fundamental questions about whether the CSME can be meaningfully evaluated as a single, uniform policy intervention.

Institutional factors also posed a significant limitation to evaluating the potential impacts and benefits. The CSME remains a work in progress, with many of its core elements—such as the free movement of labour, harmonization of regulations, and the establishment of regional institutions—implemented unevenly or partially. This gap between formal commitments and practical implementation complicated evaluation efforts, especially as it relates to the effectiveness of the integration model itself. Notably, this did not lead to the study assessing compliance failures, which is not the objective of the study. Moreover, the absence of a more comprehensive regional monitoring and evaluation framework means that progress is rarely measured against clearly defined benchmarks, further limiting analytical clarity.

Economic structure and private sector behaviour introduced additional layers of complexity. Many Caribbean economies remain narrowly specialized, with heavy dependence on tourism, primary agricultural exports, or remittances. These structural characteristics tend to limit the extent to which CSME-related opportunities—such

as expanded markets, increased labour mobility, and strengthened regional production and value chains—translate into measurable growth or diversification. Furthermore, limited awareness, capacity, or willingness among firms, particularly small and medium-sized enterprises, to engage with the CSME framework reduces observable impacts. This was evident from the consultations with some stakeholders where their knowledge about and understanding of the CSME seemed limited, in some case severely limited. This led to the struggles with the study identifying implementation and capacity constraints as the binding factor, especially where integration benefits are underutilized.

Socio-political dynamics within the Community further complicated both the conduct and interpretation of CSME studies. For instance, regional integration remains politically sensitive for some Member States, particularly with respect to labour mobility, sovereignty, and access to social services. These sensitivities seemed to influence stakeholder responses in the consultations and interviews, possibly introducing bias into qualitative data. Thus, public perceptions of the CSME—often shaped by misinformation or uneven distribution of benefits—in some instances diverged significantly from economic realities, yet such perceptions (such as the view that the CSME itself lacks value or is not delivering value to Member States) have entered political discourse and, by extension, research findings.

Finally, the temporal dimension of CARICOM regional integration presented a fundamental limitation. The benefits of economic integration typically materialize over long time horizons, through processes such as productivity gains, institutional learning, and structural transformation. Consequently, the short to medium-term focus of this study, which is partly a function of the short lifetime of the CSME, affected evaluating the CSME's potential impact, particularly as they coincide with various periods of economic instability or policy transition, such as the 2008 financial crisis and the 2020 Covid-19 pandemic. Additionally, the rapidly changing global context—marked by increasing geopolitical tensions, AI and digitalization,³⁷⁰ evolving trade regimes, and climate vulnerability—continually reshapes the environment in which the CSME operates, making it difficult to provide forecasts about future performance of the CARICOM region.

³⁷⁰ There is a view that AI makes it nearly impossible to properly estimate 10-year scenarios about productivity.



8. Suggestions for further work

Given the above limitations, future research should move beyond broad evaluations of “success” or “failure” and focus instead on addressing the specific deficiencies and gaps that have hindered more robust analysis. Following on this, the following are suggested as areas for further work:

One critical area for future study is the development of longitudinal and counterfactual analyses of CSME outcomes. Existing research often lacks credible baselines against which post-CSME developments can be compared. That was the case for this study and it affected the overall analysis. Hence, future studies could construct counterfactual scenarios using synthetic control methods or carefully selected comparator regions composed of small, open economies outside the CSME framework. Such approaches would help isolate integration effects from external shocks and global trends, thereby strengthening causal inference and reducing attribution bias.

Relatedly, there is a strong need for firm-level and sector-specific research that moves beyond aggregate national indicators. Much of the presumed impact of the CSME—enhanced competitiveness, economies of scale, and market expansion—operates at the firm or industry level rather than through macroeconomic aggregates. Hence, future studies could examine how specific sectors, such as professional services, manufacturing niches, creative industries, or agro processing, have responded to market integration and regulatory harmonization. This would help clarify why integration benefits appear muted at the macro level while remaining potentially significant in targeted segments of the economy.

Another important avenue for research lies in labour mobility and human capital outcomes, particularly through micro-level data. While the free movement of skilled labour is a core pillar of the CSME, empirical evidence on its economic and social effects remains limited. Future studies could investigate migration trajectories, skill matching, wage differentials, and productivity outcomes for CSME migrants relative to non-migrants. Such research would help distinguish between short-term adjustment costs and longer-term efficiency gains, while also informing policy debates surrounding brain drain, social services, and national labor markets.

To address institutional and implementation deficiencies, future research should focus on implementation gap analysis. Hence, rather than evaluating the CSME as a unified policy, studies could systematically compare formal treaty obligations with actual national practices across Member States. This would allow future researchers to assess whether limited impacts reflect weaknesses in the integration model itself or failures of domestic compliance, administrative capacity, and political will. Embedding such analysis within political economy frameworks could further illuminate the incentives shaping state behaviour within CARICOM.

Finally, given the prevalence of informal economic activity in the Caribbean, future research should also explore the interaction between the CSME and the informal sector. Existing assessments, this study included, tend to focus on formal trade and employment, and this tends to underestimate the true scale of cross-border economic integration. Ethnographic methods, mixed-method surveys, and innovative data collection techniques could shed light on how informal traders, service providers, and migrant workers engage with—or are excluded from—the CSME framework. Unfortunately, because of time and other constraints, this study did not employ ethnographic methods and the mixed-method approach employed by the study faced constraints with accessing comparable, measurable indicators across Member States. This study also did not employ close-ended questions about

quantitative such as degree of awareness about and use of CSME provisions; changes in income, employment status, business costs, barriers to CSME utilisation from the perspective of businesses, including regulatory complexities and logistical challenges, etc.; or the frequency and duration of cross-border economic activity. Data from this may have helped this study identify patterns, correlations, and variations across CARICOM Member States. Better understanding firm behaviour across the Community could help explain the disconnect between formal market integration and limited observable gains and could guide policy related reforms aimed at increasing competitiveness and deepening cross-border production systems and more efficient use of resources.

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Bahamas : <https://stats.gov.bs/>

Antigua : <https://statistics.gov.ag/>

Saint Vincent & grenadines : <https://stats.gov.vc/>

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Dominica : <https://stats.gov.dm/>

Guyana : <https://statisticsguyana.gov.gy/>

Haiti : <https://ihsi.gouv.ht/>

Montserrat : <https://statistics.gov.ms/>

Saint Lucia : <https://stats.gov.lc/>

Trinidad : <https://cso.gov.tt/>

Saint Kitts : <https://www.stats.gov.kn/>
Grenada : <https://stats.gov.gd/>

10. Annexes

Annex 1 – Status of Implementation of the CSME, by Member State and Core Regime

Annex 2 – Selected Economic Indicators for CARICOM

Annex 3 – Summary of recommendations for integrating key economic sectors under the CSME

Annex 4 – Projections to 2035 – Optimistic Scenario, by Member State

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Annex 7a – Gruber-Lloyd Analysis

Annex 7b – Gruber-Lloyd Index

Annex 1: Status of Implementation of the CSME by Member States and Core Regime

CARICOM Member State	Free movement of goods	Free movement of skilled nationals	Right of establishment	Free movement of capital	Free movement of services
Antigua and Barbuda	Status: Removal of tariff and non-tariff barriers in accordance with the Treaty revised in 2001. Application of the Common External Tariff (CET) Pending implementation: update to HS 2022 and implement agreed tariffs on Art 164 products	Status: Gradual implementation of protocols, partial access to labour markets Issuance of skills certificates (> 1,000 certificates issued from 2006 to date) Pending implementation: provisions for 6 months entry for CARICOM Nationals in Immigration Act; NAR on Free Movement Committee	Status: Legislation in place, the right of establishment is legally recognized, but with uneven implementation. Pending implementation: Awaiting enactment of MoFA with amendments; legislation for technical, managerial staff	Status: Pending implementation: remove restrictions on capital transfers; establish stock exchange	Status: Movement of Factors Act passed commercial presence, presence of people). Pending implementation: awaiting enactment of MoFA
Barbados	Status: NAR on Art 164 products Pending implementation: Restrictions on the harmonization of product standards	Status: significant implementation, with facilitated access to skills, leading member state in issuing skills certificates (> 2000); NAR on Single Certificate System Pending implementation: provisions for 6 months entry for CARICOM Nationals in Immigration Act	Status: legislation amended to facilitate the right of establishment, Pending implementation: residual restrictions on local tax regulations; legislation for technical, managerial staff	Status: established stock exchange Pending implementation: remove Restrictions on the development of the regional capital market	Status: enacted CSME Implementation Miscellaneous Provisions Act of 2004 Pending implementation: competition problem with foreign providers.

Belize	Status: CET procedure is applied, and trade restrictions are reduced Pending implementation: implement revised structure of CET and Revised Schedule 1 based on HS 2022; implement agreed tariffs on Art 164 products	Status: full free movement as of 01/10/2025. Full Free Movement Committee in place; NAR on Single Certificate System Pending implementation: provisions of 6-month entry in Act	Status: Right of establishment recognized in Belize Pending implementation: legislation for technical, managerial staff	Status: removed some restrictions on capital exchange Pending implementation: establish stock exchange	Status: the legislative framework is in place (passed MoFA) Pending implementation: Implementation remains limited for cross-border services, and integration of services remains weak
Dominica	Status: Implementation of the CET in effect Pending implementation: update Revised Schedule 1 based on HS 2022; implement agreed tariffs on Art 164 products; remove remaining barriers	Status: All administrative and legislative arrangements in place for 6-month entry Pending implementation : Immigration Act to be reviewed	Status: Legislation is partially aligned, the right of establishment is in place Pending implementation: legislation for technical, managerial staff	Status: Pending implementation: remove restrictions on capital exchange	Status: Pending implementation: need to enact MoFA
Grenada	Status: CET applied Pending implementation: update Revised Schedule 1 based on HS 2022; implement agreed tariffs on Art 164 products	Status: facilitates 6 months stay Pending implementation: Immigration Act to be reviewed; No further action required on visa requirements for Haitian nationals	Status: MoFA Act was passed Pending implementation: awaiting enactment of Movement of Factors Act (MoFA); legislation for technical, managerial staff	Status: Pending implementation: remove restrictions on capital exchange	Status: MoFA passed Pending implementation: make amendments to immigration laws
Guyana	Status: CET procedure is applied; NAR on Art 164 products	Status: Access to skills is improving, issuing of more than 1,500 certificates	Right of establishment recognized and well established (but with variable application)	Status: Pending implementation: remove restrictions on capital exchange	Status: MoFA passed Pending implementation: make amendments to immigration laws

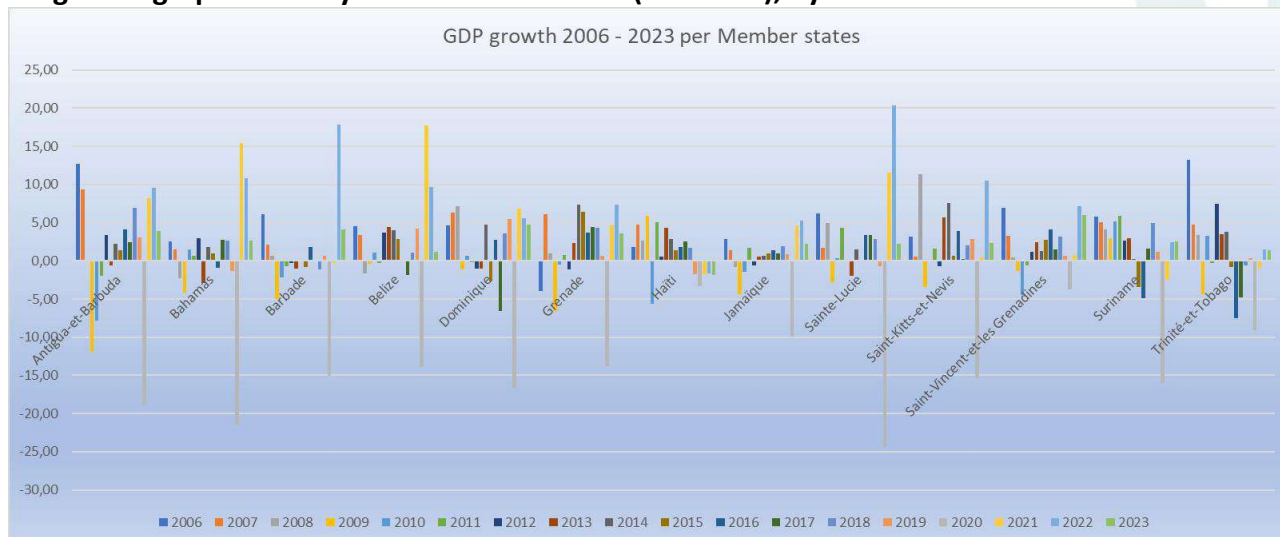
	Pending implementation: update HS 2022	Pending implementation: delays observed in the recognition of certificates	Pending implementation: legislation for technical, managerial staff		
Haiti	Status: Pending implementation: implement agreed tariffs on Art 164 products	Status: partial inclusion in the certificate regime Pending Implementation:	Status: legislation in progress, late ratification, right of establishment not fully implemented. Pending Implementation: legislation for technical, managerial staff	Status: Pending Implementation: remove restrictions on capital exchange	Status: Pending Implementation: make amendments to immigration laws
Jamaica	Status: Fully implemented CET; NAR on Art 164 products Pending implementation:	Status: Facilitates 6-month entry for CARICOM nationals Pending implementation: Immigration Act to be reviewed	Status: adapted legislation, effective right of establishment Pending implementation: legislation for technical, managerial staff	Status: established stock exchange Pending implementation:	Status: Enacted Caribbean Community (Establishment Services, Capital ...) Act, 2004 Pending implementation: make amendments to immigration laws
Montserrat	Status: partial application of the CET (limited by the size of the market) Pending implementation: need to update to HS 2022.	Status: Marginal participation in the certificate scheme Pending implementation: lack of human resources	Status: recognized right of establishment (but not priority) Pending implementation: legislation for technical, managerial staff	Status: Pending implementation:	Status: Pending implementation: make amendments to immigration laws
Saint Kitts and Nevis	Status: implemented	Status:	Status: legislation in place, right of establishment recognized (but partial application)	Status:	Status: Pending implementation: enact MoFA; make

	Pending implementation: need to update to HS2022 and remove remaining barriers	Pending implementation: Immigration Act to be reviewed	Pending implementation: legislation for technical, managerial staff	Pending implementation: remove restrictions on capital exchange	amendments to immigration laws
Saint Lucia	Status: the CET procedure is applied Pending implementation: need to update to HS 2022; and outstanding data for monitoring mechanisms	Status: Phased implementation and active participation in skills certificates Pending implementation: Immigration Act to be reviewed; need to remove visa requirement	Status: partially adapted legislation, dwell-established right of establishment Pending implementation: legislation for technical, managerial staff	Status: Pending implementation: remove restrictions on capital exchange	Status: passed MoFA Pending implementation: enact regulations; make amendments to immigration laws
Saint Vincent and the Grenadines	Status: CET is applied, with facilitated exchanges Pending implementation:	Status: Visas not required; participation in the certificate scheme (but limited) Pending implementation: Immigration Act to be reviewed	Status: right of establishment recognized (but partial application) Pending implementation: legislation for technical, managerial staff	Status: Pending implementation: remove restrictions on capital exchange	Status: Framework in place for services (but weak implementation) Pending implementation: make amendments to immigration laws
Suriname	Status: application of the CET; NAR on Art 164 products Pending implementation: need to update to HS 2022	Status: phased implementation, participation in the certificate system (but low volume) Pending implementation: No further Action Required	Status :Legislation being adapted, right of establishment in place (but slow implementation) Pending implementation: legislation for technical, managerial staff	Status: Pending implementation: remove restrictions on capital exchange	Status: passed MoFA Pending implementation: introduce regulations; make amendments to immigration laws
Trinidad and Tobago	Status: NAR on Art 164 products Pending implementation: need to implement CET and update	Status: facilitates entry for 6 months Leader in skills certificates (>2500).	Status: removed restrictions on right of establishment	Status: enacted Caribbean Community Removal of Restrictions Act No 2, 2005;	Status: robust legislative framework, dominant financial and energy

	to HS 2022; need to remove Non-Tariff Barriers being applied to goods of Community origin	Pending implementation: to remove visa requirement for Haiti nationals	Pending implementation: resolve hiatus	Pending implementation: remove restrictions on capital exchange	services, liberalized services (with certain restrictions) Pending implementation: amendments to immigration laws
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Annex 2: Selected Economic Indicators for CARICOM

Figure 5: graphical analysis of GDP indicators (% annual), by Member State from 2006 to 2024



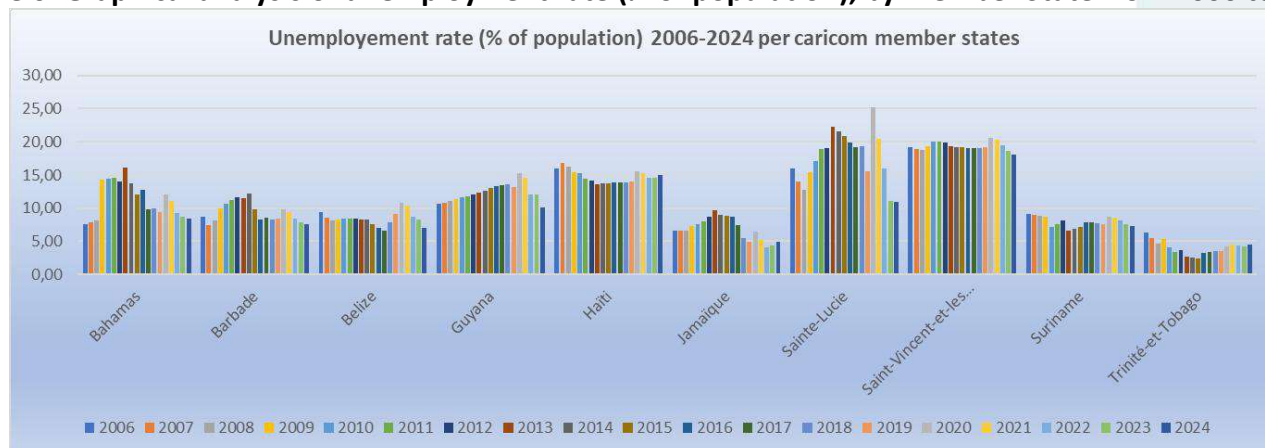
(Sources: Graphic reconstructed by the consultant based on World Bank data 2025)

Table 23: Unemployment rate (%) indicators, by Member State from 2006 to 2024

Unemployment rate (% of population) (estimation OIT)																			
Caricom member States	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Bahamas	7,54	7,88	8,18	14,25	14,43	14,52	14,02	16,18	13,80	12,00	12,70	9,80	10,00	9,34	12,03	11,03	9,27	8,64	8,46
Barbade	8,73	7,41	8,12	10,02	10,69	11,19	11,59	11,55	12,17	9,80	8,25	8,62	8,32	8,41	9,78	9,43	8,37	7,88	7,53
Belize	9,39	8,51	8,18	8,33	8,42	8,43	8,38	8,35	8,24	7,58	7,00	6,60	7,90	9,05	10,78	10,32	8,76	8,27	7,00
Guyana	10,70	10,85	11,03	11,31	11,64	11,82	12,04	12,30	12,64	13,00	13,26	13,46	13,63	13,17	15,33	14,56	12,01	12,03	10,17
Haïti	15,91	16,80	16,20	15,35	15,25	14,49	14,10	13,64	13,76	13,72	13,85	13,88	13,88	14,06	15,55	15,28	14,64	14,56	15,06
Jamaïque	6,61	6,61	6,67	7,31	7,63	8,03	8,70	9,70	9,05	8,83	8,63	7,40	5,47	4,99	6,50	5,19	4,08	4,40	4,89
Sainte-Lucie	16,00	14,00	12,72	15,37	17,12	18,86	19,06	22,21	21,60	20,86	19,93	19,14	19,33	15,61	25,22	20,51	15,93	11,09	10,93
Saint-Vincent-et-les Grenadines	19,15	18,93	18,79	19,39	19,97	20,05	19,87	19,37	19,25	19,14	19,03	19,01	18,98	19,24	20,64	20,34	19,42	18,57	18,06
Suriname	9,10	9,00	8,83	8,72	7,15	7,54	8,10	6,60	6,94	7,22	7,92	7,89	7,69	7,56	8,76	8,49	8,16	7,63	7,33
Trinité-et-Tobago	6,27	5,54	4,63	5,28	4,03	3,43	3,72	2,68	2,48	2,43	3,21	3,39	3,50	3,52	4,21	4,45	4,38	4,21	4,55

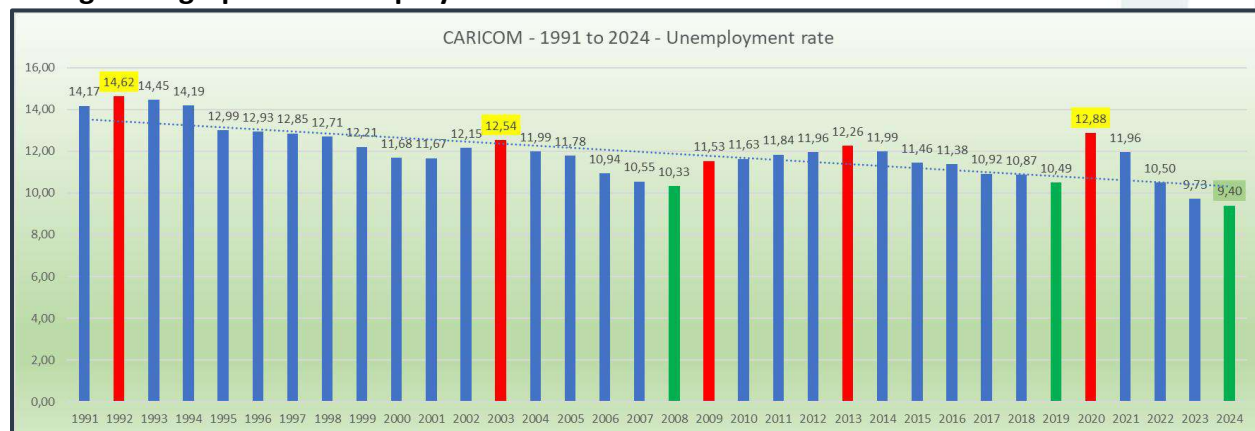
(Sources: table reconstructed by the consultant based on OIT data 2025)

Figure 6: Graphical analysis of unemployment rate (% of population), by Member State from 2006 to 2024



(Sources: Graphic reconstructed by the consultant based on OIT data 2025)

Figure 7: graphic of unemployment rate - indicators from 1991 to 2024 - CARICOM area



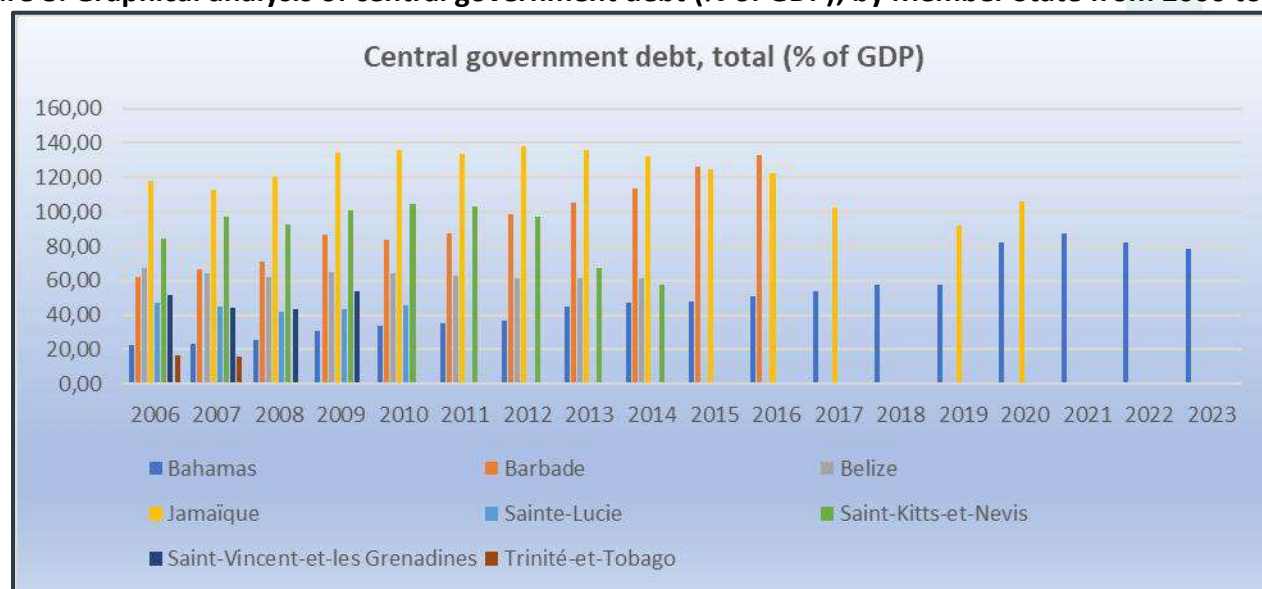
(Sources: Graphic reconstructed by the consultant based on OIT data 2025)

Table 24: Central government debt (% of GDP) indicators, by Member State from 2006 to 2024

Central government debt, total (% of GDP)																		
Caricom Member States	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Bahamas	22,78	22,99	25,46	30,91	33,69	35,31	36,45	45,11	47,02	48,30	50,79	53,53	57,41	57,83	82,26	87,39	82,16	78,53
Barbade	62,37	66,80	71,09	86,85	83,53	87,40	98,63	105,11	113,45	126,37	133,20							
Belize	67,07	64,06	62,02	64,93	64,16	62,57	61,38	61,21	61,03									
Jamaïque	117,70	112,99	120,34	134,68	136,22	133,98	137,93	135,89	132,41	124,65	122,66	102,46		92,25	106,28			
Sainte-Lucie	47,20	45,30	41,63	43,40	45,86													
Saint-Kitts-et-Nevis	84,66	97,05	92,48	100,75	104,88	103,01	96,96	67,13	57,67									
Saint-Vincent-et-les Grenadines	51,32	43,86	43,51	53,70														
Trinité-et-Tobago	16,80	15,93																

(Sources: table reconstructed by the consultant based on World Bank data 2025)

Figure 8: Graphical analysis of central government debt (% of GDP), by Member State from 2006 to 2024



(Sources: graphic reconstructed by the consultant based on World Bank data 2025)

Table 25: Foreign direct investment inflows indicators from 2006 to 2020 by CARICOM member state

FOREIGN DIRECT INVESTMENT INFLOWS 2006 - 2020 (million US\$)

Caricom member States	A2006	A2007	A2008	A2009	A2010	A2011	A2012	A2013	A2014	A2015	A2016	A2017	A2018	A2019	A2020
Bahamas	842.9	886.8	1,031.6	753.1	1,097.2	1,408.8	1,033.5	1,590.4	3,551.0	712.6	1 259,50	901.4	947.4	611.0	896.8
Barbados	342.3	476.4	615.1	356.0	425.3	459.6	528.0	104.1	753.7	688.5	557,70	...	...	...	...
Guyana	102.4	152.4	178.0	164.0	198.0	246.9	293.8	214.0	255.2	121.7	58,00	212.2	1,118.9	1,712.3	1,043.6
Jamaica	882.2	866.5	1,436.6	540.9	227.7	218.2	413.3	544.7	582.1	925.0	928,00	888.8	774.6	665.4	325.1
Suriname	163.40	(246.7)	(231.4)	(93.4)	(247.7)	69.8	173.7	187.6	164.1	266.7	300,00	96.1	131.0	84.2	0.8
Trinidad and Tobago	882.7	830.0	2,800.8	709.1	549.4	41.0	(1,904.3)	(1,130.0)	661.4	176.8	23,60	(470.9)	(700.2)	184.0	(102.6)
Belize	116.6	150.3	180.1	113.1	97.2	95.3	189.2	95.2	152.7	64.6	44,00	24.5	118.3	93.9	76.2
Antigua and Barbuda	361.0	340.5	160.8	84.6	101.3	68.3	137.5	100.8	46.3	114.0	97,40	154.9	204.5	96.3	22.4
Dominica	28.9	47.9	56.8	43.0	24.9	14.2	28.9	26.2	12.3	7.2	42,30	21.7	76.6	59.4	25.2
Grenada	95.6	172.4	140.7	104.0	63.6	45.2	34.3	113.6	106.8	156.4	109,90	155.7	175.7	215.1	146.1
Montserrat	4.0	6.9	12.7	2.6	3.6	2.5	2.6	3.8	5.0	4.7	3,70	3.4	3.3	1.9	0.3
St. Kitts and Nevis	114.6	140.8	183.9	136.0	118.8	111.6	110.0	138.6	156.7	128.3	121,40	48.0	33.7	63.9	47.1
St. Lucia	237.7	277.5	166.2	151.9	126.6	100.3	77.9	95.2	65.4	152.2	161,60	48.5	57.4	30.5	14.9
St. Vincent and the Grenadines	109.8	121.0	159.3	111.0	97.4	85.8	115.4	159.9	124.4	123.9	80,20	163.3	41.6	82.0	72.9

(Sources: table reconstructed by the consultant based on World Bank data 2025)

Table 26: Foreign direct investment outflows indicators from 2006 to 2020 by CARICOM member state

MEMBER STATES OUTFLOWS OF FOREIGN DIRECT INVESTMENT 2006 - 2020 (US\$ millions)

caricom Member States	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Bahamas	136.4	140.6	171.5	89.1	150.4	524.0	158.4	277.1	2,679.1	169.9	358.6	151.1	117.3	148.4	156.8
Barbados	44.4	82.2	73.4	127.8	324.1	560.2	39.9	26.3	(67.6)	322.2	94.7	...	...	...	...
Jamaica	(85.4)	(115.0)	(75.9)	(61.1)	(58.2)	(74.6)	(89.9)	74.8	59.5	34.2	270.1	34.3	12.7	446.0	6.7
Trinidad and Tobago	370.0	-	700.0	-	-	67.2	189.4	62.5	(17.7)	128.3	(25.3)	(12.0)	65.0	114.2	103.8
Belize	7.7	7.2	10.4	4.3	1.1	0.6	0.9	0.7	2.7	0.5	1.7	0.3	0.7	2.1	4.4
Antigua and Barbuda	2.2	2.3	2.0	4.0	4.7	3.1	4.4	6.2	6.3	14.1	38.0	11.0	11.3	12.1	9.8
Dominica	3.0	7.4	0.3	0.6	0.5	0.0	0.0	2.0	(1.8)	(11.5)	0.9	(1.1)	0.1	0.1	0.1
Grenada	5.8	15.8	5.9	1.5	3.2	2.5	2.8	0.5	6.8	19.1	16.6	3.5	11.9	18.9	0.2
Montserrat	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-
St. Kitts and Nevis	4.1	6.3	6.0	5.3	2.6	2.0	1.7	2.4	5.4	(4.9)	(3.0)	5.9	(1.8)	(1.9)	(6.5)
St. Lucia	3.7	5.6	5.0	5.5	5.3	3.9	4.3	3.1	(32.5)	23.3	12.4	(10.0)	(9.5)	26.3	(39.2)
St. Vincent and the Grenadines	0.7	1.6	0.0	0.7	0.2	0.2	0.3	0.4	5.2	8.1	(8.5)	20.8	7.6	6.6	(3.2)

(Sources: table reconstructed by the consultant based on World Bank data 2025)

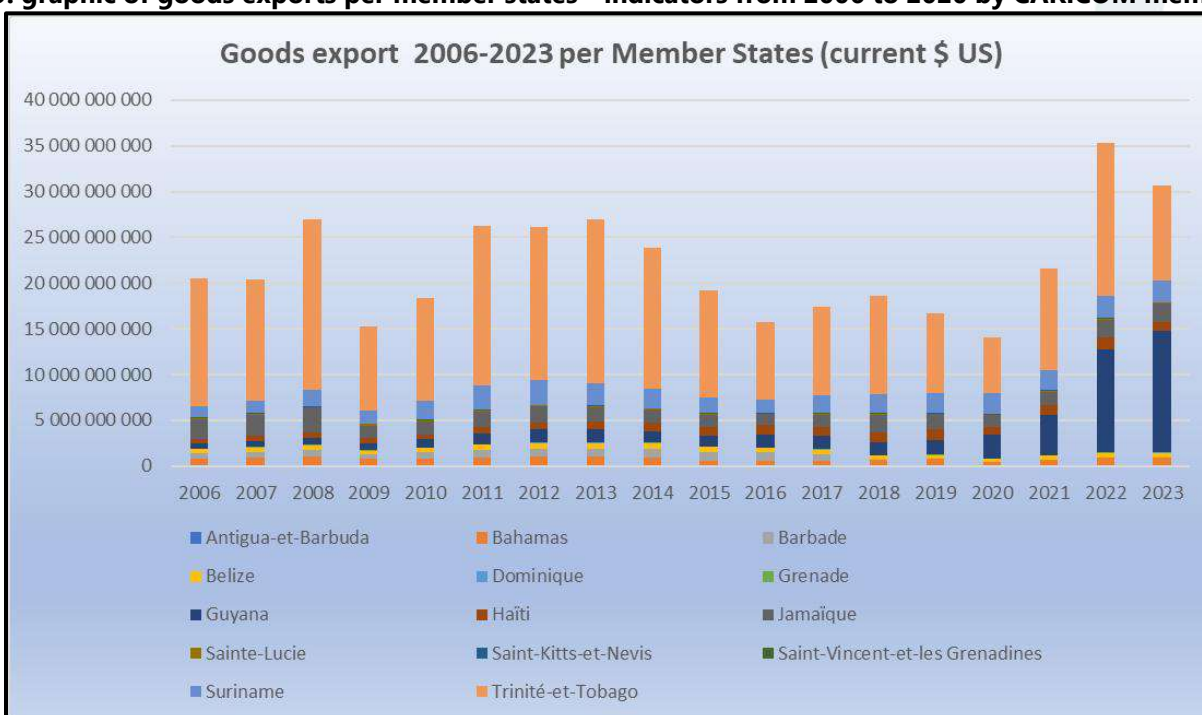
Table 19: Goods export (US\$) indicators from 2006 to 2020 by CARICOM member state

Goods export (current US\$)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Antigua-et-Barbuda	73 995 931	59 283 602	65 385 681	50 741 040	45 715 381	56 151 357	59 042 073	63 497 723	98 707 946	67 572 502	50 060 383	37 177 842	42 970 038	50 071 207	37 147 485	50 554 548	82 674 688	85 879 434
Bahamas	703 540 000	801 874 138	955 822 000	710 680 000	702 435 000	833 539 000	984 017 000	954 914 000	833 944 932	520 531 829	481 397 433	570 600 437	641 734 134	695 323 347	431 367 905	638 590 377	814 400 357	861 501 554
Barbade	667 923 501	713 457 611	733 410 059	481 829 278	722 478 470	832 712 750	827 800 456	884 868 469	966 165 453	939 688 879	976 754 710	705 063 590						
Belize	408 927 960	416 264 480	479 973 485	383 955 785	475 729 501	603 581 171	627 854 153	608 074 014	588 687 029	537 911 605	442 799 710	457 436 755	451 249 163	425 276 780	288 753 129	422 123 245	517 740 573	488 061 500
Dominique	44 259 658	39 018 149	43 885 139	36 815 301	33 287 701	34 366 160	34 426 283	36 439 806	38 514 368	34 876 544	25 424 905	13 007 630	11 570 725	21 183 274	17 744 491	21 343 300	25 031 370	25 941 155
Grenade	32 285 493	40 732 087	40 466 672	35 292 697	31 126 359	37 153 500	42 813 457	44 666 470	46 773 412	43 712 081	38 532 483	41 308 471	45 511 795	47 949 439	28 554 717	44 271 783	61 144 102	73 215 653
Guyana	579 602 000	674 881 000	801 519 877	768 183 773	884 979 901	1 129 076 609	1 415 453 833	1 375 114 818	1 167 188 505	1 151 257 152	1 434 405 435	1 437 329 894	1 377 136 300	1 567 001 510	2 589 953 960	4 355 912 633	11 280 422 542	13 210 200 502
Haiti	495 180 000	522 080 000	490 136 881	550 996 461	563 381 581	768 085 377	778 844 547	914 907 301	960 929 834	1 024 284 732	1 007 447 320	991 398 484	1 078 376 514	1 201 776 091	885 315 744	1 130 223 476	1 253 855 360	955 687 263
Jamaïque	2 133 613 000	2 362 580 537	2 743 891 964	1 387 723 875	1 370 358 549	1 666 090 336	1 728 499 366	1 580 479 624	1 448 619 237	1 254 861 538	1 188 319 201	1 350 869 098	1 960 961 118	1 653 218 414	1 250 578 464	1 480 794 869	1 901 510 456	2 001 896 638
Sainte-Lucie	96 641 362	101 212 972	112 688 773	173 984 425	126 121 456	94 121 348	107 259 080	102 533 275	94 409 207	113 637 323	90 111 663	93 577 180	70 370 876	91 028 019	60 794 601	86 181 803	135 745 740	144 027 080
Saint-Kitts-et-Nevis	30 489 114	31 954 453	45 246 280	18 570 922	41 548 015	51 451 899	45 730 150	39 641 558	56 716 251	34 254 444	24 352 189	29 161 094	37 504 736	45 626 079	27 415 277	42 381 581	34 945 527	28 724 031
Saint-Vincent-et-les Grenadines	41 158 207	51 347 431	57 183 458	53 352 369	44 997 767	43 421 506	47 771 157	54 468 589	49 581 250	46 282 409	46 765 689	43 959 380	46 238 274	44 564 222	58 206 133	38 313 331	51 703 719	49 450 384
Suriname	1 174 500 000	1 359 000 000	1 743 500 000	1 401 800 000	2 084 097 840	2 646 888 619	2 700 318 313	2 416 721 569	2 148 859 163	1 665 753 382	1 440 204 016	1 985 018 737	2 065 103 327	2 129 378 550	2 343 773 296	2 203 515 992	2 456 640 925	2 359 864 967
Trinité-et-Tobago	14 064 622 194	13 197 660 781	18 620 718 923	9 203 916 047	11 219 327 322	17 486 876 035	16 730 852 658	17 911 528 738	15 299 287 339	11 706 818 877	8 504 401 506	9 644 686 294	10 755 630 448	8 764 293 318	6 002 888 482	11 082 023 370	16 687 114 039	10 378 341 534

(Sources: table reconstructed by the consultant based on World Bank data 2025)

by CARICOM member state

Region	2020	2021	2022	2023
Americas	1	1	1	1
Caribbean	1	1	1	1
Europe	1	1	1	1
Other	1	1	1	1



(Sources: graphic reconstructed by the consultant based on World Bank data 2025)

Table 20: Services export (US\$) indicators from 2006 to 2020 by CARICOM member state

Services Export (current \$ US)																		
Caricom member States	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Antigua-et-Barbuda	758 147 239	743 317 728	883 983 991	830 922 844	799 738 496	832 747 230	851 106 541	841 739 707	928 576 599	948 793 867	993 021 884	951 516 081	992 975 685	1 144 014 004	556 783 970	655 142 283	1 028 598 200	1 099 600 369
Bahamas	2 436 080 000	2 599 340 000	2 533 924 563	2 350 857 000	2 493 573 000	2 493 608 000	2 691 377 600	2 671 240 000	2 724 801 051	2 895 504 509	3 399 808 723	3 192 086 157	4 110 150 473	4 468 513 518	1 257 053 699	2 691 240 181	4 611 012 020	5 143 645 365
Barbade	1 378 471 021	1 457 702 039	1 518 750 205	1 414 555 083	1 332 206 786	1 298 372 810	1 257 512 102	1 458 379 199	1 377 789 275	1 418 579 638	1 433 366 847	1 522 876 825						
Belize	367 036 154	400 086 592	386 592 313	344 344 096	353 846 432	340 185 856	406 560 306	448 053 138	494 314 252	495 732 587	525 727 234	573 471 410	620 049 388	677 199 095	425 870 424	620 868 925	851 316 441	1 048 000 701
Dominique	156 006 886	155 345 143	163 888 999	166 549 347	200 434 874	206 779 974	174 682 511	187 313 915	233 856 532	225 423 377	235 963 879	196 074 046	136 275 948	181 487 466	83 134 001	96 366 123	148 898 644	162 876 846
Grenade	182 440 539	272 910 814	299 563 696	302 536 392	311 613 584	334 683 933	370 099 736	386 506 256	431 796 460	467 066 236	486 244 069	536 823 101	575 761 856	613 690 684	400 068 338	493 626 141	645 051 386	755 313 397
Guyana	147 644 000	172 897 000	211 880 849	170 307 046	248 050 307	297 598 304	297 769 919	164 690 000	180 840 766	144 839 383	246 114 312	206 285 104	191 665 627	231 056 613	182 982 762	237 743 627	237 066 202	528 907 197
Haiti	193 930 000	257 110 000	426 998 773	483 010 084	453 002 409	543 604 894	548 995 178	651 998 201	701 186 851	723 509 514	637 102 344	672 985 652	701 301 115	530 970 759	132 748 854	141 578 426	101 452 303	139 013 183
Jamaïque	2 648 677 832	2 706 554 061	2 795 222 625	2 650 557 208	2 634 015 282	2 620 213 778	2 755 722 980	2 755 115 840	2 952 204 894	3 058 766 644	3 216 454 600	3 516 155 119	3 829 668 377	4 377 675 211	1 998 847 616	2 919 909 882	4 522 117 818	5 273 023 932
Sainte-Lucie	362 239 980	611 334 039	535 332 580	507 579 157	652 975 246	677 719 276	682 811 018	738 674 608	826 762 189	867 262 671	829 284 545	942 634 243	1 043 683 195	1 117 755 619	390 339 256	624 572 426	1 153 919 876	1 275 116 803
Saint-Kitts-et-Nevis	339 679 184	337 085 074	388 478 253	364 580 790	378 063 544	409 988 649	433 336 607	498 043 698	525 634 204	496 424 314	478 850 509	476 073 769	556 818 163	518 896 723	326 545 523	358 841 740	508 037 393	550 844 052
Saint-Vincent-et-les Grenadines	191 075 633	206 002 848	177 291 934	176 985 800	182 567 373	189 629 326	195 038 589	203 170 242	206 489 054	237 606 748	255 797 175	249 206 219	275 530 100	284 086 984	126 420 686	102 293 631	226 588 348	295 647 747
Suriname	236 600 000	253 400 000	284 200 000	286 700 000	241 400 000	200 766 370	171 510 603	172 163 623	202 681 346	177 387 378	166 126 360	158 349 774	170 734 269	157 371 479	102 620 586	95 942 245	142 977 350	173 468 118
Trinité-et-Tobago	814 800 000	923 800 000	936 500 000	764 800 000	874 200 000	1 109 416 251	1 288 507 033	1 236 979 198	1 364 165 355	1 124 999 536	956 089 399	979 943 996	814 313 014	801 518 624	436 819 842	460 140 271	896 749 895	1 165 936 976

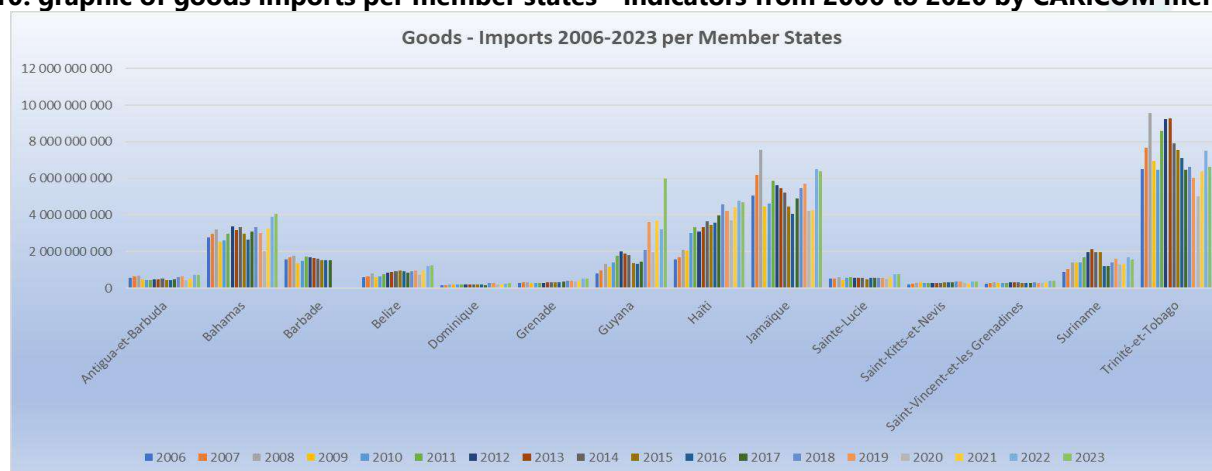
(Sources: table reconstructed by the consultant based on World Bank data 2025)

Table 21: Goods import (US\$) indicators from 2006 to 2020 by CARICOM member state

Caricom Member States	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Antigua-et-Barbuda	559 702 264	648 910 963	668 885 794	478 906 696	453 883 553	430 444 175	492 347 437	503 069 396	532 352 266	426 109 557	443 151 157	493 872 461	622 729 546	626 763 854	440 324 785	525 235 652	724 982 560	743 882 457
Bahamas	2 766 500 000	2 956 922 389	3 199 041 000	2 535 793 000	2 591 499 000	2 965 656 000	3 385 465 000	3 165 946 000	3 344 241 610	2 954 035 033	2 621 619 793	3 109 004 930	3 316 814 472	3 009 200 306	2 023 990 102	3 264 220 363	3 879 249 640	4 074 795 545
Barbade	1 580 005 517	1 679 209 029	1 783 572 212	1 348 209 014	1 483 924 497	1 712 001 917	1 667 813 428	1 661 009 309	1 624 359 959	1 530 568 363	1 546 242 014	1 525 914 498						
Belize	597 872 245	634 717 661	788 239 254	620 512 129	647 223 348	778 175 075	836 979 650	875 907 313	925 532 396	961 264 733	916 128 466	847 365 603	917 235 593	968 501 301	731 431 930	956 086 050	1 223 635 879	1 265 415 550
Dominique	146 868 561	172 344 386	217 377 036	198 225 146	200 408 641	207 282 105	197 576 388	202 027 665	202 644 623	195 356 741	187 986 336	174 260 764	284 518 171	280 941 636	187 645 120	202 557 878	234 926 383	265 461 807
Grenade	297 085 185	327 889 434	338 763 281	262 877 427	285 573 047	295 295 244	300 315 253	324 224 690	305 760 095	307 073 174	307 686 683	369 853 212	410 900 693	417 678 507	345 804 480	392 773 001	518 147 438	534 612 786
Guyana	809 757 000	982 854 000	1 323 612 479	1 179 398 355	1 419 078 768	1 770 522 516	1 996 735 110	1 874 905 179	1 791 268 270	1 352 814 227	1 340 624 974	1 426 643 322	2 087 342 319	3 609 799 987	1 954 481 655	3 701 396 473	3 204 442 397	6 002 816 014
Haiti	1 548 200 000	1 704 200 000	2 107 737 929	2 032 128 507	3 010 070 346	3 314 456 870	3 079 329 825	3 340 641 062	3 666 152 065	3 449 376 951	3 555 590 866	3 962 011 518	4 595 266 756	4 211 980 266	3 685 731 794	4 415 945 440	4 761 860 638	4 714 851 087
Jamaïque	5 077 027 291	6 203 893 770	7 546 787 549	4 475 657 390	4 629 377 587	5 881 414 416	5 634 166 724	5 458 172 289	5 207 612 913	4 449 380 910	4 072 005 711	4 904 331 412	5 475 744 137	5 684 506 220	4 199 096 279	4 262 601 766	6 509 542 707	6 401 446 208
Sainte-Lucie	520 978 167	541 697 642	604 820 344	457 960 989	582 981 852	613 234 973	566 366 264	545 970 337	552 043 723	501 801 620	575 931 607	576 407 916	579 723 509	567 798 461	484 661 757	589 835 617	744 625 281	752 383 378
Saint-Kitts-et-Nevis	206 571 090	228 855 742	296 650 793	307 086 255	293 584 727	294 782 922	273 559 497	293 638 352	290 345 466	310 437 050	334 315 394	332 406 311	354 965 145	349 766 466	275 017 038	255 433 149	375 048 541	375 186 406
Saint-Vincent-et-les Grenadines	237 681 811	287 911 116	328 679 185	293 808 191	297 716 815	292 283 972	314 036 570	326 531 116	319 556 664	294 759 677	295 146 708	290 921 830	311 755 233	295 442 786	283 018 768	328 414 167	386 119 336	402 339 878
Suriname	902 600 000	1 044 800 000	1 406 700 000	1 390 700 000	1 397 900 000	1 679 077 911	1 971 541 459	2 125 636 879	1 965 641 551	1 973 127 676	1 202 419 859	1 210 548 912	1 402 852 987	1 597 629 355	1 282 467 974	1 338 490 718	1 701 415 508	1 572 159 977
Trinité-et-Tobago	6 490 800 000	7 662 300 000	9 551 100 000	6 962 600 000	6 481 400 000	8 578 583 635	9 231 945 091	9 276 000 365	7 919 316 855	7 529 492 995	7 088 732 657	6 451 700 898	6 617 224 458	6 032 462 518	5 018 815 270	6 370 110 185	7 506 166 662	6 615 652 539

(Sources: table reconstructed by the consultant based on World Bank data 2025)

Figure 10: graphic of goods imports per member states - indicators from 2006 to 2020 by CARICOM member state



(Sources: graphic reconstructed by the consultant based on World Bank data 2025)

Table 22: Services Import (US\$) indicators from 2006 to 2020 by CARICOM member state

Caricom Member States	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Antigua-et-Barbuda	424 670 911	451 699 880	487 763 941	465 370 759	414 799 166	406 901 344	396 286 255	400 359 839	392 680 799	427 281 984	480 429 777	476 894 083	510 176 305	554 686 142	312 310 535	342 610 633	502 419 649	529 555 018
Bahamas	1 610 870 000	1 579 589 808	1 402 901 975	1 196 063 000	1 181 098 000	1 292 417 000	1 537 661 000	1 628 266 000	1 727 820 968	1 277 858 820	1 835 538 826	1 812 461 442	1 799 488 920	1 830 415 287	1 386 810 937	1 682 931 370	1 963 424 213	2 198 028 602
Barbade	529 564 424	574 502 120	662 598 790	627 917 355	670 097 175	520 915 377	540 184 200	745 250 120	687 399 401	712 557 509	691 979 665	686 954 662						
Belize	152 159 935	168 156 306	169 575 247	161 746 827	162 391 153	171 083 254	188 071 808	207 790 831	224 590 660	221 357 660	215 682 310	240 520 708	237 857 762	234 691 298	170 386 732	293 363 528	349 935 271	307 792 287
Dominique	92 154 972	102 397 084	112 710 111	111 049 084	126 780 942	114 283 462	109 755 971	117 340 075	135 829 134	131 137 376	141 436 707	149 868 637	144 149 115	153 506 281	114 638 794	114 624 468	119 343 765	151 702 610
Grenade	126 073 809	140 193 694	156 962 556	144 906 149	141 983 673	148 918 091	151 500 100	159 991 681	164 811 921	181 756 697	198 967 453	213 443 602	235 848 373	259 413 163	198 924 353	229 123 070	266 875 007	390 075 484
Guyana	245 417 000	272 539 000	325 193 088	272 420 805	343 838 864	433 751 918	526 341 164	502 691 940	426 215 099	423 310 019	513 916 278	574 533 373	1 190 262 558	1 657 114 649	1 991 914 830	2 886 620 706	3 828 213 297	4 953 562 413
Haiti	593 360 000	680 250 000	746 035 992	772 088 820	1 277 250 866	1 118 982 824	1 116 019 200	1 101 924 210	1 087 153 961	1 041 578 247	712 438 269	864 086 633	822 321 771	620 028 962	491 551 901	632 059 096	688 905 417	588 350 401
Jamaïque	2 021 063 142	2 281 682 536	2 367 116 079	1 880 636 334	1 824 399 341	1 946 040 829	2 177 419 874	2 058 550 271	2 244 698 613	2 160 746 711	2 170 632 752	2 320 429 635	2 405 794 487	2 624 006 921	1 714 152 923	3 142 711 481	3 216 946 864	3 464 229 600
Sainte-Lucie	241 351 948	327 295 025	298 382 563	268 741 074	305 506 161	307 569 023	290 738 994	299 653 979	306 069 088	340 849 867	349 582 448	381 447 093	406 552 798	449 502 782	229 871 209	303 040 375	454 949 458	539 601 269
Saint-Kitts-et-Nevis	159 729 823	172 343 328	193 998 517	174 758 830	182 164 576	188 794 557	190 806 126	205 287 336	214 850 863	216 828 800	221 201 077	209 878 671	227 386 477	251 213 409	155 245 845	151 968 580	231 807 209	293 981 804
Saint-Vincent-et-les Grenadines	99 729 976	125 085 226	131 995 110	120 939 478	120 619 090	104 123 872	121 360 433	130 109 938	129 361 775	121 843 258	143 447 278	138 410 057	140 691 223	130 805 769	92 017 179	101 853 544	154 713 221	186 524 736
Suriname	269 300 000	317 900 000	407 200 000	285 300 000	259 000 000	562 463 392	618 199 108	594 565 716	803 096 812	708 512 700	499 846 320	569 314 385	666 943 660	815 085 556	562 590 182	537 923 035	640 176 234	631 291 771
Trinité-et-Tobago	362 800 000	384 100 000	326 000 000	383 300 000	389 100 000	2 460 196 133	2 600 387 053	2 680 312 567	2 780 131 765	2 914 883 051	2 732 996 686	3 092 112 836	2 526 411 482	1 927 964 180	1 765 722 656	2 265 700 322	3 188 210 728	2 156 930 754

(Sources: table reconstructed by the consultant based on World Bank data 2025)

Annex 3: Summary of recommendations for integrating key economic sectors under the CSME

Sector	Strategic recommendation	Associated measures	Institutions concerned	Activities to be implemented
Agriculture sector	Strengthening the resilience and food security of a CARICOM CSME area	Development of local agricultural production by Member State	CAHFSA, National Ministries, CARICOM, IDB	Implementation of subsidies for the agricultural sector and organic production
		Modernization of agricultural infrastructure		Logistics infrastructure investment programs
		Implementation of agricultural training plans		Implementation of training plans adapted to modern agricultural production techniques
		Development of the agri-food processing industry		Implementation of investment programs for the processing of value-added agricultural products and the creation of agricultural cooperatives
Tourism sector	Diversification of the Caribbean tourism offering	Development of ecotourism / green tourism	Tourist offices, Ministries, CARICOM	Implementation of eco-certification plans
		Promotion of cultural tourism		Implementation of joint programs for regional collaboration in tourism and culture
		Reducing dependence on external markets		Implementation of marketing campaigns and organization of international trade fairs
Manufacturing Sector	Boosting competitiveness and regional integration	Accelerated development in digitalisation	CARICOM, CPSO, Ministries of Industry	Deployment of digital innovation platforms
		Support for industrial and manufacturing SMEs		Regional funding programs
		Harmonization of regional norms and standards		Development of regional industrial partnerships with common standards
Energy sector	Development of an energy mix and the transition to renewable energies	Investments in the solar, wind and biomass energy sub-sectors	Ministries of Energy, CARICOM, IDB	Launch of regional calls for tenders to develop renewable energies
		Implementation of public-private partnerships (PPPs)		Development of cooperation programs to foster sustainable PPPs in the energy sector
		Promoting smart grids		Deployment of smart grids in the various Member States
Transport & Logistics Sector	Creation of interregional and Africa-Caribbean transport corridors	Harmonization of transport regulations by sub-sector (road, air, maritime)	CARICOM, OECS, AUC, Transport ministries	Launch of cooperation programs to harmonize transport regulations and to deploy maritime/air/land transport projects
		Investment in modern infrastructure by transport sub-sector		Development of digital platforms for multimodal traceability
		Development of digital logistics		Launch of regional programs for the modernization of seaports
		Support for banking digitalisation		Deployment of digital payment methods
Financial sector	Modernizing financial inclusion and resilience in the CARICOM SME space	Strengthening regional financial regulation and cooperation	CARICOM, central banks, regulatory authorities.	Launch of regional fintech programs
		Developing access to credit for SMEs		Creation of regional investment funds for managing SME loans
ICTs	Development of infrastructure and	Investment in broadband in rural areas and bridging the digital divide	CARICOM, ICT Ministries, IDB	Deployment of investment programs towards broadband and AI with full regional coverage

	digital connectivity	Stimulating innovation and digital training	Launch of innovation centres in new technologies
		Data protection	Launch of regional training programs and workshops to ensure the protection of consumers and personal data



Annex 4: Projections to 2035 – Optimistic Scenario, by Member State

Member State	People	Capital	Services	Goods	Right of establishment
Antigua & Barbuda	+100%	+80% ^I	+80%	+60%	+90%
Bahamas	+120%	+85%	+85%	+75%	+110%
Barbados	+140%	+90%	+120%	+90%	+130%
Belize	+120%	+65%	+70%	+60%	+75%
Dominica	+100%	+60%	+60%	+50%	+70%
Grenade	+110%	+60%	+60%	+55%	+75%
Guyana	+200%	+200%	+150%	+120%	+180%
Jamaica	+120%	+95%	+110%	+85%	+125%
Saint Kitts/Nevis	+100%	+70%	+75%	+60%	+90%
Saint Lucia	+120%	+85%	+80%	+65%	+110%
St Vincent/Gren.	+110%	+70%	+75%	+60%	+100%
Suriname	+90%	+55%	+65%	+50%	+60%
Trinidad/Tobago	+135%	+120%	+120%	+110%	+140%

(Source: Compiled by the macroeconomic consultant based on CARICOM historical data from 2006 to 2025)



Annex 5: List of Stakeholders Consulted³⁷¹

Member State	Stakeholder/s
Antigua & Barbuda	Government Agencies & Ministries - Hon. E.P. Chet Greene Minister of Foreign Affairs, Trade and Barbuda Affairs and the Permanent Secretary in the Ministry. - CSME Focal Point - Office of the NAO - Prices and Consumer Affairs - Intellectual Property and Commerce Office - Entrepreneurial Development Fund - Antigua and Barbuda Bureau of Standards - Ministry of Agriculture and Fisheries - Ministry of Social Transformation - Free Movement Committee Ministry of Labour - Immigration Department Private Sector - Antigua and Barbuda Chamber of Commerce - CRISPA Chips - LIAT - YAO Ice Cream - Antigua Sales - Shell Beach - Harris Paints Article 164 Companies - A J Purified Water - Antigua Distillery - Gunthorpes Water - Antigua Candle Factory - Restoration Alkaline Water - TCF (Antigua) Ltd. Associations and Unions - Antigua Trades and Labour Union - Antigua Workers Union - Antigua Trades and Labour Union - Antigua Workers Union - Barbuda School of Continuing Education - CARICOM Youth Ambassador
Barbados	Private Sector Stakeholders - Barbados Chambers of Commerce - Barbados Investment & Development Corporation (BIDC) - Barbados Manufacturers Associations (BMA) - Barbados Coalition of Services Industries (BCSI)

³⁷¹ Visits to Member States were completed between 30 June and 31 July 2025. Except for Barbados, all other Member States were visited by an individual consultant from the Baastel team.

	5. ADM Barbados Mills Ltd. 6. Arawak Cement (subsidiary of TCL) 7. Mount Gay Distilleries 8. Copyright Society of Composers, Authors & Publishers COSCAP 9. CIBC First Caribbean 10. SAGICOR 11. RUBIS West Indies Ltd. Regional Organisations: 12. CSME Implementation Unit CARICOM Regional Organisation for Standards & Quality (CROSQ) 13. CXC 14. Caribbean Export Development Agency 15. Caribbean Tourism Organisation (CTO) 16. CARICOM Private Sector Organisation 17. Caribbean Policy Development Centre 18. WIRSPA
Belize	Public Sector Stakeholders 1. Directorate for Foreign Trade - Andy Sutherland; Tricia Gideon; Janina Cho 2. Attorney General's Ministry 3. BELTRAIDE - Monique Usher 4. Belize Agricultural Health Authority 5. Bureau of Standards – Samantha Banner 6. Customs & Excise Department 7. Immigration Department 8. Ministry of Education – Yvonne Palma 9. Ministry of Agriculture 10. UWI Global Campus Private Sector Stakeholders: 11. Traveller's Liquors - Anaceli Perdomo 12. Banana Growers Association 13. Bowen & Bowen Group - Hilly Martinez 14. Citrus Producers of Belize Ltd. - Lennox Neal 15. Citrus Growers Association - Eccleston Irving 16. Banana Growers Association 17. Belize Livestock Producers Association 18. ASR Group/Belize Sugar Industries - William Usher 19. Belize Poultry Association - Armando Cowo 20. Belize Chamber of Commerce & Industry - Kim Aikman 21. BELCAR
Guyana	Public Sector Stakeholders 1. Ministry of Foreign Affairs and International Cooperation (National Ministry) 2. Guyana Sugar Corporation (Agriculture Sector) 3. Guyana Rice Development Board (Agriculture Sector)

	- Private Sector Commission / Shipping Association / CPSO (Private Sector – All sectors) - Guyana Manufacturing and Services Association (Private Sector – All sectors) - Guyana National Bureau of Standards (National Ministry) - Guyana Revenue Authority (National Ministry) - Guyana Bureau of Statistics (National Ministry) - Guyana Immigration (National Ministry) - Bank of Guyana (Finance) - Go-Invest (Trade and Investment) - CARICOM Secretariat (Regional Institutions)
Jamaica	Public Sector Stakeholders: - Ministry of Foreign Affairs and Foreign Trade (MFAFT) – Ambassador Esmond Reid, John Clarke, Akeem Waite, Rashaun Watson, and Robertha Atkinson - JAMPRO – seven members of the leadership & management team (including Nicholas Sutherland, Sonja Linton, Christopher Denny, Racquel Brown + others) - Jamaica Intellectual Property Office (JIPO) – Shantal English, Deputy Director - Jamaica Customs Agency/ Authorized Economic Operator Private Sector Stakeholders: - Blue Power Group Lt. – Andrene Jones, VJ Volan, Sui - Jamaica Broilers Group - Caribbean Broilers (CB Group) - CB Foods Ltd. – Alicia Bogues & Shaunté Blaire - GraceKennedy - Home Choice Jamaica – Kareema Muncey - Wray & Nephew - Rainforest Foods - Jamaica Chamber of Commerce - Jamaica Coalition of Services Industries (JCSI) – 2 representatives from the Coalition plus 15 services SMEs - Jamaica Manufacturers & Exporters Association (JMEA)
Suriname	Private Sector Stakeholders - Suriname Chamber of Commerce – Arnil Padarah - Suriname Trade and Industry Association (STIA) - Suriname Hospitality and Tourism Association (SHATA) - Germaine Oostwijk - ASFA – Wilko Bilderwijk Regional Organisations: - Caribbean Agricultural Health and Food Safety (CAHFSA) – Gavin Peters - Caribbean Regional Information and Translation Institute (CRITI)

Saint Lucia	Government/Public Agencies 1. Attorney General's Chambers 2. Central Statistical Office 3. CARICOM Ambassador - 4. Registrar of Companies 5. Legal Section in Dept of Commerce 6. St. Lucia Bureau of Standards 7. Customs Dept 8. Dept of Labour 9. Gender Affairs 10. Immigration Dept 11. St. Lucia Air & Seaports Authority 12. Trade & Parastatals Monitoring Office 13. Office of the PM – OECS Private Sector 15. BARON Foods Ltd. 16. Chamber of Commerce 17. Saint Lucia Coalition of Service Industries 18. Tourism & Creative Industries Associations: 20. Brokers Association 21. Consumers Association 22. Nurses Association 23. National Council of and For Persons with Disabilities 24. HelpAge Saint Lucia 25. St. Lucia Bar Association 26. St. Lucia Industrial and Small Business Association 27. Shipping Association 28. St. Lucia Employers Federation
Trinidad & Tobago	1. Ministry of Foreign and CARICOM Affairs (National Ministry) 2. Trinidad and Tobago Coalition of Services Industries (Private Sector – Services) 3. Association of Caribbean States (Regional Association) 4. Caribbean Airlines (Private Sector – Services) 5. Caribbean Court of Justice (Regional Institution) 6. Trinidad and Tobago Manufacturers Association (Private Sector – All sectors) 7. Ministry of Labour, Small and Micro Enterprise Development (National Ministry) 8. Ministry of Transport and Civil Aviation (National Ministry) 9. Employers Consultative association 10. Ministry of Trade, Investment and Tourism (National Ministry) 11. Energy Chamber of Trinidad and Tobago (Energy Sector) 12. Trinidad and Tobago Chamber of Industry and Commerce (Private Sector – All sectors) 13. ANSA McAL Construction (Construction Sector) 14. Trinidad and Tobago Financial Centre (Financial Sector)

Annex 6: Interview Questionnaire/ Survey Instrument for Stakeholder Consultations

May 2025

Purpose

The Caribbean Community (CARICOM), through the Caribbean Single Market and Economy (CSME) launched in 2001, has pursued deeper regional integration aimed at fostering economic growth, improving trade performance, increasing productivity and competitiveness, attracting investment, and enhancing inclusive and social development across Member States. Central to this effort are the five core regimes of the CSME:

- Free movement of goods
- Free movement of services
- Free movement of capital
- Free movement of skilled nationals
- Right of Establishment

This survey/interview forms part of a comprehensive assessment of the CSME's implementation and its tangible impacts at both the regional and national levels. It seeks to evaluate the benefits derived from the core integration regimes, particularly in relation to trade flows, private sector development, sectoral performance (e.g., agriculture, tourism, ICT, financial services, transport, energy), and broader socio-economic outcomes, including employment, mobility, and equity.

The insights gathered will help assess the extent to which the CSME has contributed to sustainable development and regional resilience, while identifying gaps and challenges affecting deeper integration. The findings will inform evidence-based policy recommendations aimed at: strengthening implementation, enhancing coordination across priority sectors and improving stakeholder engagement among CARICOM institutions, national ministries, businesses, civil society, academia, and regulatory bodies.

Your participation is critical to shaping the future of regional integration. All responses will be treated as confidential and will be used solely for the purposes of this research.

Respondent Profile

- **Organization Name:**
- **Organization Type:** (e.g., CARICOM Secretariat, Regional Institution, National Ministry, National Regulatory Agency, Business, Civil Society, Academia, Other – please specify)
- **Country:**
- **Contact Name and Surname:**
- **Position/Function:**
- **Date of Interview:**

Section 1: CARICOM Stakeholders – For Use with CSME Unit Only

1. Does the CSME Unit have a Theory of Change? If so, what is the date of the latest version?
2. Can the CSME Unit provide its Annual Work Plans and Project/Programme Reports from 2005 to 2025?
3. Are these programmes/projects evaluable?

4. Has this member state met your legal obligations to the CSME (i.e., have you removed legal restrictions in respect of the CSME)?
5. How effective are national implementing bodies in enforcing the CSME?
6. Are national laws and regulations in place to facilitate full implementation of the CSME?
7. Are there any outstanding measures that this Member State is still working to implement? If so, what are the constraints or obstacles to implementation?
8. Which specific provisions of the CSME have not been fully implemented in the country, and why?
9. Have CSME programmes been adapted to meet your country's evolving economic needs?
10. Do the objectives and activities of the CSME align with your country's current economic and social priorities?
11. Does the CSME adequately respond to the needs of different stakeholder groups (private sector, workers, consumers)?
12. Are national priorities still aligned with CSME objectives since its establishment in 2006?
13. Are CSME macroeconomic programmes relevant to the main challenges facing your country?
14. Are the identified regional sectors of focus still relevant in 2025? Are they priority sectors of the future?
15. Is the institutional mechanism (decision-making structures, technical committees, court of justice, etc.) adequate to meet the strategic goals of the 2001 Treaty?
16. What political, social, or economic recommendations do you have to improve the relevance of the CSME?
17. What are the intended social benefits of various CSME initiatives?
18. What are the actual positive or negative social impacts observed?
19. What are the most significant sector-specific social impacts?
20. How can the CSME better contribute to gender equity, social inclusion, and human development?

Section 2: To evaluate CSME impact on businesses and individuals

21. To what extent have businesses benefitted from the CSME in terms of trade, investment, and access to the regional markets?
22. To what extent has the free movement of skilled labour impacted employment levels, wages, and productivity (scale and scope of production)?
23. To what extent have CARICOM nationals experienced the right to establish businesses in other member states without undue restrictions?
24. To what extent have services been able to move more freely across borders within CARICOM?
25. How effective is regional coordination in advancing development in the following sectors:
 - a. Agriculture and food security
 - b. Tourism
 - c. Transport and logistics
 - d. Energy (including renewables)
 - e. ICT and digital services
 - f. Financial market integration
26. Please identify regional initiatives or agreements that have positively impacted economic, trade and social performance in your country:
27. How has the CSME affected intra-regional trade and investment flows?
28. To what extent has the Trade in Goods and Services Regimes impacted Growth in intra-regional trade, Product and service diversification, and SME access to regional markets

29. To what extent has the Trade in Goods Regime impacted Trade facilitation/customs efficiency, Reduction in non-tariff barriers
30. To what extent has the CSME enhanced trade in services?
31. Which service sectors have most benefited under the CSME?
32. What challenges do service providers face within CARICOM?
33. What is the impact of the CSME on regional investment and private sector expansion?
34. Has the CSME contributed to improved competitiveness in the following sectors?
 - a. Agriculture and agro processing
 - b. Tourism and hospitality
 - c. Transport and logistics
 - d. ICT and digital economy
 - e. Financial services
 - f. Renewable energy

Section 3: Progress and integration

35. How has the CSME contributed to regional economic growth and development?
36. What progress has been made in harmonizing economic and social policies?
37. Have there been any unintended consequences of the CSME, such as distortions in trade or the emergence of new barriers?

Section 4: Implementation, use and Evaluation of the 5 Core Regimes

38. To what extent are the 5 core regimes integrated into national policy frameworks (trade, finance, national security, foreign affairs, social development, etc.)?
39. What implementation challenges has your institution faced?
40. To what extent is the right of establishment regime, including the ease of setting up businesses in other CARICOM jurisdictions, functioning effectively?
41. To what extent is the movement of goods regime, including the rules of origin and customs procedures, functioning effectively?
42. To what extent is the movement of services regime, including the licensing of service providers and the removal of restrictions on cross-border service provision, functioning effectively?
43. To what extent is the movement of capital regime functioning effectively?
44. To what extent is the movement of community nationals regime functioning effectively?

Section 5: Evaluation of social impacts and benefits

45. What are the derived social benefits associated with the implementation of various CSME initiatives during the past 5 to 10 years? And how do these align with the intended social benefits of the CSME.
46. What positive, negative, direct and indirect social impacts of CSME initiatives implemented during the past 5 to 10 years were realized?
47. Who (i.e., what demographic and social groups) have benefitted from the CSME?
48. What is the nature and extent of the key social issues that have emerged while implementing CSME sectoral initiatives?
49. What are the potential social benefits which can be derived from CSME implementation of policies and initiatives?
50. How can CSME sustain positive social impacts derived through its various interventions within the Community?

51. Focus Group Questions on Effectiveness of the CSME and Results achieved:

- i. Have economic and social conditions in your country improved since CSME implementation? How?
- ii. What macroeconomic indicators do you use to assess CSME effectiveness?
- iii. Among the five regimes, where have the most significant advances been made?
- iv. What are the major successes, failures, or obstacles observed in implementation?
- v. Are CARICOM-level policies and legislation effectively implemented nationally?
- vi. Are dispute settlement mechanisms functioning effectively?
- vii. Is coordination between national and regional institutions adequate?
- viii. Are available human, technical, and financial resources sufficient?
- ix. Have CSME programmes influenced national macroeconomic policies?
- x. What are the main macroeconomic challenges following CSME implementation?
- xi. How effective are the current governance mechanisms?
Highly effective / Moderately effective / Weak or inconsistent / Not familiar
- xii. Are current monitoring and reporting frameworks sufficient?
Yes / No / Partially / Not sure



Annex 7a: Gruber-Lloyd Analysis

Grubel-Lloyd index by Member States

The Gruber-Lloyd index measures the share of intra-industry trade, ranging from 0 (purely inter-industry trade: only exports or imports) to 1 (exclusively intra-industry trade: exports $\approx$ imports) for a given category of goods or services. High values reflect greater productive and commercial integration, while low values indicate a rather one-dimensional role (market or supplier) in the region.

Analysis of the Grubel-Lloyd tables (Appendix 1³⁷²) reveals intra-trade profiles. The industrial landscape varies considerably among the CSME member states. There is greater integration through services than through goods (with the exception of Trinidad and Tobago, Suriname, and, until 2015, Guyana for goods). From the 2005-2024 trends shown in the tables (Appendix 1), it can be deduced that the CSME has primarily fostered the integration of small service and tourism economies, while intra-industry diversification of goods remains limited in several island states. Indeed, the Grubel Lloyd indices highlight two main groups: i) on the one hand, economies where goods have a strong intra-industry component (Trinidad and Tobago, Suriname, part of the period for Guyana, Belize), and ii) on the other hand, a majority of small island economies where the intra-industry dimension is primarily driven by services. This duality shows that the CSME has fostered productive integration in certain goods segments for some countries, but that the main driver of integration for most states remains intra-industry trade in services, particularly tourism and related services. Developments over the period from 2005 to 2024 also reveal some shifts: i) a rise followed by a decline in intra-industry trade in services for Suriname, Guyana, and Belize; ii) a decrease in goods indices for several small states in favor of services; and iii) the consolidation of the role of service hub for countries such as Jamaica, Barbados, Antigua and Barbuda, and Saint Lucia. In terms of strategic assessment of the CSME, these results from the Grubel-Lloyd indices suggest strengthening, in both 10-year scenarios (optimistic and median), policies aimed at consolidating regional value chains of goods, where intra-industry integration is already high, while continuing the structuring of regional service ecosystems in order to capitalize on the level of regional integration observed from 2005 to 2024.

Table 28: Analysis by the Grubel-Lloyd index broken down by Member States:

Member State of Caricom	Trade analysis for goods and services
Trinidad and Tobago	Regarding the goods: This member state exhibits a consistently high level of intra-industry trade, with indices rising from approximately 0.730.74 in 2005-2010 to 0.92 in 2015 and 0.99 in 2024, even though merchandise exports remain significantly higher than imports. This progression towards almost 1 in 2024 indicates a more balanced trade structure within the same sectors (hydrocarbons and related products, energy-related manufactured goods), a sign of advanced regional integration in goods value chains, even if export volumes remain dominant. For services: The index is high but more volatile, fluctuating from 0.76 in 2005 to 0.62 in 2010, 0.56 in 2015, and then 0.64 in 2024, reflecting significant intra-industry intensity, though less stable than for goods. These variations may reflect cycles of investment and regional demand for energy, transport, and business services, with a degree of integration that nevertheless remains compatible with Trinidad and Tobago's role as a hub within the CSME.

³⁷² Source : <https://unctadstat.unctad.org/CountryProfile/GeneralProfile/fr-FR/308/index.html>

Suriname	Regarding the goods: This member state exhibits consistently high goods indices, fluctuating between 0.82 and 0.97 over the period, with a peak very close to 1 in 2005 and remaining around 0.890.90 in 2015-2024, despite exports generally being close to or exceeding imports. This profile indicates robust intra-industry trade in the mining, energy, and agribusiness sectors, suggesting that Suriname is both a supplier and a market for similar products within the CSME. For services: the trajectory is more contrasting, as the index goes from around 0.73 in 2005 to 0.96 in 2010, before falling to 0.42 in 2015 and then 0.37 in 2024. This shift reflects a strong rise followed by a marked decline in intra-industry integration of services, probably linked to a rise in imports of specialized services not offset by equivalent exports, which repositions this member state more as a net importer of certain regional services.
Saint Vincent and the Grenadines	For the goods: The Grubel-Lloyd indices remain very low, between 0.20 and 0.29 over the entire period, despite a slight one-off improvement in 2015. The persistent trade deficit in goods (imports far exceeding exports) and these low indices indicate a dominant inter-industry trade, with Saint Vincent positioning itself mainly as a consumer market for goods produced elsewhere in the region or outside the CSME. For services: Conversely, the Services sector exhibits high and relatively stable indices, fluctuating between 0.67 and 0.80 between 2005 and 2024. This reflects a typical profile of a tourism services economy, where the exchange of similar services (tourism, transport, financial and business services) between CSME states generates a high level of intra-EU trade significant industry, a sign of integration through services rather than goods.
Saint Lucia	For the goods: This member state has a very modest level of intra-industry integration, with an index of 0.23 in 2005, rising to 0.48 in 2010-2015, then falling back to 0.17 in 2024, while imports remain significantly higher than exports. This bell-shaped profile suggests a temporary phase of increased intra-industry integration, perhaps linked to certain manufactured or agri-food products, followed by a decline and re-specialization as a destination market rather than a player in regional value chains for goods. For services: The index remains consistently high, between 0.56 and 0.66, with a slight dip but no structural break, against a backdrop of strong growth in service exports. This indicates that this member state is sustainably integrated into regional trade in services, particularly in tourism and related services, with a certain symmetry in flows that strengthens the density of intra-industry links.
Saint Kitts and Nevis	Regarding the goods: This sector exhibits low indices, which have been declining slightly over time, from 0.28 in 2005 to 0.16 in 2024, especially given that imports are several times greater than exports. This confirms a trade structure dominated by inter-industry flows, where this member state is primarily dependent on regional and extra-regional imports for its supply of goods. For services: Conversely, they exhibit distinctly high indices, between 0.61 and 0.67, with a slight strengthening in 2024, reflecting strong intra-industry integration, typical of a small economy where tourism, financial services, and other services constitute the main drivers of participation in the CSME. The intersection of low indices for goods and high indices for services reinforces the image of a regional specialization model centered on services rather than on the production of goods.
	For the goods: The indices remain moderate and relatively stable, between 0.40 and 0.49 throughout the period, despite significant trade deficits (imports far exceeding exports). This stability around the median indicates that Jamaica participates in intra-industry trade of goods (light manufacturing, agri-food products, certain industrial goods) but without reaching levels of integration comparable to Trinidad and Tobago or Suriname. For services: This sector exhibits very high indices, ranging from 0.79 to 0.85, making it one of the most pronounced intra-industry integration profiles in the services sector in the region. The maintenance of these levels over two decades, including strong growth in service exports,

Jamaica	illustrates Jamaica's role as a pivotal player in regional trade of tourism, cultural, transport, and business services within the CSME.
Haiti	For the goods: This member state exhibits moderate indices, but lower than those of Jamaica, ranging between 0.31 and 0.49, with a persistent trade deficit. This combination shows that, despite a strong dependence on imports, a significant share of trade in goods remains intra-industry, perhaps reflecting trade in textiles, agri-food products, and intermediate inputs with other CSME members. For services: The indices rose sharply from 0.42 in 2005 to 0.82 in 2015, before a lack of consolidated data in 2024 (division by zero indicated in the file). The increase in the index up to 2015 suggests a gradual integration into regional service flows, but the lack of values for 2024 necessitates caution in assessing the recent trajectory and may reflect statistical gaps or a structural change in the profile of service exchanges.
Guyana	For the goods: This member state initially showed high indices (0.820, 0.87 from 2005 to 2015) before a sharp decline to 0.51 in 2024, while exports surged to nearly USD 19,792 million compared to approximately USD 6,827 million in imports. This drop in the index, despite the spectacular growth in volumes, reflects a shift towards more inter-industry trade in goods, strongly driven by hydrocarbon exports to extra-regional partners, with less symmetry in intra-industry flows within the CSME. For services: The indices were high until 2010 (0.840, 0.85), then fell to 0.51 in 2015 and became incalculable in 2024 (due to a lack of export and import data). These factors suggest a shift in Guyana's integration profile, moving from a relatively balanced service-based economy to one focused on goods, with a regional focus that is increasingly less intra-industry.
Grenade	Regarding the goods: This sector exhibits very low and stable indices, between 0.10 and 0.16, confirming a trade in goods that is almost entirely inter-industry, with imports massively exceeding exports. This member state thus appears essentially as an economy that imports goods, with limited integration into intra-industry trade in goods within the CSME. For services: this sector shows high indices (0.560, 0.86) with a slight recovery to 0.70 in 2024, accompanied by sustained growth in service exports. This dynamic confirms the specialization of this member state in tourism and other market services, whose trade with CSME partners is increasingly conducted on an intra-industry basis, strengthening the density of regional links in this area.
Dominique	Regarding the goods: This member state exhibits weak to moderate indices, declining from 0.41 in 2005 to 0.20 in 2024, reflecting a gradual reduction in the share of intra-industry trade, in a context where imports significantly exceed exports. This decline suggests a relative marginalization of Dominica in regional value chains for goods, despite the historical presence of certain exported agri-food products. For services: this sector follows the opposite trend, with very high and rising indices, from 0.790.78 to 0.90 in 2024. This rise towards levels close to 1 shows a strong symmetry in the exchange of services, a sign of increasing regional integration where this member state is both a supplier and a consumer of similar services within the CSME.
Belize	Regarding goods: This member state records moderate to high indices, rising from 0.70 in 2005 to 0.81 in 2010, then returning to 0.70 in 2015 and 0.50 in 2024. This profile indicates a phase of high intra-industry intensity at the beginning of the period, followed by a recent decline, possibly linked to greater dependence on imports of certain goods or to a reduction in the diversification of regional exports. For services: This sector shows relatively stable but slightly declining indices, from 0.680.63 to 0.48 in 2024, against a backdrop of strong growth in service exports. The decrease in the index, despite the increase in volumes, suggests that service growth may be shifting more towards extra-regional markets or less symmetrical segments, reducing the intra-industry component within the CSME.

Antigua and Barbuda	Regarding the goods: This member state exhibits very low indices, ranging from 0.28 in 2005 to just 0.08 in 2024, with imports significantly exceeding exports throughout the period. This trend illustrates a primarily inter-industry merchandise trade model, where Antigua and Barbuda participates only marginally in intra-industry trade. For services: The indices remain high and remarkably stable, around 0.620.69, despite a sharp increase in export levels from USD 733 million to USD 1,241 million over the period. This profile confirms the centrality of services, particularly tourism, in the integration of Antigua and Barbuda into the CSME, with strong reciprocity in intra-industry trade in services.
Barbados	For the goods: this member state exhibits average indices, between 0.35 and 0.46, with imports of goods significantly exceeding exports. These levels indicate some participation in intra-industry trade (in manufactured goods, agri-food products, and possibly pharmaceuticals), but without reaching the intensity of highly export-oriented economies like Trinidad and Tobago. For services: this sector exhibits high indices, from 0.59 to 0.67 in 2005-2015, then a slight decline to 0.54 in 2024, while maintaining a high level of intra-industrial integration important industry. This development is consistent with Barbados' positioning as a regional service center (tourism, financial services, business services) with relatively symmetrical flows in the region, even if a relative slowdown in intra-industry intensity is observed at the end of the period.



Annex 7b: Grubel-Lloyd Index³⁷³

The Grubel-Lloyd index formula measures the degree of intra-industry trade for a given good or service by comparing exports and imports. It is expressed as follows:

$$GL_i = 1 - \frac{|X_i - M_i|}{X_i + M_i}$$

where X_i represents exports of the good, and M_i represents imports of the same good.

This index varies between 0 and 1: a value of 1 indicates purely intra-industry trade (exports equal to imports), while a value of 0 signals only inter-industry trade (either only exports or only imports). The Grubel-Lloyd formula is a simple and widely used indicator for measuring the intensity of intra-industry trade, but it also has several technical and interpretative limitations. It is therefore useful as an initial diagnostic tool but should be supplemented by other indicators or econometric analyses.

Table 7.1 – Trinidad – Goods and services

Goods	Trinidad			
millions USD	2005	2010	2015	2024
exportations	9942	10982	10748	7899
importations	5694	6480	9233	7669
Index Grubel-Lloyd	0,73	0,74	0,92	0,99

SERVICES	Trinidad			
millions USD	2005	2010	2015	2024
exportations	897	874	1125	1259
importations	545	389	2915	2685
Index Grubel-Lloyd	0,76	0,62	0,56	0,64

Table 7.22 – Suriname – Goods and services

Goods	Suriname			
millions USD	2005	2010	2015	2024
exportations	997	2026	1652	1411
importations	1050	1398	2028	1752
Index Grubel-Lloyd	0,97	0,82	0,90	0,89

³⁷³ Data sources: tables and index reconstructed from UNCTAD data web site. Available here: <https://unctadstat.unctad.org/CountryProfile/GeneralProfile/fr-FR/308/index.html>

SERVICES	Suriname			
millions USD	2005	2010	2015	2024
exportations	204	241	191	211
importations	355	259	709	921
Index Grubel-Lloyd	0,73	0,96	0,42	0,37

Table 7.3- Saint Vincent – Goods and services

Goods	Saint Vincent			
millions USD	2005	2010	2015	2024
exportations	40	42	46	57
importations	240	338	334	506
Index Grubel-Lloyd	0,29	0,22	0,24	0,20

SERVICES	Saint Vincent			
millions USD	2005	2010	2015	2024
exportations	183	183	238	366
importations	92	121	122	196
Index Grubel-Lloyd	0,67	0,80	0,68	0,70

Table 7.4 – Saint Lucia – Goods and services

Goods	Saint Lucia			
millions USD	2005	2010	2015	2024
exportations	64	215	180	92
importations	486	662	570	964
Index Grubel-Lloyd	0,23	0,49	0,48	0,17

SERVICES	Saint Lucia			
millions USD	2005	2010	2015	2024
exportations	470	653	867	1463
importations	229	306	341	598
Index Grubel-Lloyd	0,66	0,64	0,56	0,58

Table 7.5 – Saint Kitts Nevis – Goods and services

Goods	Saint Kitts Nevis			
millions USD	2005	2010	2015	2024
exportations	34	32	55	31
importations	210	270	297	368
Index Grubel-Lloyd	0,28	0,21	0,31	0,16

SERVICES	Saint Kitts Nevis			
millions USD	2005	2010	2015	2024
exportations	310	378	496	471
importations	138	182	217	239
Index Grubel-Lloyd	0,62	0,65	0,61	0,67

Table 7.6 – Jamaica – Goods and services

Goods	Jamaica			
millions USD	2005	2010	2015	2024
exportations	1532	1328	1263	1867
importations	4739	5225	4993	7288
Index Grubel-Lloyd	0,49	0,41	0,40	0,41

SERVICES	Jamaica			
millions USD	2005	2010	2015	2024
exportations	2330	2634	3059	5256
importations	1722	1824	2161	3457
Index Grubel-Lloyd	0,85	0,82	0,83	0,79

Table 7.7 – Haiti - Goods and services

goods	Haiti			
millions USD	2005	2010	2015	2024
exportations	470	579	882	711
importations	1454	3146	3683	3035
Index Grubel-Lloyd	0,49	0,31	0,39	0,38

SERVICES	Haiti			
millions USD	2005	2010	2015	2024
exportations	145	453	724	0

importations	544	1277	1042	0
Index Grubel-Lloyd	0,42	0,52	0,82	#DIV/0!

Table 7.8 – Guyana – Goods and services

goods	Guyana			
millions USD	2005	2010	2015	2024
exportations	553	880	1151	19792
importations	788	1397	1492	6827
Index Grubel-Lloyd	0,82	0,77	0,87	0,51

services	Guyana			
millions USD	2005	2010	2015	2024
exportations	148	248	145	0
importations	201	344	423	0
Index Grubel-Lloyd	0,85	0,84	0,51	#DIV/0!

Table 7.9 – Grenada – Goods and services

Goods	Grenada			
millions USD	2005	2010	2015	2024
exportations	28	25	33	33
importations	328	318	372	633
Index Grubel-Lloyd	0,16	0,15	0,16	0,10

SERVICES	Grenada			
millions USD	2005	2010	2015	2024
exportations	161	312	467	789
importations	122	142	182	429
Index Grubel-Lloyd	0,86	0,63	0,56	0,70

Table 7.10 – Dominica – Goods and services

Goods	Dominica			
millions USD	2005	2010	2015	2024
exportations	42	37	30	29
importations	165	224	214	262

Index Grubel-Lloyd	0,41	0,28	0,25	0,20
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SERVICES	Dominica			
millions USD	2005	2010	2015	2024
exportations	130	200	225	191
importations	85	127	131	157
Index Grubel-Lloyd	0,79	0,78	0,74	0,90

Table 7.11 – Belize – Goods and services

Goods	Belize			
millions USD	2005	2010	2015	2024
exportations	319	478	538	482
importations	593	706	991	1455
Index Grubel-Lloyd	0,70	0,81	0,70	0,50

SERVICES	Belize			
millions USD	2005	2010	2015	2024
exportations	307	354	496	1158
importations	159	162	221	362
Index Grubel-Lloyd	0,68	0,63	0,62	0,48

Table 7.12 – Antigua – Goods and services

Goods	Antigua			
millions USD	2005	2010	2015	2024
exportations	83	46	66	33
importations	506	501	449	823
Index Grubel-Lloyd	0,28	0,17	0,26	0,08

SERVICES	Antigua			
millions USD	2005	2010	2015	2024
exportations	733	800	949	1241
importations	389	415	427	557
Index Grubel-Lloyd	0,69	0,68	0,62	0,62

Table 7.13 - Barbados – Goods and services

Goods	Barbados			
millions USD	2005	2010	2015	2024
exportations	359	429	483	461
importations	1604	1569	1618	2154
Index Grubel-Lloyd	0,37	0,43	0,46	0,35

SERVICES	Barbados			
millions USD	2005	2010	2015	2024
exportations	1255	1332	1419	1663
importations	522	670	713	610
Index Grubel-Lloyd	0,59	0,67	0,67	0,54

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