



Agriculture and    Agriculture et  
Agri-Food Canada    Agroalimentaire Canada

## **Caribbean Community and Common Market (CARICOM)**

### **Agri-Food Regional Profile Statistical Overview**



**June 2005**

Canada<sup>+</sup>

**FORWARD**

This information piece is provided as an overview of the statistical and market information on the Caribbean Community and Common Market (CARICOM). Due to the increasing importance of CARICOM’s members as trade partners of Canada, a regional profile was deemed necessary.

**BACKGROUND**

Established in 1973, the Caribbean Community and Common Market (CARICOM) was created as a means to integrate the economies of the member states into a single market and economy while strengthening the region’s international position and improving resource management. A common political and cultural heritage from inclusion in the British Commonwealth of Nations--a link also shared with Canada--is the foundation for the strong bond between CARICOM’s original members. This deep-rooted connection facilitates communication and understanding among members and will continue to be an asset as CARICOM endeavors to increase its integration in both the region and the hemisphere.

Fifteen countries in the Caribbean Basin are members of CARICOM: Antigua & Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Suriname, and Trinidad & Tobago. The organization boasts an additional nine countries with observer status (Aruba, Colombia, Netherlands Antilles, Dominican Republic, Puerto Rico, Mexico, and Venezuela) and five associate members (Anguilla, Bermuda, the Cayman Islands, the British Virgin Islands, Turks and Caicos Islands). Although initially an organization of English-speaking countries, CARICOM has expanded and now includes both French and Spanish speaking nations.

**Basic Information**

<b>Total Land Area</b>	448,575 sq km
<b>Population</b>	14,565,424
<b>Headquarters</b>	Georgetown, Guyana
<b>Members</b>	15

*\*Totals compiled by AAFC*

**GEOGRAPHY**

CARICOM is one of the oldest integrated regions in the western hemisphere and the largest in terms of membership, but it is the smallest geographically. It is considered by many to be one of the most successful regional economic communities outside the European Union. The fifteen members of CARICOM are situated within the Caribbean Sea and Atlantic Ocean. With the exception of Belize in Central America, and Suriname and Guyana in South America, all members of CARICOM are Caribbean island states. The physical size of the members of CARICOM ranges from the small 102 sq km area of Montserrat to the 214,970 sq km of Guyana. The natural resources found across the region include timber, fish, and a variety of minerals that include bauxite, gold, iron ore, and copper. Barbados and Trinidad & Tobago are the only two member states with oil and natural gas reserves, with Trinidad & Tobago having the largest reserve in the Caribbean.

### Population by Country

<b>Country</b>	<b>Population</b>
Haiti	8,121,622
Jamaica	2,731,832
Trinidad & Tobago	1,088,644
Guyana	765,283
Suriname	438,144
Bahamas	301,790
Barbados	279,254
Belize	279,457
St. Lucia	166,312
St. Vincent & the Grenadines	117,534
Grenada	89,502
Dominica	69,029
Antigua & Barbuda	68,722
St. Kitts & Nevis	38,958
Montserrat	9,341
<b>Total</b>	<b>14,565,424</b>

*\*Totals compiled by AAFC*

CARICOM benefits from a close geographical proximity to the North American market, where a common heritage and language prove advantageous for market penetration. These cultural advantages, combined with political stability, basic levels of education, and developments in communication, provide the member states of CARICOM with a strong base to enhance trade relationships.

### **ECONOMY**

The tropical climate and close proximity to the ocean has made the agriculture sector the traditional driving force behind the economies of CARICOM nations. The Heads of Government embrace this and have emphasized the importance of agriculture in the colours and symbols of CARICOM's flag. Superimposed on sections of blue which represent the sky and ocean, a band of green surrounds a sun to represent the important role agriculture plays as well as its dependence upon the geography and climate of the region. Although recent years have marked growth in the tourism and service sectors, the agriculture sector remains the foundation of CARICOM's economy.

## Gross Domestic Product

<b>Total GDP*</b> (2004)	US\$55.5 billion
High: Haiti	US\$12 billion
Median: Bahamas	US\$5.3 billion
Low: Montserrat	US\$29 million
<b>GDP Growth</b>	
Bahamas	3.0%
Montserrat	-1.0%
Haiti	-3.5%
<b>GDP Per Capita</b>	
Bahamas	US\$17,700
Montserrat	US\$3,400
Haiti	US\$1,500

*\*total compiled by AAFC*

The members of CARICOM recognize that economic integration is the most beneficial way to improve upon their small individual economies and capitalize on their good geographical position in an increasingly globalized economy. With a combined GDP less than that of some individual Latin American countries, CARICOM members hope to benefit from a single market economy that is currently dominated by Trinidad & Tobago, Jamaica and Barbados. The Heads of Government have designated Barbados, Guyana, Jamaica, Suriname and Trinidad & Tobago as the more developed countries within the organization.

## TOURISM

An increasingly important sector showing great potential for CARICOM's single market economy is the tourism industry. In recognition of the importance of tourism, member states are implementing a policy to encourage sustainable tourism development. The goals of this policy are to further enhance the region as a tourist destination, diversify the tourist sector, expand the market base, conserve natural and cultural resources and improve infrastructure that supports tourism.

The tourism sector earns a large percentage of CARICOM's foreign exchange and employs a significant percentage of the labour force. The tourism industry was experiencing a decline in 2001 prior to the events of September. Earnings continued to decrease in 2002 as a result of increased security concerns and a sharp decrease in tourism in the wake of recent global events. The United States is traditionally the largest source of tourists into CARICOM and member states may suffer from the current reluctance of Americans to travel.

A successful tourism campaign was followed up in 2003 with initiatives designed to strengthen the tourism industry in the region. These projects are ongoing and include establishment of an early warning system with respect to global developments and harmonization of policies in relation to the insurance industry.

Slowdown in the tourism sector has been offset by encouraging growth in the services sector. Already, this is the most rapidly growing industry in CARICOM. Growth in non-tourism services

is positive, with particular opportunity in the informatics industry and offshore financial, health, consulting and entertainment services.

Growth in manufacturing and services industries has increased the demand for skilled workers, but deficiencies in the education system remain and privatization efforts have led to an average unemployment rate upwards of 16%. The decrease in tourism has also contributed to increasing unemployment levels.

The GDP of many members relies increasingly on tourism, but agriculture remains the key sector for many countries with the exception of Trinidad & Tobago. As the Caribbean's largest producer of oil and gas, as well as one of the major gas development centres in the world, Trinidad & Tobago relies on oil revenues for approximately one fourth of its total GDP.

## **TRADE**

The United States is CARICOM's most important trade partner, importing approximately half of the region's exports and supplying nearly one third of CARICOM's imports. This dependence has hurt the CARICOM members recently as the American recession, which began in mid-2001, affected total trade in CARICOM in 2002. Other key trade partners for CARICOM include the UK, Canada, Japan, and members of the European Union.

Intra-regional trade in CARICOM is limited and is generally 17% of the organization's total trade. This is largely due to the similar commodities produced by the member states. Trinidad & Tobago's large oil reserves make it the most prominent exporter of goods to other CARICOM members, who rely on imported petroleum for most of their energy needs.

Trade performance varies among the members of CARICOM. Trinidad & Tobago posts the strongest numbers, with total exports in 2004 valued at US\$6.7 billion and imports at US\$4.7 billion. Jamaica also holds a strong position, with exports in 2004 valued at US\$1.7 billion and imports at US\$3.6 billion. Antigua & Barbuda exported a value of US\$689 million, and imported US\$692 million. Other leading countries in 2004 were the Bahamas and Guyana.

Agricultural products dominate CARICOM's exports. Products include, but are not limited to, bananas, fish, rice, fruits and vegetables, sugar, livestock, and coffee. Belize, Guyana, Dominica, Haiti, Montserrat, St. Lucia, St. Vincent & the Grenadines and Grenada are particularly reliant upon exports of agricultural products. Over-dependence on single commodities such as bananas and sugar has become a hindrance for some of these members, such as St. Vincent & the Grenadines, St. Kitts & Nevis and St. Lucia.

While agricultural products and food dominate exports they also dominate the region's imports. However, there is a select group for whom imported food is an especially important commodity. Antigua & Barbuda, Grenada, Haiti, St. Lucia, St. Vincent & the Grenadines, and the Bahamas are particularly strong markets for agricultural products. This reliance on imported food stems from limited domestic agricultural production that relies upon single commodities.

The Bahamas is a strategic market for exporters, as nearly 80% of food needs are imported and the country boasts a per capita income that is currently ranked 52<sup>nd</sup> in the world. Antigua & Barbuda, dubbed one of the most prosperous countries in the Caribbean due to its strong tourism sector, is also a promising market as the general public has high levels of disposable income. Although St. Lucia, Grenada, Haiti, and St. Vincent & the Grenadines also import a substantial volume of agricultural products, the consumers in these countries are generally very price conscious.

## **TRADE AGREEMENTS**

The member states of CARICOM are party to a number of agreements providing their exports with preferential access to international markets. Exports from CARICOM benefit from privileged access to European markets through the conditions of the Lomé IV Convention and the General System of Preference (GSP). The Caribbean Basin Initiative (CBI) gives all CARICOM members (excluding Suriname) access to the US market, and the Canadian market is accessible through the CARIBCAN program. In recognizing that continued growth in exports depends on either maintaining these relationships or expanding exports into new commodities, the members of CARICOM have been actively broadening their base of trade partners.

New trade agreements have been made in a concerted effort to deepen CARICOM's intra-regional links. CARICOM is broadening its trade relationships with non-member countries in the Caribbean basin, such as the Dominican Republic and Cuba. A Free Trade Agreement was signed with the Dominican Republic in 1998, and a Trade and Economic Cooperation Agreement was signed with Cuba in 2000.

The Lomé IV Convention of 1995 afforded CARICOM with preferential access to the European Union (EU) market. Exports to the EU are evenly distributed among the member states of CARICOM. The EU has special protocols on certain agricultural products which dominate CARICOM's trade to Europe, including rum, bananas, sugar and beef. The protocols established by the EU in the Lomé conference have given CARICOM producers a degree of security in European markets. However, a reliance on the export of a limited number of basic agricultural products has limited production for these smaller economies.

In 2000, CARICOM signed the EU-African, Caribbean, and Pacific (ACP) Partnership Agreement. This guarantees a rollover of the Lomé IV Convention trade preferences for exports from the ACP entering the EU until 2008, when new agreements will be negotiated. As the new policies are expected to call for a more diverse range of products, this agreement presents a welcome challenge to the member states of CARICOM by encouraging further agricultural production and diversification.

Although the EU will maintain their agreements with the ACP, producers in Latin America and the US have issued complaints about the preferential treatment offered to products from the ACP. Latin American bananas in particular have become a strong competitor for CARICOM produce in the EU market.

In 1996 CARICOM and the Andean Development Corporation signed a co-operation agreement with the intention of developing relations between the private sectors of both regions. Trade relations between the communities are promoted through the exchange of trade information, with a particular focus on identifying potential areas of cooperation and discussing new methods for banks to support production and trade.

CARICOM members have been included in the Association of Caribbean States (ACS) since its inception in 1994. Also included in the ACS are the Caribbean Forum of African, Caribbean and Pacific (ACP) States (Cariforum) and the Central American Common Market (CACM) members, as well as Colombia, Mexico, Venezuela, Panama and Cuba. The goal of the ACS is to promote cooperation in areas such as tourism, transportation, agriculture and natural resource management. CARICOM has actively developed closer relationships with members of the ACS while steadily increasing exports to non-CARICOM members.

The introduction of the North American Free Trade Agreement (NAFTA) arose some concern for CARICOM, as members worried about possible erosion in their markets. The prevailing view now held by CARICOM is that the best strategy would be to continue negotiating an extension of its

existing preferential trade agreements, and seek eventual parity with the NAFTA. CARICOM has been involved in negotiations for a Free Trade Area of the Americas (FTAA) and talks are expected to conclude in 2005. CARICOM hopes to capitalize on a number of gains from the FTAA, including improved access to Latin American markets, stabilized access to the US market, and increased foreign investment.

## **INVESTMENT**

A priority of the members of CARICOM is to create a favorable climate for foreign investment. To this end, liberalization policies have already been implemented to facilitate investment and trade. An open foreign investment regime and a skilled labour force are imperative for CARICOM to increase competitiveness in the global market and to date liberalization policies have been successful in increasing foreign investment.

Foreign Direct Investment (FDI) into CARICOM surpassed levels of US\$1.3 billion in 2003, a value which tripled the value of FDI in 1990. Trinidad & Tobago and Jamaica received a substantial amount of this investment, followed by the OECS. FDI into CARICOM is typically concentrated in agriculture, energy, mining, forestry, and tourism; however, recent diversification has led to more inflows into labour-intensive manufacturing such as clothing and data processing. Although CARICOM's main sources of FDI are the UK, US, Canada, and the Netherlands, several members receive investments from other nations in Europe, Asia, and South Africa.

Foreign investment is denied in sectors where there is need to protect small local entrepreneurs, insulate areas of the economy where investment is already adequate, and avoid threats to national security. Developing nationals are also protected from more efficient foreign enterprises until they have developed the capacity to be competitive. Cooperation agreements on foreign investments will first provide preferential treatment to nationals of the host country, followed in turn by nationals of other member states and nationals of the investing country. Investment in service sectors is discouraged to give preference to the goods-producing sectors.

## **AGRICULTURE**

Agriculture has a traditionally strong role in the economies of CARICOM, but in recent years problems have risen from increased competition in international markets for some of CARICOM's strongest commodities, a lack of diversification and infrastructure in CARICOM's crops, and destruction of crops from natural disasters. Even those countries which already depend heavily upon agriculture for revenue stand to benefit from new policies that increase production and diversity.

Agricultural products vary somewhat across the region, but tend to include sugar, bananas, spices, coffee, citrus, tropical fruits and vegetables, legumes, horticulture, rice, fish, shrimp and livestock. New policies have been implemented with the intention of increasing production in CARICOM, but until these take hold the member states will continue to import a substantial proportion of their food requirements.

### **Agricultural Policy**

The members of CARICOM recognize the major role of agriculture in their economy and have affirmed the importance of improving agricultural production, as well as strengthening the connection between agriculture and other sectors. In light of this, in 1998 CARICOM amended their agricultural policy to diversify agricultural production, intensify agro-industrial development, expand agri-business, and direct agricultural production toward the export market.

The goals of CARICOM's Agricultural Policy are multi-faceted, with the ultimate goal of improving yields for international markets. The overall transformation of the sector is directed toward competitive market-oriented products that are produced in an environmentally-sound manner. Increased production and diversification of products is also a goal, in an effort to enlarge their share of world markets for primary and processed agricultural products. Improving production and cultivation will include improving income and employment opportunities for the local population, as well as increasing food and nutrition security to help alleviate poverty. Underlying all of these goals is the need to improve resource management in the region.

CARICOM is undertaking a number of initiatives to achieve the goals set by the Agricultural Policy. Agricultural financing systems have been established which focus on the needs of foresters, agro-processors, and small fishers and farmers. Member states with similar resources and industries will form links in an effort to share agricultural skills and technical abilities. More attention will be afforded to the needs of the agricultural sector, including human resources, transportation infrastructure and policies for land use and marine space. The members of CARICOM are also establishing means for knowledge sharing in the sector, encouraging research and development, and establishing public education to emphasize the economic and social profiles of the agriculture sector.

The member states of CARICOM have indicated that aquaculture is an area of interest that will be investigated in the future. In 1998 amendments to the Agricultural Policy included encouraging the establishment of development programs for aquaculture. The amendments emphasized the importance of encouraging the protection of aquatic habitats and fish populations for the sustainable development of fisheries.

CARICOM previously relied upon two institutions for the sustainability of the agriculture sector: the Regional Programme for Animal Husbandry and Agriculture (REPAHA), and the Caribbean Agricultural and Research Development Institute (CARDI). Due to financial reasons, it was decided by the Heads of Government in early 2002 that REPAHA will be closed and absorbed by the Guyana School of Agriculture. The Heads of Government decided to continue financing CARDI, pending offers of assistance will be realized and may contribute to the rehabilitation of CARDI.

## **CANADA – CARICOM TRADE & INVESTMENT**

Canada shares friendly relationships with all members of CARICOM as a result of a common heritage, government tradition, and shared trade and investment links. Canada is also a strong source of tourists for the members of CARICOM, and the large community of Caribbean-Canadians in Canada is further encouragement for continued relations.

Thirteen of CARICOM's member states are members of the British Commonwealth of Nations with Canada, and as such benefit from the Canada-Caribbean program (CARIBCAN). Introduced in 1986, CARIBCAN is a one way preferential trade agreement that, coupled with the General Preferential Tariff and Most Favoured Nation status extends duty-free access to the Canadian market for 96% of imports from CARICOM. Commodities excluded from CARIBCAN include certain agricultural products, some of which are subject to tariff rate quotas. Also excluded are some textiles, clothing and footwear. Haiti and Suriname do not fall under the CARIBCAN agreement.

The dynamic relationship between Canada and CARICOM has steadily deepened, cumulating in 2001 with discussions of a possible free trade agreement. In September 2002, Canadian and CARICOM officials continued discussions on the scope of a trade agreement. In addition to improving Canada's ties to the region, a free trade agreement would contribute to deepening CARICOM's economic integration within the western hemisphere. Canada and CARICOM are also



party to a Trade and Economic Cooperation Agreement which serves as a framework for bilateral cooperation and discussion.

In 2004, Canada exported \$183.2 million of agri-food products and imported \$65 million. Exports increased by 17% from 2001 to 2004. Jamaica received the bulk of these exports, with a total of 47% of Canada's total exports to CARICOM that year. Trinidad & Tobago also received a large quantity of Canadian agri-foods, with a total of 22% of all exports.

### **Canadian Agri-food Exports to CARICOM Members by Country 2004**

Jamaica	\$86,567,615
Trinidad & Tobago	\$35,578,841
Barbados	\$14,351,955
Bahamas	\$12,538,626
Haiti	\$8,834,317
Guyana	\$3,381,981
St. Lucia	\$3,276,071
Antigua & Barbuda	\$3,256,329
Dominica	\$3,217,554
Suriname	\$2,955,209
Belize	\$2,601,627
Grenada	\$2,492,194
St. Vincent & the Grenadines	\$2,323,855
St. Kitts & Nevis	\$1,579,346
Montserrat	\$205,777
<b>Total</b>	<b>\$183,161,297</b>

*\*Totals compiled by AAFC*

Of Canada's agricultural exports to CARICOM in 2004, 55% of the total was represented by the top five products. Wheat was the leading export, including grains (bulk or cereal), representing 34.2% of agri-food products. Other agri-food products exported to CARICOM countries from Canada in 2004 included wheat, potatoes, dairy, and pork. Imports from these countries included shell fish, rum, papayas, and liqueurs. Jamaica received over 97% of CARICOM's imports of wheat products. Haiti received over 40% of CARICOM's imports of milk and cream.

### **Canada's Top 5 Agri-food Exports to CARICOM, 2004**

<b>Category</b>	<b>Value</b>
Wheat, grains – bulk or cereal	\$56.3 million
Potatoes, prepared or preserved	\$13.4 million
Milk and cream, unsweetened	\$8.2 million
Pollock, salted or brine	\$8.0 million
Pork cuts, frozen	\$6.4 million

*\*Totals compiled by AAFC*

Canada imported a total of \$60.2 million in agricultural products from CARICOM in 2004. Jamaica was the leading source, representing 39% of total agricultural imports. Main imports from CARICOM include gold, bauxite, fisheries and agricultural products, mineral fuels,

petroleum, steel, and industrial chemicals. Jamaica and Guyana supply approximately 80% of Canada's imports from CARICOM. Recent growth in CARICOM exports to Canada is representative of a boom in imports of sugar and gold from Guyana.

### Canadian Agri-food Imports From CARICOM by Country, 2004

Jamaica	\$23,640,604
Bahamas	\$8,834,525
Trinidad & Tobago	\$7,355,924
Guyana	\$5,858,327
Barbados	\$5,517,040
Haiti	\$4,272,392
Belize	\$2,601,627
Grenada	\$1,212,912
Suriname	\$416,868
Antigua & Barbuda	\$192,256
St. Vincent & the Grenadines	\$101,116
St. Lucia	\$72,814
Dominica	\$56,994
Montserrat	\$45,600
St. Kitts & Nevis	\$161
<b>Total</b>	<b>\$60,179,160</b>

*\*Totals compiled by AAFC*

The top five agri-food products from CARICOM represented 58% of Canada's total agricultural imports from the Caribbean region, with rum and tafia as the dominant commodity. Canada imports 57% of its rum and tafia from the members of CARICOM, with Jamaica, Barbados, Guyana, Bahamas, Haiti, Trinidad & Tobago and St. Vincent & the Grenadines among the top 15 sources.

### Canada's Top 5 Agri-food Imports from CARICOM, 2004

Rum	\$16.8 million
Rock lobster and other sea crawfish	\$12.0 million
Papayas, fresh	\$6.2 million
Liqueurs and cordials	\$3.1 million
Fish	\$1.8 million

*\*Totals compiled by AAFC*

With total investment valued at \$25 billion, CARICOM is Canada's third most important area of investment after the United States and the United Kingdom. Canada has a strong presence in CARICOM's consulting and engineering programs, representing an approximate value of \$200 million annually in these fields. Canada contributes a large amount of financial assistance to CARICOM on a per capita basis to support programs that enhance the competitiveness, capacity and sustainable development of member states. Canada invests an approximate annual amount of \$29 million in CARICOM.

## **ORGANIZATIONAL STRUCTURE**

The CARICOM Single Market and Economy is not a political union and does not replace national identity and sovereignty. However, CARICOM provides its members with increased political strength in the global market against international associations and superpowers. All members of CARICOM have an equal vote within the organization.

### ***The Conference of the Heads of Government***

The highest decision-making forum in CARICOM is the Conference of the Heads of Government. The Conference meets twice a year, determining the policy direction for CARICOM. Due to the overwhelming number of issues requiring deliberation, the Bureau of the Conference was created in 1992 to initiate proposals, update the consensus, and implement decisions made by CARICOM.

### ***The Community Council of Ministers***

The second highest institution in CARICOM is The Community Council of Ministers, a body composed of community affairs ministers and representatives appointed at the discretion of the members. The Council is responsible for strategic planning pertaining to economic integration, external relations and regional cooperation. Four additional councils report to the Community Council of Ministers. These are the Council for Trade and Economic Development (COTED), the Council for Foreign and Community Relations (COFCOR), the Council for Finance and Planning (COFAP), and the Council for Human and Social Development (COHSOD).

### ***The Caribbean Community Secretariat***

The Caribbean Community Secretariat houses the offices of the Secretary-General, the Deputy Secretary-General, and the General Counsel, as well as the directorates of Foreign and Community Relations, Regional Trade and Economic Integration Human and Social Development.

### ***The Assembly of Caribbean Community Parliamentarians***

In 1987 the Assembly of Caribbean Community Parliamentarians (ACCP) was created with the purpose of involving the people of the Community in the process of consolidating and strengthening the Community. The ACCP may request information and reports; make recommendations regarding the objectives of the Community; hold discussions on matters referred to it by any institution within CARICOM; and adopt resolutions on any rising issue. Only representatives from member countries may vote in the ACCP, although representatives from associate and observer countries may be afforded speaking privileges.

### ***The Organization of the Eastern Caribbean States***

*Antigua & Barbuda, Dominica, Grenada, Montserrat, St. Kitts & Nevis, St. Lucia, and St. Vincent & the Grenadines*

These eastern CARICOM islands constitute the Organization of the Eastern Caribbean States (OECS). The OECS was created in 1981 to promote unity between members, defend their sovereignty, and enable these smaller islands to become competitive with the more developed countries of CARICOM. These countries also form the Eastern Caribbean Common Market, sharing the Eastern Caribbean Dollar as their common currency. The OECS members are fully involved in CARICOM but maintain some policies pertaining to their specific needs. Potential developments for the future include the possibility of a political union among OECS members.

## **CARICOM SINGLE MARKET AND ECONOMY**

CARICOM's Council for Trade and Economic Development (COTED) is responsible for the implementation of measures to promote and export the region's goods and services. Although most tariffs on trade of CARICOM's regional goods have been eliminated for some time, non-tariff barriers to trade have now been dismantled and a predominantly free trade area in goods is in place. The establishment of a common external tariff is also making headway; its implementation will represent a reduction in external protection for CARICOM, thus boosting competition and productivity in the region.

CARICOM member states are also members of the World Trade Organization (WTO). In a proposal to the WTO, initiatives were recommended by CARICOM to assist small economies in their access to world markets. Included in these proposals were reductions to tariffs and the creation of a technical assistance fund to support initiatives by developing countries to meet the requirements for entering agricultural markets of developed countries.

### **Regional Negotiation Machinery**

In recognizing the need to develop the region's capacity to negotiate with international organizations, CARICOM has created the Regional Negotiating Machinery (RNM) for CARICOM International Economic Negotiations. This development will encourage negotiating strategies in discussions with the World Trade Organization, the Free Trade Agreement of the Americas, the European Union and the United States. National and multilateral agencies such as the Inter-American Development Bank (IDB) have provided CARICOM with technical and financial resources to assist in the development of the RNM.

In January 2005, Suriname became the first Member state to introduce the CARICOM passport, allowing free movement of approved persons within the community. Most other members of the Community will also adapt the new CARICOM passport this year.

CARICOM currently has bi-lateral trade agreements with Colombia and Venezuela. Furthering the desire to build relationships with the countries of the Americas, CARICOM seeks to negotiate free trade agreements with the remaining Latin American countries. However, internal cohesion regarding this initiative is necessary before such talks may be conducted.

### **The Common Market**

The inception of the Single Market and Economy (CSME) came from the desire to foster inter-regional trade and macroeconomic policies, as well as eventual monetary integration. The Common Market is an arrangement that will ultimately allow CARICOM goods, capital, services, and people to move without restriction throughout the region. Functioning as singular states, the individual economies of CARICOM members have struggled to overcome traditional barriers. Domestic production is limited by their typically small population bases and land areas, which creates a narrow export base. To compensate for the lack of domestic products, consumer demand for imported products has escalated.

While the objectives of the Common Market include strengthening CARICOM as a whole, the individual states also hope to develop a greater measure of economic independence. All members of CARICOM are offered membership to the Common Market, but it is not a requirement. To date, only the Bahamas and Haiti have deferred membership. Membership may also be extended to any other state in the Caribbean that the Heads of Government deem able to assume the obligations of membership.

The 16<sup>th</sup> Inter-Sessional Meeting of The Conference of Heads of Government was held in Paramaribo, Suriname in February 2005. Members indicated that the implementation phase of the Single Market would be completed by the end of 2005. There will be a common market in 2006 with the free movement of goods, services, capital and the right of all CARICOM nationals to establish businesses anywhere in the community.

## **RESOURCES**

### **The Caribbean Community**

CARIBBEAN COMMUNITY (CARICOM) SECRETARIAT

[www.caricom.org](http://www.caricom.org)

### **Caribbean Export**

[www.carib-export.com](http://www.carib-export.com)

### **Customs Tariff Systems and the Caribbean Common Market**

Barbados and Eastern Caribbean

[www.infoexport.gc.ca](http://www.infoexport.gc.ca)

### **Canada-Caricom Free Trade Negotiations**

[www.dfait-maeci.gc.ca](http://www.dfait-maeci.gc.ca)