

40

CARICOM AT M

Investing in the future



An official publication of the Caribbean Community Secretariat



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services, and to attract investment

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One Vision that continues to unite us.

Forty years ago, we made a commitment to each other to honour, respect and share our collective talents, abilities and resources toward building a community where every faith, nationality and persuasion could live in harmony. Today we celebrate the vision that continues to join us together as one.

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Dr the Honourable Ralph Gonsalves

**Chair, Conference of Heads of Government of CARICOM
and Prime Minister, St Vincent and the Grenadines**



REUTERS/Chip East

This publication is one of a number of initiatives to mark the 40th anniversary of the Caribbean Community (CARICOM). Its purpose is to focus on the many and varied investment opportunities that the Region offers for those who wish to build effective, profitable long-term partnerships.

Caricom at 40: Investing in the Future celebrates the culture, heritage and history of our Community, and is an institutional expression of our Caribbean civilisation. The Members of CARICOM comprise a diverse fusion of nations in a common space, but each with a uniqueness that makes it a special place with its own history, achievements and accomplishments.

The publication also profiles our 15 Member States and five Associate Members, to assist in identifying the wealth of resources (both human and natural), products and services available, as a guide to where investment opportunities exist. It will focus on the economic climate and strengths of each Member and their objectives for the future, while providing contact details

of investment agencies and other relevant information to aid investment decisions.

In highlighting the opportunities available throughout the Region, it becomes clear how they may be efficiently converted into mutually beneficial business relationships, particularly with the assistance of public and private-sector organisations both in individual states across the Caribbean Community and in the Region as a group. Regional opportunities abound within our CARICOM Single Market and Economy (CSME), which currently encompasses 13 of our Member States, allowing for the free trade of goods and services, and the movement of labour and capital, among other provisions.

It is therefore my pleasure to commend to you *Caricom at 40: Investing in the Future*, which the CARICOM Secretariat has produced in partnership with Newsdesk Media and with the kind support of Regional and International firms and agencies. This publication is truly in keeping with the theme of the 40th Anniversary celebrations of the Community, in that it celebrates us while heralding a renewal of interest in promoting our Region as one that is open for business. ■



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40 Years

We join together with CARICOM members to recognize this major milestone for the Caribbean, its businesses and its people.

Honourable Kamla Persad-Bissessar

**Immediate past Chair, Conference of Heads of Government of CARICOM
and Prime Minister, Trinidad and Tobago**



Government of the Republic of Trinidad and Tobago

It is with great pleasure that I welcome you to *CARICOM at 40: Investing in the Future*, as we celebrate with members, partners and friends 40 years of the Caribbean Community.

At 40, CARICOM is the oldest integration movement in the developing world – 1973 was a defining moment in the history of our Region, and our journey thus far has been punctuated by milestones and accomplishments.

The achievements of CARICOM are testament to the unity of its Member States. We have made great strides particularly through functional cooperation in education, in health, in culture, in sport and in security. We have a functioning Single Market and have a respected voice in international affairs through a coordinated foreign policy.

More broadly, and with economic growth and sustainable development in mind, we have established objectives that will continue to build and encourage investment into our pro-business economies. These are testing times for

CARICOM Member States and other states and it is noteworthy that in 2013, the Community began consultations on a five-year strategic plan. Our vision, mission and core values have come under review and having identified priority areas of focus, we are taking decisive steps to establish how best to achieve sustainable Regional growth and development with the ability to attract investment a key component.

Our long-term goals are fortified by efforts to raise the standard of living across CARICOM's Member States. It is an opportune moment for us, as we celebrate our 40th year of existence, to revitalise those efforts based on the fact that integration remains our most viable option for achieving that growth and development.

We are justifiably proud of the progress made in our Community, even as the 40th anniversary presents an opportunity for introspection and for development of a vision of our collective future. It is a vision of unity of purpose; of shared economic prosperity, of advancing our human and social development in a society founded on the tenets of democracy and the rule of law that will ensure a Community for All. It will be a Community characterised by a healthy, highly educated, technologically savvy population, forging new and innovative routes to deeper Regional integration.

As we strive towards achieving and maintaining those goals, we recognise that we exist in an interdependent world in which mutually beneficial partnerships with others outside of our Region are essential. In that regard, the Caribbean Community is well known for its openness towards foreign investment as a progressive force in driving our growth and development.

It is my hope that publications such as this would be instrumental in showcasing the diverse opportunities available in our Community for investment as we seek to build on the achievements of the past 40 years and transform our Region, enabling us to ensure that our people enjoy the benefits and impact of their integration movement for a next 40 years and beyond. ■

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Suriname: open for partnerships towards sustainable development

Photo: © Rudi Moeridjan



By Imro San A Jong & Astra Singh

Suriname is blessed with a vast array of natural resources – the basis for most foreign direct investments currently in the country. Until now, investments in prominently bauxite, gold and oil have received major focus. To reduce its dependence on these resources the government is pursuing a path of economic diversification, and also places focus on agriculture, forestry, sustainable energy and non-resource-based industries.

Economic growth

The macro-economic outlook is favourable. Despite the world economic crisis, Suriname's economy has been growing continuously over the past decade. In 2013, the economy is expected to grow at 4.5 per cent, with inflation under five per cent. There is ongoing interest from the Caribbean and Latin American region, as well as from Asia and Europe. This interest is mostly manifested in projects within the sectors of mining, hydropower, agriculture,

forestry, construction, infrastructural works, telecommunications and tourism.

Further sustenance for a positive environment for doing business is the stable political climate. Suriname enjoys a democracy uniquely formed by a variety of minority cultures living in harmony. This offers an excellent combination of richness in natural and cultural assets.

This harmony was experienced in abundance by, and in unison with, the Caribbean countries, as well as many more countries from around the world during the Carifesta XI event in August 2013, for which Suriname was the host. Participants and the public alike were able to enjoy the expression of a number of different arts and experience the relaxed, safe and secure environment that is natural to the Surinamese community.

Potential in Suriname

Focusing on diversification, Suriname is also utilising its unique biodiversity, climate and geology, which make the country an excellent destination for tourism and, in combination

with a first-rate healthcare system, offers opportunities in health tourism.

Suriname, by practice of its own world-renowned CELOS Forest Management System, offers many opportunities in sustainable logging. Consisting of roughly 85 per cent tropical rainforest, there is huge potential for the extraction of non-timber forest products and medicinal plants.

Acknowledging that agriculture is the fundament of a healthy society, Suriname is also open to investments in this sector. Combined with its abundance of fresh water, there are excellent opportunities for agricultural produce and manufacturing enterprises.

Due to the ever-increasing price of thermal energy, Suriname is redesigning its energy production structure towards the use of renewable energy resources, especially hydropower.

Incentives for investors

Investors are offered tax incentives such as tax-free imports of raw materials and intermediates, as well as a 90 per cent tariff reduction on imported capital goods and assets. The Investment Act provides a nine-year tax holiday, as well as accelerated depreciation on assets and tax consolidation. There are no limits on the repatriation of foreign currency earnings, barring money laundering. Joint ventures with local entities are encouraged. Once a company is established, licenses are granted for residence and settlement of foreign personnel with special qualifications.

Businesses benefit from the low costs of energy and water, which are favourable circumstances not only for start-up companies, but also for prospects over the years.

Facilitating investment

The Investment and Development Corporation Suriname NV (IDCS) supports investors in partnerships for mutual benefit towards sustainable economic development. We are open for business.

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congratulates the Caricom
with its 40th Anniversary

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Ambassador Irwin LaRocque

Secretary-General, CARICOM



Forty years of the Caribbean Community (CARICOM) is a historic moment in the life of our Region. As we celebrate with pride our accomplishments over the past four decades, we also embrace the promise of our future by accepting fresh ideas and pursuing new perspectives.

The Caribbean Community is determined to establish itself as a global competitor in all spheres and a prime Region for investment. CARICOM has identified areas of priority, and we are mapping out approaches to guarantee development in these areas. Optimising the use of limited resources is undoubtedly a challenge, but with the invaluable support and cooperation of our international development partners, we will continue on the road to improving the quality of life for our citizens.

More investment from international sources and increased levels of trade will help the Region to achieve sustainable growth and development.

One of the tools that we have introduced in this regard is the Caribbean Community Regional Aid-for-Trade Strategy 2013-15. It aims to achieve a safe, viable, prosperous and sustainable route to development and recognises that the expansion of trade will make an important contribution to achieving this. The Strategy corresponds with the CARICOM Single Market and Economy, which is intended to foster greater intra-regional trade and production to help drive expanded trade between CARICOM and Third States. This approach presents an attractive proposition for investors as there would be scope for utilising joint production across the Single Market.

I extend heartfelt appreciation to all those who have supported our development efforts over the past 40 years as we have sought to place our countries on a path to sustainable, resilient economic growth, thus allowing us to produce concrete benefits for all the people of the Caribbean Community.

This publication, while heralding our achievements, looks to the future and seeks to offer our Region as a prime area for investment. The CARICOM Secretariat and our partners NewsDesk Media have worked hard to produce this publication and thank sincerely those who have supported us in making it a reality. In so doing, we trust that it truly reflects the theme of our Anniversary celebration: "Celebration and Renewal". ■

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Dr William Warren Smith

President, Caribbean Development Bank



The Caribbean Community (CARICOM) marked the 40th anniversary of the signing of the Treaty of Chaguaramas in Trinidad and Tobago on 4 July 1973. On behalf of the Caribbean Development Bank (CDB), I congratulate CARICOM on this historic event.

I wish to pay special tribute to the founding fathers – those pioneering leaders who believed that Regional integration offered the best prospect for Caribbean economic development and who advocated for the creation of a mechanism that would deepen and strengthen relations between cooperating countries. I also wish to pay tribute to subsequent leaders in the Community, who continue to pursue the ideal of creating a CARICOM Single Market and Economy.

Today, CARICOM stands as the beacon of our leaders' vision. Because of their perseverance, a diverse, multi-lingual grouping of peoples across 15 countries now shares a common desire to improve their economic and social development prospects and overall living standards through enhanced cooperation.

CDB is very proud of the special bond it has always shared with CARICOM. This bond is deeply rooted in our mandate “to contribute to the harmonious economic growth and development of the member countries in the Caribbean and to promote economic cooperation among them, having special and urgent regard for the needs of the less developed members of the Region”.

We share a common interest in the same group of mainly small island states, with similar development situations, challenges and constraints. CDB has worked, in parallel with CARICOM, towards the goal of reducing the incidence of poverty and improving social and economic development conditions across the Region. We have also sought to complement our financial and technical assistance to each borrowing member country by pursuing more Regional approaches.

The Bank now functions as a leading catalyst for development resources in the Caribbean Region; and CARICOM has been a reliable partner and a staunch supporter. The examples of successful collaboration between CDB and CARICOM are numerous. The Secretariat and affiliated institutions of the Community, including the Caribbean Agricultural Research and Development Institute, Caribbean Court of Justice, Caribbean Centre for Development Administration, Caribbean Disaster Emergency Management Agency, Caribbean Community Climate Change Centre and the CARICOM Development Fund, have been major beneficiaries of our financial and technical assistance.

CARICOM commences its fifth decade with Community members facing many challenges. Economic growth is too low; poverty and unemployment, particularly amongst our youth, are too high. A heavy debt burden is limiting governments' ability to deliver on economic and social programmes and provide adequate support to the most vulnerable groups in the society. Also, a rising crime level is putting citizen security under increasing threat, while natural disasters and other disruptions associated with climate change have further exposed the Region's extreme vulnerability.

The goal of an integrated Region tackling these challenges remains as relevant and important today as it did 40 years ago. We expect, therefore, that CARICOM will continue to lead the integration movement. The concept of the CSME provides a fitting platform for enhancing the Region's export competitiveness, creating jobs, reducing poverty and improving the lives of the peoples of the Community.

CDB, for its part, recommits to deepening its collaboration with CARICOM with a view to advancing the Regional cooperation and integration movement and supporting Member States' move towards a path of sustained inclusive growth and development. ■

Invest SVG – bridging the gap between host country and investor



Bernadette Ambrose-Black
Executive Director of
Invest SVG

Over the past 20 years, International investment has become an increasingly important feature of the globalized economy, having grown much faster than world GDP. St Vincent and the Grenadines (SVG) is a model country for foreign investment, directly, or in partnership with the domestic private sector and the state. It is a nation well poised for accelerated development. In fact, in every respect, SVG, under the auspices of our esteemed Prime Minister, Dr the Honourable Ralph E Gonsalves has come a long way in terms of development.

For many years, the Vincentian economy has experienced reasonable levels of growth and has withstood various exogenous shocks, while remaining at the forefront of regional integration. We are a modern nation that is steeped in the tried and tested values of our Caribbean civilization. We have a stable investment climate, an attractive incentive framework, a modern legal and regulatory environment, good governance, domestic infrastructure and local skills, while our macroeconomic policies are outward in their orientation.

Foreign direct investment (FDI) is extremely important to the development of SVG. With this in mind, Invest SVG has been accorded a pivotal role in the Vincentian society and has heeded the call with a concomitant drive to foster and promote SVG as a lucrative

destination, the jewel of the Caribbean and the gem of the Antilles, ideally suited not only for tourism, but also for trade and investments.

Invest SVG falls directly under the ambit of the Office of the Prime Minister and is the central institutional pillar in the state administration. Its mandate is to promote and attract direct, private foreign investment to SVG, particularly in the area of hotel and tourism development, international financial services, information and communication technology, agro-processing and light manufacturing, cultural and creative industries, renewable energy solutions, and physical infrastructure. Invest SVG is the single point of contact for all investors seeking to do business in SVG. We foster strong links and collaborative efforts with both the public and the private sector in an effort to create and enhance the strategic linkages necessary to propel the jurisdiction. Conterminously, Invest SVG lends its full support towards the fulfilment of the national, economic and social development strategies of the government and its drive to improve the capacity and the capability of SVG to attract quality investment and develop competitive export sectors.

There is no standing still because time is moving forward, we live in a globalised economy, in a world where borders have been transcended, and over the years, the mandate of Invest SVG has grown accordingly to meet the increasing demands of this ever-changing world. The organisation prides itself on being a catalyst and a facilitator for a number of developmental projects on the island. Invest SVG has attracted a number of reputable visitors to our shores, not just local and overseas investors but those within the Diaspora.

SVG has been listed as having the best FDI performance in the Organization of Eastern Caribbean States, with over \$126 million being attributed directly to FDI inflows¹. The government of SVG credits this outstanding performance to not only the presence of, but the input of, Invest SVG. This number speaks eloquently of the importance of FDI and Invest SVG in our national and regional context. In the 10 years prior to the establishment of Invest SVG (1993 to 2002), FDI inflows averaged \$40 million a year. With the establishment of Invest SVG, that figure has risen to average annual inflows of \$100 million.

In the context of SVG's support to regional integration and the continued success of the Caribbean Community (CARICOM), we at Invest SVG extend our sincerest and heartfelt congratulations to CARICOM on this auspicious 40-year anniversary celebration. We thank the Caribbean Community for all its efforts and initiatives over the years, and we continue to wish them tremendous success in the years ahead, as they continue to invest in the future of the Caribbean region.

1. 2012 UNECLAC report.

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Sophie Sirtaine

Director, Caribbean Country Management, World Bank



I am delighted to pen an introduction to this publication commemorating the 40 years of CARICOM. This is a critical moment for the bloc and its countries, which have achieved much in these 40 years, and which now face a new set of opportunities and challenges.

The 15 CARICOM countries differ in their economic structures, culture, and income levels, ranging from the small islands of the Organisation of Eastern Caribbean States, home to 600,000 people, to Haiti, with a population of 10 million, and they include three inland countries. Poverty ranges from over 70 per cent in Haiti to about 10 per cent in The Bahamas, with most countries above what their income level would suggest.

At the same time, CARICOM countries share similarities and challenges. Similarities include proximity to major markets in North and South America, and for most countries, a transition from agriculture or mining to a service-driven economy, especially tourism and financial services. Common challenges

include frequent natural disasters; the small size and the associated lack of economies of scale; vulnerability to external shocks; and making growth more inclusive.

The Region experienced a dramatic shift in its external trade position when many economies lost preferential access to European agricultural markets in the early 1990s. Since then, gross domestic product (GDP) growth has averaged 2.7 per cent, but has decreased in recent years. As a result, CARICOM countries have lost ground to their peers. Growth performance has been heterogeneous, driven by improvements in productivity, but it has not been inclusive, leading to high youth unemployment. CARICOM nations recognise that improvements in competitiveness, sovereign debt levels and employment creation are critical to sustain growth.

For small open economies that have increasingly shifted away from agriculture to tourism and services, foreign direct investment (FDI) plays a key role in growth, productivity as well as technology transfer. However, since the onset of the 2008 financial crisis, FDI flows to the bloc have dropped by 2.5 percentage points of GDP and have yet to recover fully.

CARICOM countries have identified growth potential in new sectors, such as logistics, information technology, business process operations, medical tourism, energy and creative industries. Building infrastructure resiliency, energy and food security and better targeting of investment promotion would underpin investment in these sectors. Resource-rich countries, such as Guyana and Suriname, also face the challenge of increasing diversification and enhancing resource-management transparency.

Acknowledging that key bottlenecks need to be addressed to fully realise its potential, CARICOM countries have embarked on a wide-reaching participatory process involving the private sector and civil society. This has built consensus for the policy measures required to boost investment climate, skills and productivity, logistics and connectivity. Public-private partnerships are emerging as a way to do business, and several governments are partnering with the private sector to deliver better, more efficient services, and to open the infrastructure sector to private investments. As infrastructure costs become more competitive, new growth sectors will attract private-sector investment.

The road ahead may have challenges, but it also holds significant promise. Continued policy enhancements will deliver the needed changes to unleash CARICOM's full potential. ■



History in the making – Jamaica's Prime Minister Michael Manley (right) signs the original Caribbean Community Treaty (Treaty of Chaguaramas) in Trinidad on 4 July 1973, alongside Hon Eric Williams, Prime Minister of Trinidad and Tobago

Celebrating four decades of progress and prosperity

For 40 years, Regional integration has been driven by the central aims of improving economic and social wellbeing for all. While the Caribbean Community (CARICOM) can look back with pride at the progress it has made since then, it is time to increase the pace towards greater prosperity

At the start of the 1970s, in the early days of the Region's independence from European colonial powers, Commonwealth Caribbean leaders came together and recognised that their countries would be able to achieve greater growth and prosperity by working together. They saw that integration would advance their interests, while discord could only deepen their challenges. The Caribbean Community (CARICOM) can look back with pride at the progress it has made since that time. In addition to national initiatives to improve living standards, education, healthcare provision and investment, CARICOM leaders and businesses have been cooperating to build on their strengths and fuel growth throughout the Region, thanks to the provisions for freer trade, economic integration, cooperation on human and social development and coordinated foreign policy promoted by CARICOM.

When the leaders met at the 7th Heads of Government Conference in 1972, they decided to transform the existing Caribbean Free Trade Association (CARIFTA) into a common market and establish a Caribbean Community. CARIFTA ceased to exist in 1973, paving the way for the signing that year of the Treaty of Chaguaramas, which laid the foundation for free movement of labour and capital and the foreign-policy coordination. CARICOM has since grown to include 15 Member States and five Associate Members.

In 1989, in response to the challenges and opportunities presented by changes in the global economy, Member States reaffirmed the Community's core objectives and broadened them to include the creation of the CARICOM Single Market and Economy (CSME). The CSME, which set new goals for Regional integration, came into operation in 2006. Of CARICOM's 15 Member States, 12 are now actively participating in the Single Market.

This transformation required the Treaty to be revised, a project that was taken on by an intergovernmental taskforce set up in 1992. Between 1993 and 2000, the taskforce, which comprised representatives of all Member States, produced nine protocols aimed at amending the Treaty. These were later combined to create a new version of the Treaty: the Revised Treaty of Chaguaramas Establishing the Caribbean Community, including the CARICOM Single Market and Economy.

The revised Treaty builds on the free movement of goods. It includes provisions on the free movement of people and services, and the right of CARICOM nationals to establish business in any Member State. It also makes provisions for addressing important new issues – such as e-commerce, government procurement, the trade in goods from free zones, the free circulation of goods and the free movement of people – using additional protocols.

Given the importance of free movement in the context of the revised Treaty, efforts have been made to unify travel documents across CARICOM. Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Lucia, St Kitts and Nevis, St Vincent and the Grenadines, Suriname and Trinidad and Tobago now issue common CARICOM passports that reinforce nationals' awareness of being members of the Community.

Organisation and objectives

In accordance with the revised Treaty, CARICOM's principal organs – the Conference of Heads of Government and the Community Council of Ministers – are assisted by Councils, Committees and the Secretariat, which is the principle administrative organ. The Councils are:

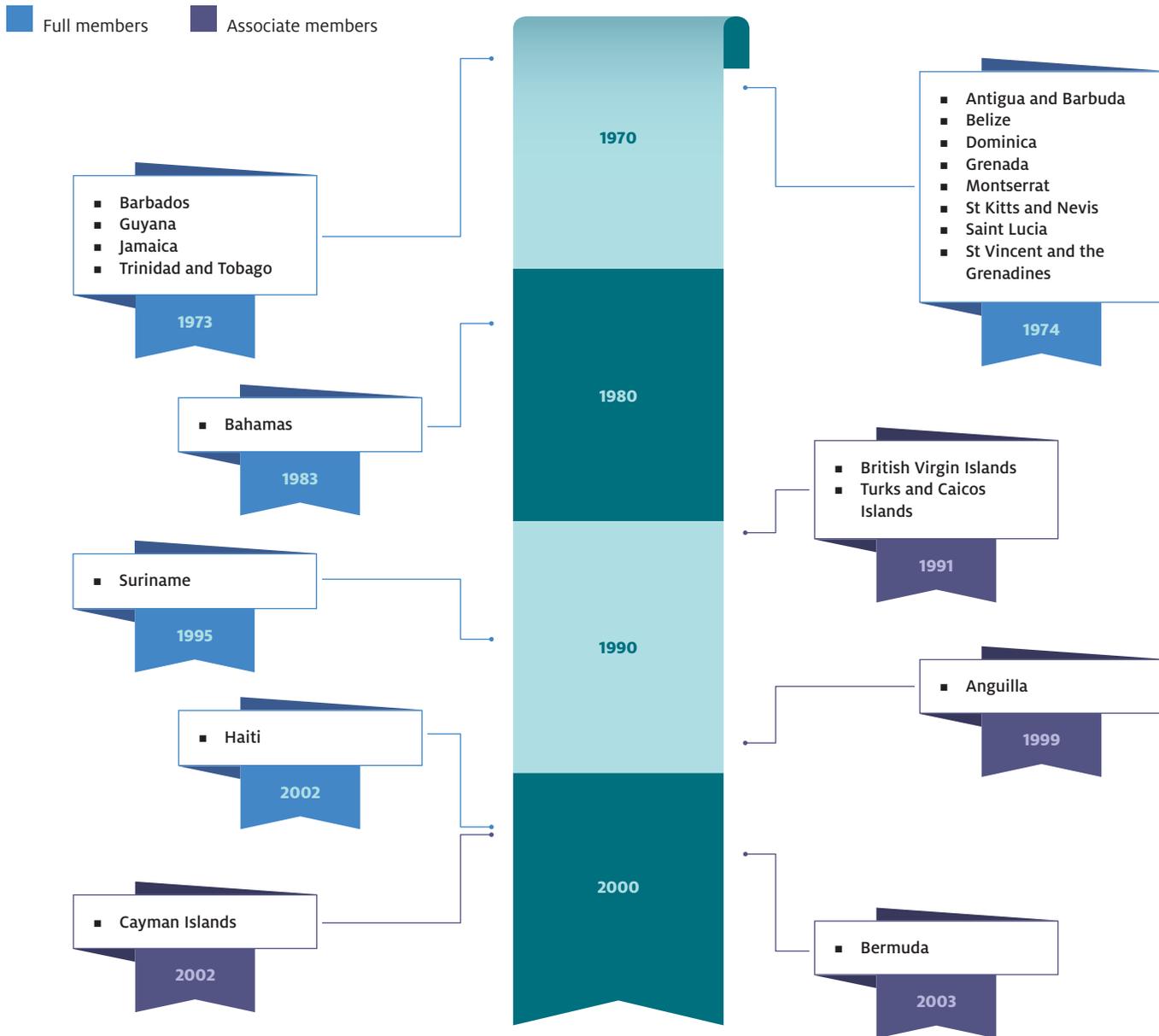
- Finance and Planning (COFAP), which coordinates economic policy and financial and monetary integration across Member States;
- Trade and Economic Development (COTED), which promotes trade and economic development and oversees the operations of the CSME;
- Foreign and Community Relations (COFCOR), which determines relations to international organisations and Third States; and
- Human and Social Development (COHSOD), which promotes development in areas such as health, education, culture and sport.

In 2007, a fifth Council, National Security and Law Enforcement (CONSLE), was added to coordinate security and law enforcement arrangements across the Community. The Committees are:

- the Legal Affairs Committee, comprising Attorneys-General, which provides legal advice;
- the Budget Committee, which examines the Secretariat's draft budget and work programme and submits recommendations to the Community Council; and
- the Committee of Central Bank Governors, which provides recommendations to the COFAP on monetary and financial matters.

In 2005, the Caribbean Court of Justice (CCJ) was inaugurated in Trinidad and Tobago, where it is also headquartered. The CCJ's mission is to “perform to the highest standards as the supreme judicial organ in the Caribbean Community. In its original jurisdiction, it ensures uniform interpretation and application of the Revised Treaty of Chaguaramas, thereby underpinning and advancing the CARICOM Single Market and Economy. As the final court of appeal for Member States of the Caribbean Community, it fosters the development of an indigenous Caribbean jurisprudence.”

CARICOM full members and dates of joining



CARICOM's goals

- improve standards of living and work;
- achieve full employment;
- accelerate and sustain economic development and convergence;
- expand trade and economic relations with third states;
- enhance international competitiveness;
- increase productivity;
- improve Member States' economic influence and effectiveness when dealing with other states, groups of states and other entities;
- improve the coordination of Member States' foreign and foreign economic policies and cooperation; and
- enhance cooperation, such as improved efficiency of common services and the promotion of understanding among the Community's peoples.



The Caribbean Community headquarters in Georgetown, Guyana. Over the past 40 years, the organisation has worked towards Regional integration and improved living standards

Since CARICOM was created, there have been improvements in the standard of living and a consequent rise in life expectancy across Member States. Data from the United Nations Development Programme show that, from 1980 to 2012, life expectancy at birth increased from 67.7 to 75.9 in The Bahamas, 70.5 to 73.3 in Jamaica, and 65.2 to 76.1 in Grenada.

These improvements are the product of concerted efforts to improve healthcare, with current initiatives including the Caribbean Cooperation in Health, now into its third phase (CCH III), which tackles critical issues such as environmental health, communicable and non-communicable diseases, food and nutrition, human and social development and the strengthening of Member States' health systems. To assist in the implementation of CCH III goals, five Regional Health Institutions were consolidated into the Caribbean Public Health Agency in July 2013: Caribbean Epidemiology Centre, Caribbean Health Research Council, Caribbean Environmental Health Institute, Caribbean Regional Drug Testing Laboratory and Caribbean Food and Nutrition Institute.

CARICOM is also the driving force behind the Pan Caribbean Partnership Against HIV/AIDS (PANCAP), which was established in 2001. The organisation acts as an advocate for HIV/AIDS issues at governmental levels, coordinates the wider Caribbean region response to the disease, mobilises Regional and international resources and increases country-level resources. The PANCAP Coordinating Unit (PCU), which is based at the CARICOM Secretariat in Georgetown, Guyana, is also involved in advocacy and the promotion of information-sharing among PANCAP partners.

The Community has also made progress in early childhood development, child rights and protection, life skills-based health and family-life education.

The Region now boasts universal primary education, the expansion of tertiary and higher education and increased capacity-building through scholarships. The Caribbean Examinations Council (CXC) – which also celebrated its 40th anniversary in 2013, and offers qualifications designed to cater for learners of varying ages, interests and abilities; teacher training; learning support material; and statistical data processing – is a vital link in Regional integration.

Another Regional partnership, the Caribbean Knowledge and Learning Network Agency (CKLNA), seeks to develop a high-speed fibre-

optic network linking all Member States in order to improve access to tertiary education across the Region. This will enable collaboration between Member States' educational institutions and will make tertiary education more affordable and diverse. The CKLNA has worked assiduously to establish the Caribbean Research and Education Network (C@ribNET), launched in February 2013. C@ribNET connects all CARICOM countries and is connected to the world's research and education community. It also presents opportunities to a wide cross section of the Community's populace, including in institutions at the tertiary level, in government and in other fields, committed to developing human capital and fostering functional cooperation.

Given the critical role of Information and Communication Technology (ICT) as a factor of development and a key sector in its own right, the Community has adopted a Regional Digital Development Strategy (RDDS) to guide ICT activities and initiatives in the Region.

Economic growth and development

CARICOM's real GDP began showing signs of recovery in 2012, following negligible growth in 2011 and 2010 and negative growth in 2009. CARICOM's overall GDP growth stood at approximately 1.2 per cent in 2012. In value terms, CARICOM's real GDP stood at EC\$136.6 billion (US\$50.6 billion) in 2010, increasing slightly to EC\$136.8 billion (US\$50.7 billion) in 2011 and further increasing to EC\$138.4 billion (US\$51.3 billion in 2012).

CARICOM continues to encourage pro-business economies seeking to engage with international corporations and financial institutions worldwide in productive and long-term partnerships.

Encouraging and promoting public-private partnerships and increasing the Region's export competitiveness are important components of the Regional Aid for Trade (Aft) Strategy, launched in 2013. The Strategy outlines to investors and international development partners how the Region intends to utilise existing and future resources. It also identifies agreed priorities for promoting growth and a more diversified Regional economy.

Among the key areas of the Aft strategy are maritime transport, ICT, energy; trade facilitation, sanitary and phytosanitary measures, quality infrastructure, services, and private sector development; strengthening Regional integration and the capacity of Regional institutions; and increasing the transparency and reliability of Aft flows, negotiation and implementation of trade agreements, and knowledge of the impact of trade liberalization.

While the Region has made substantial progress over the past four decades, its leaders are now focused on making the necessary adjustments to ensure a sustainable future for the people of the Community. To this end, the Community has begun a comprehensive assessment of its integration focus and architecture to ascertain that future adjustments remain relevant as the global environment changes. A draft Five-Year Strategic Plan, constructed following consultations with stakeholders throughout the Community, will be presented to the Conference of Heads of Government of CARICOM in 2014.

Speaking during the opening ceremony of the 24th Intersessional Meeting of the Conference of Heads of Government in 2013, Secretary-General of CARICOM, Ambassador Irwin LaRocque, said: "As we go forward to the next 40 years, in accepting that the imperative for integration of our small states is undeniable, we also have to accept that we must change our modes of operation if we are to deliver to our people the standard of living they desire." He added that for integration of CARICOM's Member States to really have an impact on the Region's population, change "must be pervasive and embrace all facets of the work of the Community". ■

Strengthening integration, stimulating production

The CARICOM Single Market and Economy (CSME), the linchpin of CARICOM's economic objectives, is forging ahead with measures to harmonise the Region, promoting production and trade

At the heart of the economic, financial and commercial objectives of the Caribbean Community (CARICOM) is the development of the CARICOM Single Market and Economy (CSME), a flagship programme designed to maximise economic growth opportunities throughout the Region.

History and progress

The history of the CSME can be traced back to the 1960s, when the Caribbean Free Trade Area (CARIFTA) was set up to liberalise intra-Regional trade by removing tariffs and other barriers to trade.

In 1973, trade integration was extended by the creation of a 'common market' under the Treaty of Chaguaramas. This introduced a common external tariff, which aimed to protect and support industry in the Region. It also removed some restrictions on setting up businesses, providing services, the movement of capital and coordinating economic policies.

Since then, some of the Caribbean's key economies, with the backing of major lenders, have made structural changes. In 1989, CARICOM's principal body, the Conference of Heads of Government, agreed to transform the existing limited common market into a fully-fledged single market and economy. Their Grand Anse Declaration established the foundations for wider and deeper membership of the Community and aimed to promote the Region's trading and economic strengths further afield by improving trading links with international partners.

The Revised Treaty of Chaguaramas, which was signed in 2001, removed further barriers and set out the ground rules for the establishment of a single market space within which not only goods, but services, capital, technology and people would be able to move freely. This gave CARICOM

citizens new rights to set up business anywhere in their Region. The Single Market, which finally came into being at the start of 2006, initially included Barbados, Belize, Guyana, Jamaica, Suriname and Trinidad and Tobago. Other Member States, with the exception of The Bahamas, Haiti and Montserrat, became part of the CSME in July 2006. Haiti is currently working towards effectively being a part of the CSME.

Objectives of the CSME

Since it was set up, the CSME has been working hard to improve the lives of the Region's population by providing them with more and better opportunities to produce and sell goods and services and attract investment through the creation of one large local market.

The programme's ultimate aim is full employment and improved standard of living through exploiting Member States' natural resources and capital and encouraging expanded production and trade in products and services with other countries. Key elements of the CSME include:

- Free movement of goods and services – established by such measures as eliminating all barriers to intra-Regional movement and harmonising of standards, goods and services.
- Right of establishment – enabling CARICOM-owned businesses to be set up in any Member State without restrictions.
- A common external tariff – a rate of duty applied by all Member States to a product imported from a non-member country.
- Free movement of capital – through measures such as the elimination of foreign-exchange controls and the setting up of an integrated capital market, including a Regional stock exchange.
- A common trade policy – internal and international trade agreement and policy.
- Free movement of skills and labour – through measures such as removing all obstacles to intra-Regional travel and movement of labour, access to social services, including education and healthcare, transfer of social-security benefits and the setting up of common accreditation and quality standards and measures.
- Harmonisation of laws – for example those pertaining to a company and intellectual property law.

There are also other economic, fiscal and monetary measures and policies designed to support the operation of the CSME, thus creating the environment for production and investment. On the economic front, for example, steps are being taken to coordinate macro-economic policies and performance; harmonise foreign investment policies; and adopt measures



Caribbean leaders formally launched the CARICOM Single Market and Economy in Jamaica on 30 January 2006. The first Member States to implement it were Barbados, Belize, Guyana, Jamaica, Suriname and Trinidad and Tobago; the remaining six members joined the CSME in July 2006



Cargo containers in Kingston, Jamaica. The aim of the CARICOM Single Market and Economy is to expand production and trade, thus helping to create full employment and improve living standards

The CARICOM passport

Part of the Grand Anse Declaration of 1989 was a commitment to eliminating “the requirement for passports for CARICOM nationals travelling to other CARICOM countries”. The result was the CARICOM passport, which identifies CARICOM nationals for travel intra-Regionally and entitles holders to an automatic six-month stay in any Member State.

To date, the passport has been adopted by the 12 Member States that are part of the CSME: Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St Kitts and Nevis, Saint Lucia, St Vincent and the Grenadines, Suriname and Trinidad and Tobago.

COUNTRY	Year
Antigua and Barbuda	2006
Barbados	2007
Belize	2009
Dominica	2005
Grenada	2007
Guyana	2007
Jamaica	2009
St Kitts and Nevis	2005
Saint Lucia	2007
St Vincent and the Grenadines	2005
Suriname	2005
Trinidad and Tobago	2007

Inward foreign direct investment (\$m)

COUNTRY	2011	2012
Antigua and Barbuda	68	74
Barbados	532	-
Belize	99	195
Dominica	14	20
Grenada	45	33
Guyana	247	294
Jamaica	218	381
St Kitts and Nevis	112	101
Saint Lucia	116	113
St Vincent and the Grenadines	86	126
Suriname	70	70
Trinidad and Tobago	1,831	2,336

Source: UN ECLAC: Foreign Direct Investment in Latin America and the Caribbean 2012

to acquire, develop and transfer technology. On the monetary front, the focus is on coordinating exchange-rate and interest-rate policies, as well as establishing the Regional architecture for financial stability. Fiscal policy measures include coordinating indirect taxes and national budget deficits.

The ultimate goal of the CSME is to provide the basis for growth and development through the creation of a single economic space for production of competitive goods and services.

Laying the foundations for growth

To create a level playing field for entities operating in the CSME, work is continuing on standardisation and harmonisation in areas such as anti-dumping measures; banking and securities; competition policy; consumer protection; customs; intellectual-property rights; food and drug regulation and labelling; standards and technical regulations; and manufacture and trade in goods regulations.

The creation of the Caribbean Court of Justice is another step towards harmonisation in the countries of the CSME, since it is responsible for interpreting and applying the Treaty that established CARICOM and is the Region's primary dispute-settlement body.

It has not always been plain sailing for the CSME. Critics argue that the Region is very small and its Member States tend to produce many of the same products. Furthermore, there is a significant disparity in standards of living between the countries, which means that some are reluctant to hand any authority to Regional bodies.

A study commissioned by the CARICOM Trade and Competitiveness Project has shown that, overall, the CSME is operating at a compliance level of about 64 per cent. The three-year study, which concluded in 2012, showed that the five core elements of the CSME regimes are up and running, but not to the extent that had been anticipated, with compliance in each core element at the following levels:

- free movement of goods – 80 per cent;
- free movement of capital – 72 per cent;
- free movement of skills – 66 per cent;
- right of establishment – 64 per cent; and
- free movement of services – 37 per cent.

But advocates of the CSME point to the advantages of a single Regional market, such as opportunities that extend beyond the border of any one Member State. In addition, the creation of a Regional economic space with unified regulations and procedures governing the movement of goods and services helps to reduce compliance costs and provides consistent rules throughout the Region – essential for encouraging inward investment and extra-Regional exports.

Freedom of movement

The CSME has already had an impact on the lives of Member States' citizens and businesses – particularly in terms of the movement of people and goods throughout the Region. Free movement within the CSME is available to agreed categories of people seeking employment, to the self-employed and those setting up businesses. This has been achieved through the abolition of the work-permit system; the introduction of the Certificate of Recognition of CARICOM Skills Qualification; definite entry for six months; indefinite leave to stay in a Member State; and the right to transfer social-security benefits from one CARICOM state to another. CARICOM has also launched the Caribbean Vocational



Jim West/Alamy

Qualification (CVQ), which aids the movement of skilled workers around the CSME. CARICOM's passport (see opposite), meanwhile, ensures hassle-free travel for citizens of participating states.

Widening opportunities

The CSME's work is providing greater access to a Regional market of about 16 million people. Getting rid of work permits for CARICOM nationals has made it more attractive for firms to invest across the Region. This also encourages foreign direct investment (FDI) and the creation of trans-Caribbean firms in sectors such as finance, tourism, distribution, manufacturing and most recently, agriculture.

However, as CARICOM's 2010 *Caribbean Trade and Investment Report* points out: "Intra-CARICOM investment is still relatively low.

For example, in the case of the OECS countries, inflows of investment from other CARICOM countries in relation to investment from the world as a whole exceeded 10 per cent in only one year during 2003-08, when it totalled \$130.9 million."

In recent years, CARICOM has fared well in terms of investment from abroad. According to the 2010 CARICOM report, FDI rose sharply in most CARICOM countries over the first decade of the 21st century, more than trebling between 2000 and 2008 and reaching a high of \$6.8 billion in

Workers in Belize package pepper sauce for export, which is made easier by the CSME

2008. Furthermore, the United Nations Economic Commission for Latin America and the Caribbean (UN ECLAC) reports that FDI inflows to the Caribbean rose in 2012 for the third year in a row.

FDI inflows rose in 2012 for the third year in a row

The Region has established good links with other governments and Regional organisations. In 2012, for example, CARIFORUM signed three financing agreements with the European Commission totalling €82.6 million, including one for a €28 million programme supporting CARICOM's integration process. This programme is intended to aid the further development of the CSME, and features the establishment of a €3.45 million standby facility to provide Member States with the institutional and technical support they need to build their capacity for implementing the CSME. In addition, it is implementing a public education programme in an effort to keep stakeholders informed about progress.

CARIFORUM's Secretary-General, Ambassador Irwin LaRocque, hailed the agreements, saying: "We are moving resolutely ahead with the CSME, convinced that it provides a platform for our sustainable economic development." He emphasised, however, the importance of creating tangible benefits, saying: "We must satisfy Regional stakeholders that our actions bring them added value to their lives. That is the bottom line." ■



The IDB has issued manufacturing company Industrial Revolution II LP with a loan to equip a garment factory in Port-au-Prince, Haiti, and train a local workforce

Manufacturing potential

With the Caribbean Community focused on raising the competitiveness of manufacturing industries, there is good scope for the Region to ease itself out of a period of stagnation and concentrate on the growth that some countries have been enjoying, while there is much promise for foreign investors

Over the past 40 years, CARICOM has seen manufacturing industries develop across the Region, as it focused on making its Member States more competitive, resulting in sustainable economic growth in this burgeoning sector. Although there is still much scope for growth and development, governments are working in tandem with Regional initiatives to achieve results, and opportunities for investment are ripe.

Sizeable labour forces and an array of resources are the foundations of mounting investment interest, and opportunities exist within both domestic markets and the export industry. The migration of the Region's labour forces in recent years has been cause for concern, but there is quiet optimism that the drivers of long-term development are already in place. Fewer men in the labour force means more women entering it, and fewer women in the home is resulting in services becoming increasingly commercialised, creating new jobs and helping to boost the economy. It is hoped that greater opportunities in the Region will reduce the Caribbean diaspora and boost the domestic wealth of individual countries.

Initiatives such as the UK's Caribbean Aid for Trade and Regional Integration Trust Fund are supporting development, with its budget allocated to Regional trade agreements; business support services and institutions; trade policy and administrative management; and trade facilitation. The project's steering committee includes representatives from CARICOM and offers financing for approved projects that take advantage of the CARICOM Single Market and Economy (CSME) and the Economic Partnership Agreement with Europe. The project aims to increase exports from the Region, improve its penetration of markets and strengthen and develop the services sector.

The Single Market and Economy effect

In its drive towards a single market, CARICOM has focused on the development and diversification of industries across the Caribbean. As stated by Ambassador Irwin LaRocque, Secretary-General of CARICOM, in his address at the Guyana Manufacturing Association Ltd Business Luncheon, the CSME "represents tremendous potential to achieve the goals of growth and employment and to provide business opportunities, both with respect to manufacturing and services. It is a vehicle through which businesses ... could begin to expand their horizons to enhance their competitiveness and so use the Regional platform as a springboard into the global environment".

Intra-Regional trade has grown since the inception of CARICOM, with exports averaging 8.8 per cent between 1973 and 2011. Manufactured goods are one of the most intra-Regionally traded commodities, and, excluding The Bahamas, goods that meet the CARICOM rules of origin traded are traded duty-free within the CSME.

While countries such as Barbados have experienced a recent decline in manufacturing, others have enjoyed growth in the sector, despite wavering conditions in the global market. According to the *Caribbean Economic Performance Report of the Caribbean Centre for Money and Finance June 2013*, Guyana reported a 4.8 per cent growth for 2012 "due to favourable output in services, mining, agriculture and manufacturing".

Quality-control management

The CARICOM Regional Organisation for Standards and Quality (CROSQ) is helping to drive this growth, working to promote efficiency and the competitive production of goods and services through quality control measures. The CROSQ also works to increase the rate of development across the CSME, with its objectives geared towards raising international competitiveness, promoting awareness of standards and encouraging the broad recognition of accreditation and certification systems.

Haiti's manufacturing sector has remained buoyant, despite the far-reaching effects of the 2010 earthquake. Prior to the earthquake, manufactured textile and apparel goods accounted for around 80 per cent

of the country's exports and 10 per cent of gross domestic product (GDP), and the industry is still vital to its economy today. In January 2013, it was reported that the Inter-American Development Bank is providing a loan of up to \$1 million to Industrial Revolution II LP – a company involved in the socially responsible

manufacture of garments. The company invests 50 per cent of its profits back into its workforce and supports the local community. The loan will help to equip and retrofit a garment factory in the capital city, Port-au-Prince, and train local people. In its press release, the IDB states that the company will "introduce an innovative model for apparel manufacturing in the country that radically departs from the prevailing paradigm of low-cost production of commodity garments".

The challenges brought about by the 2009 global economic crisis slowed down manufacturing in Trinidad and Tobago, but innovative and progressive businesses thrived amid difficult conditions. New products and considerable capital investments were announced, with the slower

Manufacturing continues to be a major force in Caribbean economies

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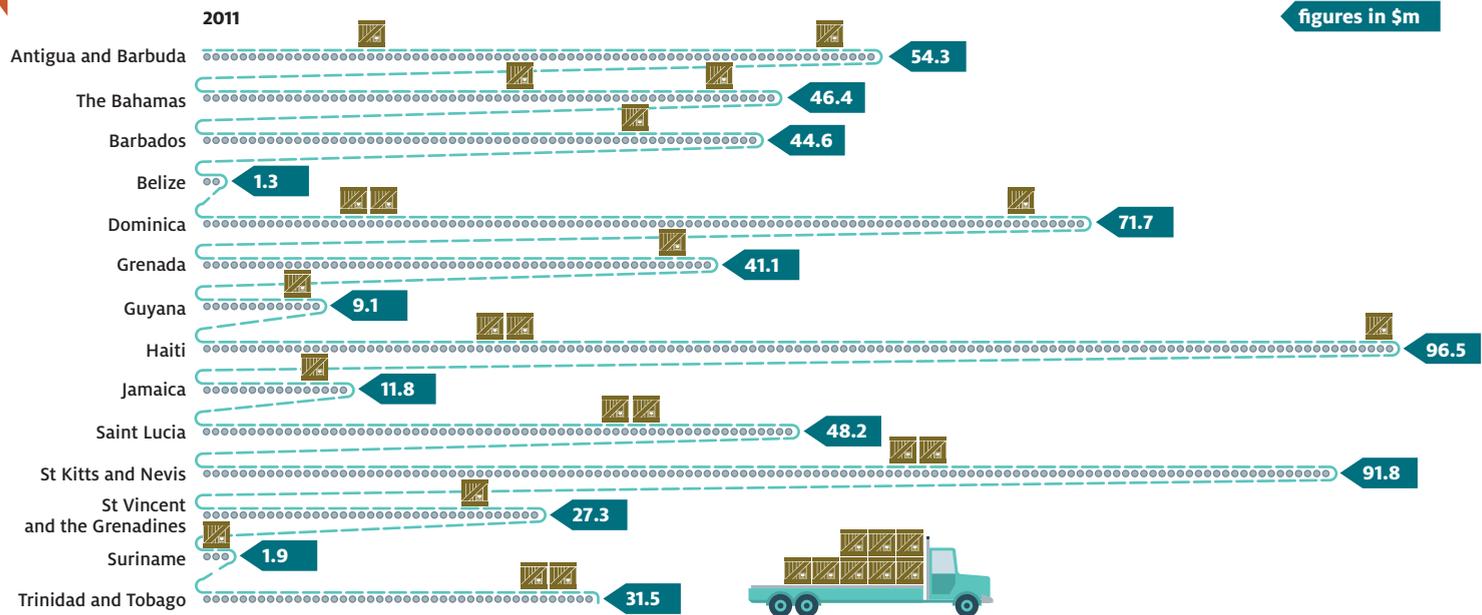
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Manufacturing exports



source: WTO

period allowing companies time to install new equipment and systems and undertake training and restructuring. In March 2009, the Trinidad and Tobago Manufacturers' Association submitted proposals for a stimulus package, which included a foreign currency earning incentive; a tiered corporate tax rate based on the size of a company; a reduced rate of interest on loans; and more efficient regulatory agencies. The government made commitments to encourage innovation and enhance incentives for research and development in non-energy manufacturing, and by 2011 the sector had made an impressive recovery, earning the reputation as a choice destination for foreign investment. Furthermore, the price of manufactured goods is expected to increase globally in 2013 and 2014.

Dominica has also been successful in attracting investment to its manufacturing sector, which produces goods such as garments, plastic products, furniture and hair and body care products. Particular areas in which the Dominican investment authority is looking to augment investment include the production and export of bottled water, electronic items and beverages.

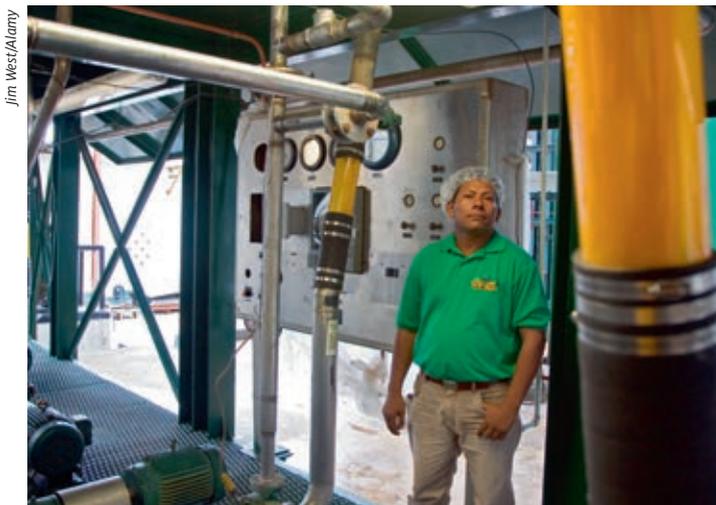
Positive results

A number of countries in the Region are experiencing positive figures. In 2011, Jamaica's manufactured exports totalled \$739,162,000 and the sector employed 74,800 people. The same year, Barbadian exports in foods and manufactured goods rose by 9.6 per cent. More recent activity in manufacturing in the Region has seen construction begin on Kaloti Group's first refinery and manufacturing plant in Suriname in July 2013, and investment agencies across the Caribbean are working to deliver solutions to areas of stagnation.

Manufacturing continues to be a major force in Caribbean economies, responsible for significant portions of GDP in individual countries and providing employment and career opportunities for local people. Pharmaceutical manufacturing is a rising subsector, but the need for investment if it is to contribute to the collective growth and development of the Region in the long term is apparent.

The Caribbean Region is undoubtedly making strides towards becoming a player on the global manufacturing markets, buoyed by the support of CARICOM, and with a clear strategy going forward there is little reason why it should not succeed.

Furthermore, the Region offers short travel times to the vast US market, and with 'near-shoring' an increasing trend among international manufacturers looking to reduce supply chain costs, the CARICOM Region is certainly an advantageous investment opportunity. ■



A citrus-processing factory in Belize, which adds value to goods produced in the country



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Financing the future of the Caribbean

Commercial banks have long been a key component in financing private-sector projects throughout the Caribbean Community. These institutions are now seeing their role extend to the financing of national and Regional development projects

Commercial banks are unique institutions within the structure of the Regional financial system. The banking industry, because of its power to create credit, plays an important role in the economies of the Region as the main source of financing for both the public and private sectors. For the Region, commercial banks have traditionally been the most dominant of all financial institutions. These institutions constitute the largest segment of the financial system. In addition, they are the dominant element of the payments system, and a major mobiliser of domestic savings. The commercial banking industry has, for years been the main financier of large projects, both private and public, in the Region – mainly because of the limited scope of capital markets activities in most countries and the amount of resources that they can mobilise.

The commercial banks in CARICOM, whether Regional, foreign or domestic, provide the typical range of banking services to their customers, including accepting deposits, making loans and advances, discounting trade bills and bankers' acceptances, dealing in foreign exchange and providing

business investment advisory services. However, the need for these banks to be more involved in promoting private investment and supporting economic development has been increasingly emphasised at all levels.

The provision of capital for developmental purposes, and, in particular, venture-capital assistance, hasn't been at the forefront of commercial banks in the Caribbean. Where such financing is made available, it is usually carried out through a specialised arm of the bank in question, in most cases a merchant-banking type unit.

Prior to the 1980s, branches and subsidiaries of financial institutions domiciled in developed countries provided most of the financial services in the English-speaking Caribbean. These companies were mainly from the United Kingdom, Canada and the United States, and included such household names as Barclays Bank, Royal Bank of Canada, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Bank of London and Montreal, Citi Bank and First Chicago Bank. Many of these, particularly the commercial banks, established a network of branches across the territories and conducted what could be regarded as pan-Caribbean operations. At the same time, national financial institutions emerged in an effort to better serve the interests of the emerging nation states of the Region. These institutions were at the forefront of providing capital for the development of large projects throughout the Caribbean and, in particular, in Jamaica, Guyana and Trinidad and Tobago.

Overview of Caribbean banking

The Caribbean banking industry comprises four main types of institutions:

- branches and or subsidiaries of foreign-owned financial institutions;
- locally created and owned financial institutions;
- branches of Regionally-owned financial institutions; and
- banks that are jointly owned by a consortium of Regional entities.

The distinction is important because the modus operandi of the institute is, to a large extent, dictated by its origin.

No study on financing the future of the Caribbean can be considered complete without an examination of the critical role played by the indigenous banks in the Region. In 1971, at the height of the nationalistic fervour in the Caribbean and other developing countries, policymakers in the banking community in Trinidad and Tobago, Guyana and Jamaica felt that the time had come for locally owned banks to take on a more developmental role and to become bankers to those overlooked by the foreign-owned commercial banks. The newly independent nations were desirous of financing to spur growth, while the foreign-owned and



Banking as an industry is well developed within the countries of the Eastern Caribbean Economic and Currency Union, such as Antigua. The Region is home to over a dozen indigenous banks, including Antigua's first – Antigua Commercial Bank



controlled commercial banks did not have the decision-making capacity or the willingness to make the capital available. The newly created national commercial banks, therefore, were seen as the only viable alternative.

Thus started an era of financing development by local banks. As a result of the then perceived reluctance of many foreign-owned commercial banks to make medium-to long-term loans, the national commercial banks provided the bulk of the development financing to governments and quasi-government agencies. Some also provided finance for infrastructure development, a trend which, despite meagre resources, continues today.

The banks have also partnered with international donor agencies to make funds available at concessionary rates to non-traditional sectors of the Regional economies in an effort to spur growth. Such sectors include low-income housing, aquaculture, providing loans to small farmers, financing of special projects for women and single parents, and financing small- and medium-size enterprises. Recognizing the potential for export expansion as a facilitator of growth, some banks have also increased financing to traditional sectors, such as the rice sector in Guyana, where the Guyana Bank for Trade and Industry (GBTI) has increased its financing for millers, farmers and suppliers to the sector.

Tourism, an important growth industry for the CARICOM Region, has also benefited from commercial bank financing. More recently, there has also been a focus on tourism financing in non-traditional tourism products throughout the Region.

The head office of the Guyana Bank for Trade and Industry, which has recently increased financing to traditional sectors of the country's economy

Finance and economic development

Economic performance in a country is often linked to the financial sector, mainly because of the catalytic role of finance in development and the role of institutions in channelling those resources to the most productive sectors. When there are difficult macroeconomic conditions, financial institutions, particularly those with few ties to the local economy, tend to shy away from those sectors that are under performing, thus increasing the likelihood of greater instability in the economy.

This occurs mainly in economies where the financial sector is profit-driven, as compared to those in which the state has a significant share in the ownership of financial institutions. The Caribbean, to a large extent, has moved away from a situation in which the majority of domestic financial institutions are state-owned to one in which a large share of the domestic banks are owned by the public, with some being traded on securities exchanges.

National financial institutions were at the forefront of providing capital for the development of large projects



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Ownership Structure of Commercial Banks in CARICOM, 2012

Country	Domestic banks	Regional banks	Foreign banks	Total	Domestic bank as % of total
Antigua and Barbuda	3	0	3	6	50.00
Bahamas	1	0	7	8	12.5
Barbados	2	1	3	6	33.33
Belize	1	0	3	4	25.00
Dominica	1	0	3	4	25.00
Grenada	1	1	3	5	20.00
Guyana	3	1	2	6	50.00
Haiti				6	
Jamaica	3	0	4	7	42.86
Montserrat	1	0	1	2	50.00
St Kitts & Nevis	2	0	4	6	33.33
St Lucia	2	0	4	6	33.33
St Vincent & the Grenadines	1	1	3	5	20.00
Suriname	2	0	1	3	66.67
Trinidad & Tobago	3	0	5	8	37.5
Total	26	4	46		

Numerous examples exist of where the financial sector failed to provide the necessary financing needed to support failing sectors, leading to further economic distress. Conversely, where the economy is displaying robust economic activities, financial institutions, being driven by their profit motive, tend to be supportive by providing the financing needed to take advantage of emerging opportunities. It is for these reasons that the financing of the Caribbean is, to a large extent, dependent on the survival of the small indigenous banks.

Financing the future

In general, it can be said that the development of any economy depends, to a large extent, on the level of development of its financial system, as the more developed the financial institutions are, the better their capacity to direct funds to productive sectors. In the Caribbean, some banks have been at the forefront of directing capital to sectors across the Region through regular and specialized entities. As such, they are integral to the CARICOM integration process and the creation of the CARICOM Single

David Dulal-Whiteway, Managing Director, Republic Bank

We have been providing banking and financial solutions to individuals and businesses for more than 175 years, and our vision of being a Caribbean-wide bank fits well with CARICOM's objectives for a strong Regional body.

Many of the countries into which we are expanding are members of CARICOM, and we welcome efforts being made by the organisation's leaders to bring our nations together to promote economic growth and development. Its initiative for graduates of the University of the West Indies to have their qualifications recognised throughout the Region is a welcome start. We also applaud

efforts by the Region's central banks to communicate and collaborate.

During the 40 years since the birth of CARICOM, we've seen the benefits that being part of a larger organisation can bring. As a network of small states, we have more power when we work together towards common goals. For example, Trinidad and Tobago on its own may struggle to be heard on the global stage, but the common CARICOM voice is one that the world cannot ignore.

To ensure that CARICOM is more than just a talking shop, we now need commitment and action to harmonise and standardise

banking laws. We still face challenges if we want to work in other CARICOM territories, and further harmonisation is critical to ensuring the Region's financial sector can make the most of its rich pool of talent.

One set of regulations covering the whole Region is also vital to help us extend into other areas of the financial sector, such as the stock exchange, currency and security. Now is the time to roll up our sleeves in order to achieve this.

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Change in domestic credit to private sector 2010/11 and 2012/11



source: Caribbean Centre for Money & Finance

Market and Economy, with the free movement of capital as an objective. These institutions include both foreign and domestic banks. In this regard, particular reference should be made to the efforts of Republic Bank Limited, with its cross-border reach, and, more recently, First Citizens Bank. CIBC First Caribbean, Scotiabank and Royal Bank of Canada have also been involved in the provision of financing across the Region.

Lending by commercial banks

As a group, the commercial banks provide the largest proportion of credit extended by the financial institutions to both the public and private sectors. Lending by the commercial banks, which is critical for growth, is normally made in the form of term loans and overdrafts. Other arrangements are sometimes made or entered into for the financing of industrial development, usually through specialized arm of the commercial banks, such as the merchant banking operations.

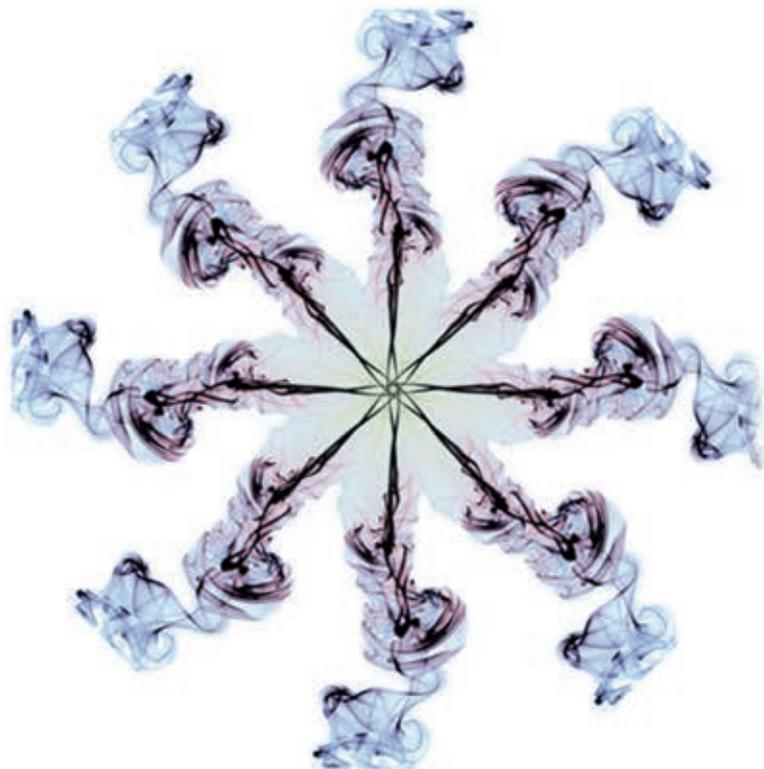
The merchant banks operate as intermediaries in the capital market and provide a wide range of specialized financial services usually requiring very large sums of money. In this regard, RBTT and Republic Bank have been successful in providing finance for large projects throughout the Region, and not only in countries where they have a physical presence – where they do not, it is not unusual either for these banks to join with

other financial institutions. In terms of direction of lending, some sectors have been able to consistently attract a greater portion of loans, whether from the domestic banks or the Regional banks. Interestingly, these sectors are also the ones that have access to alternative sources of financing.

Throughout the Region, and in almost all banking types, the relative share of loans for development purposes is reported to be on the decline, while the percentage shares of other sectors/activities of the economy, such as consumer loans, have been increasing. This is despite the differential interest rate charged to encourage development.

Although the banking sector in the Region is focused on the private sector, commercial banks are being increasingly drawn into the process of national and Regional development. As the principal mobiliser of public funds, the commercial banks are expected to assume a major responsibility in assisting governments in meeting certain developmental targets that the development banks are not able to provide.

The lack of a well-developed capital market has also increased the role and function of the commercial banks, which are also in a pivotal position to act as a catalyst to bring about a higher flow of private investment, both foreign and domestic, through their network of customers and contacts with entrepreneurs. However, questions remain over whether they are doing this, and how well. ■



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Being open to going offshore

The Caribbean Community's Member States are moving with the times in continuing to offer multiple benefits as offshore financial centres

Offshore banking centres around the world have become more open about their business in response to requests from governments and regulators alike, and those in the Caribbean are no exception. With the Organisation for Economic Co-operation and Development (OECD), among others, calling for more transparency in offshore centres, governments in the Region have either amended their regulations or introduced new legislation to open up their financial services industries.

As the OECD predicted at the outset, most offshore jurisdictions have profited from the change. Many continue to prosper, including those in the Cayman Islands and elsewhere in the Caribbean. Yet offshore banking as an industry has had to ponder its future in earnest. Those institutions that in the past focused on secrecy alone to give them a competitive edge must now look to the services they provide.

Where does this leave the Caribbean Community (CARICOM)? The burgeoning of so-called non-bank financial institutions, offering new and increasingly complex products, along with technological innovations that enable transactions to be undertaken at great speed, have already transformed the industry. Adding to these changes, the extra layer of increased regulation instigated by the OECD, and CARICOM's financial services industry has changed beyond recognition. However, as

Lawrence Williams, Governor of the Bank of Guyana, told a meeting of the Caribbean Group of Banking Supervisors in 2011, regulators across the Region have already responded to such changes and have succeeded in meeting the repeated challenges thrown at them.

Yet little in international finance is straightforward – particularly while the world economy struggles to recover. The value of flows into, and out of, offshore banks accounts for many times the GDP of some Caribbean countries. Small wonder, then, that regulators ponder whether powers along the lines of the US's Dodd-Frank Act would help them to intervene if there were a risk to the financial system. Stronger provisions for bankruptcies, along the lines of the US's Chapter 11, may also be considered.

In future, centres for offshore banking will have to rely more on their reputations for high standards of service as well as good conduct if they are to attract reputable clients. Again, the Caribbean is no exception. As in developed economies in the wake of the financial crisis in 2008, regulators in the Caribbean have learnt from the mistakes that led to the collapse of Trinidad and Tobago's Colonial Life Insurance Company (CLICO) and CL Financial. Both collapsed in part as a result of an excessive leverage of debt and the complexity of financial products. One positive outcome is the move to finalisation of the Regional architecture for financial stability by the CARICOM Committee of Central Bank Governors.



The benefits of offshore banking

As the custodians of the world's fourth-largest collection of offshore banks, the governments of the Caribbean states are aware of both the responsibilities and the opportunities before them. With efforts by the Financial Stability Board, the intergovernmental Financial Action Task Force and other such legislative bodies to rein in the industry worldwide, offshore financial centres are bound to feel some unwelcome attention. The largest such centres within CARICOM are the Bahamas and Associate Members Bermuda and the Cayman and British Virgin Islands, but other states within the Region are also active.

There is evidence, too, that offshore financial centres contribute to their own economies as well as the liquidity of the world's financial system. Indeed, researchers estimate that offshore banking in the Caribbean accounts for about eight per cent of Regional output a year, a figure that is only marginally higher than the average for the countries within the G7 group of nations. This is partly because offshore banks also encourage tourism, better telecommunications and better infrastructure. Offshore banks also contribute a large slice of most governments' tax revenues.

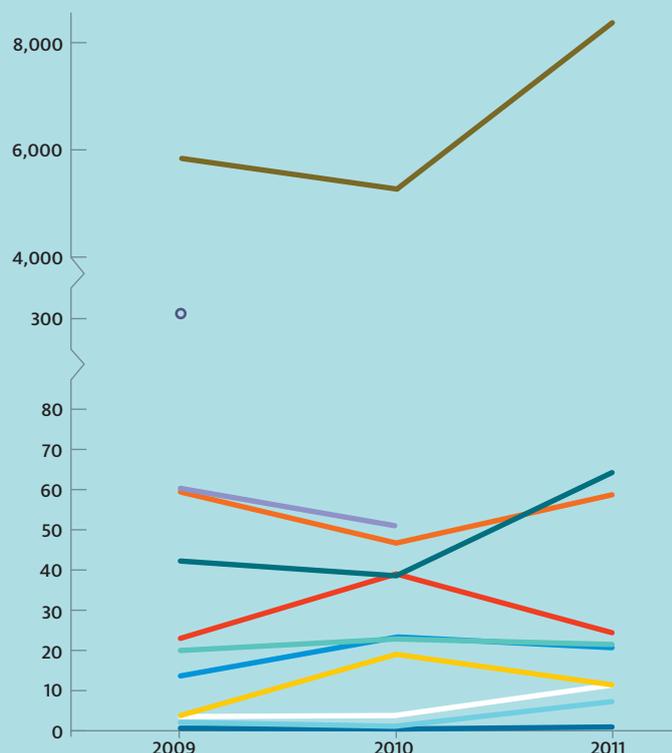
Granted, the value of offshore business done by international banks can amount to many times the GDP of the hub that hosts the transaction. Offshore business done in the Bahamas, for example, was equivalent to 75 times the state's GDP in 2011, according to the International Monetary Fund. Yet, because this reflects the treasury operations of international banks acting as intermediaries, the risks lie largely with the parents – not their offshore offspring. Firewalls also protect the financial system, and so insulate the local economy from contagion should anything go wrong.

Nor is offshore banking for companies and individuals the only pebble on the beach. The businesses of dealing in securities in Jamaica – set to increase further with the Jamaica Stock Exchange's planned adoption of online trading in 2014 – and in unit trusts (mutual funds) in Trinidad and Tobago, for example, have grown rapidly in recent years. Indeed, the value of funds under management in Trinidad and Tobago now exceeds that of bank deposits. As a result, management of pension funds has also grown significantly. However, although steps are being taken to support capital market integration in CARICOM, stock markets across the Caribbean remain small in relation to the size of their overall economies.

Ratio of offshore bank deposits to domestic bank deposits (per cent)

	2009	2010	2011
The Bahamas	5,827.6	5,248.5	8,393.6
Barbados	301.7	n/a	n/a
Belize	42.6	38.2	64.5
Dominica	1.4	1	7.8
Grenada	1.2	0.3	0.5
Guyana	13.4	23.8	20.4
Haiti	22.7	39.4	24.1
Jamaica	19.7	23.3	21.2
St Lucia	3.6	19.5	11.2
St Vincent and the Grenadines	3.4	3.5	11.9
Suriname	60.6	50.6	n/a
Trinidad and Tobago	59.7	46.3	59

source: World Bank data





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Our Directors

Corporate Objectives

- a) To provide a market for insurance companies and brokers to coinsure or reinsure risks in excess of their Treaty Limits.
- b) To provide a market for the coinsurance of risks which would have been uninsured or underinsured because of size or value.
- c) To assist regional insurance companies to develop a more profitable mix of retention and commission receivable.
- d) To assist retail brokers in the turnaround time with Overseas Placement.

Values

Our philosophy to business motivates us to do what we do, giving you the best reinsurance service that meets your needs.

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Our collective vision for Worldwide Bankers Re Limited is to create a sustainable secondary insurance market for indigenous insurance companies and retail brokers to compete effectively in the Caribbean and Western Hemisphere.

Mission

Worldwide Bankers Reinsurance is committed to providing timely and quality reinsurance services and support to ensure that our clients' needs are met in every facet of operations that leads to their efficiency and profitability.



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Insurance: Regional and international

It is not without reason that Bermuda has the world's largest concentration of global reinsurers. Nor does it make this claim without backing it up. The industry's strength has been tested year after year, most recently in the aftermath of Hurricane Sandy, which caused billions of dollars-worth of damage to the US's east coast. Three of Bermuda's reinsurers are the largest suppliers of catastrophe cover to US insurance companies, accounting for 60 per cent of reinsurance for damage by hurricanes to Florida and Texas.

These statistics grab the headlines during hurricane season, but Bermuda is not alone. The other Caribbean states have significant markets of their own – both local and Regional. With an estimated value of more than \$3.6 billion a year, such markets remain profitable despite the collapse of CLICO and its sibling, British-American Insurance Company (BAICO), which had interests across the Region. Trinidad and Tobago leads in terms of market size, followed by the Bahamas, Jamaica and Barbados.

About 80 per cent of the 200 or so companies or branches operating across the Caribbean are in the non-life area, with about four times as many non-life businesses or branches as the number engaged in life assurance. The top two firms are Sagicor Financial and Guardian Holdings. As expected, too, most of the independent firms that are not part of Regional or international networks are engaged in the non-life side of the business.

The slower pace of economic growth and a shift by customers to quality and safety, as well as the costs of complying with higher standards of solvency, have put pressure on the industry of late. However, when business begins to pick up, there is likely to be a fresh impetus for consolidation and growth.

On the life side of the business, insurers must deal with an ageing population and the higher cost of healthcare that accompanies it. On the non-life side, firms have to decide how best to cope with the frequency of natural disasters, whatever their cause. Indeed, in the spirit of cooperation that pervades the insurance industry across the Caribbean, whether the business is international or domestic, regulators are likely to ensure that the industry is sound before it prepares for the next upward cycle.

Three of Bermuda's reinsurers account for 60 per cent of reinsurance for hurricane damage to Florida and Texas



Captive, yet free to grow

Ever since the early 1960s, when captive insurers first became popular, Bermuda and the Cayman Islands have led the pack. Today is no exception. Last year, there were more new captives started in the Cayman Islands, which is popular as a destination for healthcare firms, than at any time since the hard market of 2004. Bermuda also had a good year, and the Caribbean Catastrophe Risk Insurance Facility, owned and operated by 16 countries in the Caribbean as a way of pooling their own risks, won the 2013 award for outstanding captives within insurance.

The reasons are not hard to identify. In their simplest form, captives are created to cover risks for a parent company, or companies, whose main business is outside insurance. So, in effect, a captive is an insurer owned by the insured. With more than 5,000 captives in operation worldwide at the last count, the business shows few signs of slowing down. This is particularly true since a spate of catastrophes in recent years has reinforced the need among big, international companies to manage their risks. Unsurprisingly, given the low rate of tax and the expertise on offer, more than half the captives registered worldwide are domiciled in the Caribbean.

Until now, captives have specialised in such risks as property and casualty, general liability, product liability, workers' compensation and professional indemnity (for example, medical malpractice). However, as companies get better at quantifying risks, so captives have broadened their scope to include such areas as business interruption and even 'cyber risk'. Disasters such as the 2011 earthquake in Japan and Hurricane Sandy in 2012 have underlined the need for international firms to cover, among other risks, the cost of disruptions to supply chains around the world.

This, in turn, has encouraged the authorities in the Caribbean to update the regulations that govern the captives domiciled within their shores. The Cayman Islands, for one, has introduced a new insurance law that distinguishes explicitly between domestic and international business. Other authorities within the CARICOM Region have also taken steps to strengthen the regimes under which captives operate. With the market for insurance-linked securities, such as catastrophe bonds, becoming more popular, this has broadened the appeal of Bermuda and other destinations to investors with an eye on insurance risks.



The Caribbean Catastrophe Risk Insurance Facility

The Caribbean Catastrophe Risk Insurance Facility (CCRIF) is the first multi-country risk pool in the world, and is also the first insurance instrument to successfully develop parametric policies backed by both traditional and capital markets. It is a regional catastrophe fund for Caribbean governments designed to limit the financial impact of hurricanes and earthquakes by quickly providing financial liquidity when a policy is triggered.



CCRIF helps to mitigate the short-term cash flow problems small developing economies suffer after major natural disasters. CCRIF's parametric insurance mechanism allows it to provide rapid payouts to help members finance their initial disaster response and maintain basic government functions after a catastrophic event.

Since the inception of CCRIF in 2007, the Facility has made eight payouts for hurricanes or earthquakes totalling over US\$32 million to seven member governments. All payouts were transferred to the respective governments less than a month (and in some cases within a week) after each event.

In response to requests from Caribbean governments, CCRIF has developed an excess rainfall product to provide coverage to countries following a period of intense rainfall. This new product will complement the Facility's hurricane insurance which is based on wind and storm surge.

CCRIF was developed through funding from the Japanese Government, and was capitalised through contributions to a

multi-donor Trust Fund by the Government of Canada, the European Union, the World Bank, the governments of the UK and France, the Caribbean Development Bank and the governments of Ireland and Bermuda, as well as through membership fees paid by participating governments.

The Facility is set up as a captive and is registered in the Cayman Islands. It operates as a virtual organisation, supported by an elaborate network of service providers covering the areas of risk management, risk modelling, captive management, reinsurance, reinsurance brokerage, asset management, corporate communications and information technology.

The CCRIF model has helped to add the element of pre-event disaster risk mitigation to the standard focus on post-event relief, rehabilitation and reconstruction, thus generating discussion on a new paradigm for disaster risk management and climate change adaptation.

Sixteen Governments are Currently Members of CCRIF:

Anguilla, Antigua & Barbuda, Bahamas, Barbados, Belize, Bermuda, Cayman Islands, Dominica, Grenada, Haiti, Jamaica, St. Kitts & Nevis, Saint Lucia, St. Vincent & the Grenadines, Trinidad & Tobago and Turks & Caicos Islands

CCRIF, a not-for-profit company, is the first multi-country risk pool in the world
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Flying and sailing offshore

There are only a handful of offshore jurisdictions with the authority and legal standing whereby owners can register vessels of unlimited size and type. Among these are Bermuda and the Cayman Islands. Make no mistake, however: the business of ship registration today is about more than saving tax. With owners sensitive about the flag they carry and where it is flown, offshore destinations provide not just a sensible way to manage an asset and to reduce the level of bureaucracy; increasingly, jurisdictions within CARICOM enable owners to establish a regulatory base for their vessels as well as a sensible structure within which to own and manage them.

In recent years, the shipping industry has often looked to those within aviation for help in improving its standard of safety, but ideas are just as likely to flow the other way, too. With domiciles for aircraft becoming more diverse, regulators have turned to the maritime world for inspiration and help in how to deal with what are known as 'open registers'. How best, they wonder, to maintain high standards of safety while also allowing owners to register their aircraft in different jurisdictions?

The business of ship registration today is about more than saving tax

In aviation, where an owner decides to register an aircraft depends in part on whether or not it is leased. If so, the financial benefits offered by a particular destination, may outweigh other considerations. After all, paying VAT at the rate of 20 per cent on a new Boeing aircraft is a lot of money in any currency. For this reason, say advisers, owners should be clear from the outset what they aim to achieve and how best to structure the ownership of a particular vessel or aircraft.

Equally, however, no state or maritime authority wants to be labelled as a destination where poor levels of inspection contribute to lower standards of safety. With competitors able to offer some of the benefits of offshore status while at the same time being within, for example, the European Union, destinations within CARICOM have had to weigh up what kind and level of service they should offer. One benefit, particularly for US owners, is anonymity. Knowing that you cannot easily be recognised as the owner of a US vessel or aircraft can sometimes be an advantage. ■



Digging deep

The mineral prospects of the Caribbean Community are as diverse as its Member States, and there is much potential for investment to assist these countries in tapping into their subterranean wealth

The Caribbean Community is best known for its tourism and banking services rather than its important mining and mineral sector, but Jamaica, Guyana and Suriname have substantial mining industries, supplying a range of metals and minerals, including bauxite, gold and diamonds, to CARICOM Member States and to North America and world markets.

Dominica, Belize, Montserrat and The Bahamas have some mining and quarrying activity to meet domestic needs, but little is exported. However, it is Haiti that probably offers the greatest prospect over the next decade to foreign investors, mining and mineral companies. The governments of Australia and Canada provide economic development aid, and have substantial mining and equipment sectors that are interested in participating in the future development of the CARICOM Region's mining and mineral sector.

Jamaica – the CARICOM minerals powerhouse

Jamaica is the local Regional giant of CARICOM Member States that are engaged in mineral exploration, mining and quarrying, mineral processing and the manufacture of raw materials. The mining and quarrying sector accounted for 3.8 per cent of the country's gross domestic product (GDP) in 2008. Bauxite, which is an essential ingredient of the alumina industry, is one of Jamaica's principal exports, competing against supplies from Suriname and Guyana to nearby markets, the Region and further afield. In 2011, Jamaica was ranked as the world's sixth largest producer of bauxite, behind Australia, China, Brazil, India and Guinea. Geologists estimate that the country has 1.6 billion tonnes of bauxite, which is enough to last for approximately 100 years at current rates of production – 11 million tonnes per year.

However, the global financial crisis and economic recession hit bauxite and alumina production very hard. Alumina Partners, the country's leading bauxite and alumina producer, announced that it was cutting production by 50 per cent. Mining and quarrying activity fell, causing a two per cent drop in GDP. To revive the industry, in 2009 the Jamaican government introduced a revised draft of the national minerals policy in order to encourage fresh investment.

Surveys dating from January 2013 indicate that Jamaica could have as much as 575 billion metric tons of high-quality limestone, which is an essential ingredient for the chemicals industry and for metallurgical applications worldwide. The eastern part of Jamaica has significant deposits of precious and base metals, including copper, gold, iron, nickel, silver and zinc destined for CARICOM markets and the Region.

Haiti – promising prospects

Haiti is generally viewed as one of the poorest countries on Earth. In 2012, its luck changed when prospectors, operating in the north-eastern mountains found indications of substantial gold, copper and silver resources, which are estimated to have a current market value of at least \$20 billion – a sum sufficient to attract foreign know-how and investment and to inspire government activity. As a result, the World Bank is helping the Haitian government to prepare a new mining law to establish the ground rules for the prospective industry. In the meantime, the government has already awarded its first gold and copper exploration permits to SOMINE SA, which is jointly owned by Canadian company Majescor, and VCS Mining LLC – a US-based mining company with offices in Haiti. Other companies that are showing an interest in Haiti include Newmont and Eurasian Minerals, both of which are based in Colorado. Further surveying might offer even greater prospects.

Guyana – on the verge of a mining boom

After years of exploration that revealed vast deposits of mineral wealth, including gold, diamonds, bauxite, manganese, uranium, copper and rare earth metals, Guyana is on the cusp of a large-scale mining boom. A favorable tax regime, a modern 'Canadian-style' mining act and

privatisation have successfully attracted US and Canadian investment, bringing with it modern mining practices.

In 2011, there were 191 large-scale prospecting licences and 1,161 medium-scale mining permits in force. Currently, the

mining and quarrying sector accounts for more than 10 per cent of Guyana's GDP, and 40 per cent of exports, much of which is destined for world markets.

Gold output, mainly from small- and medium-scale mining operations, increased in 2012 to more than 403,000 ounces, accounting for around 45 per cent of export earnings, and destined for the US and Canada. Foreign investment in large-scale production programmes, such as the Aurora project and the multi-million ounce Toroparu gold-copper deposit that is due to come on stream in early 2015, are prime examples of Guyana's graduation to large-scale production.

In 2012, Guyana produced an estimated 50,000 carats of gem-quality diamonds, of which the US was the largest buyer.

A partial privatisation programme of government-owned mining and mineral assets has contributed to the expansion of the sector and attracted foreign investment. In February 2007, the government allowed China's Bosai Minerals Group to acquire for \$46 million the 70 per cent share in the Linden bauxite operations that were previously held by Canada-based

Guyana is on the cusp of a large-scale mining boom



Bauxite mining in Jamaica, which is the world's sixth largest producer of the aluminium ore and has deposits of 1.6 billion tonnes

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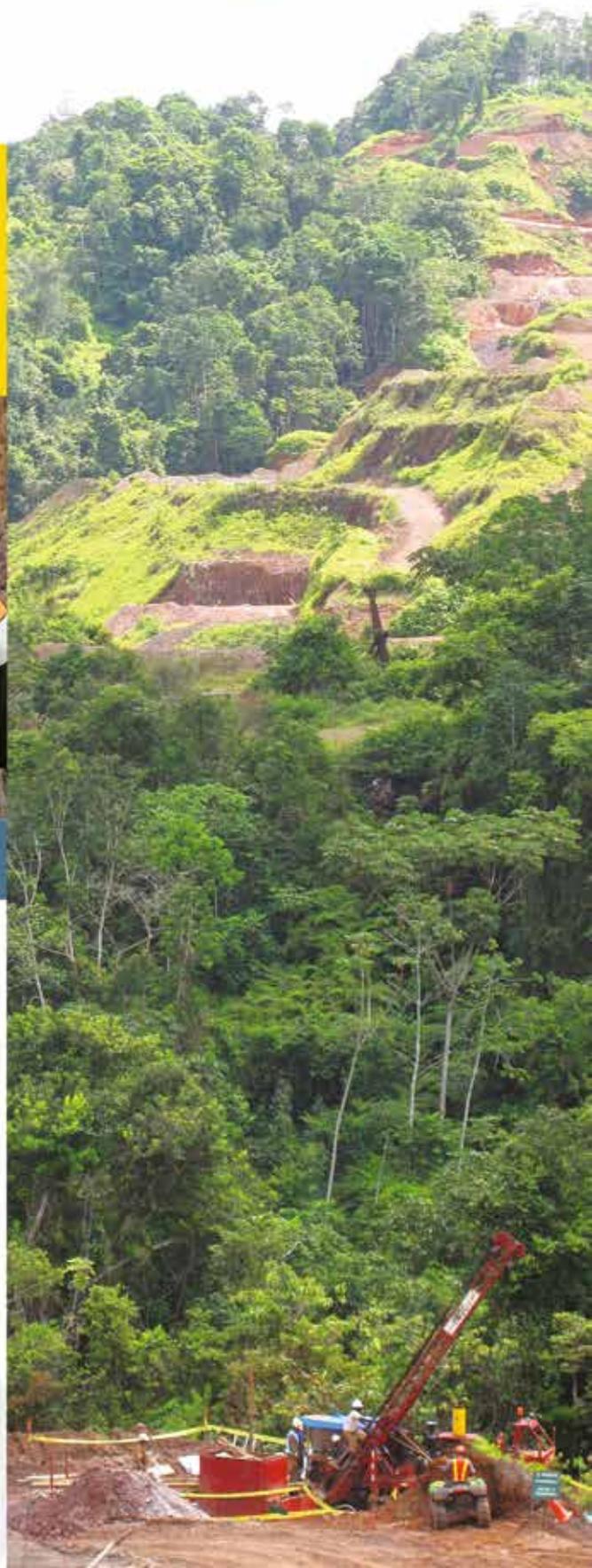
**REUNION
GOLD CORPORATION**

TSX-V : RGD

Reunion Gold Corporation is a mineral exploration company focused on acquiring and exploring mineral projects in the Guiana Shield region of South America.

The Company has assembled a large, strategic land position in North-western Guyana.

Reunion Gold's shares are listed on the TSX Venture Exchange under the symbol "RGD".



Matthews Ridge Manganese Project, Guyana

Highlights

In October 2010: Exploration commenced.
Over 65,000 meters of drilling completed in 2011 and 2012.

In March 2011: A mineral agreement with the Republic of Guyana was executed.
The agreement sets out the fiscal terms and conditions for the exploration, development and mining at the Matthews Ridge manganese project.

In February 2013: Measured and indicated resource was estimated at 32.4 M tonnes at 14.0% Mn using an 8% Mn cutoff grade with an additional 5.3 M tonnes of inferred resources grading 15% Mn at an 8% Mn cutoff grade.

In July 2013: Pre-feasibility study was completed.

Proven and probable mineral reserves of 26.3 million tonnes with an average grade of 14.2% Mn;

Open pit mine and conventional washing and gravity plant processing 2.8 million tonnes of ore per year;

Production of 750,000 tonnes of manganese concentrate per year over a 10 year mine life, mainly suitable in silico-manganese furnaces;

Initial capital cost of \$233 million;

Internal rate of return of 15.7% based on consensus manganese price forecasts;

Satellite manganese deposits offer significant potential to extend mine life or lead to expansion.



Diet Nallo Chery/AP/PA Images

IAMGOLD. Guyana and China are the only suppliers of high-value refractory grade bauxite, which has a worldwide market. A 90 per cent stake in the Berbice bauxite plant operated by Aroaima Mining Company was sold to the Russian aluminium giant RUSAL for \$20 million. New discoveries have attracted Canadian and US multinationals, and the Guyana Geology and Mines Commission's aim for achieving international ISO 9001 certification will serve to reassure future investors.

Suriname – an economy dominated by mining

A vast land with abundant gold and bauxite, Suriname has been described as the El Dorado of the 21st century. Mining dominates the economy. Gold has been mined since the 1850s, and attributable gold production at just one mine reached 382,000 ounces in 2012. For 90 years, Suriname has been a leading bauxite and alumina producer. Alumina, gold and oil account for 85 per cent of Suriname's exports. Gold is produced by a range of small to large mining concerns, as well as by an estimated 20,000 independent miners; the majority of the independent miners are migrants from Brazil.

For foreign investors and multinational mining and mineral companies, the attractions of Suriname lie in its huge exploration potential and the country's welcoming, business-friendly government.

Dominica, Belize, Montserrat and The Bahamas

Dominica's mining sector has a minor role. Pumice is produced for export, while clay, limestone, volcanic ash, and sand and gravel are produced

Mining specialists and geologists examine a rock sample at a site in Haiti in search of gold, silver and copper. Estimates put Haiti's share of these reserves at \$20 billion

primarily for the domestic construction industry. There is some mining potential in the north-east of the island, where there are understood to be deposits of copper.

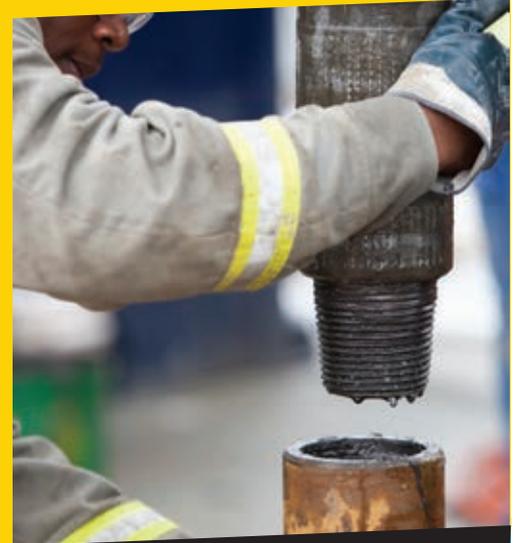
Gold, bauxite, barytes and cassiterite are mined in Belize, but not in sufficient commercial quantities for export. Dolomite limestone, a mineral used as road ballast and in agricultural fertilizer, is sold to domestic banana and citrus producers and exported to the Windward Islands, Central and South America and Jamaica.

Montserrat produces volcanic sand, in competition with Dominica and Guyana, much of which is destined for the construction industry of Antigua and Barbuda and Nevis. However, the volcanic eruptions of early 2010 destroyed much of the island's sand-mining equipment. More than a million tons of salt, from The Bahamas' Inagua salt pan, is mainly exported to the US.

Future prospects

Those countries with significant mining and mineral resources benefited significantly from the super commodity cycle of the early 21st century, experiencing dramatic rises in the price of their products, which attracted foreign investment to their shores. The unwelcome recent decline in the prices of many metals and minerals might delay, but will not inhibit future foreign investment in the mineral treasures of CARICOM countries over the coming years. ■

BAHAMAS OPPORTUNITY



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It is the goal of Bahamas Petroleum Company to create wealth for the people of The Bahamas and shareholders through effective and safe oil exploration.

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We are working closely with the people of The Bahamas to foster a better understanding of the Company operations and the benefits, in the event of exploration success, of a diversified economy based upon internationally determined product prices in a truly global marketplace.



The Right Honourable Perry G. Christie, Prime Minister of The Bahamas and Simon Potter, CEO.

"Bahamas Petroleum Company congratulates the Government and people of The Bahamas on the 40th anniversary of its transition from a colony to an independent nation. That The Bahamas has a stable democracy is a testament to the hard work and dedication of successive Governments and the merit of its people."

Simon Potter, Chief Executive Officer

Bahamas Petroleum Company plc
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Village, P.O. Box SP-64135,
Nassau,
Bahamas

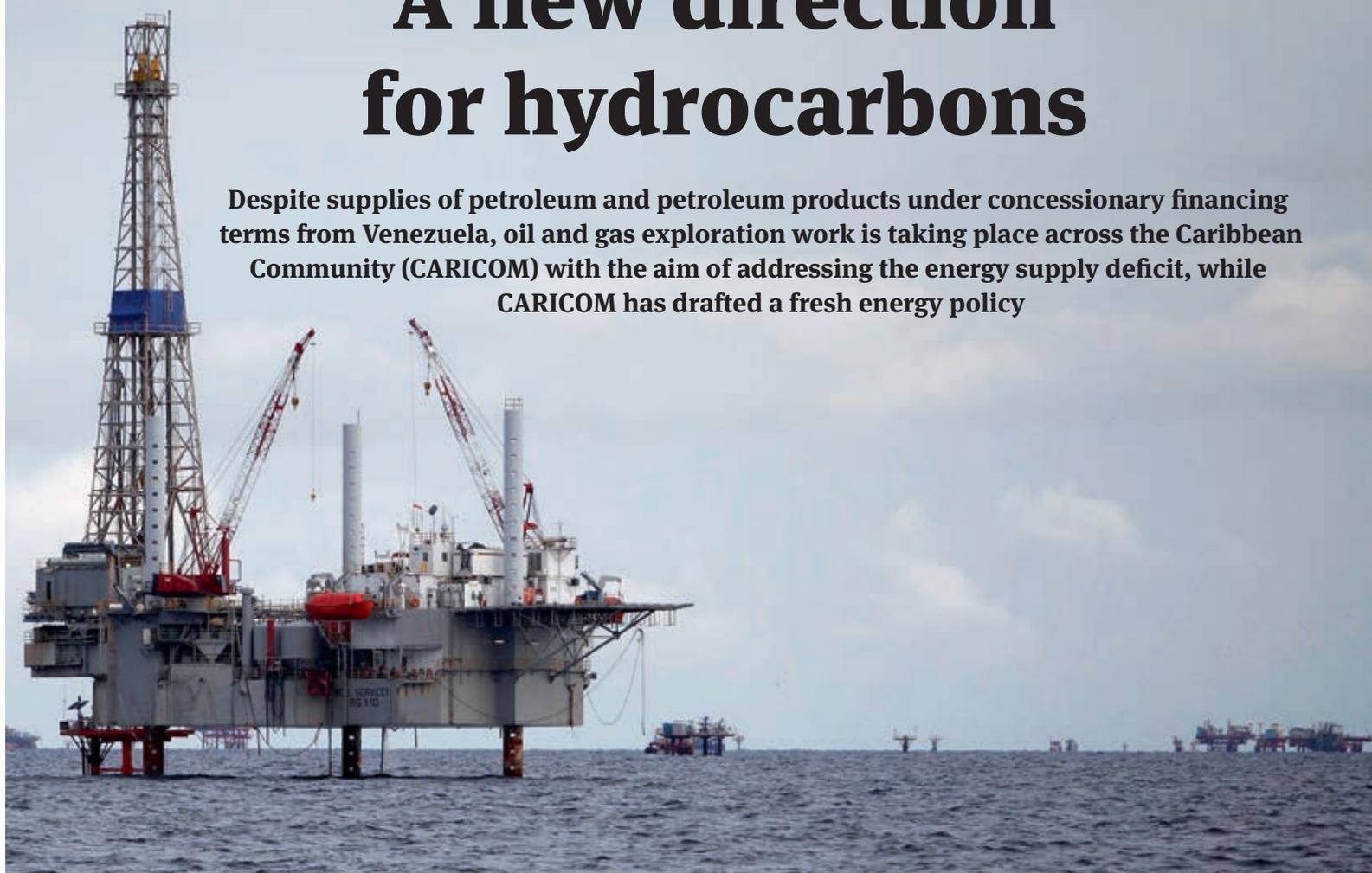
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A new direction for hydrocarbons

Despite supplies of petroleum and petroleum products under concessionary financing terms from Venezuela, oil and gas exploration work is taking place across the Caribbean Community (CARICOM) with the aim of addressing the energy supply deficit, while CARICOM has drafted a fresh energy policy



REUTERS/Andrea De Silva

All of the Caribbean Community Member States depend heavily on fossil fuels, and are therefore sensitive to changes in the price of oil and natural gas. Trinidad and Tobago and Suriname are the only countries out of the 15 Member States that are self-sufficient in oil and gas, although Suriname imports most of its refined petroleum products owing to the limited capacity of the local refinery. Trinidad and Tobago is the only net exporter of petroleum, petroleum products and natural gas, which account for 80 per cent of its exports and the bulk of its foreign-exchange revenues. Trinidad and Tobago is also the most dominant intra-Regional exporter, accounting for about 71 per cent of exports. Jamaica is the top importer, accounting for more than 30 per cent of total intra-Regional imports. Barbados and Belize produce crude oil to supply some of their domestic demand, but remain net importers. In addition, Barbados produces natural gas for its domestic market. The commodities topping the intra-Regional export markets in 2011 were minerals, fuels and lubricants.

The remaining CARICOM Member States – Antigua and Barbuda, The Bahamas, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Lucia, St Kitts and Nevis and St Vincent and the Grenadines – do not

A drilling rig in the Soldado field off Trinidad and Tobago's south-west coast. Petroleum, its related products and natural gas make up 80 per cent of the country's exports

produce hydrocarbons and are net importers, although Grenada, Guyana and Jamaica are believed to have notable hydrocarbon potential.

The pressure from the upward trend in oil and natural gas prices and the dependence of many Member States on imports contributed to CARICOM's Council for Trade and Economic Development agreeing a Regional energy policy on 1 March 2013. The policy's primary emphasis is on increasing energy security and affordability based on the principle of subsidiarity.

Exploration programmes

Following British explorer Tullow Oil Plc's 2010 discovery of oil off the west coast of Africa in roughly the same latitude as the Caribbean, international oil companies have been drawn to the Region and have initiated a number of deep-water explorations for oil and gas. The CARICOM countries that have extensive oil and gas exploration programmes now under way include Jamaica, Barbados, The Bahamas, Belize, Guyana, Suriname and Trinidad and Tobago.

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Where we are: Anguilla | Antigua & Barbuda | Barbados | Belize | British Virgin Islands | Cayman Islands | Dominica | Dominican Republic | French Guiana | Grenada | Guyana | Haiti | Jamaica | Puerto Rico | St. Kitts & Nevis | St. Lucia | St. Maarten | St. Vincent & The Grenadines | Suriname.

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Trinidad and Tobago accounts for 88 per cent of CARICOM's crude oil production and 99 per cent of natural gas production. It is not surprising that, after more than 100 years of oil production, output declined from 230,000 barrels per day (bpd) in 1978 to fewer than 120,000 bpd in 2012. The decline in oil production has been somewhat offset by the rise in oil prices of recent years, which has sparked renewed interest in exploration in the island's waters.

Industry insiders are currently suggesting that there could be a promising field of at least one billion barrels just off Trinidad's west coast. In 2012, the state-owned Petrotrin energy company announced an off-shore find estimated at 48 million barrels of light and heavy crude. Petrotrin and BHP Billiton are the country's two largest crude oil producers; each controls around 25 per cent of crude oil production.

In 2012, and in April this year, the Trinidad and Tobago government opened deep-water bidding rounds, offering production-sharing agreements to oil and gas companies. Exploration for oil is ongoing in 39 new off-shore blocks in waters ranging from 1,000 m to 3,000 m in depth. On the basis of recent geological surveys, it is expected that new profitable oil fields will be found once deep drilling commences at 10,000 ft. Since 2012, Petrotrin, Shell and other companies have started an aggressive deep-drilling exploration programme for oil off the north, east and west coasts.

Natural gas exports

However, it is natural gas that has been the main revenue earner for Trinidad and Tobago recently. In 1996, the country produced 679 million cubic feet of gas a day; in 2011 output was 4.2 billion cubic feet a day. While finds of oil have been disappointing in recent years, gas discoveries are another story. Since the 1990s, seven new gas fields have been discovered off the east coast. In 2012, BP Trinidad and Tobago discovered a field with one trillion cubic feet of gas, sufficient to power one million homes for 15 years. Proven gas reserves in Trinidad and Tobago have gone from 8.2 trillion cubic feet in 1993 to an estimated 13.26 trillion cubic feet.

Trinidad and Tobago is one of the most successful countries in the world at building and sustaining an industrial sector based on natural gas, and is the world's largest exporter of ammonia and methanol. It has four liquid natural gas (LNG) export terminal trains, with a total processing capacity of 14.8 million metric tons per annum; the first came on stream in 1999. The country is the fifth largest LNG exporter in the world and the largest supplier of LNG to the United States. Gas and oil enabled the country to become the most industrialized and wealthiest in the Caribbean. Meanwhile, Vision 2020 is a government plan designed to improve economic diversification and develop the downstream value-adding sector.

Unfortunately for Trinidad's gas industry, the US market has virtually collapsed owing to the shale gas revolution, which has heavily reduced demand for imported gas. As a result, Trinidad

and Tobago has had to focus on other markets in nearby Latin America and further afield in Europe and the energy-hungry countries of north-east Asia.

International interest

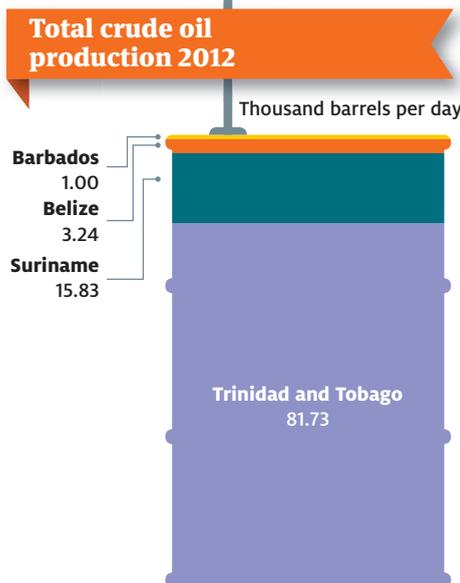
The fact that the Region shares similar geological conditions to areas where oil and gas discoveries have been made off Brazil, in the Gulf of Mexico and off the west coast of Africa has not escaped the attention of several national energy companies. Already, Suriname's crude oil output has reached 16,000 bpd from three onshore fields. Indeed, the US Geological Survey (USGS) estimates that the offshore Guyana-Suriname basin could hold close to 15.2 billion barrels of oil in water depths ranging from 100 to 1,000m. After an oil find by Tullow Oil in nearby non-CARICOM member French Guiana, several mid-ranking energy companies have expressed an interest in or initiated exploration programmes. Those companies include Spain's Repsol and US company Anadarko in Guyana, and Norway's Statoil and Malaysia's Petronas in Suriname.

In 2013, Suriname's state-owned oil company, Staatsolie, signed exploration contracts with two multinationals. The most recent was with Texan oil and gas firm Kosmos Energy, which agreed to explore two blocks offshore in water depth of 650 to 8,500 ft. In January 2013, Staatsolie opened the fifth international bidding round for four offshore blocks under production, sharing contracts for a period lasting eight years. Seven exploration wells are scheduled to be drilled between 2014 and 2016, although the results of three wild-cat wells sunk off Suriname in the past two years have proved disappointing. Offshore activity is left to foreign oil companies such as RWE, Chevron and Petronas. Elsewhere, there has been some exploration activity in Barbados, which awarded its first offshore oil-exploration rights in 2009 to BHP Billiton. Disappointingly, the first well was dry.

In The Bahamas, the USGS has estimated that there could be 554 million barrels of oil offshore. The moratorium, imposed after the Deepwater Horizon accident, on exploration licences and renewals has slowed oil exploration. Nevertheless, US company, NPT Oil has applied for seven licences covering more than six million acres north of Grand Bahama, and a partnership between The Bahamas Petroleum Company and Statoil has applied for licences covering more than 2.3 million acres near the Cay Sal bank.

Belize is CARICOM's newest oil producer. Belize Natural Energy (BNE) made the first discovery of oil and gas deposits in 2005, and production at its first well – in Spanish Lookout – has reached 5,000 bpd. Since then, companies that include BelGeo, BNE, Blue Creek Exploration, Island Oil Belize and Miles Tropical Energy have made several more small discoveries. It is likely that more will be made, as the complex geology of the Region becomes better understood.

As for Jamaica, current estimates suggest there could be at least three billion barrels of oil awaiting discovery. Several firms have expressed



source: U.S. Energy Information Administration

STAATSOLIE

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THINK SURINAME, THINK STAATSOLIE**



Staatsolie, the petroleum company of Suriname, is in transition of becoming the country's leading energy supplier. We welcome partnerships with international companies to expand our hydrocarbon exploration and production efforts or to develop renewable sources.

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WWW.STAATSOLIE.COM

Staatsolie Maatschappij Suriname N.V. is a state-owned company founded on 13 December 1980. The company's commercial involvement extends to exploration; drilling; production and treatment; crude refinement; marketing; and transportation of refined products. In its institutional capacity Staatsolie acts on behalf of the State in assessing Suriname's offshore hydrocarbon potential, inviting qualified international oil companies, negotiating petroleum contracts and monitoring execution of these contracts. Based on its strategic long-term plan, Vision 2020, Staatsolie is transforming into an integrated and sustainable energy company.

In order to increase the oil reserves, several exploration projects are simultaneously being executed onshore, near shore and offshore. Staatsolie's three onshore oil fields in the District of Saramacca – Calcutta, Tambaredjo and Tambaredjo North-West – produce a total of 16,000 barrels of oil per day. The Saramacca Crude is refined at Staatsolie's refinery in the District of Wanica. With a processing capacity of 7,350 barrels per day, the refinery produces different grades of fuel oil, diesel and bitumen. Most of these products are sold locally, while the surplus is exported to countries in the Caribbean.

The economic indices showing steady growth are proof of Staatsolie's sound financial performance. Net revenues in 2012 amounted to US\$ 1.047 billion. In the 2009-2013 strategic planning period, an investment program of US\$ 1.3 billion is being carried out.

Staatsolie carries out various projects for diversification of its product portfolio and to guarantee a sustainable energy future. The Refinery Expansion Project aims at expanding Staatsolie's refining capacity to 15,000 barrels per day and supply the local market with quality products, including diesel and gasoline. Construction started in February 2012 and completion is scheduled for the third quarter of 2014. The new refinery will make Staatsolie the major supplier of diesel and gasoline in Suriname.

Contribution to community development is an important pillar of Staatsolie's Vision 2020. The company demonstrates its corporate citizenship by contributing to a wide range of community projects in education, culture, sports, health, safety, environment and projects for the underprivileged.





Continuous Focus on Quality

Since its inception 18 years ago, Kaizen has successfully played a key role in assisting in environmental projects for both multi-national, state-owned and private companies in Trinidad and Tobago as well as the Caribbean Region.

We serve our clients at 4 locations that employ over 170 full-time employees.

Our services:

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BP p.l.c.



BP Trinidad and Tobago's Cassia B hub processes two billion cubic feet of gas per day

an interest in exploration, including Canada's Sagres Energy, which has begun preliminary surveying in anticipation of drilling on the southern St Elizabeth coastline. While the Deepwater Horizon accident initially slowed investment in offshore exploration in Jamaica, too, there has been a marked increase in interest from foreign companies in 2013.

Trade transit hub

Owing to their location between North and South America, the island Member States of CARICOM offer important storage facilities – particularly for crude oil brought in from outside the Region. Traditionally, the main direction of the oil and gas trade was northward, from the established oil and gas producers in Venezuela and Trinidad and Tobago to customers in the US. Because of this trade, a number of refineries for processing the heavy Orinoco crude oil into petroleum products were built on the islands. However, demand for Orinoco crude in the US has declined due to the economic downturn and the success of unconventional oil and gas drilling. Refineries such as Freeport in Grand Bahama have been hit hard, and some have had to close. Increasingly, the Far East and Asia are becoming an attractive market for the Region's production of petroleum, while gas is going anywhere but the US.

As CARICOM celebrates its 40th anniversary and seven years after the birth of its single market, it is somewhat surprising to see that intra-CARICOM trade accounts for only 14.8 per cent of the Community's total trade. This increases to more than 20 per cent if exports to Latin America are included. Petroleum oils accounted for 30 per cent and natural gas for 15 per cent of CARICOM's total exports in 2011. Jamaica and Barbados are the two largest Regional destinations for petroleum oil, crude and related products within the CARICOM Member States, while Trinidad and Tobago is the lone exporter of oil and gas. One of the principal

aims of CARICOM's recently adopted energy policy is to achieve sustainable and secure energy supplies through a strategy of diversification of sources, encouragement of intra-Community trade and a coordinated approach to development of viable energy sources. These strategic aims should open up opportunities for foreign companies in both the upstream and downstream stages of oil and gas industries and in renewables in some, if not all, Member States. Opportunities therefore exist, and are increasing, for foreign energy companies, private equity and energy investment funds to invest in exploration and development of upstream oil and gas facilities.

The Hugo Chávez legacy

In 2005, former Venezuelan president Hugo Chávez launched the Petrocaribe Initiative, pledging to provide 200,000 bpd of oil to participating countries, which include all Member States of CARICOM with the exception of Barbados, Montserrat and Trinidad and Tobago. The oil was offered on highly concessionary financing terms for a period of 25 years, with initial payments due at 60 per cent of current prices, followed by a two-year pause before repayment of the outstanding 40 per cent portion with a bargain interest rate of one per cent. Moreover, Venezuela is happy to receive repayment in kind in the form of agricultural products, such as sugar or bananas.

For participating countries, the Petrocaribe scheme provides some security against volatile and rising global oil prices. In contrast, Trinidad, traditionally the dominant supplier of oil in CARICOM, has seen some decline in demand as a direct result of some customers in the eastern Caribbean switching to Venezuela as a supplier.

As for CARICOM's comprehensive energy policy agreement, it is too early to say what impact it will have in coming years. Its aims appear broadly similar to those of the European Union, with an emphasis on encouraging energy efficiency, reducing energy waste, increasing renewable sources of energy, encouraging intra-Community trade and security of affordable supplies. CARICOM Member States believe that it should enable the Region to better withstand volatility in world oil prices and facilitate economic development.

Opportunities are increasing for foreign energy companies

As the Petrocaribe arrangement was developed and implemented as a series of bilateral agreements between Venezuela and participating CARICOM Member States, the CARICOM energy policy does not provide a significant focus on such arrangements, except to recognise that Member States will pursue bilateral cooperation agreements to address energy security issues. However, this agreed energy policy agreement should provide a positive road map for investors seeking to exploit the oil and gas resource potential of Member States.

Furthermore, the arrival of deep-drilling and horizontal-drilling technologies, as well as 3D seismic surveying, combined with the promise of favourable geology and economically stable as well as investor-friendly government policies, should stimulate a wave of foreign direct investment in the energy industry. ■

Powering the future

Promoting renewable energy supplies is high on the Caribbean Community's agenda, and projects are focused on ensuring broad access to modern, clean and reliable energy sources



Cultura Creative (RF)/Alamy

CARICOM is working to promote reliable and sustainable energy supplies across its Member States through the implementation of the CARICOM Energy Policy. Energy projects throughout the Region are attracting funding from global sources, which is enabling some Member States to lower their dependency on imported fossil fuels and to establish indigenous sustainable energy sources to help meet growing long-term energy needs. With all of the CARICOM Member States having abundant renewable energy resources that they can harness, the cards are stacked in their favour. In addition, there are significant opportunities for investing in projects to improve the Member States' overall energy efficiency.

Transforming energy sectors

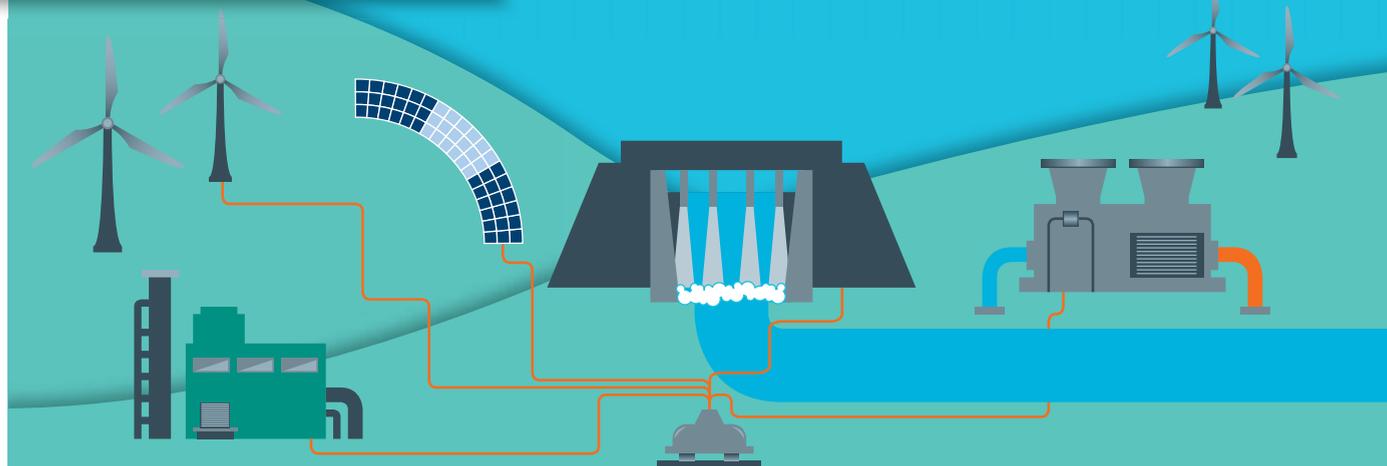
The CARICOM Energy Policy, which was approved in March 2013, aims to totally transform the energy sectors of Member States. The objectives of the policy include the provision of secure and sustainable

According to CARICOM's Caribbean Renewable Energy Development Programme, the majority of Caribbean countries have significant wind-power generation potential

energy supplies that minimise energy waste; ensuring that all citizens have access to modern, clean and reliable energy supplies at affordable and stable prices; and promoting the growth of internationally competitive industries to enable sustainable development. CARICOM has set itself a series of 'actions' to achieve its overarching energy policy goal, which are outlined on the next page. The Community is also pursuing the establishment of the Caribbean Sustainable Energy Roadmap and Strategy (C-SERMS), which has targets for renewable energy to contribute 20 per cent of electricity generation by 2017, 28 per cent by 2022 and 47 per cent by 2027.

Over the decades, CARICOM has pursued a number of initiatives aimed at harnessing the wealth of the Region's sustainable natural resources. One of the most significant has been the Caribbean Renewable

CARICOM Energy Policy actions



Security of supply and fuel diversification

Improve energy security by making sure that all Member States have timely access to adequate, reliable and affordable supplies of energy by all CARICOM Member States.

Exploitation of hydrocarbon sources and development of fossil fuel markets

Secure least-cost hydrocarbon resources for each Member State and ensure that appropriate standards for petroleum and petroleum-related products are introduced and enforced.

Renewable energy

Diversify energy sources by increased use of renewable energy optimised with other sectors.

Electricity sector

Ensure the sustainability of the electricity sector in the CARICOM region through the increased use of renewable energy, an improved legislative and regulatory framework, and cross-border trade in electricity generated from indigenous renewable sources.

Energy conservation and efficiency

Promote energy-savings efforts in all sectors.

Energy use for transportation

Promote switching to cleaner energy sources in the transportation sector and encourage greater energy efficiency.

Energy investment

Reform the existing regulatory regime to encourage greater investment in the energy sector.

Intra-Community trade in hydrocarbon energy sources

Ensure fair pricing and access to hydrocarbon resources for all Member States to improve the competitiveness of Regional industries.

Energy and the environment

Ensure energy supply and consumption creates minimal adverse impact on the environment. To ensure the development of the sector, build and strengthen the Region's skills base and capacity as well as its institutional capacity; encourage research and development; and increase public education and awareness.

Energy access and poverty alleviation

Eliminate energy poverty and ensure all citizens have access to clean, affordable and reliable energy supplies.

Cross-cutting issues

Encourage sustainable energy practices within all other sectors and areas where there are links to energy use such as agriculture, youth and culture.

Energy and climate change

Establish Regional and national targets for the reduction of greenhouse gas emissions in the energy sector and implement appropriate mitigation actions.

Energy and disaster preparedness

Develop strategies to ensure the availability of energy supplies and products and develop a strategic response to oil spills and the sustainability of energy services during crises.

Trade in energy services

Develop strategies to take advantage of opportunities for trade in energy services Regionally and internationally.

Energy Development Programme (CREDP), which was formulated in 1998 and launched in 2004 with the objectives of making it easier to use renewable energy, enabling the Region to reduce its dependence on fossil fuels and lessening the environmental effects of greenhouse gas emissions.

In 2008, CARICOM established a Regional energy programme with an Energy Unit to oversee and coordinate energy-sector policy and strategy, with significant focus on the promotion of renewable-energy development. CREDP is currently being implemented as part of the CARICOM Energy Programme. The first component of CREDP, which was supported by the United Nations Development Programme (UNDP), was executed by the CARICOM Secretariat and ended in 2009; the second, in conjunction with German sustainable development company GIZ, advanced to a second phase and continued until December 2013. CREDP benefited from support from the Global Environment Facility to the tune of \$4.4 million for the UNDP component and an initial €2.2 million (\$2.9 million) for the GIZ component, with subsequent additional funding for the GIZ component of €5.5 million (\$7.4 million). In-kind contribution was provided by the CARICOM Secretariat, the Organization of American States and Regional governments and institutions.

In addition to supporting the establishment of framework conditions, capacity strengthening and awareness building, CREDP has supported initiatives that fall into two categories: grid-connected, such as wind, biomass cogeneration and small and mini-hydro; and off-grid and rural electrification, such as photovoltaic, micro-hydro and solar water heating.

Other Regional renewable energy projects that have sought to strengthen the policy framework and capacity for renewable energy include the Caribbean Sustainable Energy Project (CSEP), with a budget of €1.976 million (\$2.72 million), implemented by the Organization of American States, and the Caribbean Renewable Energy Capacity Support (CRECS) project, with a budget of €1.6 million (\$2.2 million), executed by the CARICOM Secretariat (2010-12).

A wealth of renewable energy

Some CARICOM states are rich in potential renewable energy sources such as wind, solar, hydro and geothermal power, which means there are plenty of opportunities for investment to help meet growing fuel needs.

As a picture-postcard destination famed for its seemingly endless days of sunshine, the Caribbean has huge solar potential that is ripe for development. In Barbados, for example, solar water heaters are now a widely installed renewable energy technology, with nearly half of the island's dwellings using them. According to the UN Environment Programme, in 2002 the country saved 15,000 tons of carbon emission and made savings of more than \$100 million from the 35,000 solar hot water systems that had been installed at the time. Three Barbadian companies currently dominate the solar water heater industry on the island, and they are already expanding their operations to nearby Trinidad and Saint Lucia.

Hydropower is also looking promising, with countries such as Belize, Dominica, St Vincent and the Grenadines, Jamaica and Suriname already using it to generate electricity. Belize currently derives approximately 40 per cent of its electricity generation from hydropower and is seeking

to further explore its hydropower resource. The country also utilises a significant amount of biomass for electricity and heat generation.

Guyana has very great potential and is contemplating a project with the capacity to supply 100 per cent of its electricity needs. The idea of mega projects around hydropower and the establishment of industries that could see electricity supply links between Trinidad and Tobago, Guyana and Suriname has been floated and is being discussed among many industry actors. Suriname currently utilises a significant amount of hydropower for electricity generation – about 60 per cent of capacity – and is also seeking to further expand its use along with bio-energy production. In Haiti, 30 per cent of the current electricity demand is met by hydropower. However, electricity is supplied to less than 30 per cent of the population, which means that there is a huge opportunity for investment in renewable energy generation, especially using solar, biomass and hydropower. With support from multilateral development agencies and international development partners, the government is seeking to reform the electricity sector and establish a framework for investment in renewable energy.

Harnessing the elements

All eastern Caribbean islands and most other Caribbean countries have significant wind-power generation potential. The Lesser Antilles are also called the Windward Islands, reflecting their exposure to the north-east trade winds and implying a potential for wind energy. Measurements on the east coast of Saint Lucia have recorded an annual average wind speed of more than 7.5 m/s, while along the east coast of St Vincent it is more than 8.0 m/s. By comparison, in Germany a wind-power site is deemed to be

economically viable at an average annual wind speed of 5.5 to 6.0 m/s. By the end of 2012 Jamaica already had a total installed capacity of 67 MW. Nevis island has a 2 MW wind farm that forms 20 per cent of its energy generating capacity. Antigua

and Barbuda, The Bahamas and Grenada have significant solar and wind potential, which is being assessed in the context of government policies that are being established.

With most eastern and northern Caribbean islands sitting along a tectonic fault zone between the Caribbean and North American plates, many have some form of volcanic activity, such as fumaroles in St Vincent and the Grenadines, Saint Lucia and Dominica, and even active volcanoes, such as in Montserrat. Furthermore, following a series of geophysical surveys, it has been established that virtually all the eastern Caribbean Member States of CARICOM have significant geothermal energy potential that could transform electricity generation in the sub-Region.

National initiatives

A number of national initiatives are currently under way. Exploration has begun in Nevis and Dominica, with the latter scheduled to install its first plant by 2015. There are good prospects for export of electricity to neighbouring territories (Martinique and Guadeloupe) through sub-marine transmission cables, with the proposed establishment of larger plants with capacities up to 120 MW. Geothermal energy development in the eastern Caribbean is one area for potential significant investment in the energy sector in CARICOM.

Many projects are helping to boost energy efficiency



Rebecca E. Rollins / Partners in Health www.pih.org

A total of 20 organisations in Jamaica submitted proposals to the Office of Utilities Regulation in 2013, seeking to fill the quota of

115 MW of renewable energy generation

capacity targeted for addition to the national grid. The bids, tendered both by local and international groups, included two for wind, one for biomass and 25 for solar energy.

Barbados is also keen to improve its energy security through renewable and alternative sources. In its Green Barbados 2007-25 National Strategic Plan, the Barbadian government seeks to transform the energy sector and national economy into the world's cleanest and most environmentally advanced. These are big ambitions for a country that has traditionally imported two-thirds of its energy from abroad. A firm commitment has been made to harness the country's alternative energy resources, which include biodiesel, biomass, natural gas, cane ethanol, pyrolysis, wind and solar. The government is now pursuing renewable energy legislation and has already established quotas for the introduction of renewable energy generation.

St Vincent and the Grenadines is investing heavily in hydroelectricity as it seeks to broaden its energy mix. According to Invest SVG, 20 per cent of the country's electricity now comes from hydropower. The government is seeking to pursue geothermal exploration and is backing exploration projects by the state-owned utility VINLEC, which is investigating wind, solar and additional hydropower resources.

Trinidad and Tobago, despite its abundance of hydrocarbon resources, has been pursuing the development of a renewable energy policy and

The largest solar-powered hospital in the world, University Hospital in Mirebalais, Haiti, is able to produce over 100 per cent of its required energy needs during daylight hours

is currently undertaking assessment of its renewable energy resource potential. The government is also seeking to support the manufacturing of equipment and components for generating renewable energy, using its lower-cost natural gas as an energy source.

The volcanic island of Saint Lucia, meanwhile, is hoping to reduce its reliance on diesel fuel imports by investing in geothermal energy equipment. In 2010, Qualibou Energy sealed a deal with the government to develop geothermal resources on the island and supply energy. Speaking when the agreement was signed in 2010, Stephen Baker, president and CEO of Qualibou Energy, said in a statement that the island has significant energy resources. He added that Saint Lucia has: "proven reserves of 30 MW and probable reserves of an additional 140 MW... In oil terms, the proven and probable reserves are 60.1 million barrels of oil equivalent, representing a very significant asset."

Furthermore, in CARICOM, many projects are helping to boost energy efficiency, attract investment and offer substantial returns. With support from the World Bank and the Inter-American Development Bank (IDB), the Government of Jamaica has undertaken the implementation of energy efficiency across all major public sector facilities. Similar public sector efficiency initiatives are under way in St Vincent and the Grenadines and Barbados, and efficient street-lighting projects are being pursued in St Vincent and the Grenadines and Saint Lucia.

With renewable energy projects being keenly pursued across the CARICOM region and at the national level, the renewable energy sector harbours great potential for the countries of the Community – promising much for both their energy security and future economic growth. ■



Laying the foundations for success

Myriad opportunities exist across the Caribbean's construction sector thanks to major infrastructure projects ranging from airports and highways to resort hotels and marinas

The construction sector is playing a significant role in the development of CARICOM Member States, providing critical links and infrastructure, while creating employment opportunities and a skilled workforce.

The opportunities for investment and job creation are clear from the scope of the sector, which includes not only building a variety of infrastructures from houses to airports and warehouses, but also the repair and maintenance of such structures. The industry also creates third-party work in the mining, manufacture and transportation of construction materials; the provision of professional and technical services, such as architecture, quantity surveying, geotechnical and structural design; and encompasses trades and crafts such as stonemasonry, plumbing, carpentry and painting and decorating.

Construction workers in Belize build new homes for foreign visitors. The buoyant tourism sector acts as a driving force for the construction industry in the Caribbean

Improvements to the Region's infrastructure, such as the construction of Highway 2000 – which links the south and north coast of Haiti – as well as the revamping of the island's airports and seaports, have created a number of investment opportunities in the areas of transportation, tourism and professional services. In fact, tourism and its associated services such as yachting are some of the areas to have benefited most from the construction boom, with the expansion of resort hotels and the development of marinas.

A big construction effort is also under way in Haiti as it fights to recover from the 2010 earthquake that devastated vast swathes of the

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The impressive Baha Mar resort is currently under construction with Chinese funding and expertise. The \$3.4 billion mega-resort is set to be the biggest in the Region, with a casino, nightclub, golf course, art gallery, top hotels and even a private island



Baha Mar



island. In addition, the country is revising its building codes to ensure that proper foundations and adequate steel, cement and mortar are being used.

Montserrat is focusing on creating a new capital town. According to Invest Montserrat, the heart of the new town will be at Carr's Bay and cover an area of more than 53,000 square metres. It will include just over 100 two- or three-storey buildings, with an adjacent commercial zone of 6,300 square metres, which will be available for lower density development with larger structures. A port covering 17 hectares is also being planned in order to accommodate commercial freighters, passenger ferries and roll-on/roll-off vessels, providing additional logistical access.

A 36,540 square metre beach-front site is being reserved on Little Bay, Montserrat for a five-star, 100-room hotel. A hillside site has also been set aside within the new town for a guest house and restaurant overlooking the marina, and land has been earmarked in the secluded Rendezvous Bay for a boutique hotel. Further examples of support given to investors in Montserrat includes exemption from customs duties and consumption tax on imported equipment and materials, as well as a 15-year corporation tax holiday from commencement of operations.

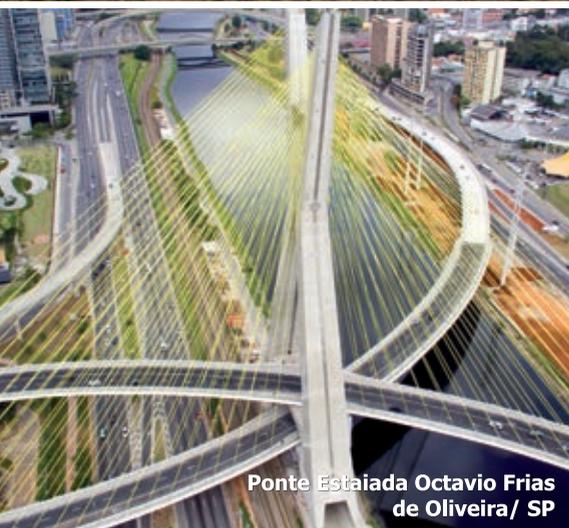
The Baha Mar mega-resort

The sheer potential of the sector is perhaps best summed up by the new Baha Mar resort that is being developed in The Bahamas. The resort has become a powerful driver of the island's economy, accounting for an estimated five per cent of its annual gross domestic product (GDP) in 2011 and 2012, according to an economic impact report (EIR) put together by Oxford Economics. The report reveals that the resort's construction and development will have generated a total investment of \$3.5 billion by the time the project is completed. Since 2011, Baha Mar has awarded local contracts worth \$230 million and a further \$170 million are expected to be put out to tender before the project is completed.

The \$3.4 billion Chinese-backed mega-resort, which has been billed as the largest project of its kind in the Caribbean, is on schedule to open in December 2014. Set on 915 metres of beach just 12 minutes from the Bahamian capital of Nassau's newly expanded Lynden Pindling International Airport, it will feature top hotel brands, as well as gaming, entertainment, shopping and natural attractions. The 1,000-room Baha Mar Casino and Hotel is the centrepiece, and includes a Las Vegas-style casino – the

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largest in the Region. A 700-room Grand Hyatt, a 300-room Mondrian and the 200-room Rosewood Residences complete the accommodation line-up. Amenities will include an 18-hole, Jack Nicklaus Signature Golf Course; 18,581 square metres of convention facilities including a 2,000-seat performing arts centre and an art gallery with the largest curated collection of Bahamian art; over 30 restaurants, nightclubs and bars; two spas; designer boutiques; a beachfront sanctuary; 14 distinctive pool experiences; and a private island.

For the resort's concrete and steel main structure, Baha Mar hired China State Construction Engineering, which brought in the Export-Import Bank of China to finance the project. As part of its agreement with the Bahamian government, Baha Mar is using about 7,000 Chinese construction workers. The project is also expected to create about 4,000 construction jobs for local workers.

The influence of the Single Market and Economy

The CARICOM Single Market and Economy (CSME) is having a positive effect on the construction sector across Member States. The impact of the CSME can be seen most clearly in the area of free movement of labour, which applies to people seeking employment, the self-employed, and craftspeople with a Caribbean Vocational Qualification, as well as those that are setting up businesses.

Major construction projects are being rolled out across the Region

The CSME is additionally helping to liberalise the operation of the construction sector through its negotiations with other trading blocs and its simplification of local trading relationships.

Major construction projects are being rolled out across the Region. In Dominica, for example, there are plans to build a 120-room hotel on the outskirts of the capital, Roseau. Speaking to DBS Radio in April 2013, Prime Minister Roosevelt Skerrit confirmed that the government is negotiating with investors over its construction. He said the private sector is being urged to get involved in order to help the government grow the local economy, adding: "We don't want to own a hotel or manage a hotel – this is not our interest. Our interest is to create economic activity in Dominica."

As such, over the years, the construction sector has not only been a major employer, but also a major consumer of primary sector products. This has helped to grow the Regional economy with the development of new homes, bigger hotels, better roads and bridges, new shops, factories, warehouses and port infrastructure.



These new houses were built north of Port-au-Prince for people left homeless after the 2010 earthquake that devastated Haiti

THONY BELZAIRE/AFP/Getty Images



Swoon Parker/Reuters

Major construction projects require major funding, and an increasingly broad mix of players is providing the financial backing. The Caribbean Development Bank (CDB) for one has provided the funding for a raft of construction schemes, including Dominica's Carib Territory Community Capacity Building Project; the creation of a multipurpose centre in the Belize village of San Jose; the repair of roads in Hayfield, St Thomas, Jamaica; and road improvement works across Guyana.

The World Bank has also backed schemes, including the provision of \$7.7 million for water supply infrastructure improvement in Saint Lucia. Further financial assistance has been provided by Latin American and Caribbean governments, in addition to the G8 countries. For example, Compete Caribbean, a private-sector development programme funded by the Inter-American Development Bank (IDB), the United Kingdom Department for International Development (DFID) and Foreign Affairs, Trade and Development Canada (formerly CIDA) provides technical assistance grants and investment funding to support development policies, business climate reforms, clustering initiatives and small and medium-sized enterprise development activities in the Region.

Work to repair roads and other transport routes across Haiti is ongoing, as the country continues its recovery from the devastating earthquake that took place in January 2010

China has also been a major financial player in the Region's construction sector. As well as the backing it has provided the Baha Mar mega-resort, it has signed agreements with governments, including grant aid to Dominica for community-based projects as well as the construction of the new Princess Margaret Hospital. Grenada's Queen's Park Stadium was rebuilt following Hurricane Ivan with money from Beijing, and in April 2013, Jamaica secured a Chinese loan of almost \$300 million in order to maintain roads and bridges.

Private-sector projects

Private equity firms are getting in on the act as well. For example, Conduit Capital Partners reacquired Jamaica Energy Partners and the right to develop the West Kingston Power Project through its Latin Power III fund in mid 2009, and in 2012 started commercial operation of a 66 MW heavy fuel oil power plant in West Kingston. ■



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Access to clean water is vital to many facets of life, from basic sanitation to maintaining the a healthy tourist sector

Meeting water security needs

While some Caribbean Community countries have strong water-resource management systems in place, others are working hard towards water security

Several Caribbean states are water-scarce and face “a grave challenge” in meeting demands for water from households, farms, industry and the environment, according to CARICOM’s former Assistant Secretary-General, Dr Edward Greene. He adds that there is also “degradation of upland watersheds, pollution from waste and chemical run-off from agriculture”.

Indeed, the Intergovernmental Panel on Climate Change has identified the Caribbean as the Region most severely impacted by climate change in terms of accentuation of an already severe water scarcity, according to the Caribbean Agricultural Research and Development Institute (CARDI).

Accordingly, CARICOM pays special attention to water and water resources, and experts agree that this approach is essential in a fragile ecosystem such as the Caribbean.

“Islands are a system of highly integrated ecosystems and sub-ecosystems ... [and water policy] must encompass the entire watershed and its receiving waters,” argue Patricia Aquino and Christopher Cox of the Caribbean Environmental Health Institute (CEHI).

CARICOM understands the need for coordinated water policies. Each country of the Region is too small – and several lack enough capital – to tackle such complex requirements on its own.

Talking at a UN symposium on water security in 2009, Dr Greene said: “The experts will tell you that the cost of achieving water security for developing countries is phenomenal ... [But] water

resources development and management of water quantity and quality remain at the heart of the struggle for sustainable development, growth and poverty reduction.

“We recognise water as being a public good, and require that all members of society have universal access to a clean drinking water supply as prescribed by the UN ... [This] requires concerted government, private sector and civil society response.”

Regional cooperation

In July, therefore, CARICOM entered into a memorandum of understanding with the Global Water Partnership, a joint project organised by the World Bank, the UN Development Program and Sweden. The initiative will work through the Consortium of CARICOM Institutions on Water (CCIW), which was set up in 2008 to assist Member States with developing their water management plans. The MoU explained: “A major benefit of this synergy is the mutual commitment both agencies have in mobilising greater political will for the development and implementation of Regional approaches/policies for water sector management in the Caribbean.”

CARICOM’s water-management approach is based on five principles. The first is the adoption of a comprehensive policy and legal framework, overseen by the CCIW, which comprises nine Regional organisations, including the CARICOM Secretariat, and three universities. Second, CARICOM regards the treatment of water as an economic good, emphasising its paradoxical scarcity amidst plenty and the high costs of purification and distribution. The third factor lies in decentralised management and delivery – although the work is coordinated by CARICOM, each Member State undertakes its own improvements in water security. The fourth and fifth factors are greater reliance on pricing and fuller participation by stakeholders.

Wastewater management

One specific element of the water management challenge is dealing with effluent. In 2009, the UN Environment Program found that untreated domestic wastewater resulted in increased sea-fish mortality and had negative effects on commercial fisheries, declines in coral reefs and posed a threat to human health and tourism. Jamaica’s Vision 2030 national development plan warns candidly that: “Kingston Harbour is

heavily polluted; the forests and watersheds are being degraded; and the beaches and coral reefs are threatened by pollution.”

Tourism is a leading income earner in the Region, but it creates big headaches for water management. The Caribbean’s

special attraction lies in its crystal-clear waters and unspoilt beaches. But water consumption in the tourism industry is reported by many resorts to be five or 10 times higher than for other residential uses. In St Vincent and the Grenadines, the European Union has warned: “Pollution of coastal waters and shorelines from discharges by pleasure yachts and other effluents is a serious issue. In some areas, pollution is severe enough to even make swimming prohibitive.”

Furthermore, tourist activities can endanger water security by damaging fragile ecosystems, devaluing the very resources on which the industry is based. Inland, the UN Economic Commission for Latin America and the Caribbean reports, “deforestation has resulted in flooding, degradation of watershed areas and pollution of groundwater”.

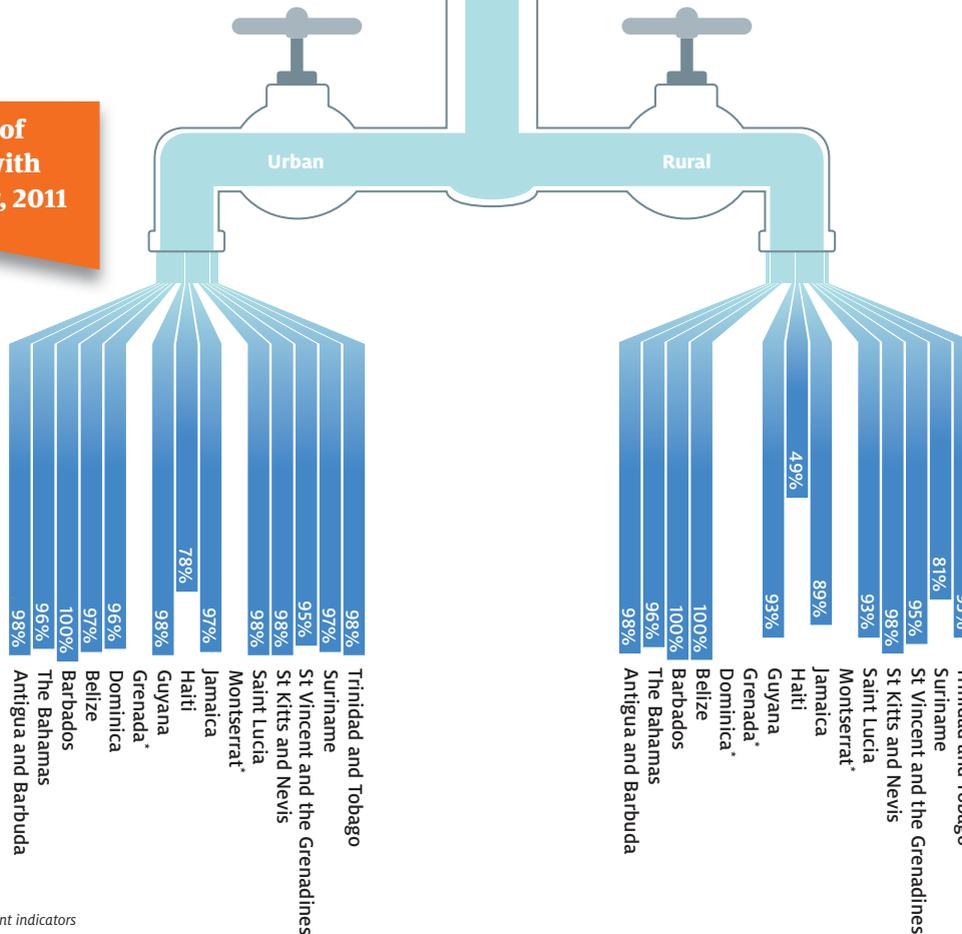
CARICOM has established several specialist projects and institutions that enable its Member States to tackle water problems in a unified spirit – a strategy that has been isolated as key to Regional water security. Two of the highest profile participants in CCIW are the Mainstreaming Adaptation to Climate Change project and the Caribbean Renewable Energy Development Programme.

CARICOM pays special attention to water resources

INVESTMENT OPPORTUNITIES: WATER

Percentage of population with access to water, 2011

*Data not available



source: World Bank world development indicators

CCIW member CARDI hosts a European Union project on food security in the context of climate change, running for three years from 2013. Another project, called Integrating Watershed and Coastal Area Management, was approved by the World Bank’s Global Environment Facility (GEF) in May and is worth \$22 million; it follows the widely acclaimed success of a previous GEF project on watershed and coastal areas management, and is hosted at CEHI, which was established in 1980.

Further CCIW members are the Caribbean Water and Sewerage Association (CAWASA), a recently founded Regional organisation of water utilities, and the Caribbean Development Bank.

Meanwhile, the Jamaican National Water Commission (NWC) announced in January 2013 that it will invest \$745 million in the Sector F Sewerage Systems Rehabilitation Project. The 24-month project forms one of several that are planned under an investment programme worth \$3.7 billion dollars per year until 2021. The investment programme was described by Jamaica’s Minister of Water, Land, Environment and Climate Change, the Hon. Robert Pickersgill, as “a visionary effort that holds the promise of improving the quality of water and wastewater services provided to the people of Jamaica, through the NWC”.

Investment approaches

Most investment in the water industry still comes from the public sector, including international sources, and it is widely agreed that good water services are essential if foreign direct investment is to be attracted. In this spirit, the Caribbean Regional Fund for Wastewater Management (CReW)

was established in 2011 with backing from the GEF and the Inter-American Development Bank. It has pilot projects in Barbados, Belize, Guyana, Jamaica and Trinidad and Tobago.

CAWASA Executive Director Victor Poyotte has called for a “new business model for water”, recommending joint ventures comprising government, public agencies and corporations, Regional and international investors and small local investors.

Innovative financing

CReW argues that: “More flexible, innovative and effective financial management mechanisms have to be considered – [such as] micro-financing, revolving funds, risk-sharing alternatives, municipal bonds. Public-private partnerships and public-public partnerships are important tools to assist local governments.”

In this spirit, Jamaica encourages private participation in the water sector, including joint equity partnership with domestic firms. Elsewhere, Consolidated Water operates desalination and water distribution services in the Cayman Islands, The Bahamas, Belize and the British Virgin Islands. Although based in the Caymans, the company’s shares are listed on the NASDAQ exchange in New York and in the Bahamas.

Associated services also offer investment opportunities. In Suriname, water resources are one of eight sectors targeted for investment, and bottled water one of seven targeted for export. Haiti is looking for development of a new 250-hectare industrial park with state-of-the-art wastewater treatment and port facilities. ■



Food for thought

Agriculture has been on CARICOM's agenda from the start. With high global food prices and growing importance placed on nutrition and food security, particularly in the face of climate change, the Region's agriculture and agribusiness industry is becoming one of its most significant sectors

The emphasis placed on agriculture by the Caribbean Community (CARICOM) is not only forming the basis of the Region's food security, but is also helping to encourage Regional integration. Organisations across the Member States are working together on projects to create sustainable, cost-efficient production systems backed by foreign investment.

Since the creation of CARICOM, the Region's agricultural agenda has been driven by a series of initiatives. The latest of these are the Community Agricultural Policy and the Regional Food and Nutrition Security Policy. At the heart of these initiatives is the harnessing of technology to ensure food security by improving crop yields, sustaining land productivity and enabling renewable water usage. In addition,

Barbados's famous sugar industry, long hampered by European Union quotas and a lack of mechanisation, is to be revived by investment and a new focus on domestic markets

the Region's strategy has tended to focus on upgrading intra-Regional agricultural trade and transport facilities; strengthening collaboration on research and development; evaluating investment opportunities; and improving market knowledge.

The Caribbean Agricultural Research and Development Institute (CARDI) is a central element in the attempts to drive the Region's agricultural sector. It was established in 1975 and includes all members of CARICOM. CARDI's work has delivered real Regional benefits, which are detailed over the page.

Nutrition and fertilization technology the way to go in the Caribbean

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Some of the attendees at one of **ECF's** Seminars.

audience about the facts on how to improve their crop production and lower their cost per unit of production. **ECF** has sought to have highly qualified and experienced professionals as presenters for the Road Show including, **Dr. Robert Mullen**, Chief Agronomist for Potash Corporation of Saskatchewan (PCS), the largest fertilizer producers in the world, **Ms. Kelly Davey** of PCS and **Dr. Terrence Fullerton** Ph.D., Soil Scientists and Consultant to **ECF**.

During a recent **ECF** Seminar, **Dr. Terrence Fullerton** noted that, "a balanced nutrition program determines what the plant needs, what's available to it and calculates the fertilizer formula inclusive of micronutrients, required to fill the gap. The plant gets exactly what it needs, no

more, no less." The process starts with **ECF** collecting soil samples for analysis and then blending a custom fertilizer based on the results of the analysis and the crop to be grown. This process has many advantages including maximizing yields, reducing fertilizer costs since only what is needed is applied, and preserving the environment by reducing leaching of excess fertilizer into the soil.

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This photo shows a stunted banana sucker due primarily to a lack of nutrition.

cricket and golf courses, including the world famous Kensington Oval, Barbados.

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This photo shows a field of banana plants in one of our Caribbean islands suffering from lack of nutrition.

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■ Training for more than 5,000 scientists, technicians and farmers

■ Establishment of offshore seed production and the supply of scotch bonnet hot pepper seeds to Jamaica after its own supply was wiped out by a hurricane

■ Establishment of integrated pest-management technologies for diseases and pests affecting sugar, nutmeg, coffee and other food crops

■ Development of animal feeding systems based on forage and crop by-products including bagasse, cassava, rice straw, citrus pulp and molasses

■ Development of improved technologies for Regional non-traditional commodities including hot peppers, sweet potatoes and livestock such as small ruminants

- The Regional Agribusiness Strategy provides a framework to:
- upgrade and strengthen already-identified value chains to ensure competitiveness;
 - integrate viable small- and medium-sized enterprises into these value chains;
 - develop Regional support organisations and services to deal with issues such as food standards, safety, marketing, finance and transport;
 - support public-private partnerships;
 - strengthen the sector's information base through improved market knowledge; and
 - improve beneficial links between agriculture and tourism.

Food security

Agribusiness and food security are high on the investment agenda for many countries in the Region. For example, Trinidad and Tobago wants to reduce its large import bill, while Barbados is prioritising the processing of starchy staple foods such as cassava and breadfruit. In Montserrat, the Montserrat Development Corporation is supporting new ventures on the island that are designed to reduce its dependence on imports, increase its exports and improve its agricultural productivity. In St Kitts and Nevis, the government has launched its Agricultural Development Strategy to boost food production and reduce its food imports.

Beyond this, there are a number of projects that aim to boost food security and drive agricultural output, such as the Promoting CARICOM/ CARIFORUM Food Security Project.

Initiatives are improving crop yields, sustaining land productivity and enabling renewable water usage

Another project, funded by Canada, is using a farm-to-fork focus to improve food production and nutrition in Guyana, Saint Lucia, St Kitts and Nevis and Trinidad and Tobago. Researchers are helping farmers to expand production through agricultural diversification, water conservation and more efficient use of land.

Foreign direct investment

The rising global demand for food, animal feed and energy, and the growing links between their production, are helping to drive foreign direct investment (FDI) in 'flex crops', which are crops with multiple uses (fuel, food, feed and so on) such as soya, sugar cane, oil palm and corn, as well as the restructuring of agri-industry value chains throughout the Region.

The Economic Commission on Latin America and the Caribbean reports that the Region has sufficient capacity and resources to support greater agricultural investment, with countries such as Guyana and Belize seeing increased levels of FDI interest in the agriculture sector. In 2012, for example, American Sugar Refining, the world's largest sugar-refiner, became the majority shareholder in Belize Sugar Industries, which owns the only sugar mill in Belize.



Eye Ubiquitous/PA Images

Many CARICOM states are actively targeting the agriculture and agribusiness sectors. In Guyana, where agriculture contributes 25 per cent of the country's GDP, its investment authorities say that, with the right funding, the country could potentially become the 'bread basket' of the Caribbean, as well as increase its exports to the North American and European markets.

In Haiti, meanwhile, the country's agricultural production has recovered since the devastating 2010 earthquake, and it now contributes 30 per cent of Haiti's GDP and employs up to 50 per cent of its workforce. Currently, this is mostly subsistence farming, but the country's investment authorities say that there is plenty of high-quality arable land coupled with an experienced, low-cost labour force.

While agriculture in Jamaica contributes only about seven per cent to the country's GDP, it accounts for about 18 per cent of the country's employment. According to the Jamaica Promotions Corporation, the country's agricultural exports have generated annual foreign exchange earnings of some \$100 million over the past five years, with the majority coming from the US and the UK.

The government is currently taking steps to improve the sector's efficiency and foreign-exchange earnings potential by introducing more modern technology and diversifying its export base. It has identified growth opportunities in vegetables, fruit, peppers and spices for the hospitality industry, food processing and the production of speciality foods – there is growing global demand for Jamaican food products.

Saint Lucia's banana industry needs massive investment after Hurricane Tomas caused destruction in 2010, resulting in \$56 million of damage to the agricultural sector

In Barbados, the sugar-cane industry is almost decimated, due to drastic changes to the European Union's sugar quotas and the small scale of its plantations hindering mechanisation. Now, however, the country is planning to restructure the industry with an emphasis on domestic markets and diversification – focusing on high-quality, value-added products such as alcohol and speciality sugars and using the raw material in order to generate power. It is planning to achieve this by taking advantage of the CARICOM Single Market and Economy and using financing from Japanese and other international investors.

The approach of St Kitts and Nevis to boosting sector investment is to offer incentives packages, increase land availability, expand agriprocessing technology and improve links with the tourism industry. There are further opportunities for investors in packaging services, storage facilities, inter-Regional transport and commercial farming.

Trinidad and Tobago's food and beverage sector offers opportunities for investors, particularly for manufacturers that use Regional agriproduce to develop goods. This sector offers the country the chance to innovate in the production of speciality items for Regional, international and local markets in areas such as seed production, biostimulation, organic fertiliser and pesticide production, greenhouse technology, crop evaluation, packaging, warehousing, transportation, food processing and bioconversion. ■

A picture of health

The Caribbean Community has long recognised health as a fundamental and strategically important resource for social and economic development, and health systems across Member States are being improved through investment and determined strategic programmes

The past 40 years have seen significant improvements in health across the Caribbean Community (CARICOM), with a rise in health initiatives and training schemes fostering broader and more responsive health services. Having identified a healthy population as a prerequisite for economic growth and stability, CARICOM has worked to determine the challenges and vulnerabilities present across its Member States.

In 2001, the Heads of Government of CARICOM adopted the Nassau Declaration on Health and committed to the pursuit of improved health for populations across the Region. Mobilising resources, emphasising leadership and implementing strategic planning and management for health systems were areas identified as instrumental in reducing the escalation of existing health problems – especially HIV and AIDS, whose detrimental effects have the potential to deplete the wealth of countries.

This commitment to raising standards of health was reaffirmed in 2003, when the Heads of Government met in Montego Bay and echoed their decision to “promote the health and wellbeing of the people of the Community in recognition of the principle that the health of the Region is the wealth of the Region”.

With particular regard to HIV and AIDS, the Pan Caribbean Partnership Against HIV & AIDS (PANCAP) was endorsed by the Nassau Declaration on Health, with the specific aim of scaling up the response to disease in the Region.

Its vision of significantly reducing the spread of HIV and AIDS via access to sustainable systems of prevention, treatment, care and support was reaffirmed at the 20th meeting of the PANCAP board in July 2013.

An investment in the future

Investing in human capital has been a key indicator of development over the past decade, with significant investments in educating citizens and the broad recognition of health as an essential factor for Regional development. The idea that health is an investment in human capital has been widely accepted, with subsequent action taken across Member States to effect good health for economic growth and development.

As such, Jamaica has implemented a smoking ban; St Kitts and Nevis has completed the second phase of a project to reduce stigma and discrimination surrounding HIV and encourage access to health services; and Antigua and Barbuda has become one of six Caribbean countries implementing Bringing Research in Diabetes to Global Environments and Systems, aimed at improving the self-management of people with diabetes.

In response to the broad disease burden, in September 2007 the CARICOM Heads of Government convened the Summit on Chronic Non-Communicable Diseases, which saw policy decisions made on preventing and controlling non-communicable diseases in collaboration with the private sector, civil society, academia and non-governmental organisations. The summit focused on cardiovascular disease, hypertension, diabetes, cancer and asthma – diseases that lead to premature loss of life, mounting health costs and lost productivity.

Roadmaps for action

Encouraging healthy eating and physical activity and integrating programmes in schools and workplaces formed part of the Summit Declaration. It intended to get stakeholders such as the media, academia and non-governmental organisations working collaboratively to build supportive environments in which ‘the right choice is the easy choice’. Successes have included the establishment of the Healthy Caribbean Coalition, the Caribbean Tobacco Control Project and Caribbean

Wellness Day, which promotes participation in physical activity and incorporates Regional branding and projects.

In 2011, the Pan American Health Organization of the World Health Organization initiated the Strategic Plan of Action for the Prevention and Control of Non-Communicable Diseases

for countries of the Caribbean Community 2011–2015. The plan intends to present a roadmap for “action and resource mobilisation at both the Regional and country levels”, and offers recommendations for country plans in adapting priorities and accessing Regional funds. The plan describes non-communicable disease in the Region as an “epidemic”, with the “common root causes of unhealthy diets, physical inactivity, tobacco use and harmful use of alcohol, in turn, driven by social determinants and global influences”.

Achieving cooperative action within the health sphere also formed a key part of the plan, with joint objectives outlined in several priority areas within the Caribbean Cooperation in Health phases: human-resource development; family health; strengthening health systems; food and nutrition; communicable diseases; non-communicable diseases; environmental health; and mental health. Although progress has been made, increasing capacity and translating policy into action at national levels are significant issues that remain.

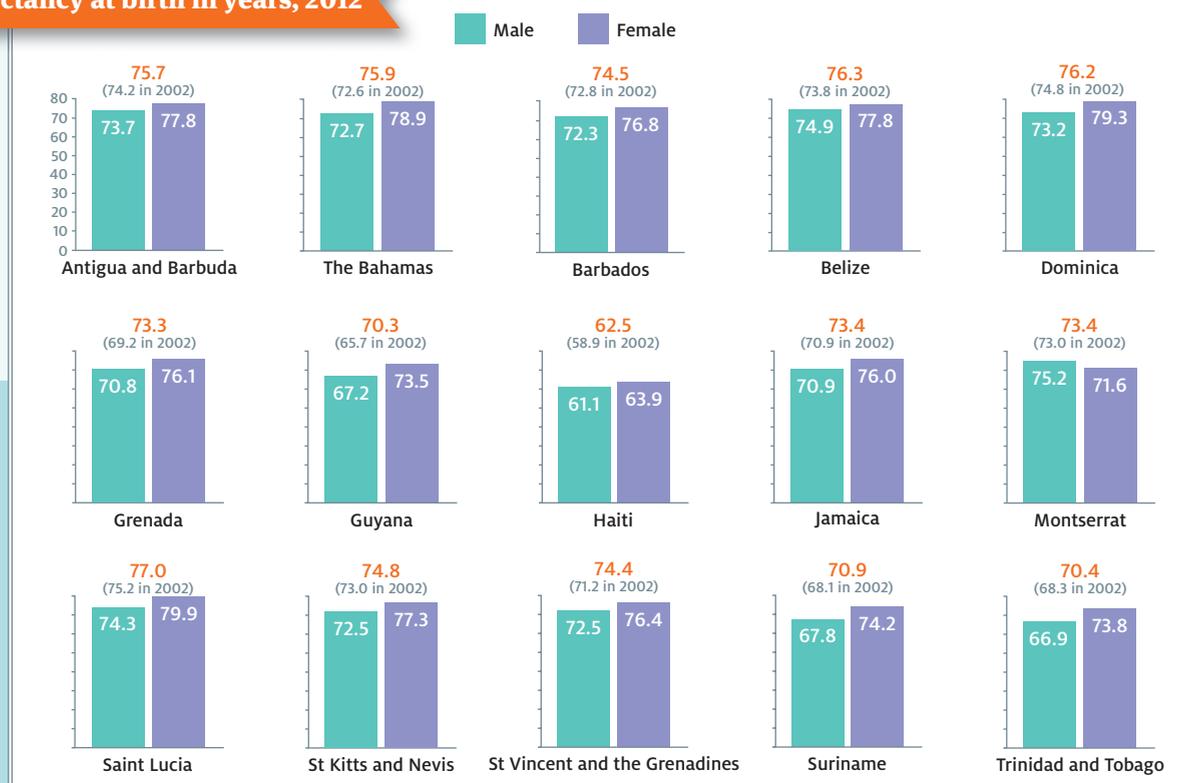
However, success is apparent in a number of areas. The Expanded Programme on Immunization saw the eradication of poliomyelitis within

The idea that health is an investment in human capital has been widely accepted



The Pan American Health Organization has been working with Haiti's Ministry of Health and Population to expand the country's national immunisation programme

Life expectancy at birth in years, 2012



Pan American Health Organization
ais.paho.org/chi/brochures/2012/BI_2012_ENG.pdf
www1.paho.org/English/SHA/coredata/tabulador/newsqItabulador.asp

the Caribbean Region and the rooting out of indigenous measles and rubella, which have helped to foster considerable social and economic benefits.

Over the next 10 years, projections state that in Latin America and the Caribbean deaths from infectious diseases, nutritional deficiencies and perinatal conditions will decrease by three per cent, while deaths relating to chronic diseases will increase by 17 per cent. Addressing the associated risk factors and conditions is crucial to coping with a rising disease burden, and investment in health services and solutions is key.

Work to achieve the United Nations Millennium Development Goals by 2015 is ongoing across the Region, and efforts are being ramped up to improve health and access to systems of health in individual states. In 2011, the United Nations Development Programme reported a noticeable reduction in child mortality in Guyana, which was aided by the introduction of two new vaccines over a short space of time. Belize is striving to reduce maternal mortality, providing mobile clinics and distributing iron and folic acids to females ages between 10 and 49, which reduces anaemia and lessens the risk of postpartum haemorrhaging.

According to the Joint United Nations Programme on HIV/AIDS (UNAIDS), the prevalence of HIV in adults in the Caribbean in 2011 was about one per cent; this is higher than in all other regions outside sub-Saharan Africa, but Caribbean countries are working to reduce it.

The UNAIDS *Regional Fact Sheet 2012* states that the Region has seen a decline in new HIV infections of about 42 per cent since 2001, and deaths related to AIDS fell from an estimated 20,000 in 2005 to about 10,000 in 2011. New HIV infections in children fell by 32 per cent from 2009 to 2011, and coverage of antiretroviral therapy stood at 67 per cent, compared with a global average of 54 per cent. On a country level, Guyana, for example, has more than 80 per cent treatment coverage, while Jamaica has more than 60 per cent coverage.

In August 2013, Prime Minister Kamla Persad-Bissessar of Trinidad and Tobago said in her statement to parliament: "Health is one of the issues which my government intends to step up in the coming year. We have already agreed to the construction of several hospitals." This willingness to invest in health has attracted interest from abroad, with the Chinese government investing in one of the new hospitals and providing more than 100 health professionals to address Trinidad and Tobago's skills gap.

Commitment to better standards can be seen across Member States, and investment in improved health infrastructure in CARICOM will increase capacity for health services and raise economic and social conditions. Opportunities for investment exist within health training, services and policy development, and CARICOM acts to facilitate investment by increasingly placing public health at the forefront of development objectives – action that is already seeing results. ■

A young girl with braided hair, wearing a dark blue school uniform with a white collar, is smiling and holding a silver digital camera up to her eye. She is in a classroom setting with other students in similar uniforms visible in the background. The background is a bright blue wall.

Investing in people

Ensuring that educational standards continue to rise is crucial to future social and economic prosperity in the face of more direct competition with emerging economies in Asia

Since CARICOM's establishment in 1973, the organization has demonstrated a strong understanding of the importance of education in ensuring the Caribbean's continuing development and viability as a Region.

It is instructive to note that a Regional institution that also celebrated its 40th anniversary in 2013, was the Caribbean Examinations Council (CXC). CXC, an indigenous examinations board, has become a vital part of the Community's education landscape. It has made tremendous strides, developing from its original goal of preparing syllabuses and setting examinations (five in the first instance) based on those syllabuses and issuing certificates and diplomas, to offering 35 subjects at the Caribbean Secondary Education Council (CSEC); 46 Units at the Caribbean Advanced

Technology is key to the educational development of students across all age groups

Proficiency Examination (CAPE); more than 100 standards in the Caribbean Vocational Qualification; the Caribbean Certificate of Secondary Level Competence (CCSLC); and the Caribbean Primary Exit Assessment (CPEA), its newest addition. Since CXC began offering examinations in 1979, more than six million persons from 19 Caribbean countries have sat those exams. The Council also trains teachers, provides technical services to Ministries of Education; offers statistical data processing services, Item Writing training, Psychometric training and the provision of learning support materials.

A period of great educational reform, undertaken by its administrative bodies, began in CARICOM following the creation of the United Nations



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Education For All initiative in 1990. The Region attracted a significant quantity of foreign investment in infrastructure, equipment and development sponsorship.

The Community's educational development benefitted from substantial contribution by international development partners including the Canadian International Development Agency (CIDA), the European Union (EU), the Commonwealth Secretariat, Commonwealth of Learning, the World Bank, agencies of the United Nations (UN) including UNICEF, UNIFEM, UNFPA and UNESCO. Their support has spanned areas including capacity-building – particularly through scholarships - development and implementation of strategic frameworks, policies and programmes in Live Skills-based Health and Family Life Education (HFLE), Early Childhood Development, Child Rights and Child Protection, Teacher Education and Training, Quality Assurance in Education and Open and Distance Learning. Correspondingly, significant strides have been made in these areas. CARICOM has also recorded achievements in ICT in education, Education for All goals (EFA) and Universal Primary Education, and is

providing most students between the ages of 11 and 16 an opportunity to access secondary education. The expansion of tertiary and higher education, progress in addressing gender differentials in educational achievement, and a focus on physical education not only as an examinable subject at CXC, but also as a means to achieving healthier lifestyles and

combatting non-communicable diseases, are among the strides that the Community has made. Through cooperation with UNESCO, various national commissions, task forces and working groups on education were established. These working groups and task forces were notable for their democratic and far-reaching approach to

Higher levels of skilled workers will greatly benefit the Caribbean economy

Community feedback: each held consultations with a wide range of citizens and representatives from all areas of society – from large and small businesses to religious bodies and political parties. This methodology, possible only through the increased support of governing bodies such as CARICOM, and the subsequent adoption of the ensuing reports into policy, demonstrate the Community's commitment to addressing people's problems directly and in a fair and democratic manner.



Students attending a high school in Haiti learn the basic skills of computer technology

Alyce Henson/Rotary International/Getty Images

Schlumberger in CARICOM: a proud history

The story of Schlumberger in Trinidad and Tobago (T&T) and CARICOM is a long one. In fact it is 80 years old this year.

A brief history

Trinidad's characteristic geological complexity played a significant role in the establishment of well-logging operations in Trinidad, the official debut of which was made on 19 July 1932 in the Palo Seco No 126 well for British Controlled Oilfields. After several years of deliberation and negotiation, the Schlumberger brothers, Conrad and Philippe, were permitted to try their 'Boîte Magique' to help remove some of the hitherto guesswork in finding and quantifying potential hydrocarbon reservoirs. In the following year, Schlumberger set up permanently, and during the Nazi occupation of France, the T&T government invited Schlumberger to move its overseas headquarters to offices in San Fernando in 1940, which it did, albeit on a temporary basis.

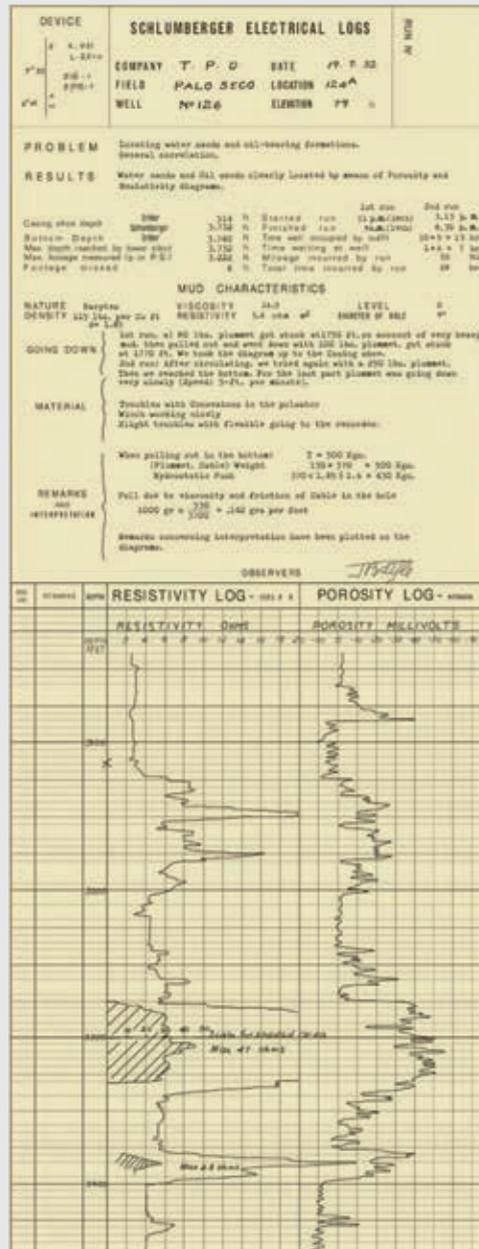


Intrepid oil pioneers make their first tracks in the sands of Trinidad in 1932

Fast forward to 2013, Schlumberger is the largest energy service company worldwide providing the industry's widest range of products and services from exploration through to production. The company's market capitalisation stands at around \$110 billion; it has an employee count of around 120,000 representing 140 nationalities working in 85 countries covering all areas of the globe.

Contributor to CARICOM

Schlumberger has enjoyed a long and successful relationship with many of the stakeholders in the T&T energy landscape and has been a significant contributor to the local industry's success. Notably, Schlumberger Trinidad also services our operations in the



The first electric log in Trinidad, Palo Seco, 1932

CARICOM territories of Barbados, Guyana and Suriname (French Guyana too, but of course it is not part of CARICOM), making up therefore an important part of the CARICOM picture.

Presently, Schlumberger, through its own growth over the years, provides a full range of oil and gas services and solutions delivered by a skilled and predominately local workforce of some 350 persons to help the oil and gas

operators to meet their goals. Schlumberger spends some \$5.5 million annually on local capability development and we're particularly proud of the fact that currently some 209 Caribbean employees are working as expatriates in Schlumberger operations in other countries.



A highly skilled Caribbean workforce

Additionally, Schlumberger globally sees true value in giving back to local communities and naturally that desire is replicated in the Caribbean. The Schlumberger Excellence in Educational Development 'SEED' programme, whose main focus is to ignite passion for science and learning in youth, and the CAMPUS programme, which helps empower students at the tertiary level to use knowledge and technology creatively, are both part of that effort where we're proud to reflect Schlumberger's passion for science and technology in the local youth population. Through the work of these charitable organisations, donations and other mentoring programmes, Schlumberger will continue to invest in 2013, with plans to increase it fairly substantially from 2014 onwards.

Lasting commitment

As we proudly celebrate 80 years in the Caribbean region, we further reaffirm our commitment to the local people in the CARICOM family for many decades to come.

slb.com

Schlumberger



Thony Belizaire/AFP/Getty Images

The education reforms undertaken in the early 1990s created a changing landscape in the Caribbean: with secondary school education compulsory across many CARICOM countries and literacy rates in the Caribbean growing from a reported average of 70.1 per cent in 2006 to as high as 99.7 per cent in Barbados and 98.6 per cent in Trinidad and Tobago as of 2012. Subsequently, CARICOM's priorities have shifted from driving primary school education to include more of a focus on secondary, higher and specialised education.

Higher levels of skilled and technologically equipped workers will greatly benefit the Caribbean economy, which currently aims to increase its participation in global value chains, partly through enhancing its knowledge base to augment the value of its resource-based exports. An increasing focus on education will also drive growth of the emerging middle class, which will result in a more stable and prosperous economy and an evolution from a production and services towards a knowledge-based economy.

To facilitate this transition, CARICOM has introduced several projects designed to address the educational needs of the Caribbean Region. One of the most forward-thinking and significant of these initiatives is CARICOM's Education for Employment Program (C-EFE). Launched in Trinidad in March 2012, the programme aims to strengthen Regional capacity to coordinate, promote and conduct quality assurance for

The promotion of healthy cultures and lifestyles among the youth of the Caribbean Community builds on the Region's continuing successes in education and literacy

demand-driven technical and vocational education training (TVET) programming and workforce certification, and to raise the employment levels of TVET graduates in targeted, demand-driven programming. It is also designed to strengthen capacity of TVET institutions in order to attract, train and equip citizens with technical and vocational skills that respond to labour market needs.

A dozen of the 15 CARICOM countries (Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, St Kitts and Nevis, Jamaica, Saint Lucia, St Vincent and the Grenadines, Suriname and Trinidad and Tobago) are currently participating in the scheme, which aims to support the economic development of the entire Caribbean Region.

Technical and vocational training

On 16-17 January 2013, St Kitts and Nevis hosted a results-based management workshop as part of C-EFE. Each participating country was asked to propose its priority training requirements. The event opened with a keynote speech from St Kitts and Nevis Minister of Education and Information The Hon. Nigel Carty. The speech addressed technical and vocational education and training, in line with the programme's core objectives.



Alyce Henson/Rotary International/Getty Images

The ambitious programme is sponsored by the CIDA to the tune of \$20 million, and is partially implemented by the Association of Canadian Community Colleges, which signed a memorandum of understanding with CARICOM at the programme's launch in 2012. The sponsorship and memorandum are proof of Canada's strong investment in the future of the Caribbean and of the close ties it shares with CARICOM.

CARICOM's educational initiatives have proven attractive to foreign investors, particularly those in the intellectual finance sphere, such as the World Bank, UNESCO and the International Monetary Fund (IMF). This is partly due to the growth of the middle classes, which in turn owes a lot to CARICOM initiatives aimed at increasing human resources, resulting in a cycle of ethical and mutually beneficial investments.

In April 2013, the IMF, the World Bank and the Inter-American Development Bank agreed a four-year \$2 billion aid facility for Jamaica. The island will use a significant proportion of that money for the advancement and outreach of its Programme for Advancement Through Health and Education. Grenada's detailed list of projects for consideration, ranging from sport to housing and agriculture, recently secured the country \$8.7 million of Chinese investment.

Inbound investment

The US also has a lengthy history of investment support with CARICOM: the Inter American Foundation, Washington's development agency for the Region, has an active portfolio in the Caribbean that comprises 21 grants supporting human capital and development; USAID continues to support early-grade reading and vocational training for at-risk young people across Dominica, the eastern Caribbean and Jamaica, as well as disaster-risk reduction activities. These investments acknowledge the great potential

Educating students in how to make the most of information technology is an important component in enhancing the Region's knowledge base to benefit national economies

that is currently only partly harnessed in the Caribbean Region, and demonstrate investing countries' faith and support in CARICOM's development strategies for the Region.

In May 2013, CARICOM held its 24th Council for Human and Social Development, which concentrated on a draft Regional development strategy for the Community's cultural industries. Guyana Minister for Culture, Youth and Sport the Hon. Dr Frank Anthony told the meeting how CARICOM, pleased with its successes in the fields of literacy and education, was looking to develop the 'ideal Caribbean citizen' through further education programmes and the promotion of healthy cultures and lifestyles.

The draft strategy focuses on the implications of CARICOM's education and culture as well as TVET initiatives. CARICOM's Assistant Secretary-General with responsibility for Foreign and Community Relations, Ambassador Colin Granderson, was keen to note the significant strides that had been made in social development by the organisation over the years, but added that innovation must be encouraged if this progress was to be sustained: "Fostering creativity from the earliest stages must be a deliberate strategy for our human resource development systems."

Ensuring that educational standards continue to rise is also crucial for the Region's future prosperity, as it comes into more direct competition with other emerging economies that have rapidly improving education systems of their own. The Member States of CARICOM have an excellent platform from which to take their next steps, as global communication technology provides fresh opportunities for sustained educational advances. ■

Caribbean culture and sport

CARICOM is seeking to make the most of its sporting prowess through coordination of sports tourism activities. Meanwhile, the performing arts sector continues to provide a lucrative export



Johannes Eisele/AFP/Getty Images

The Caribbean Community (CARICOM) is well known and respected for its rich culture and sporting achievements. But glory on the athletics track and outstanding music and cuisine are about a lot more than making individual dreams come true. CARICOM's creative and sports industries are now generating big foreign direct investment (FDI) opportunities. By establishing a competitive export sector built on local talent and resources, links are being created with the tourism and health sectors and the Region's youth culture is being positively engaged.

Successes on the athletics field

The images of Usain Bolt smashing world records and electrifying global audiences during the 2008 and 2012 Olympics have propelled the Region's profile sky high. But as anyone who follows the sport knows, although Bolt has earned his place in history, he's certainly not the Region's only world-beating athlete. By the time the curtain closed on London 2012, CARICOM countries had achieved a combined total of 18 medals: seven gold, four silver and seven bronze. Shelly-Ann Fraser-Pryce, the fastest woman in the

Jamaican sprinter Usain Bolt kisses his gold medal after the men's 200m final at the 2012 Olympic Games. CARICOM countries excelled in London, claiming 18 athletics medals

world, claimed gold in the 100m, as she did in Beijing in 2008; Kirani James became the first gold medallist for Grenada with victory in the 400m; and Jamaican Yohan Blake picked up silver in the men's 100m. The Bahamas' 4x400m relay team, comprising Michael Mathieu, Chris Brown, Demetrius Pinder and Ramon Miller, raced its way into the nation's history books by scooping gold, while Trinidad and Tobago's Keshorn Walcott notched up success in the field events with a gold medal in the javelin.

There is no doubt the Region takes sport seriously. It even holds a sporting event to herald the opening of a major political summit: CARICOM 10k Road Race marks the start of the annual Regular Meeting of the Conference of Heads of Government of the Caribbean Community. And one cannot fail to be bowled over by the Region's enthusiasm for cricket. Big names such as Brian Lara, Sir Viv Richards and Sir Garry Sobers have kept alive the dreams of the West Indies team over the years, attracting a strong following of fans from countries such as Australia, the UK, New Zealand



Rebecca Naden/PA Wire

England field against the West Indies during the ICC Cricket World Cup match at the Kensington Oval, Bridgetown, Barbados, 21 April 2007

and South Africa, and helping to drive a buoyant tourism industry. The 2007 Cricket World Cup not only showcased the Region as an appealing place for a holiday, but also as an ideal location to live, and boosted both short- and long-term investment. Throughout the Region, serious investments were made to ensure the tournament was a success. Take Guyana, which hosted six matches. It made provisions for 25,000 visiting fans from around the world and invested an estimated \$25 million in a 15,000-seater stadium. Private entrepreneurs also got in on the act and put money into upgrading hotels, restaurants and other services.

The 'cricket passport'

Off the back of the tournament, various projects were initiated to improve opportunities and make travel easier. CARICOM countries were designated a Single Domestic Space (SDS) through a 'cricket passport', which gave domestic travellers freedom of movement within the Region, while overseas visitors were granted similar travel rights through a special visa that was stamped at their first port of entry. The scheme was so successful that there have been calls for a similar programme to be established. In February 2007, the CARICOM Heads of Government agreed to set up a Task Force that recommended the introduction of a revised CARICOM Special Visa, while in May 2013 the CARICOM Ministers of Transport recommended the reintroduction of the SDS following a one-day Special Meeting of the Council for Trade and Economic Development on Transportation. In February 2013, the Caribbean Tourism Organization (CTO) Aviation Task

Force recommended a review of visa regimes in Member States in order to improve the visitor experience, and also suggested a system similar to Europe's Schengen visa programme be adopted.

Human and social development

With 2012 victories in the worlds of cricket and athletics in the bag, CARICOM's sports ministers assembled in October 2012 for the Council for Human and Social Development (COHSOD) on Sport meeting. Two presentations highlighted the Caribbean's potential for sport tourism, identifying international links and key destinations and products that could be marketed creatively in order to attract tourists from target countries such as China and India. The sports ministers also heard that sport tourism accounted for 14 per cent of the Region's overall tourism and travel industry, with growth guaranteed for the next 10 years.

COHSOD agreed to establish a Technical Working Group to identify areas for Regional and international sports cooperation and to devise creative strategies to develop sport tourism. It also identified the Region's options, including bidding for both large and small international sporting events, and hosting international sporting organisations' meetings.

The Council looked at what was required to establish a Regional strategic framework for sport tourism and agreed that it needed to draw on best practices in competitive sports business markets. It decided the Region needed to establish a unified approach to sports tourism; set up a Regional task force to develop ideas and build a team of dedicated government personnel to communicate and manage the initiative.

Pre-empting all of this was the bold and informed move by the COHSOD (2000) to explore and eventually recommend the inclusion

of Physical Education and Sport as an examinable subject at the secondary-school level. This underscored further the Region's determination to set the framework for developing the human resources to support a promising sport industry, the ultimate goal being to reposition sport as an important factor in the advancement of the Community.

The 2007 Cricket World Cup showcased the Region as a place to live, as well as a holiday destination



Cray Photo/AP/PA Images

The Region's outstanding music, film and food sectors are also ripe for investment. Locations such as historic churches, spectacular caves, busy city centres, breathtaking waterfalls and picture-postcard beaches make this a top destination for film-makers. In Jamaica, which has a well-developed film sector, there has been a dramatic increase in the number of film projects shot there since the 1980s. The Region has featured in movie blockbusters such as the Bond films, *Islands in the Sun* and *Knight and Day*, while 'roots and culture' fans worldwide have also soaked up the Jamaican sun and sound in films such as *Cool Runnings*, *Dancehall Queen* and *One Love*.

Since the establishment in the 1980s of the Jamaica Film Commission (JFC), which forms part of Jamaica Promotions Corporation (JAMPRO/Trade and Investment Jamaica), it has serviced more than 3,500 film projects, ranging from traditional full-length features to documentaries. According to the JFC, more than 150 films are shot in the country every year.

The creative sector

Culture is considered as a means of preserving the uniqueness of the Caribbean, as well as an essential component for the success of the CSME. In recognition of the vital role culture plays in the Community, the Caribbean Festival of Arts (CARIFESTA) – the Community's multi-disciplinary, mega arts festival - is considered the Region's platform for cultural and artistic development. It has been identified as the main vehicle for stimulating festival tourism and is being remodeled to fulfill that role. CARIFESTA was first held in Georgetown, Guyana in 1972, and, in addition to the potpourri of art, craft, food, drama, dance, written word and music, the steelpan – the only musical instrument designed in the 20th century – remains a prominent feature. The steelpan has not only remained popular in the calypso tempo of its native Trinidad and Tobago, but has been incorporated into other genres of music such as jazz and classical compositions.

The creative industries have emerged as key growth sectors in the Caribbean economy through their contribution to GDP, exports and

Reggae star Stephen Marley performs. Reggae music has an important role in the culture and economy of Jamaica, which has the world's highest density of recording studios

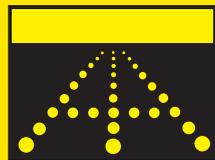
employment, as well as their impact on destination and intellectual property branding. The Region has been producing globally recognised artists and musical genres for decades, with reggae representing one of its most successful exports. As the capital of reggae, Jamaica is home to a multi-billion-dollar industry, and the country is said to have the largest number of recording studios per square mile in the world.

As the digitization of cultural content grows, businesses in the Region are exploiting new opportunities for the expansion and diversification of this sector. Creative services are proving ripe for investment, thanks to digital technologies which broaden access to the remit of creative companies operating in the Region.

Trade in intellectual property in the creative sector is also generating revenue for the Region. The Caribbean Copyright Link – a joint initiative between four copyright management organisations in CARICOM and associate members organisations – is looking to strengthen the Region's rights management and the royalty-based earnings of rights owners. There is, in addition, the Caribbean Publishers Network (CAPNET), a Pan-Caribbean, non-profit network of Caribbean publishers and service providers to the publishing industry, created to support and promote indigenous publishing throughout the Region.

In support of the development of the cultural and creative industries, the Community, in 2008 established a Regional Task Force on Cultural Industries, and later, formulated a Regional Development Strategy for the cultural industries. That Strategy sets out actions to be implemented by Member States to create the enabling environment for the cultural industries to develop.

With an abundance of talent and established high standards, there is much potential to be tapped in the CARICOM sport and cultural arena. ■



**Airports
Authority**
OF TRINIDAD AND TOBAGO

Airports Authority of Trinidad and Tobago is the organization responsible for the management of international airports in Trinidad and Tobago. Our mission is to develop and manage safe, efficient and customer oriented airport estates and ancillary business in a sustainable manner, by optimising returns on all employable assets.

Just as CARICOM unites the Caribbean people through sports, business linkages and culture, Airports Authority of Trinidad and Tobago has been facilitating the travel of persons involved in sports, business and culture.

Airports Authority of Trinidad and Tobago congratulates
CARICOM on its 40th anniversary.



Transport projects gain momentum

From its earliest days, the Caribbean Community has depended on reliable transport links to spur greater integration and economic transformation. Today, projects abound to develop those links both within the Region itself and with the wider world, facilitating trade and tourism



As a collection of islands (with the exception of Belize, Guyana and Suriname), some geographically remote from one another and from the mainland, CARICOM's Member States depend on good transport links for many vital facets of life, such as trade, communication, tourism and emergency relief.

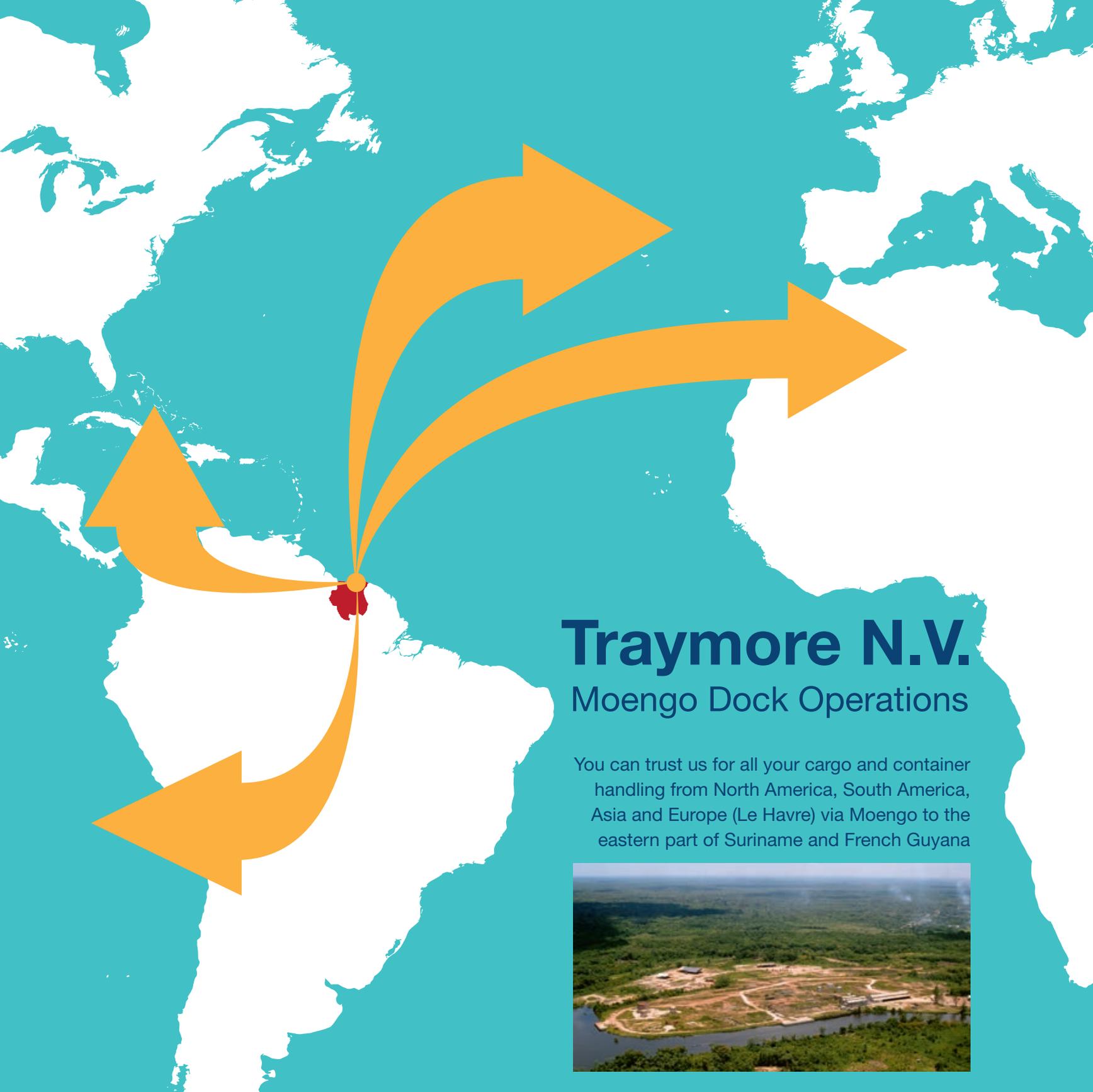
At a time of global economic uncertainty, these topics loom ever larger in the collective CARICOM agenda, meaning that transport has assumed a greater priority for investment and development. In addition, expanding and improving Regional transport networks will help Member States to achieve the integration that they have worked on for many years.

As the Treaty of Chaguaramas – the foundation agreement for CARICOM – laid out in 1973 and revised in 2001, the Member States aim to move towards a single market and economy, with transport as a central enabling feature in this purpose. In addition to the Revised Treaty of

The provision of cheaper, faster and more reliable transport is a central enabling feature in CARICOM Member States moving towards greater economic integration

Chaguaramas, there is the Multilateral Air Services Agreement concerning the operation of Air Services within CARICOM, commonly called the CARICOM Multilateral Air Services Agreement (MASA). Better, cheaper, faster and more reliable transport links will help Member States to capitalise on their shared ability to provide excellent goods and services to one another and to the wider global economy.

A number of high-level international organisations share this ambition and have provided consistent financial and logistical assistance. The Inter-American Development Bank has funded a succession of projects over the 40 years of the organisation's life, most recently issuing a grant to repair roads in Haiti following Hurricane Sandy. It also provided investment loans



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to Jamaica to fund road-building programmes following the storms and flooding of the 2007 Atlantic hurricane season, which caused extensive damage across the island. Several hundred million dollars have been advanced to Jamaica for road building programmes since 2000, helping to equip the country to improve its transport and communications networks.

Technical assistance and funding

The World Bank has also contributed substantial funding to Jamaica's transport infrastructure, providing technical assistance for development of a global logistics hub that includes a container handling facility at the port of Kingston that can transport oil, coal, minerals and grain; an air cargo airport and maintenance, repair and overhaul facility; and a large dry dock for shipbuilding and repair.

Together, the World Bank, the Inter-American Development Bank and the Caribbean Development Bank have created the Caribbean Growth Forum, an initiative providing assistance and funding for a logistics hub for Jamaica and a port community system. The World Bank has already carried out a trucking survey, a port and aviation survey, a Regional trade survey and an assessment of air, marine and information and communications technology (ICT) connectivity, which feed in to an overall plan. "The master plan will serve to define how Jamaica should be positioned as a global hub, assess the internal logistics and the infrastructure and energy needs of the special economic zones and demonstrate how the logistics potential of Jamaica can motivate international investment," says a World Bank spokesperson.

As one of the two largest economies within the CARICOM group (second only to Trinidad and Tobago), Jamaica is crucial to the fortunes and development of all Member States. While Trinidad and Tobago is less than an hour's flight from the coast of Venezuela, Jamaica has good access to various countries bordering the Caribbean Sea, such as Panama and Mexico, as well as the United States.

Integrating transport efforts

There is excellent potential for improved transportation links and integration between CARICOM Member States, as well as between them and neighbouring countries. Writing in the *Journal of International Affairs*, Osvaldo Rosales, director of International Trade and Integration at the UN's Economic Commission for Latin America states: "Competitiveness increasingly depends on Regional factors such as adequate infrastructure, efficient transport systems and simple and streamlined customs procedures. Coordinated action among governments would be more fruitful than isolated national efforts. Deep integration initiatives can provide Regional public goods that neither markets nor national governments alone can provide successfully." Rosales recommends greater production integration across the Region to overcome barriers to connectivity and development.

CARICOM as a whole has made good progress in securing deals with major economies in the Region: at the Second CARICOM-Mexico Summit, in 2012, a new arrangement dealing with tourism, transport, trade, investment and national security was signed following a series of meetings between Mexican authorities and the then CARICOM chair Dési Bouterse. Mexico itself has experienced a sustained period of transport infrastructure development in the past decade, winning custom from international corporates who have chosen to send their goods into Mexican ports for assembly and onward shipping into the United States, rather than directly to the United States.

Connecting islands with a ferry shuttle network

Combining economic, social and disaster recovery benefits, a new ferry network between the states of the Eastern Caribbean is under development, with the expectation that many significant changes will accompany the project. Strengthening ties among the CARICOM Member States is a core objective of the project, and positive results anticipated include the expansion of free movement and capital under the CARICOM Single Market and Economy (CSME). As reported in the *Trinidad Guardian*, Trinidad and Tobago Prime Minister Kamla Persad-Bissessar said it "will bring us closer together as we try to improve upon the integration movement."

Moving people and assets away from scenes of natural disasters, including volcanic eruptions, is another important role for the ferry system. It is an approach that "the Caribbean has adopted as part of its efforts to promote a truly Region-wide cooperation in disaster management," according to Ivan Ogando, former Director-General of the Directorate of the Caribbean Forum of African, Caribbean and Pacific States at the CARICOM Secretariat, who made the comment at the hand-over of a new ferry docking terminal in Antigua and Barbuda in 2011. The facility has allowed faster and better transportation between Antigua and Barbuda and Montserrat – another island vulnerable to volcanic eruptions and humanitarian disasters.

The head of the European Union Delegation to Barbados and the Eastern Caribbean, Ambassador Valeriano Diaz, when noting that the EU helped to fund the shipping study with a grant of \$283,000, remarked that the new ferry system is "long overdue, especially given high travel costs throughout the Region. And ... any effort to provide alternative travel which is affordable even to remote places will be welcomed by the Caribbean."

On the air travel front, the Caribbean Tourism Organisation Aviation Task Force published a review of air travel issues in 2013, recommending ways to increase consumer demand and lower prices. The review proposes a membership system similar to Europe's Schengen visa programme, with the aim of easing transport throughout the Region. This could build on momentum created by the Open Skies air transport agreement, which was signed in 2011 by six CARICOM members and the United States. The



Work continues on the Trans-Jamaican Highway project, which connects the central and western regions of Jamaica with Kingston, the country's capital



Paul Scheufl/eye Ubiquitous/PA Images

agreement is bringing greater flexibility and options to airlines, passengers and shippers, while promoting travel and trade and enhancing productivity as well as economic growth, and creating new job opportunities.

Reviewing air travel issues

The Revised Treaty of Chaguaramas recognises the stark need for efficient air transport services – the availability of which is directly connected to developing tourism industries and maintaining links in economic, social and cultural spheres between countries. Greater opportunity for intra-Regional movement, both of people and goods, has been identified as a factor that contributes significantly to development and growth.

One company that is working to meet the business travel requirements of the Region is CARICOM Airways, a Caribbean regional airline, headquartered in Suriname, which was founded in 2004 as a flight-training airline and in 2009 shifted its main focus to commercial services. Offering both domestic and Regional flights, the airline flies to 67 destinations, mainly charter flights to destinations in the interior of Suriname, the Caribbean and northern Brazil.

Leeward Islands Air Transport (LIAT), headquartered in Antigua, also serves a number of destinations in the Region, operating high-frequency services to meet demand. However, despite the services available there have been calls for the establishment of a Regional airline, and increasing attention is being given to deciding whether a Regional airline would be both viable and more profitable than those owned nationally. One voice in the argument is that of Jean Holder, chairman of LIAT, who in 2010 authored *Don't Burn our Bridges: The Case for Owning Airlines*. He addresses the role of services industries in connecting territories and people in a single market and economy, arguing the point that the Region needs to retain operational control and ownership with regard to crucial air access.

At St George's in Grenada, passengers board a morning catamaran service. Across the Caribbean, increased catamaran and ferry services are being implemented to provide faster and better transportation between countries for both people and goods

Part of the issue is the reluctance of some countries to participate financially in supporting a Regional airline, despite paying subsidies to larger, foreign-owned airlines to ensure they continue to provide air services. LIAT is owned – and financed – by Antigua and Barbuda, Barbados and St Vincent and the Grenadines, yet many more countries in the Region rely on the carrier to provide transportation for both people and goods. For some, merging national entities is the next obvious step. Certainly, improving Regional air transport would spur significant business expansion and economic activity, particularly within tourism.

With few natural resources (other than in Trinidad), the CARICOM Member States are more reliant than most on travel, and the tourism that increased and better services bring. As the pace of life in many economies continues to quicken, the ease and speed with which visitors can reach their destinations and begin their holidays is assuming a greater importance. People have fewer spare days that they can devote to transfers. Similarly, demand for speedier connections for trade purposes and transporting goods is focusing more clearly on the availability of fast and reliable services.

As a result, the Caribbean has had to upgrade its transport links. This includes efforts to bring new airports into service and modernise older ones and consolidate airlines (such as the buyout of Air Jamaica by Caribbean Airlines in 2010) while ensuring that the highest standards of service, punctuality and security apply across the Region.

The transportation of both commercial goods and passengers has the potential to spur the development, growth and transformation of CARICOM Member States. As such, it is understandably held as a high priority. ■

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Ports, logistics networks and the need for expansion

With their important geographical position and popularity with cruise passengers, CARICOM Member States are responding to the increasing demands on their infrastructure

Maritime transport and related logistics services have become crucial to the economic performance of some Caribbean Community (CARICOM) countries, which sit at the crossroads of global shipping routes. Several Member States – particularly Jamaica and the Bahamas – benefit from their strategic position on the main east-west trade routes, which pass through the Panama Canal, and the north-south routes between North and South America. The Region is also a major magnet for cruise-ship tourism, featuring on more than one-third of all global itineraries in 2013. The area is also rapidly developing as a yachting destination, which brings with it new challenges and opportunities.

High-quality infrastructure is therefore essential to these states, providing the links to promote trade between regions and countries, as

Positioned at a crossroads of global shipping lanes, Freeport, The Bahamas, has one of the world's deepest container terminals and can service the largest international ships

well as to attract a steady inflow of capital. It is something that is high on CARICOM's agenda, with Member States looking for ways to handle increasing levels of traffic, the rising number of tourists – particularly those who arrive by cruise ship – and the facilitation of movement of Regionally-produced agricultural goods.

Demand for port services

The Region's strong strategic position means that its ports have fared relatively well during the global economic crisis. According to the World Bank's *Logistics Connectivity in the Caribbean: Current Challenges and*

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Future Prospects report, imports and exports increased steadily between 2000 and 2008, followed by a sharp decline at the start of the global economic downturn, with growth picking up again in 2009 to reach 2007 levels. The growth in maritime cargo followed a similar trajectory, although with fewer peaks and troughs. Following the economic crisis, cargo throughput fell by just 10 per cent, compared with the sharp decline of 30 per cent and 34 per cent for imports and exports, respectively. The Region's ports and maritime transport services appear to have been able to weather the storm of the financial crisis, and they promise to boost the future fortunes of CARICOM.

But the Region cannot afford to be complacent: there are still challenges, with most countries recognising the need to improve their ports and roads. Haiti's president, Michel Martelly, has noted that the Region's problems with the free movement of people and goods was mainly attributable to transport infrastructure deficiencies in CARICOM. "Our countries are in a paradoxical situation: so near and yet so far!" he said. "Among many factors, the lack of a dedicated transport system is the heart of this problem. In fact, for some of our fellow citizens, travelling within the Community is an odyssey." He also warned that intra-Regional trade would fail to reach an acceptable level of growth if goods manufactured locally needed to go through non-CARICOM Member States in order to reach their destinations in another Member State, adding, "Our integration process will only reach the harmony necessary for its completion when our fellow citizens learn to know and appreciate each other and have the opportunity to work together."

Consequently, there is a range of initiatives under way across Member States that aim to enhance port facilities and build and improve roads.

Cruise port development

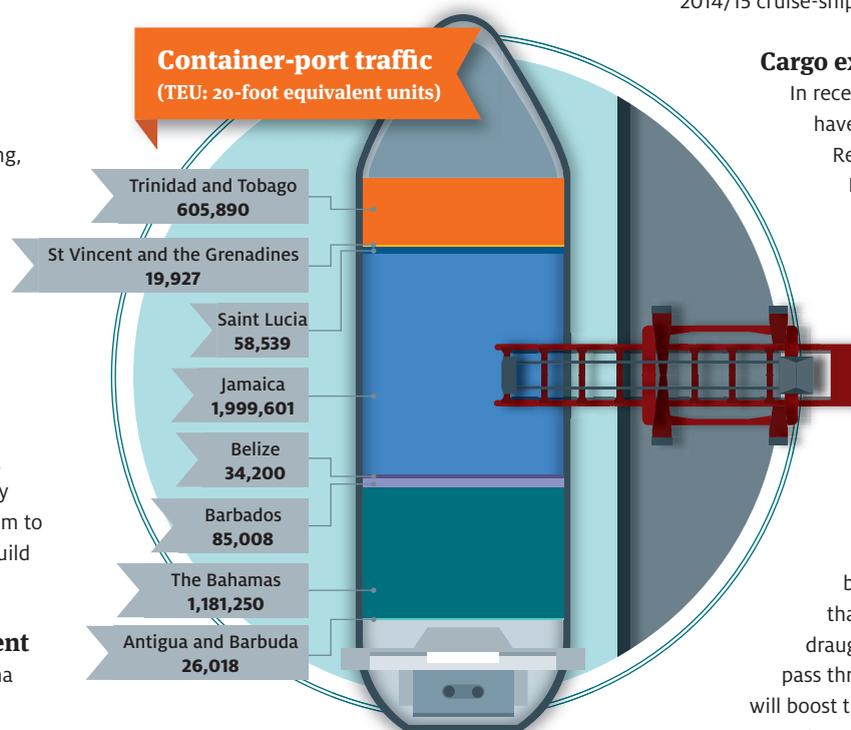
A number of ports and marina facilities are being created and expanded so they can welcome major cruise ships as well as yachts. Antigua and Barbuda, for example, is benefitting from the completion of a new piers and the extension of an existing pier in the capital city of St John's that can simultaneously accommodate four of the largest and most modern cruise liners.

In Montserrat, plans for the new \$96 million port in Carr's Bay are almost complete. These include the creation of docking facilities to handle cruise vessels of up to 294 m and enabling fuel ships to unload at the docks rather than offshore. Alongside the port, there are also plans for a marina.

There are still challenges, with most countries recognising the need to improve ports and roads

In May 2013, St Christopher Air and Sea Ports Authority (SCASPA) in St Kitts and Nevis signed a memorandum of understanding with US-based Jay Cashman, Inc for the development a second cruise pier at Port Zante. When complete, this \$31 million pier will be able to accommodate two Oasis-class cruise ships at the same time, providing a real boost to tourism.

"The signing of this memorandum of understanding is a timely response to the challenges that SCASPA is facing with respect to berthing facilities," said Jonathan Bass, chief executive officer of SCASPA. "The unprecedented growth in cruise tourism that St Kitts has experienced over the past six years has placed tremendous pressure on our berthing infrastructure, particularly on those days when more than three large vessels request berthing." Construction of the new pier is expected to be completed by November 2014, just in time for the 2014/15 cruise-ship season.



Source: The World Bank

Cargo expansion plans

In recent years, cargo-handling facilities have also been upgraded across the Region, including at Trinidad's Port Point Lisas, which has added a new berth for handling containerised cargo.

Work is also under way to upgrade Jamaica's Kingston Container Terminal (KCT) so that it can capitalise on its strategic position and opportunities in the containerised cargo market. The Port Authority of Jamaica is planning to dredge the KCT basin and shipping channel so that it can accommodate the draught of the largest vessels that pass through the Panama Canal. This will boost trade by enabling the port to serve as a transshipment hub for the draught-restricted ports of the US's east and Gulf coasts. When completed, the shipping channel will accommodate vessels with a maximum capacity of 12,000 TEUs, draught of 15.2m, a maximum length of 366m and a beam of up to 48.8m.

Other efforts to develop the port include increasing the stacking area at the West Berth; upgrading equipment, including acquiring a more powerful tug; and reclaiming land in preparation for the port expansion at Fort Augusta. The construction of a container terminal will increase capacity by a further two million TEUs, taking the total capacity to 5.2 million TEUs.



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Robert Harding World Imagery/Alamy

Evolving traffic patterns and increasing numbers of vehicles on the roads are having a big impact on logistics in the Region. Several major projects are currently under way to create bigger and better roads, including the \$7.5 billion Solomon Hochoy highway extension scheme in Trinidad and Tobago, which runs north-south to connect Chaguanas with San Fernando, and the continued construction of Jamaica’s Highway 2000 in Jamaica. A four-to-six-lane tolled motorway with intersections built according to modern international standards, Highway 2000 will eventually connect the capital, Kingston, with Montego Bay and Ocho Rios.

There are also many projects to improve existing roads. In Haiti, work includes repairing secondary and tertiary roads, upgrading paving and drainage at urban crossings and building two bridges over Rivière Froide.

Cargo containers being loaded at the port of Castries in Saint Lucia. CARICOM’s ports and maritime transport industry weathered the financial crisis comparatively well

Furthermore, the Inter-American Development Bank issued a \$53 million grant to Haiti in 2012 to support the country’s plans to upgrade its main highway, RN1, and to aid the Ministry of Public Works and the National Ports Authority. In part, this will enable the rehabilitation of a 26.2 km stretch of RN1 that connects Port-au-Prince with Haiti’s second largest city.

In July 2013, Guyana entered into an agreement with the CARICOM Development Fund to upgrade the country’s access roads, opening up access to its major farming communities, using a loan totalling about \$7.3 million. This investment will dramatically increase Guyana’s agriculture

output; the upgrade of the 14 km Parika/Ruby Backdam access roads to all-weather asphaltic concrete roads, for example, will provide access to more than 330 farming households and over 2,000 acres of mixed-crop farming. This will build on the work of a \$25 million road improvement and rehabilitation loan from the Inter-American Development Bank in 2010, which focused on improving the East and West Canje roads by replacing bridges and culverts, as well as upgrading an important roadway in the capital, Georgetown, and improving the access road to the international airport.

Meanwhile, in Belize, a 37 km road from Big Falls Village to the Belize/Guatemala Border is being upgraded to complete the country’s connection to the Pan-American Highway, a regional network of roads that runs from Mexico to Panama. It is hoped that the upgrade will improve Belize’s commercial prospects through easier trade with its Central American neighbours and encourage a second border crossing with Guatemala. ■

Classification of CARICOM ports

	Global hub	Sub-regional hub	Service
Port of Spain, Trinidad			
Point Lisas, Trinidad			
Bridgetown, Barbados			
Kingston Wharves, Jamaica			
Kingston Container Terminal, Jamaica			
Freeport, the Bahamas			
Georgetown, Guyana			
St John’s, Antigua			
Castries, St Lucia			
Vieux Fort, St Lucia			

Technically speaking

Recognising the importance of technology to social progress, economic success and integration, the Caribbean Community continues to prioritise connectivity and innovation among its Member States

Information and communications technology (ICT) is vital for communication between the mostly island nations of the Caribbean Community (CARICOM); it is also essential for exploiting the opportunities of globalisation. In the years since CARICOM was established, the Community has made significant improvements in areas such as mobile telecommunications and internet technology, which have helped to galvanise economic growth in the Region and improve the investment climate across Member States.

CARICOM has been working to develop a fresh approach to ICT policy and regulation, building capacity, researching and innovating. It is aiming to ensure that publicly funded ICT programmes focus on disenfranchised and under-served customers. Special attention has been paid to areas such as e-literacy, e-government and skills training for cultural organisations and entrepreneurs. Efforts are also being made to achieve the low-cost, high-bandwidth communication access that is essential in order for the Region to take advantage of ICT opportunities.

CARICOM's ICT strategy aims to strengthen connectivity between Member States and to the rest of the world. There is a continued focus on using ICT to support the Millennium Development Goals – particularly those relating to the reduction of poverty and the improvement of education, health, the environment and gender equality. The strategy aims to:

- create economic opportunities and contribute to poverty reduction;
- manage provision of basic services, such as healthcare and education, at a lower cost and with greater coverage;
- enable Regional organisations and stakeholders to access information and get more involved through greater transparency and support for networking at every stage; and
- enhance the measurement, monitoring and reporting of progress on goals and strategies.

CARICOM has been behind a number of projects to help accelerate the use of ICT across the Region. These include schemes that support major sporting events, disaster emergency response, trade agreements, skills development, community-level e-government and wireless access.

During the ICC Cricket World Cup, for example, ICT was used to support logistics management and venue scheduling, ticket sales and merchandising (via e-commerce), integrated tour/ticket packages and television broadcasting and web streaming.

CARIB-IS and the information society

The Caribbean Information Society (CARIB-IS) was launched by CARICOM in 2006 to develop the Region's ICT and enable the implementation of an 'information society' across Member States. CARIB-IS is now working on a number of projects, which include:

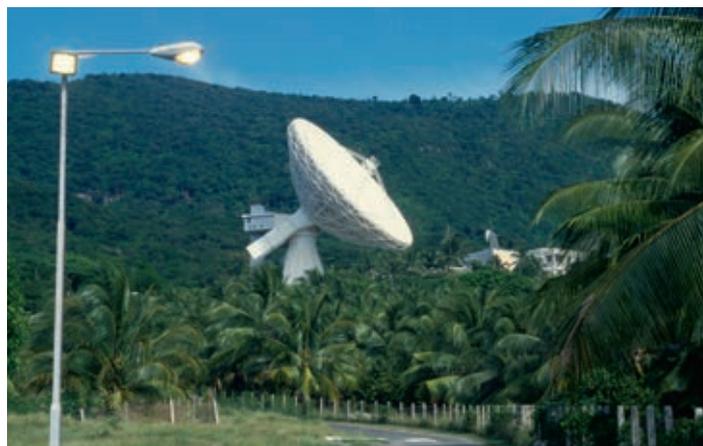
- development of a common statistical framework to collect ICT data across the Region;
- implementation of a grants programme to fund Regional ICT schemes;
- provision of ICT training; and
- development of a CARIB-IS portal designed to provide information about Regional ICT resources.

These projects are helping to create opportunities that are enhancing careers, education and trade. For example, a 150-seat call centre was established in Saint Kitts and Nevis in 2007 in conjunction with International Market Access. This has given young people the chance to train in customer services, internet service provision, financial services, airline reservations, telecoms, back-office computing operations and debt management. In 2004, the Jamaica Library Service launched its first ICT-based mobile library in partnership with Cable & Wireless. The mobile unit



Digicel

- ▲ Telecommunications giant Digicel is a partner in Trinidad and Tobago's Centre for Enterprise Development, which helps developers with their innovations
- ▶ Jamaica's rural ICT provision has been boosted by a partnership between its Library Service and Cable & Wireless that offers a range of ICT services to the public



Eye Ubiquitous/PA Images



Todd Warrnack/Getty Images

is equipped with wirelessly networked computers and operates out of the Kingston and St Andrew Parish Library. It provides ICT and traditional library services, including free access to the internet, and is helping the Jamaica Library Service's ICT programme to reach rural communities.

CARIB-IS is also supporting Trinidad and Tobago's Single Economic Window, an IT-based trade-facilitation tool that allows parties to lodge standardised information and documents at a single entry point, to fulfil all import, export and transit-related regulatory requirements. An important resource for a developing economy that faces increasing competition and the loss of preferential treatment in various export markets, the Single Economic Window offers e-services related to company registration, fiscal incentives, import-duty concessions, import/export permits and licences and work permits. Facilitating and speeding up these processes – with many approvals now received within half an hour – increases the country's competitiveness and boosts the expansion of its small businesses.

Improvements to ICT infrastructure

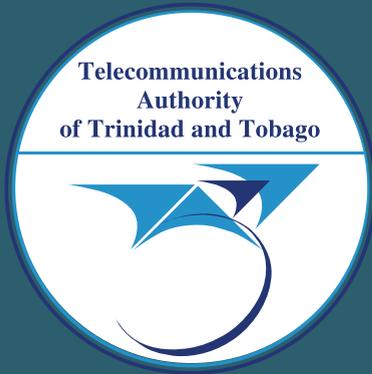
In 2010, the World Bank proposed the creation of the Caribbean Regional Communications Infrastructure Programme (CARCIP) to support ICT within the Caribbean Forum of African, Caribbean and Pacific States (CARIFORUM).

Mobile-phone subscriptions across the Caribbean Community have increased approximately tenfold since 2000, and in some countries the number of subscriber devices exceeds the nation's total population

Launched in Grenada in June 2013, CARCIP will improve participating countries' connectivity and communications infrastructure, improving broadband access and affordability in the Region. It will help to develop the Regional ICT industry and improve government efficiency and transparency through the delivery of e-services.

Another organisation making improvements in the ICT sector is the Caribbean Knowledge and Learning Network (CKLN) – a CARICOM agency whose strategic objective is to increase the Community's competitiveness by using connectivity to upgrade the Region's skills base. One vital pillar of this project is the creation of a state-of-the-art 'virtual learning network', linking tertiary-education institutions across the Caribbean. Improving the infrastructure will enable tertiary courses, including teacher training, to be hosted online, opening access to previously under-served communities and improving affordability.

C@ribNET, an advanced fibre-optic network coordinated and managed by CKLN and launched in Trinidad in February 2013, will be key to these



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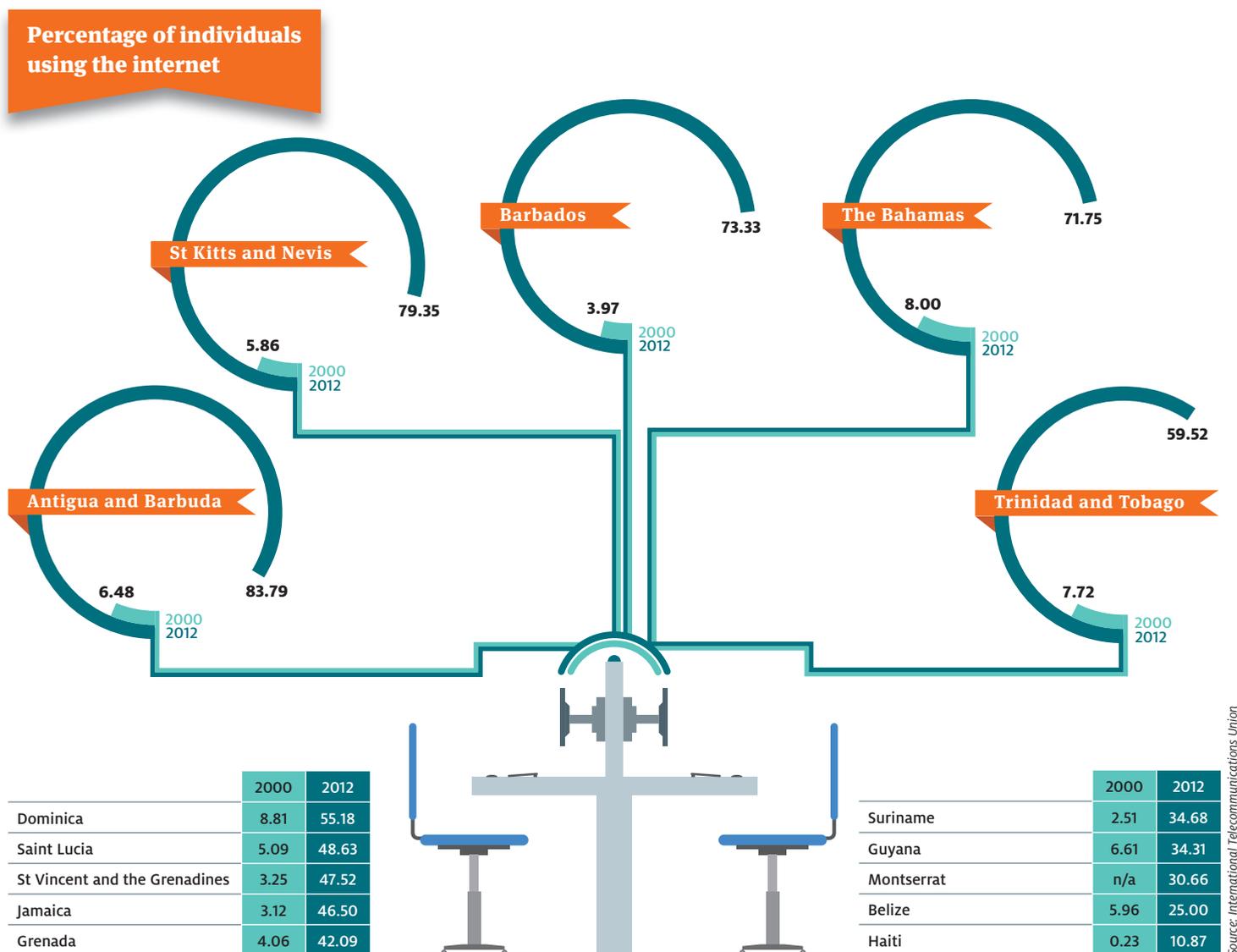


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infrastructure improvements by linking CARICOM's Member States and facilitating collaboration not only in education but also in such areas as health and disaster management.

Attracting foreign direct investment

The ICT sector's efforts and initiatives are all helping to attract foreign direct investment (FDI) to the CARICOM Region. One of the countries that has benefitted most has been Jamaica. According to the United Nations Conference on Trade and Development's *World Investment Report 2013*, FDI in the country reached \$362 million in 2012. The report attributes this increase largely to the significant growth of the ICT sector during the 2000s, spurred by foreign investment in telecommunications infrastructure, noting that "Jamaica is a premier 'nearshore' investment location (for North America) and provides a diverse number of informatics services, ranging from basic data entry to multimedia and software development services."

Efforts to drive ICT are paying off. Mobile telecommunications use has risen dramatically since the beginning of the century. In Barbados, mobile-phone subscriptions rose from 10.64 per 100 inhabitants in 2000 to 126.40 in 2012. There is a similar picture in Belize, where mobile-phone penetration grew from 6.71 per 100 in 2000 to 50.62 in 2012. Mobile-phone growth has been even greater in Dominica, where it rose from 1.72 per 100 in 2000 to 161.53 in 2012. Internet use across the CARICOM region, meanwhile, tells a similar story of expansion (see figure above).

While such data show that there has already been much progress in the ICT sector, developments continue apace. In July 2013, for example, the Caribbean Industrial Research Institute (Cariri) opened its Centre for Enterprise Development in Trinidad and Tobago, housing a business incubator, a technology incubator with a robotics lab, a centre for software development and an ICT centre. Software giant Microsoft and telecommunications provider Digicel have partnered with the Centre in order to focus on developing apps for computers and smartphones. ■



A luxury resort in The Bahamas sits atop azure waters. Tourist visitor numbers to the Caribbean Community remain strong

A haven for tourists

The countries of the Caribbean Community have proved irresistible to tourists for decades. With numbers continuing to rise, investment is needed to fulfil the Region's potential

Think of the Caribbean and images of sun-kissed white beaches, hospitable local people and seemingly endless azure seas come to mind. It is no wonder, then, that the Region has been welcoming tourists to its shores for decades. From beach huts to upmarket villas and from historic forts to natural wonders, the Region has it all. Tourism is a fundamental driver of the Caribbean's economy, contributing 14 per cent of total gross domestic product in 2012, almost double its nine per cent contribution on average across the globe. It also supported two million direct, indirect and allied jobs in 2012, which accounts for 12 per cent of total Regional employment.

Priority sector

Since the 1960s, tourism has expanded massively, thanks to the growth in global aviation and the boom in package holidays, which by and large have still enabled the Region to cater for the exclusive, high-quality section of the market. Hotels run by the major brands such as Hyatt, Marriott, Hilton and Radisson are well represented across the islands.

The importance of tourism to many of the islands' economies is evident from the number that have made it a priority sector. For example, according to the Antigua and Barbuda Investment Authority, its tourism sector has developed top-quality inventory, ranging from internationally renowned resorts to boutique hotels, providing a total of more than 3,500 rooms across 75-plus properties. In 2011, the islands welcomed 241,000 arrivals according to the World Bank, and more than 339,106 passengers from cruise ships visited the country in the first four months of 2013 alone.

Saint Lucia offers tourists a choice of self-contained villas, luxury apartments and state-of-the-art golf course resorts, with almost 5,000 rooms available across more than 92 properties. As one of the world's premier wedding destinations, boasting a host of five-star resorts, Saint Lucia's tourism industry supports an average of 10,000 jobs, with the island welcoming 1.1 million visitors in 2009, just over a million in 2010 and just under a million in 2011.

Rising to the challenge

It hasn't always been plain sailing for the Region, though. The 2009 global recession put the sector under pressure as tourism dollars dried up. However, according to the Caribbean Tourism Organization (CTO), the Region rose to the challenge and tourism is returning to pre-recession levels with visitors from Canada and the US boosting numbers. The islands welcomed 25 million tourists in 2012, almost 5.5 per cent more than 2011's figures and outstripping the performance in the rest of the world, which saw numbers climb by four per cent. The CTO's *State of the Industry Report* says the Region enjoyed its largest number of stayover visitors in five years, with overall hotel occupancy increasing by more than seven per cent and total room revenues up nearly nine per cent.

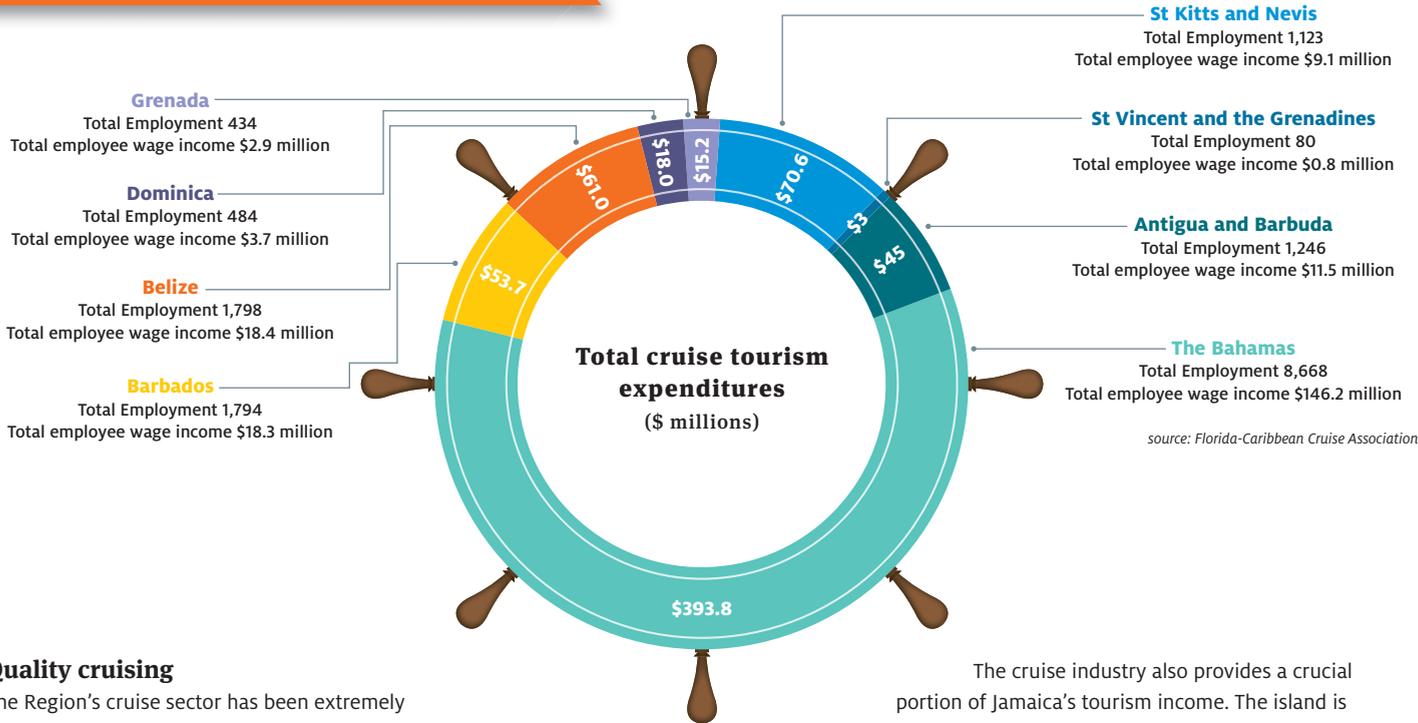
Caribbean countries have had to deal with their fair share of man-made and natural challenges over the years, but the Region's tourism industry has always bounced back and delivered revitalised offerings that impress visitors. Take Montserrat, which saw coral reefs die and tourism collapse when the Soufrière Hills volcano erupted in 1997. Since then, the industry has been reborn on the island. It is now centred on the north of the island, from where the spectacle of an active volcano that can be viewed safely is proving to be a big tourist attraction. Over in Trinidad and Tobago, tourism was crippled by the attempted coup in 1990. However, by 2012, the country was stepping forward to receive the World's Best Tourist Destination award from the European Council on Tourism and Trade for its cultural attractions, dedication to environmental protection, spectacular wetlands, immaculate beaches and ecological and geographical biodiversity.



Mayan ruins diversify the cultural offerings of Belize's tourist industry

CTO – Demian Solano, Belize Tourist Board

Total contribution of cruise tourism by destination, 2011-12 cruise year



Quality cruising

The Region's cruise sector has been extremely dynamic over the years. According to the Florida-Caribbean Cruise Association's *Cruise Industry Overview 2013*, the Region continues to dominate popularity rankings. It featured in 37.3 per cent of all global itineraries in 2013, putting it well ahead of the second most popular destination, the Mediterranean, which appeared in 19.9 per cent.

The Antigua and Barbuda Investment Authority says cruises still generate the largest group of visitors, and the islands can accept even more following the recent completion of two piers in the capital city of St Johns. The new piers provide berthing facilities that are capable of simultaneously accommodating four of the largest and most modern cruise liners.

The cruise industry also provides a crucial portion of Jamaica's tourism income. The island is working to maximise its income from this section of the industry by providing passengers with more and better reasons to come onshore. It is encouraging an integrated system in which cruise line operators, and accommodation and activity providers work together to attract as many tourists as possible. The vice president of the Port Authority of Jamaica is working in tandem with the private sector to improve existing, and pioneer new, attractions. So far, this has resulted in the creation of attractions such as Dolphin Cove in Ocho Rios, the Chukka Group in Montego Bay, the Zion Bus Tour and the Canopy Tour.

Ecotourism

Tourists today expect destinations to be environmentally conscious and are more interested than ever in experiencing the real culture of the places they visit. This is something that the Region is keen to capitalise on. In Antigua and Barbuda, for example, tourism is making a significant contribution to environmental conservation on the islands and helping to protect and preserve their heritage and culture.

Trinidad and Tobago attracts tourists not only with its azure seas and white sand, but also with its protected rain forests, mangrove swamps, natural pitch lake and undersea reefs, which are home to the largest brain coral in the world. Tobago – the smaller of the two islands – is well known for its ecotourism; it boasts the western hemisphere's oldest rainforest reserve and more than 400 bird species; acres of fruit and medicinal trees and plants; and attractions such as hiking trails, cascading waterfalls and working cocoa estates.

Dominica's motto, 'After the good Lord we love the earth', provides an insight into the island's perfect suitability for ecotourism. Known as 'the Nature Island of the Caribbean', Dominica promotes ecotourism by emphasising its rainforests, volcanic scenery and scuba-diving possibilities.



Grenada Board of Tourism

A diver explores reefs off Grenada, which are one of its many attractions



And Guyana, whose Tourism Authority draws attention to the country's "pristine Amazonian rainforests; immense waterfalls; and amazing wildlife" offers extensive ecotourism options, including bird-watching, fishing, trekking and mountain climbing.

But perhaps no CARICOM country is as well poised as Suriname to expand its ecotourism potential. Among its many ecotourism attractions is the country's virtually untouched interior. The Central Suriname Nature Reserve is a 1.6 million hectare expanse of rainforest and grasslands.

Investment opportunities

The CARICOM Region offers a range of sound investment opportunities, not only in areas such as ecotourism, but also in national parks development; the promotion of cultural events; medical tourism; entertainment; cruises; festivals and events; diving; shopping; sports and adventure holidays; and meetings, incentives, conferences and exhibitions (MICE).

In Montserrat, which targets the low-volume, high-value tourism sector, a new town being built at Little Bay and Carr's Bay aims to attract investment from port and marina operators, hotel companies, villa and apartment developers, retailers, restaurateurs and other service businesses. Elsewhere on the island there are other opportunities for investment including leisure diving; bird and turtle watching; trekking and volcano watching; catering and transport; and accommodation.

Palm Island, one of the 32 islands and cays that make up St Vincent and the Grenadines. The islands are among the world's most popular destinations for leisure sailors

Invest Saint Lucia says the island offers opportunities for the establishment of five-star flagship European Plan hotels; hotels providing conference, meeting and gaming facilities; hotels in the south-western part of the island; and ecotourism facilities and accommodation including eco-lodges and tented lodges. It is also looking at new niche markets such as yachting, windsurfing and dive tourism; MICE facilities; heritage and ecotourism; health/wellness resorts; and tourism education.

Incentives and resources for investors

A raft of investment incentives is available in the tourism sector, including tax holidays and reliefs, and duty and consumption tax exemptions. Many of the CARICOM Member States also offer one-stop-shop services for information on setting up a business locally, including resources and advice about sites, properties, operating costs, work permits, workforce availability, visa requirements, rules and regulations, and the incentives on offer.

There is also a broad range of country-specific incentives, which include investment funds and grants. Montserrat's Trade and Investment Promotion division, for example, is helping to set up an investment fund that will make it easier for local people and those who have left the island to take a stake in its economic future. ■

Focus on business events

The Caribbean Community is opening its doors to business tourists, who are attracted by a combination of an idyllic setting and high-quality facilities. This niche sector provides an out-of-season boost to the main tourism industry, prompting governments to offer incentives to developers

In addition to leisure tourism, the CARICOM Region welcomes a significant number of business visitors who come to the Caribbean for meetings, incentives, conferences and exhibitions (MICE). In fact, its ability to put on a good show in a fantastic setting is persuading increasing numbers of businesses to hold events there. This, in turn, is boosting the economies of the countries that play host to thousands of business visitors every year.

The Region has been sending out a clear message that it is open for business, and is developing its branding and marketing to attract a wide range of events, from international association gatherings and summits to seminars, training days, product and service launches and celebrations.

The niche MICE market offers the Region's tourism sector numerous opportunities to expand beyond traditional sea, sand and sun trips, and to operate all year round. The CARICOM countries that have capitalised on this market up to now have had a good airport infrastructure with regular Regional and international flights. For example, Trinidad and Tobago is attracting MICE business thanks to a Regional airline hub and a modern international airport that welcomes daily flights from the US, the UK, Europe, Canada and South America.

The economic benefits of attracting business visitors include an increase in tourist numbers and higher room occupancy levels, as most

MICE events result in large block bookings. It also gives hoteliers a big boost during off-peak periods of the year. Other businesses that stand to benefit include conference facility and service suppliers, airlines and other transport operators, destination management companies, tourist attractions, restaurants, retail outlets and medical facilities.

The Region is building on its successful hosting of major international events, such as the Cricket World Cup in the West Indies in 2007, to show that it really is up to the job of attracting lucrative MICE business. Those locations that can show they offer excellent telecommunications, infrastructure, safety and security have the potential to rub shoulders with traditional MICE cities and attract corporate dollars.

Reaching international standards

Jamaica's Tourist Board also has its sights trained on the business tourism market. Its director of tourism, John Lynch, told MICE trade magazine *Conference and Incentive Travel* in 2011 that the island had an aggressive business plan to attract MICE business. Lynch said that the tourism market in Jamaica had grown by 7.5 per cent in the previous year,

Jamaica's Montego Bay Convention Centre opened its doors in 2011, offering a combined total of 13,190 square metres of meeting, exhibition and ballroom space



all photos: Montego Bay Convention Centre



all photos: Barbados Conference Services Limited



with two million visitors in 2010, eight per cent of which were business travellers. He added: “Jamaica has undergone a huge transformation and we are embarking on an aggressive business tourism strategy. We have updated 6,500 roads, making them easier to navigate. Our airport has also been refurbished and is now up to international standards.”

Popular team-building activities on the island include dog sledging, swimming with dolphins and visits to the Mystic Mountain attraction.

Saint Lucia is also keen to harness business tourism investment, and in particular is seeking backing for the five-star flagship European Plan hotels, and hotels providing conference, meeting and gaming facilities. It says it offers financial incentives

and trade concessions for companies involved in the provision and development of entertainment, leisure and related support services to the tourism industry. The provision of conference and convention centre facilities across the Region is providing jobs in sectors such as construction, retail and tourism. There are also growing opportunities for firms offering hospitality, conference training and skills development.

Guyana has already invested in a state-of-the-art convention centre to raise its profile as a destination for international conferences and meetings. Completed in 2005, the centre – which is in Georgetown, not far from the CARICOM Secretariat building – has a main conference hall seating almost 400 people, five smaller conference rooms, a business centre and a restaurant. According to the country’s investment authority, GO-Invest, there are further opportunities for investors to target business and organisations worldwide by developing business services such

as convention support, catering, VIP transport and communications. Improvements to Guyana’s Ogle International Airport, as well as the construction of a new hotel close to the centre, are also helping to boost the country’s MICE credentials.

MICE development projects

Trinidad and Tobago too is proving to be a hub for business tourism, with the capital city, Port of Spain, home to traditional business hotel brands such as Hilton, Marriott, Carlton, Hyatt and Capital Plaza. Its International Waterfront Centre project, which is part of the government’s

Vision 2020 policy aimed at ensuring the country has ‘developed nation status’ by 2020, involved the construction of two 26-storey office blocks, the 19-storey Renaissance Towers apartments, a 22-storey Hyatt Regency Hotel and the Caribbean region’s largest conference centre.

The Bahamas is already a leading location for business

tourism, mainly thanks to its large convention centre at the Atlantis hotel on Paradise Island. Furthermore, with financial services playing a key role in the country’s economy, the capital, Nassau, has also become a popular destination for financial-sector meetings.

Over in Barbados, the Lloyd Erskine Sandiford Conference and Cultural Centre boasts 11 meeting rooms, the largest of which has a maximum capacity of 1,400 people. It also features more than 9,290 square metres of air-conditioned space and a 6,500 square-metre exhibition area.

Jamaica is also making headway in this sector. Its Montego Bay Convention Centre, which is a 15-minute drive from Sangster International

The Region is building on its successful hosting of major international events



Airport, opened its doors in January 2011, and offers a combined total of 13,190 square metres of meeting, exhibition and ballroom space. There are more than 4,000 hotel rooms within 30 miles of the centre, and the business hotels of Montego Bay’s Elegant Corridor are all within a five- to 10-minute drive.

Facilitating easier travel

Although beautiful locations, top hotels, innovative events and high-quality food come high up on the list of essentials for companies considering a MICE trip, hassle-free travel is also key to their plans. In February 2013, the Caribbean Tourism Organization Aviation Task Force recommended a review of visa regimes in member countries in order to improve the visitor experience. It recommended a system similar to Europe’s Schengen visa programme, through which visitors who are cleared at the initial port of entry can continue travelling seamlessly throughout most of the European Union.

The Lloyd Erskine Sandiford Conference and Cultural Centre boasts 11 meeting rooms and a 6,500 square-metre exhibition area. It has been used to host many major events in the past, including the 12th Caribbean, Pacific-European Union Joint Parliamentary Assembly

In addition to a single visa regime, the Task Force recommended a standardised entry and exit card – the Common Embarkation and Disembarkation (E/D) Card – across the Caribbean. It also suggested analysing the impact of taxes and fees on the cost of Regional air travel; taking a more holistic approach towards air travel revenue; and considering a ticket tax rebate when a traveller starts and ends their journey in another destination locally. In addition, the task force identified an urgent need to end secondary screening for passengers in transit and travelling within the Region to improve their travel experience.

With a proven track record in hosting major events across a multitude of business sectors and the enduring appeal of its stunning environment, the CARICOM Region is set remain a major player in the MICE sector. ■



Growing hurricane intensity, rising sea levels and soaring temperatures are an ever-present threat to the inhabitants of the Caribbean

A coordinated approach to climate change

CARICOM Heads of Government are adopting mitigation and adaptation strategies to cope with the challenges posed by the Caribbean’s vulnerability to the impact of climate change and variability

The location of the island nations of the Caribbean makes them particularly vulnerable to the effects of climate change and climate variability. Increasing hurricane intensity, rising sea levels and soaring temperatures are an ever-present threat to the inhabitants of the Region.

Reflecting on these challenges, CARICOM Heads of Government have come to the conclusion that both mitigation and adaptation strategies will require a significant and sustained investment of resources that the Member States will be unable to provide on their own.

CARICOM countries endorsed the Liliendaal Declaration on Climate Change and Development in 2009, which defines the Regions’ political positions. They have also established a number of Regional projects designed to mitigate the threats posed by climate change and put in place a long-term Regional strategy and implementation plan to coordinate the efforts of a wide range of organisations across the islands.

Coordinating a Regional response to climate change

The principal organisation charged with managing CARICOM activities in this area is the Caribbean Community Climate Change Centre, which became operational in 2005 and coordinates the Regional response to climate change, and which continues to implement a range of innovative solutions and projects to reduce the effects of climate change on the environment and livelihoods across the Region.

One of the Centre’s signature projects is the Caribbean Risk Management Project for 2012-13, which aims to support ‘climate compatible’

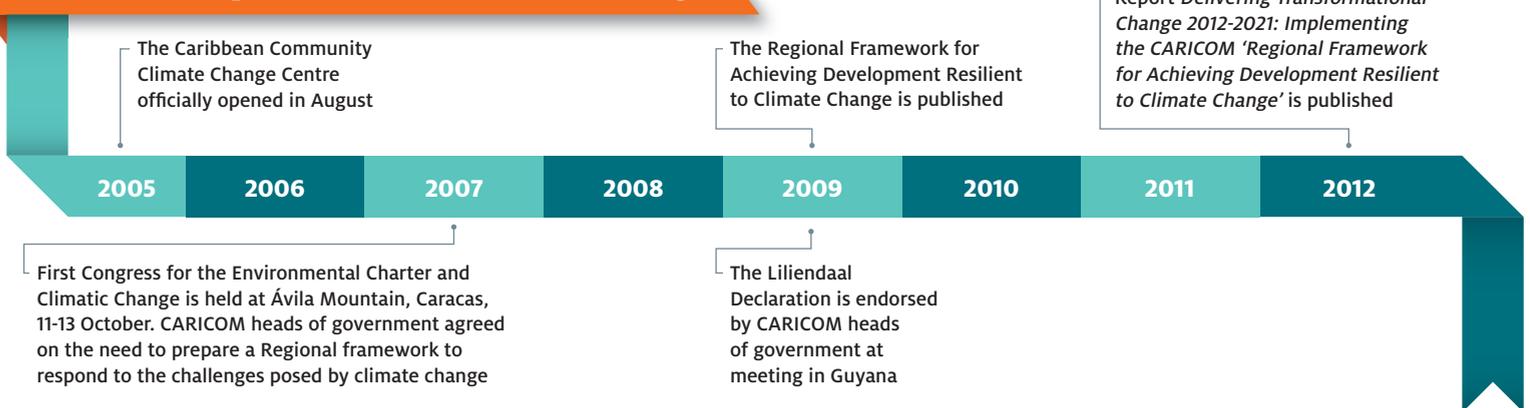
development and embed considerations of climate change across the Region. This will be achieved through the development of a Regional approach to risk management and the creation of a ‘risk ethic’ in decision-making. The project is also developing an online stress test and screening tool called CCORAL (the Caribbean Climate Online Risk and Adaptation Tool) to enable all organisations, including donors and development banks operating at Regional and national levels, to take a high-level view of policies and decisions against the potential impacts of a changing climate. The second phase of the project will address implementation.

Overcoming current limitations

Another interesting initiative is the CARIWIG project, which seeks to overcome the limitations of current climate model projections of the weather. This can be achieved through the provision of locally relevant information on the impact of climate change on the weather for a range of time spans. In overcoming these limitations, the project team will adapt the approach used by leading weather-generator models from the EARWIG and the UKCIP09 climate knowledge systems, and develop a web-based application to deliver the new service to local users.

This internationally focused project will provide training for technical staff in a number of areas, including how best to use the more sophisticated weather information and how to foster the development of support networks within the Region. It will also aid the development of partnerships with UK research institutes specialising in the management of a range of hazards and impacts.

The CARICOM response to the threat of climate change



ZUMA Press, Inc./Alamy



Employees of the not-for-profit organisation Food for the Poor prepare emergency supplies in Port-au-Prince, Haiti ahead of Hurricane Isaac in August 2012

There are several policies and guidelines in place to manage increased vulnerability to climate change across the whole CARICOM region. The principal vehicle for delivering these policies is the Regional Framework for Achieving Development Resilient to Climate Change and its associated Implementation Plan.

The Regional Framework defines CARICOM's strategic approach for dealing with and responding to the effects of climate change, and is guided by five strategic elements and 20 individual goals, each designed to significantly increase the resilience of the social, economic and environmental systems of CARICOM Member States.

The strategic elements of the framework are as follows:

1. Mainstream climate change adaptation strategies in the sustainable development agendas of CARICOM states.
2. Promote the implementation of specific adaptation measures to address key vulnerabilities in the Region.
3. Promote actions to reduce greenhouse gas emissions through fossil fuel reduction and conservation, and switching to renewable and cleaner energy sources.
4. Encourage action to reduce the vulnerability of natural and human systems in CARICOM countries to the impacts of a changing climate.
5. Promote action to derive social, economic, and environmental benefits through the prudent management of standing forests in CARICOM countries.

A coordinated Implementation Plan

The flagship initiative of the Regional Framework is a coordinated Implementation Plan, outlined in detail in the 2012 CARICOM report *Delivering Transformational Change 2011-21* and approved by the 23rd Inter-Sessional Meeting of the Conference of Heads of Government of the Caribbean Community, held in Suriname on 8-9 March 2012. The

The Regional Framework defines CARICOM's strategic approach

Figure 1 - Implementation plan high-level overview

Vision	The Liliendaal Declaration provides the vision of transformational change in the CARICOM countries' response to the challenges of a changing climate
Strategy	This drives the five strategic elements and corresponding goals in the regional framework
Objective	To build resilience to a changing climate and create low-carbon economies
Resources	With resource mobilisation and coordination delivered through the adoption of the 'three-ones' principle (see 'Resource mobilisation' below)
Target	Focusing on the key sectors identified in the regional framework
Actions	Delivering actions in the following areas: 1. institutional and governance building blocks; 2. cross-cutting challenges; and 3. technical and physical impacts

plan, prepared by the Caribbean Community Climate Change Centre with support from the Climate Development and Knowledge Network and technical support from climate risk-management consulting firm Acclimatise, and funded by the Department for International Development, defines the Region's strategic approach for dealing with climate change over the 10-year period from 2011-21. The key elements of the plan include:

- establishing how Regional and country bodies will work together;
- securing investment to support the action plan;
- proposing a monitoring and evaluation system; and
- obtaining 'buy-in' from governments and relevant funders across the Region.

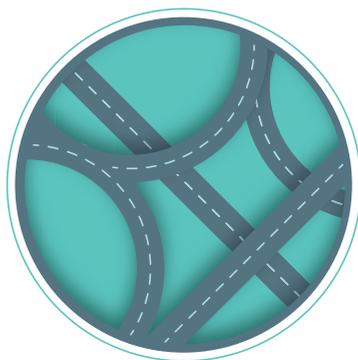
Resource mobilisation

A central feature of the plan is the adoption of a so-called 'three-ones' approach at both Regional and national levels. This approach, which has already been used with a great deal of success in the management of HIV/AIDS across the Caribbean, is based on the principle of establishing a sustainable resource mobilisation plan featuring three core elements:

- One plan that provides the framework for coordinated action by all partners – in this case, the above-mentioned implementation plan.
- One coordinating mechanism to manage the process. The implementation plan recommends a single Regional coordinating mechanism (in this case the Caribbean Community Climate Change Centre), as well as separate national coordinating mechanisms in each country.
- One monitoring and evaluation framework to measure progress, transparency and value for money.

A key advantage of this approach is its recognition that each member country and each Regional organisation is faced with different challenges, organisational processes and governance mechanisms.

As such, it proposes that the process developed by each government and Regional organisations to mobilise resources "should reflect these differences and work within, and build upon, the effective governance and institutional arrangements that already exist". ■



Investment facilitation and priority sectors

The Caribbean Community is working hard to establish a fertile environment for foreign investment, and with free-trade agreements, broad market access and skilled labour, it harbours strong prospects

The aim of facilitating investment in the Caribbean Community (CARICOM) goes hand in hand with CARICOM's undertaking to improve the quality of life across its Member States. The organisation has set its sights on developing an innovative and productive society "in partnership with institutions and groups working towards attaining a people-centred, sustainable and internationally competitive community", as outlined in its mission statement. Encouraging steady flows of foreign direct investment (FDI) is instrumental in advancing this goal and therefore an important objective for CARICOM.

Creating alignments in the policies of Member States and so establishing a more efficient use of financial, human and technical capital is important for the growth of industry in CARICOM. CARICOM has long pushed for greater macroeconomic coordination among Member States, which has the potential to bring greater efficiencies to goods and service production and therefore to make the Region more attractive to foreign investors. The CARICOM Single Market and Economy has gone part way to achieving this by facilitating the movement of skilled workers and goods Regionally, but CARICOM continues to work

towards a better coordinated Regional economic framework. For example, it is working to improve the incentive structure in the Community through schemes such as the Agreement on the Avoidance of Double Taxation.

Furthermore, the treaty upon which CARICOM is formed encourages the execution of a harmonised policy on foreign investment; the creation and preservation of an investment-friendly environment; the ongoing development of a community investment policy that pursues the alignment of incentives; and the removal of barriers to implementing investments – particularly within industrial enterprises.

Advantages to investment

The Caribbean is ideal for investors for a number of reasons. Its location is easily accessible, enabling uncomplicated access to markets across America while also providing a link to Europe. International airports and world-class seaports in the Region deliver services globally, and the Region's preferential trade access to international markets is championed in a number of Regional free-trade agreements.

Membership of CARICOM grants unrestricted access to the markets of other members for goods that meet the Community Rules of Origin criteria. As of 2013, CARICOM's

Member States are also connected to the European Commission under CARIFORUM, an economic partnership agreement that grants the members of CARIFORUM and the European Union equal rights regarding trade and investment. Furthermore, CARICOM is in talks to negotiate a free-trade and development agreement with Canada.

The ease of doing business in CARICOM is another draw for investors – a factor that is reinforced by the modern infrastructure of Member States in terms of both transport and communications. Investors can also be assured of the Region's economic and political stability and its human capital – the Region is renowned for its supply of highly skilled people who are fluent in a number of languages.

A number of investment incentives are also on offer from individual countries, some of which are open to customisation, and help and advice is available from investment promotion agencies, for which contact details are listed in the investment profiles – starting on page 123.

There is a range of opportunities for investors across a variety of sectors. An overview of priority investment areas for each Member State is given on the chart overleaf, with more detailed information given in the country investment profile pages. ■

CARICOM and its Member States continue to build and encourage pro-business economies that seek to engage globally in productive, long-term partnerships. Attracting increased flows of investment underpins these core development objectives, and each of CARICOM's Member States has identified priority sectors in which they hope to attract greater investment.

Key

 Agriculture/ agriprocessing/ agribusiness	 Construction	 Education	 Energy/power	 Financial services	 Fishing/ fisheries
 Healthcare/ medical health and wellness	 ICT/tele- communications	 Manufacturing	 Marine resources/ maritime industries	 Mining	 Tourism

Member States' investment priorities

Antigua and Barbuda	
The Bahamas	
Barbados	
Belize	
Dominica	
Grenada	
Guyana	
Haiti	
Jamaica	
Montserrat	

Saint Lucia	
St. Kitts and Nevis	
St. Vincent and the Grenadines	
Suriname	
Trinidad and Tobago	

Associate Members

Anguilla	
Bermuda	
British Virgin Islands	
Cayman Islands	
Turks and Caicos Islands	

Antigua and Barbuda

Antigua and Barbuda's economy continues to show signs of recovery in the wake of the 2008-09 global economic crisis.

The tourism industry continues to dominate Antigua and Barbuda's economy and, along with a rebounding construction sector and increased activity in the retail trades, has contributed to growth. Tourism continues to account directly for more than 15 per cent of GDP and over 70 per cent indirectly.

Antigua and Barbuda has considerable inward investment in its tourism stock. Efforts to diversify the economy focus on agriculture and agro-processing, medical tourism and overseas education, business-process outsourcing and the provision of international financial services.

Antigua and Barbuda's agriculture is centred on the domestic market, consisting mostly of subsistence and small-scale commercial farming, where wages are lower than those in the tourism and construction sectors. The result is that the country largely relies on imports for food, although there is some export activity. Cotton goes to Japan and hot peppers and vegetables are exported to Canada and the UK. Light manufacturing of clothing, alcohol and household appliances also contributes to the economy.

The real growth rate of GDP in Antigua and Barbuda was estimated at 1.6 per cent in 2012, up from -3.0 per cent in 2011. In 2012, agriculture accounted for 2.3 per cent of GDP, industry for 18.3 per cent and services for 79.4 per cent.

Under the International Business Corporations Act and subsequent amendments, legislation was enacted to make Antigua and Barbuda an attractive location for international business. The country continues to be committed to establishing itself as a premier financial services provider and conducts ongoing reviews of and upgrades to its regulatory framework to ensure that it remains a viable and reputable jurisdiction for international business activity.

Investment banking and financial services comprise a significant portion of the country's



Antigua and Barbuda Tourist Office

Antigua and Barbuda's economy is dominated by tourism

economy, and several major global banking institutions have offices in Antigua. Full commercial banking services from international banks are therefore available to investors.

Foreign investment is warmly welcomed in Antigua and Barbuda and encouraged through a number of generous incentives. Offering a stable environment, the government is strongly committed to maintaining the principle of free enterprise and offers conditional tax holidays, rebates and relief from customs duties and other indirect taxes.

Antigua and Barbuda's real GDP growth projection is 1.7 per cent for 2013, with tourism expected to remain the linchpin of economic activity. Ecotourism is gaining traction, and an outlined development policy hopes to see growth in this subsector led by foreign direct investment. Cruise tourism is also growing rapidly, and although there is fierce competition from destinations throughout the Caribbean, Antigua and Barbuda is working to maximise its strengths to provide the best service possible within the industry. ■



Capital city: **St John's**

Independence: **1 November 1981**

GDP real growth rate (2012 estimate): **1.6 per cent**
World ranking: **145**

GDP – composition by sector (2012 estimate):
Agriculture: **2.3%**
Industry: **18.3%**
Services: **79.4%**

GDP per capita (2012 estimate): **\$18,300**
World ranking: **75**

Population (July 2013 estimate): **90,156**

Investment authority
Antigua and Barbuda Investment Authority
Address: **PO Box 80, Sagcor Financial, Center #9 Factory Road, St John's, Antigua**
Tel: **+1 (268) 481 1000/1/2/3**
Email: **info-abia@antigua.gov.ag**
Web: **www.investantiguabarbuda.org**

Member State

The Bahamas



jo.riegonzalez/istockphoto

The Bahamas comprises an archipelago of more than 700 islands and around 2,400 uninhabited islets. The capital, Nassau, is situated on the island of New Providence, which is home to more than 70 per cent of the total population.

The Bahamas is one of world's most politically stable countries. Following the Second World War, The Bahamas' politics began to develop, and in 1964, the British government made the islands internally self-governing. On 10 July 1973, The Bahamas became fully independent from the UK.

Recent decades have seen the economy of The Bahamas flourish. Tourism has boomed, providing employment for the domestic population and fostering the growth of the economy. In 2012, the Ministry of Tourism reported a six to seven per cent increase on the total number of tourist arrivals seen in 2011, and projected figures estimated a further five to six per cent increase in the number total tourist arrivals in 2013.

GDP growth has partly been sustained through the construction of new hotels and resorts, although The Bahamas has continued

The Bahamas' capital, Nassau, is situated on the island of New Providence, which houses more than 400 banks and trust companies

to feel the effects of the global economic crisis, with a slowdown in tourism growth.

About 60 per cent of GDP is accounted for by tourism and associated construction and manufacturing work. As part of its drive to encourage development, The Bahamas Investment Authority offers a number of investment incentives, such as duty-free entry of approved materials for hotel development under the Hotels Encouragement Act, and the exemption or concession from real property tax that is available for the first 20 years of the operation of a hotel or resort. The tourism industry directly or indirectly employs half the labour force of the archipelago.

Other major industries of The Bahamas include banking, oil transshipment, alcohol and pharmaceuticals. Its main export partners are the US and Singapore.

The financial industry of The Bahamas is highly sophisticated and constitutes a powerful driver of the country's growth. Independent regulatory authorities supervise its financial



Capital city: **Nassau**

Independence: **10 July 1973**

GDP real growth rate (2012 estimate): **2.5 per cent**
World ranking: **123**

GDP – composition by sector:
Agriculture: **2.1%**
Industry: **7.1%**
Services: **90.8%**

GDP per capita (2012 estimate): **\$31,900**
World ranking: **45**

Population (July 2013 estimate): **319,031**

Investment authority
Bahamas Investment Authority
Address: **2nd Floor Sir Cecil Wallace Whitfield Centre, West Bay Street, PO Box CB-10990, Nassau, New Providence, The Bahamas**
Tel: **+1 (242) 327 5826 8, +1 (242) 702 5500 3**
Web: **www.bahamas.gov.bs**

markets, and products on offer range from investment funds and international insurance products to private-trust companies and exempted limited partnerships. The Bahamas government is committed to its goal of becoming a globally competitive international business centre that spurs growth. Past years have seen the country rank highly against other offshore financial centres.

Markets in which The Bahamas specialises are continuing to grow, with private wealth management and estate planning enjoying an expanding client base. There are no individual or corporate income taxes and no capital-gains, wealth or value-added taxes, and the regulatory system of The Bahamas is highly conducive to entrepreneurial activity. No minimum capital is required for starting a business, and the labour market is relatively flexible. ■

Barbados

Barbados was first settled by the British in 1627, and remained a British colony until 1961, when it was granted internal autonomy. In 1966, the island gained full independence.

Historically dependent on the cultivation of sugarcane and related activities, the economy of Barbados has shifted and diversified into tourism, light industry, offshore financial services and information services. Today, the services sector in Barbados contributes in the region of 80 per cent of GDP, and is therefore crucial to the country's long-term development.

Tourism accounts for more than 15 per cent of GDP, and new investments are promoting job creation in the areas of construction and trade. The central bank is working on facilitating investment to increase capacity in the luxury



argalis/istockphoto

tourism sector, which is a key element of projected economic growth in 2014 and beyond. More investment is also required in areas such as sports, culture and eco-tourism.

The development of the international cruise industry has driven a considerable increase in visitors from cruise ships. Numbers rose from 12,391 in 1956 to 609,844 in 2011. In 2012, the number was down to 517,436, but the first quarter of 2013 saw a six per cent rise, mainly due to larger cruise vessels docking in Barbados. From January to September 2013, total cruise passengers increased by 12.3 per cent compared with a similar period a year earlier.

Overall tourist numbers were, however, down by an estimated two per cent on the figures from 2012. Figures at the end of September 2013 revealed that tourism value-added was estimated to have declined by 2.1 per cent.

While tourism is the main driver of the services sector, fostering growth in non-traditional services is gaining attention. Barbados's Growth and Development Strategy 2013-20 foresees a sustainable rate of export growth fuelling a services economy.

Action in negotiating market access for services is in progress, and Barbados has signed

The parliament building in Bridgetown, Barbados

a number of agreements designed to further drive the export of services.

The domestic financial services sector is well regulated and compliant with international standards, and numerous financial operations are undertaken on the island. These include offshore banking, captive insurance and international business.

Manufacturing also offers opportunities. Traditional manufacturing, such as sugar refining and rum distilling, provides employment, and investment opportunities exist in areas including pharmaceuticals, agro-processing and printing and publishing. Conditional incentives for investment are available under the Fiscal Incentives Act, the International Business Companies Act and the Societies with Restricted Liability Act. Companies can enjoy capital allowances on fixed assets, duty-free access to CARICOM countries under certain criteria, and preferential market access for Barbadian-produced goods to various countries.

Barbados offers a wealth of investment incentives for businesses, including a 10-year tax holiday, cash grants for worker training and economic, political and social stability. ■



Capital city: **Bridgetown**

Independence: **30 November 1966**

GDP real growth rate (2012 estimate): **0 per cent**
World ranking: **181**

GDP – composition by sector (2012 estimate):
Agriculture: **3.1%**
Industry: **13.6%**
Services: **83.3%**

GDP per capita (2012 estimate): **\$26,500**
World ranking: **60**

Population (July 2013 estimate): **288,725**

Investment authority
Address: **PO Box 1250, Pelican House, Princess Alice Highway, Bridgetown, St Michael, Barbados, BB 11000**
Tel: **+1 (246) 427 5350**
Email: **bidc@bidc.org**
Web: **www.bidc.com**

Member State

Belize

Belize borders the Central American countries of Guatemala and Mexico. Its history is a rich mix of colonial past, which it shares with the other Commonwealth Caribbean countries, and much older Mayan influences, with major archeological sites dotted around the country. Belize gained independence from Britain in 1981 amid a long-standing territorial dispute between Guatemala and Great Britain.

Tourism earns Belize large amounts of foreign exchange and it is working to expand its tourist services sector. The country is capitalising on the burgeoning ecotourism market by pursuing an effective and comprehensive policy of conservation.

The people of Belize are committed to protecting their environment: a referendum brought about the halting of government plans to allow inexperienced companies to drill in the Mesoamerican Reef – a World Heritage Site and the world's second largest barrier reef – with 96 per cent of participants voting against offshore drilling.

Belize is at the forefront of the ecotourism movement, with substantial land mass given over to natural reserves and parks. In order to preserve the environment and indigenous communities, the country is pioneering sustainable, community-based tourism projects that directly benefit traditional communities.

Belize has long demonstrated a commitment to upholding the unique appeal of the country, and its natural and cultural charms provide a powerful draw for tourists. This is reflected in the figures: in the first quarter of 2013 there were record numbers of tourist arrivals, with no decrease in numbers since October 2011. Arrivals by air in January, February and March 2013 showed increases relative to January, February and March 2012 of 7.58 per cent, six per cent and 10.1 per cent, respectively.

The agriculture sector accounts for around 10 per cent of Belize's GDP and the industry



Mayan ruins at Caracol in the Cayao district of Belize, near the border with Guatemala

employs a considerable proportion of the total labour force. Recent years have seen a shift away from sugar, citrus and banana plantations to non-traditional exports such as papaya, hot peppers, fruit and organic cacao. Marine product exports also make a significant contribution to foreign exchange earnings, as well as feeding domestic markets.

Imports to Belize include machinery and transport equipment, fuels, chemicals, pharmaceuticals, food, beverages and tobacco – worth around \$387 million.

Belize offers flexible fiscal incentives and concessions, commercial free zones, export processing zones and repatriation of profits and dividends.

The country enjoys benefits resulting from several trade agreements, and offers 100 per cent foreign ownership of both land and company assets. ■

Capital city: **Belmopan**

Independence: **21 September 1981**

GDP real growth rate (2012 estimate): **5.3 per cent**
World ranking: **55**

GDP – composition by sector (2012 estimate):
Agriculture: **9.7 per cent**
Industry: **19.4 per cent**
Services: **59 per cent**

GDP per capita (2012 estimate): **\$8,900**
World ranking: **128**

Population (July 2013 estimate): **334,297**

Investment authority
Email: **belizebusiness1@gmail.com**
Web: **www.belizeinvest.net**

Dominica

On 3 November 1978, Dominica gained independence after two centuries of British rule. After independence, the country's economy continued to be largely based on agricultural practices, with bananas as the principal crop. Agriculture is still a significant part of Dominica's economy, making up 13.4 per cent of the country's GDP and employing more than a third of the workforce, but in recent years there has been a gradual shift towards tourism, and in particular towards the sub-sector of ecotourism.

Dominica is dubbed the 'Nature isle of the Caribbean', and the government is working to promote the island as a choice destination for ecotourism. Much of the island is given over to tropical rainforests, lush valleys and hot sulphur springs, and the surrounding marine life has good potential to attract international visitors.



DonFordt/Stockphoto

Capital city: **Roseau**

Independence: **3 November 1978**

GDP real growth rate (2012 estimate): **0.4 per cent**
World ranking: **177**

GDP – composition by sector (2012 estimate):
Agriculture: **13.4%**
Industry: **14.9%**
Services: **71.7%**

GDP per capita (2012 estimate): **\$14,600**
World ranking: **92**

Population (July 2013 estimate): **73,286**

Investment authority
Address: **1st Floor, Financial Centre, Roseau, Commonwealth of Dominica**
Tel: **+1 (767) 448 2045**
Email: **info@investdominica.dm**
Web: **www.investdominica.com**

A rise in visitor numbers would contribute significantly to Dominica's GDP, employment and foreign exchange earnings.

The Draft National Tourism Policy 2020 and the Tourism Master Plan 2022 are expected to have a positive impact on Dominica's hospitality industry, but sustained investment is required for the island to achieve its goal of becoming a top tourist destination. Melville Hall Airport is being upgraded, and improvements are being made to the road network. To remain competitive, the tourism sector is required to achieve annual growth of seven per cent. Dominica's target is to achieve 90,000 stay-over visitors by 2015 – a figure made challenging by the island's lack of an international airport.

The country is also working to expand its offshore financial services sector. Currently a relatively small player in the global market for offshore financial services, Dominica offers some of the newest offshore legislation in the world. Dominica has an open and transparent tax system. The exemptions that are possible, under the various taxes, are contained in

The Dominica capital, Roseau, which has new docks

the respective legislation. There is no capital gains tax. Also, there are no restrictions on the movement of capital and there are no foreign exchange controls.

To meet requirements of the International Monetary Fund and to address the issues raised by an economic and financial crisis, the Dominican Government started a broad restructuring of the economy in 2003, which includes the restructuring of tax systems, improving public finance management in enhancing the performance of state-owned enterprises and the privatisation of the state banana company. Despite such measures growth remains modest, partly due to the aftermath of Hurricane Dean in 2007 and the enduring effects of the global recession.

Establishing Dominica as a green economy is high on the agenda, alongside facilitating sustainable growth and development across the economy. In this regard, Dominica offers an array of investment opportunities for international businesses and companies. ■

Member State

Grenada



Grenada Board of Tourism

Grenada is made up of three islands at the southern end of the Grenadines. Its two sister isles are Carriacou and Petit Martinique. The tri-island state boasts diverse tropical attractions, such as white-sand beaches, natural bays, exotic reefs, historic dive sites, waterfalls, volcanic lakes and ponds, rainforests, national parks, tropical flora and fauna, mangrove forests and more than 100 species of birds.

The country's principal exports include fresh fruits and vegetables, cocoa, fish, clothing, paper products and animal feed. Beverages, tobacco, crude material fuel and lubricants are among Grenada's chief imports. Grenada's largest trading partners include CARICOM, the United Kingdom, Germany, Italy, Switzerland, the Netherlands and the United States.

The Grenadian economy is highly diversified. The main contributors to gross domestic product (GDP) in 2012 were offshore education (21 per cent), real estate (14 per cent), transport and communication (13 per cent), wholesale and retail trade (eight per cent), construction (seven per cent) and financial services (seven per cent).

Tourism (4.2 per cent) is a growing sector in Grenada. Having been singled out as one of the priority areas for investment due to its numerous forward and backward linkages to other sectors of the economy, a series of projects

Grenada's capital, St George's, where a project is under way to make the historic district a UNESCO heritage site

have been concluded in support of the country's tourism cluster. These include the development of a new cruise-ship terminal, increased budget spend to increase airlift from new markets, and a vigorous marketing campaign highlighting some of the very best attractions and experiences that the Spice Isle has to offer.

Efforts are under way, too, to include the historic district of the island's capital, St George's, in UNESCO's World Heritage List.

Grenada's agriculture sector accounts for 4.4 per cent of GDP. The country is one of the world's top producers and exporters of nutmeg, which accounts for over half of the country's agricultural export earnings. In recent years, Grenada has enjoyed high world prices for nutmeg and cocoa, which impacted favorably on the agriculture sector, where growth of up to three per cent is expected for 2013.

With respect to investment facilitation, there is no minimum entry requirement, no restriction on foreign ownership, no restrictions on foreign currency transactions, easy movement of capital, profit and dividends and attractive fiscal incentives. Moreover, foreign investors are given equal treatment to domestic investors. Grenada's citizenship by investment programme will allow investors to make investment contributions in return for



Capital city: **St George's**

Independence: **7 February 1974**

GDP real growth rate (2012 estimate): **-0.8 per cent**
Ease of doing business ranking: **107**

GDP (2012): **\$789.5 million**

GDP per capita (2012): **\$7,485.02**

Population (July 2013 estimate): **109,590**

Investment authority

Address: **Grenada Industrial Development Corp, Frequenté Industrial Park, St George's, Grenada**

Tel: **+1 (473) 444 1033 35**

Email: **invest@grenadaidc.com**

Web: **www.grenadaidc.com**

citizenship. Investors in Grenada can benefit from a stable, democratic, investor-friendly government; stable economy; developed infrastructure, reliable investment support services, low crime rate and good quality of life.

The Grenada Industrial Development Corporation (GIDC) provides a "One-Stop Investment Facilitation" service for all investors. The services offered by the Corporation include business and investment advice on doing business in the country; processing of applications for fiscal incentives; assisting investors to secure all required approvals, certificates, work permits, land for projects' realisation; and business support services, including technical assistance for business diagnostics, the preparation of business plans and access to affordable factory space.

Through the GIDC, a full programme of investment incentives is available to investors. These include investment allowances, deductible expenditure and customs duty exemptions. ■

Guyana



LatitudeStock/Alamy

Located on the northern coast of South America, Guyana is one of the few members of CARICOM that is not an island. Colonised for more than 200 years, Guyana eventually gained independence in 1966, before which it was ruled first by the Netherlands and then by the United Kingdom.

The economy of Guyana is based chiefly on extractive industries and agriculture. The export of sugar, gold, bauxite, shrimp, timber and rice sustains the economy, representing around 60 per cent of the country's total GDP.

The government is focusing improvement efforts in a number of areas. Attention is turning towards hydropower to satisfy domestic power needs and improve the reliability and affordability of energy.

The quality of physical infrastructure is also being addressed, and the West Coast Demerara Road is undergoing a \$34 million rehabilitation. Technical and vocational education training centres have been opened across the country, which are representative of efforts to reduce the effects of Guyana's 'brain drain'.

In 2012, Guyana's economy grew for the seventh consecutive year. Real GDP expanded by 4.8 per cent. Last year, its export market was worth \$1.311 billion, up from \$1.182 billion in 2011.

The parliament building was completed in 1834 and is located in the heart of Guyana's capital, Georgetown

The country's main export partner is the US, which accounts for 29.7 per cent of Guyana's exports. Next is Canada, at 27.8 per cent, followed by the United Kingdom, Trinidad and Tobago, and Jamaica. In contrast, Guyana's imports in 2012 were worth \$2.065 billion. The main imports are manufactures, machinery, petroleum and food products. Trinidad and Tobago is Guyana's biggest import partner.

The structure of Guyana's economy has remained largely unchanged since 1966, and recent growth, although modest, can be attributed to diversification from the traditional industries, the performance of the mining and services sectors, and buoyant prices for commodity and raw material exports and remittances. While growth is certainly cause for optimism, its sources are factors outside of domestic control. In light of this, the government is focusing on developing new strategies and economic activities that will render Guyana responsible in the main for its own development. Establishing export relationships with a broader range of countries is also key. Guyana's close proximity to major global economies such as Brazil is considered an advantage.

In May 2013, the International Monetary Fund forecast a growth rate of six per cent for Guyana – the second highest rate in South America.

Guyana is a resource-rich country, and the government hopes to utilise these resources sustainably to attract greater investment. Diversifying the domestic economy is currently being undertaken, with the country's Minister of Finance, Dr Ashni Singh, stating that this is how the Caribbean will protect itself from external shocks. Currently, Guyana is working to accelerate economic diversification and build greater resilience, and the government hopes to extract substantial returns from these efforts.

The future of Guyana looks set to be broader and more resilient, with more focus on information and communications technology, agriculture, services, mining, tourism, energy, light manufacturing and wood products (forestry). ■



Capital city: **Georgetown**

Independence: **26 May 1966**

GDP real growth rate (2012 estimate): **3.3 per cent**
World ranking: **101**

GDP – composition by sector (2012 estimate):
Agriculture: **20 per cent**
Industry: **34.8 per cent**
Services: **45.2 per cent**

GDP per capita (2012 estimate): **\$8,100**
World ranking: **132**

Population (July 2013 estimate): **739,903**

Investment authority: **GO-INVEST**
Address: **190 Camp and Church Streets, Georgetown, Guyana**
Tel: **+592 225 0658**
Fax: **+592 225 0655**
Web: **www.goinvest.gov.gy/guyana.html**

Member State

Haiti

Haiti gained its independence in 1804, following a revolt that led to the end of slavery in the country and the founding of the Republic of Haiti.

Agriculture forms the largest sector of Haiti's economy, with subsistence crops including cassava, rice, sugarcane, sorghum, yam, corn and plantain grown across the country. Agricultural production accounts for around 30 per cent of GDP and employs approximately 50 per cent of the labour force. Recovering agricultural production following the devastating earthquake of 2010 has created opportunities for investment. Haiti offers low labour costs and a young, keen workforce, which are attractive factors for investors.

Haiti's vulnerability to natural disasters affects its economic growth, but the government is focused on protecting its economy and people



tropicalpixsingapore/istockphoto



Capital city: **Port-au-Prince**

Independence: **1 January 1804**

GDP real growth rate (2012 estimate): **2.8 per cent**
World ranking: **115**

GDP – composition by sector (2012 estimate):
Agriculture: **24.7 per cent**
Industry: **19.4 per cent**
Services: **55.9 per cent**

GDP per capita: **\$1,300**
World ranking: **208**

Population (July 2013 estimate): **9,893,934**

Investment authority
Address: **27 Rue Armand Holly,
Port-au-Prince, Haiti**
Tel: **+509 2813 0369 / +509 2813 0367**
Email: **info@cfihaiti.net**
Web: **http://cfihaiti.net/**

in the long term. Reconstruction of infrastructure and the economy to a productive level is central to activity, and protection of the economy is likely to gain traction once the country returns to its pre-earthquake levels of activity.

A close geographical neighbour, the US, is Haiti's predominant trading partner. Haiti's chief exports are light manufactures and coffee, while oils, cocoa, mango, sugar, sisal and bauxite are also exported.

The Centre for Facilitation of Investments promotes a number of sectors in Haiti for investment and development. Tourism is one of them and offers much growth potential. The country's beaches stretch for more than 560 miles, and the National History Park is a World Heritage Site. Numbers of cruise tourists are on the rise, and air travel has also experienced growth.

Haiti's energy sector also offers good potential for growth and investment. The government plans to increase supply by 200-300 MW annually for the next five years.

Port au Prince's iconic Iron Market was rebuilt, and open for business, just one year after the 2010 earthquake

To achieve this, significant investment is required. Work is ongoing to upgrade the power distribution network in Port-au-Prince and to restore the generation capacity of the Péligre hydroelectric plant. Meanwhile, a number of pilot projects are under way to tap renewable resources.

Haiti's investment authority states that foreign investors can benefit from a tax rate of 0 per cent for up to 15 years, with an additional five years at a digressive rate. Furthermore, there are generous incentives on offer, and the country prides itself on being a competitive environment for investment.

Haiti is a member of the World Trade Organization, and has also ratified the convention of the International Centre for Settlement of Investment Disputes, which offers added insurance to investors on their long-term commitments in Haiti. ■

Jamaica



Jamaica Tourist Board

Jamaica's journey to independence was gradual, with the country becoming a province in the Federation of the West Indies in 1958, and gaining full independence in 1962.

The country's economy is largely dependent on the services sectors for growth. In 2012, services accounted for almost 75 per cent of GDP, and the majority of Jamaica's foreign exchange is gained from tourism, remittances and bauxite. The country is also one of the world's largest suppliers of aluminium ore.

Tourist arrivals to Jamaica by sea and air totaled a record 3.3 million in 2012, which represents an increase of 7.4 per cent over the figure recorded in 2011. As a part of the government's ongoing efforts to reduce travel barriers to Jamaica, visa requirements have been relaxed for several Latin American countries and European markets that are showing great promise. Major flight operator Virgin Atlantic is increasing airlift to Jamaica, with three weekly flights from the UK – up from two in 2012.

The outlook for growth in the tourism sector is positive, with new investments in resort areas such as Montego Bay, Ocho Rios, Negril and the capital city of Kingston. Jamaica is ideally poised to attract value-added investments

A record number of tourists travelled to Jamaica in 2011, attracted by its beautiful coastlines and rich history

in health/medical tourism, given the availability of quality medical professionals and the island's proximity to US – the world's largest potential market for medical tourists.

The recent Casino Gaming Act is also aiding hotel development, and is likely to result in new resorts being built with accompanying casinos.

Jamaica continues to make significant strides in the ICT sector, and is recognised as a strategic location with sophisticated infrastructure and a talented English-speaking workforce. There are currently more than 30 business process outsourcing (BPO) companies in the country employing over 14,000 persons.

The government is acting to promote the country as a developing yet stable nation that is competitive in its trade and investment opportunities. With the expansion of the Panama Canal, Jamaica is poised to benefit from new and innovative commercial ventures as it seeks to position itself as one of the world's major logistics and shipping hubs.

The government is expected to maintain market-friendly policies, exercise greater control on spending, and continue implementing major



Capital city: **Kingston**

Independence: (full independence) **6 August 1962**

GDP real growth rate (2012 estimate): **0.1 per cent**
World ranking: **179**

GDP – composition by sector (2012 estimate):
Agriculture: **6.4%**
Industry: **29.1%**
Services: **64.5%**

GDP per capita: **\$9,300**
World ranking: **124**

Population (July 2013 estimate): **2,909,714**

Investment authority
Address: **18 Trafalgar Road**
Kingston 10, Jamaica
Tel: **+1 876 978 7755; +1 876 978 3337**
Fax: **+1 876 946 0090**
Email: **info@jamprocorp.com**
Web: **www.jamaicatradeandinvest.org**

fiscal reforms, as agreed in a standby agreement with the International Monetary Fund for balance of payment support that was signed in 2010.

There is confidence in Jamaica's financial system, and the sector is led by three large commercial banks. There is a wide range of credit instruments available to the private sector, and no minimum capital is required in the business start-up process. Broadening the private sector to include more small and medium-sized businesses will help Jamaica to become more productive and competitive.

Chief among the strategies that address development in Jamaica is the comprehensive Vision 2030 Jamaica National Development Plan, which aims to make the island "the place of choice to live, work, raise families and do business". ■

Member State

Montserrat

The recent history of Montserrat has been marked by severe volcanic activity that has inhibited the development and growth of its small, open economy.

In 1997, a catastrophic eruption had devastating effects across the island that are still felt in some areas today. However, the volcanic site is now one of the best understood in the world, and is constantly monitored by an international team of scientists. Crucially, the areas in the north where economic growth is present are protected from volcanic flows by the island's Centre Hills.

Before the eruption, tourism was central to Montserrat's economy, and it is hoped that the country can regain its status as a tourist destination. Diving, bird watching, hiking, fishing, sailing and turtle spotting are all popular activities for visitors, and fall in line with the ecotourism movement that is unfurling across the Caribbean Region.

The Montserrat Development Corporation is in the process of constructing a new port and town at Little Bay, which will feature a resort

hotel, luxury villas, condominiums, apartments, and retail and leisure facilities. The plan includes a number of investment opportunities that have already caught the attention of local and international developers.

The new port and marina will attract cruise liners and ferry services from nearby islands, and the development corporation is in talks with cruise ship operators about including Montserrat on future schedules. It is also in talks with commercial port operators about public-private partnerships with the government for the construction and operation of the new facilities.

Private-sector investment is key to the economic future of Montserrat, and an investment fund is being established to facilitate this. There is also a one-stop shop that provides a wealth of information and advice to interested parties and helps them through the process of making investments. Local people establishing businesses are also helped in this regard, with training and advice available and a business financing facility that provides small loans designed to support local start-ups.


Capital city: **Plymouth was abandoned in 1997 following a volcanic eruption, although by law it remains Montserrat's capital city. Government buildings are now located in Brades, making it the de facto capital city**

Independence: **Montserrat is a British Overseas Territory**

GDP real growth rate (2008 estimate): **3.5 per cent**
World ranking: **98**

GDP – composition by sector (2012 estimate):
Agriculture: **1.6 per cent**
Industry: **23.2 per cent**
Services: **75.1 per cent**

GDP per capita (2006 estimate): **\$8,500**
World ranking: **129**

Population (July 2013 estimate): **5,189**
(an estimated 8,000 refugees left the island following the resumption of volcanic activity in July 1995; some have returned)

Investment authority: **Montserrat Investment Authority**
Address: **The New Market Building, Robert W. Griffith Drive, Little Bay Montserrat**
Tel: **+1 (664) 491-4700**
Email: **info@investmontserrat.com**
Web: **www.investmontserrat.com**

Incentives for investment that are currently available include a 15-year corporation tax holiday from commencement of operation; exemption from customs duties and consumption tax on imported equipment and materials; and incentives for priority sectors and projects that are offered at the discretion of the government. Furthermore, Montserrat imposes no restrictions on the repatriation of profits or on foreign ownership, and offers political stability and the committed support of the UK government. ■



Tourism is central to the island's recovery from the 1997 volcanic eruption that led half the population to leave Montserrat

Saint Lucia

Saint Lucia has fared well in attracting foreign business and investment, particularly in its flourishing tourism and offshore banking industries.

Tourism accounts for 65 per cent of GDP, provides the island with its main source of foreign exchange earnings and is a rapidly developing economic sector.

The industry reaches into a number of areas in Saint Lucia. The island is one of the world's premier wedding destinations, offers state-of-the-art golf courses, and is home to international resort chains. Investment incentives include exemption on income tax for approved tourism projects for a maximum period of 15 years, and a waiver of customs duties and consumption tax



orredmouse/istockphoto



Capital city: **Castries**

Independence: **22 February 1979**

GDP real growth rate (2012 estimate): **-0.4 per cent**
World ranking: **190**

GDP – composition by sector (2012 estimate):
Agriculture: **3.1 per cent**
Industry: **16.3 per cent**
Services: **80.7 per cent**

GDP per capita (2012 estimate): **\$13,300**
World ranking: **100**

Population (July 2013 estimate): **162,781**

Investment authority
Invest Saint Lucia
1st Floor, Heraldine Rock Building
The Waterfront, Castries, PO Box 495
Saint Lucia
Phone: (758) 452-3614 or (758) 452-3615
Fax: (758) 452-1841
Email: info@investstlucia.com
Web: www.investstlucia.com

on imported building equipment and materials. There is a broad range of opportunities in ecotourism, business tourism and hotel and resort investment.

Fiscal incentives and trade concessions are also available for business enterprises working towards the provision or development of entertainment, leisure or sporting facilities.

The manufacturing sector is also a significant contributor to the economy, and the island's manufacturing base has diversified considerably over the past decade. Goods produced include food and beverage products, furniture, sporting goods and souvenir items. Saint Lucia offers access to major markets, and its manufacturing sector attracts a diverse range of international businesses and investors in a number of areas, including pharmaceutical products, electronic assembly and food processing. Investment incentives in this area include tax holidays of up to 15 years, permission to carry forward losses and a waiver on import duty on imported plant, machinery and equipment, and raw and packaging materials.

Out of 183 countries, Saint Lucia is ranked 52nd in the World Bank's 2012 Doing Business

The fishing village Canaries sits on Saint Lucia's West Coast Road; it was previously accessible only by sea

Report. The infrastructure of the country is conducive to a successful business environment, with two airports – one servicing international flights – and five seaports. Two of the ports are major harbours that provide facilities for both passengers and cargo. The information and communications infrastructure is also stable and competitive, and the road network across Saint Lucia is extensive, with projects delivering improvements that will provide access to some of the country's most remote areas.

Improving access to finance has been identified as key to spurring more broad-based private-sector development, and the domestic financial sector has avoided the effects of the global financial turmoil. A number of financial services are on offer, and growth of the sector between 2005-11 was recorded at 4.49 per cent.

In general, the economy of Saint Lucia performs competitively in most areas, and the business environment is largely transparent and efficient, creating a promising climate for investment. ■

Member State

St Kitts and Nevis



chrisbradshaw/stockphoto

The dual-island nation of St Kitts and Nevis is committed to transforming its economy, and in July Prime Minister the Hon Dr Denzil Douglas announced that national debt had been reduced from 200 per cent to 100 per cent of GDP.

The development plan for St Kitts and Nevis is broad, with agriculture scheduled to become one of the country's leading sectors. An agro-tourism farm is currently in phase two of construction, and the long-term plan for the agriculture sector in St Kitts and Nevis is to reduce food imports by increasing local production. A wealth of opportunities are available to investors in commercial farming, with local demand outpacing supply, and investors in agriculture are able to take advantage of Regional trade agreements and access to wider markets.

Tourism has long been a mainstay of the economy of St Kitts and Nevis, and hosting international events such as the ICC Cricket World Cup in 2007 has helped to give the islands a more prominent profile. St Kitts and Nevis

A historical ship leaves Basseterre Port, St Kitts. Tourism is a mainstay of the country's economy

enjoys good airline connections with the United States and the United Kingdom, and is working to create a service sector that is world class and highly competitive. It is possible to take a degree in hospitality management at the Clarence Fitzroy Bryant College, and the number of students studying in this area has risen steadily over recent years.

Financial services also make up a significant segment of the economy. The islands offer products for limited partnerships, trusts, captive insurance companies, foundations and ordinary and exempt companies, while the country is also endeavouring to position itself as a major financial centre.

Several large-scale construction projects are planned, designed to pave the way to positive economic growth. Schemes include the Imperial Bay Golf and Beach Residences at Half Moon Bay, the Golden Rock commercial park next to the Robert L Bradshaw International Airport, and the Silver Reef development at Frigate Bay.



Capital city: **Basseterre**

Independence: **19 September 1983**

GDP real growth rate (2012 estimate): **-0.9 per cent**
World ranking: **197**

GDP – composition by sector (2012 estimate):
Agriculture: **1.7 per cent**
Industry: **23.3 per cent**
Services: **75 per cent**

GDP per capita (2012 estimate): **\$16,500**
World ranking: **81**

Population (July 2013 estimate): **51,134**

Investment authority
Address: **St Kitts Investment Promotion Agency, CAP Southwell Industrial Park, Basseterre, St Kitts**
Tel: **1-869-465-1153**
Fax: **1-869-465-1154**
Email: **info@stkittsipa.org**
Web: **www.stkittsipa.org**

The multi-million dollar Kittitian Hill Resort and Golf Course is due to open in 2014, while the construction and upgrade of transport networks across the islands are under way.

Information technology is another priority sector, and the government is implementing plans to ensure that St Kitts and Nevis is guaranteed a stake in this rapidly evolving sector. The National Information and Communication Technology Centre acts as a training centre for IT skills, and the islands are already becoming home to a growing number of technology companies.

The government offers a number of conditional investment incentive packages, which include exemption from import duties, export allowances and income tax rebates based on total profits. ■

St Vincent and the Grenadines

After gaining independence from Britain in October 1979, St Vincent and the Grenadines remained largely dependent on agriculture. Today, the government focuses on stimulating entrepreneurship among farmers and other stakeholder groups. It is hoped that this will increase agri-food production, processing and marketing, and generate higher rural incomes, enhance food security and promote formal employment.

St Vincent and the Grenadines offers competitive incentive programs in the agro-processing and manufacturing sectors.

Export development incentives in the sector include the repatriation of profits,



orredmouse/Stockphoto



Capital city: **Kingstown**

Independence: **27 October 1979**

GDP real growth rate (2012 preliminary estimate):
1.5 per cent
World ranking: **171**

GDP – composition by sector (2012 estimate):
Agriculture: **7.2 per cent** (current prices)
Industry (manufacturing, construction, mining, water, quarrying, electricity): **14.1 per cent** (current prices)
Services: **74.7 per cent** (current prices)

GDP per capita (2011) Market Prices: **EC\$19,113**
World ranking: **107**

Population (estimate): **97,894**

Investment authority
Address: **Invest SVG, 2nd Floor, Reigate Building, Granby Street, PO Box 2442, Kingstown, St Vincent and The Grenadines**
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exemption from capital gains tax, and working capital advances for the purchase of inputs and raw materials under an export credit guarantee scheme. All incentives are subject to certain criteria.

Recent years have seen tourism and related services becoming increasingly important to the economy of St Vincent and the Grenadines, and these areas account for a significant portion of GDP.

A number of resorts have been constructed over the past few years, in line with government plans to capture a share of the burgeoning tourism industry across the Caribbean Region. Ecotourism is a growing sub-sector in the country, although more traditional forms of tourism remain popular. Cruise ships and ferries benefit from the complex at Port Kingstown, which includes deep-water berths and a cruise terminal that can accommodate two vessels. Luxury tourism is also popular, and has

Kingstown is the capital and chief port of St Vincent and the Grenadines. It has deep-water berthing facilities

created investment opportunities in marinas, golf courses and luxury resorts. It is hoped that the rise in tourism will be sustained by the development of the Argyle International Airport, and there are a number of investment opportunities in hotel development to support the expected increase of visitors.

The country also has an offshore banking sector, and has taken steps to introduce international regulatory standards. Investment opportunities exist in international trusts, banks and business companies, and international insurance companies and mutual funds, and attractive investment incentives are available across these areas.

Examples include a low-cost operating centre with low fee structures and zero taxation, which includes 25 years of competitive tax exemption for international business companies. ■

Member State

Suriname

Located in the north-east of South America, Suriname gained independence from the Netherlands in 1975, with the current constitution taking effect on 30 September 1987 following a military coup and subsequent democratic elections.

The economy of Suriname is centred on the mining industry, and there is considerable foreign investment in mining and oil. The majority of investment interest is in oil, gold and bauxite mining, which cumulatively account for around 95 per cent of Suriname's total exports and 25 per cent of government revenues. The mining of diamonds, silver, kaolin and granite also offers a host of opportunities and is gaining greater attention.

The four per cent growth of the country's economy in 2012 is largely a result of its gold

mining industry, which had an output of more than \$1 billion, and the oil industry. The size of the mining sector has led to Suriname's status as a middle-income country with one of the lowest public debts in the Region.

Investment opportunities in Suriname exist in a broad range of areas, and the country's economic prospects look positive, with the government committed to responsible monetary and fiscal policies and the introduction of structural reforms that will promote competition and liberalise markets. The investment and development corporation of Suriname is working to create and promote investment opportunities in both the public and private sectors.

Eliminating licensing requirements for a number of types of business has improved the investment climate, and licensing procedures have been simplified.



Capital city: **Paramaribo**

Independence: **25 November 1975**

GDP real growth rate (2012): **4.5 per cent**
World ranking: **74**

GDP – composition by sector (2012 estimate):
Agriculture: **6.6 per cent**
Industry: **23.2 per cent**
Services: **49.9 per cent**

GDP per capita (2012 estimate): **\$9,010**
World ranking: **103**

Population (2012): **541,638**

Investment authority
Address: **IDCS NV, Brokopondolaan # 97
Paramaribo,
Suriname**
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Email: **info@idcs.sr**
Web: **www.idcs.sr**



Jodenbreestraat, the Jewish Broad Street, in Suriname's capital, Paramaribo, leading to one of the largest regional mosques

The country exports to a number of destinations. In 2012, exports totalled \$2.563 billion, with the US accounting for 26.1 per cent of exports. Suriname's main export products are alumina, gold, crude oil, lumber, shrimp and fish, rice and bananas, while main imports consist of consumer goods, fuel, vehicles, textiles and capital goods.

Suriname's emerging market offers a range of investment opportunities. Individuals and organisations interested in sustainable development are especially welcomed to the country. Incentives include a lack of import duties on investment and productive inputs, no obstructions to money transfers, and a stable political and economic environment. ■

Trinidad and Tobago

Trinidad and Tobago gained independence from the United Kingdom on 31 August 1962, and became a republic on 1 August 1976.

The country comprises two islands that have a well-developed human resource base, with the government making education a key focus since independence. This has led to a high percentage of university graduates, and advanced skills are easily found on the islands. As a consequence, Trinidad and Tobago has established itself as a country with one of the highest growth rates in the Region, and earned a reputation as a prime investment location. CARICOM classifies the country as a More Developed Country.



Capital city: **Port of Spain**

Independence: **31 August 1962**

GDP real growth rate (2012 estimate): **0.4 per cent**
World ranking: **172**

GDP – composition by sector (2012 estimate):
Agriculture: **0.3 per cent**
Industry: **57.8 per cent**
Services: **41.9 per cent**

GDP per capita (2012 estimate): **\$20,400**
World ranking: **70**

Population (July 2013 estimate): **1,225,225**

Investment authority

Invest TT

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Web: **www.investt.co.tt**



CarraMarina/iStockphoto

The country's major exports are crude oil, liquefied natural gas, petrochemicals, asphalt, methanol, ammonia and urea, with the petroleum and manufacturing sectors making significant contributions to the domestic economy. Trinidad and Tobago is the leading producer of oil and gas in the Caribbean, which accounts for around 40 per cent of national GDP and 80 per cent of exports.

In the *FDI Intelligence Caribbean and Central American Countries of the Future 2011/12* report, Trinidad and Tobago ranks second in terms of cost-effectiveness, is the third most attractive country in the Caribbean and Central America for foreign direct investment, and ranks fifth in the Region for best economic potential. The country is one of CARICOM's biggest and most industrialised economies.

The government is working to make Trinidad and Tobago a premier tourist destination, and has already achieved some success, with significant growth over recent years and good potential for greater economic diversification. Expanding the tourism sector

The waterfront development at King's Wharf in Port of Spain, Trinidad and Tobago

will generate foreign exchange and create jobs. Investment opportunities exist in areas including accommodation and infrastructure. Investors will enjoy the country's stable political climate, liberalised financial and trading systems, and diverse and open economy. Niches are also opening in environmental, business, cultural and leisure tourism.

Trinidad and Tobago offers a stable and well-regulated financial system that acts as a financial centre for the Region. The country ranks high on the availability of financial services, and is home to eight banks with more than 100 branches among them.

The government has identified tourism, agriculture and information and communications technology, among other sectors, as key areas for projected growth and increased investment. Investment incentives are offered in each of these sectors, and the government anticipates continued growth over the coming years. ■

Associate Member

Anguilla

Anguilla is a British overseas territory comprising a main island along with a number of smaller islands and cays, located in the northern Caribbean. It offers a number of good investment opportunities.

Luxury tourism is a key part of the country's economy. In this regard, as well as others, Anguilla benefits from its proximity to St Martin and Puerto Rico, which are two of its main gateways. It boasts some of the world's best beaches, and there are annual promotional campaigns designed to attract increased numbers of visitors.

In May 2012, three working groups made up of public- and private-sector organisations were launched by the Ministry of Tourism, which tasked them with helping to implement projects that promote attractions and tourist sites in Anguilla. Although growth in the tourism industry contracted in 2012, the figures for 2013 are expected to rebound.

The government has also launched the Sustainable Tourism Master Plan project, which is deemed crucial for a country that depends on tourism for economic security. Making the tourism industry sustainable and attractive to potential visitors, and ensuring that the people of Anguilla benefit from it, are key terms of the strategy. In addition, preserving the environment is also central to its goals. In the long term, the government wants tourism in Anguilla to be able to provide careers rather than just jobs.

Achieving sustainable development in all spheres is at the core of Anguilla's long-term priorities, and in July last year the Caribbean Development Bank approved a technical assistance grant to the government in order to assist with these efforts.

Mounting activity in the tourism industry is driving increased work and opportunities in Anguilla's construction sector, with demand for hotels and resorts on the rise.

Financial services form another of Anguilla's main sectors, and the government has invested



stevegeer/istockphoto

Saint Gerard's Church in The Valley. The government has launched working groups to promote tourist sites

considerable effort in ensuring that the financial sector is developed and globally competitive. It has established an independent Financial Services Commission that is responsible for regulating trusts, offshore banking funds, companies and insurance, and the Commission ensures that a high standard of operation and regulation is maintained.

Anguilla has no foreign exchange restrictions, making it attractive for international customers, and has an indirect tax jurisdiction. There is zero taxation on income, capital gains, estate, profit or other forms of direct taxation, and this applies to both domestic and international corporations and individuals.

Competitive pricing, modern legislation and an efficient and fully electronic commercial registration network called ACORN make Anguilla a highly competitive destination. ■



Capital city: **The Valley**

Independence: **Anguilla seceded from St Kitts and Nevis in 1980 and became a separate Dependent Territory with some measure of governmental autonomy**

GDP real growth rate (2009 estimate):

-8.5 per cent

World ranking: **219**

GDP – composition by sector (2012 estimate):

Agriculture: **2.2 per cent**

Industry: **28.5 per cent**

Services: **69.4 per cent**

Population (July 2013 estimate): **15,754**

Investment authority:

www.anguilla-company.org

Bermuda



wwwing/istockphoto

A high-income country, Bermuda takes most of its earnings from international business and benefits from its status as an offshore jurisdiction.

Unlike some of the other CARICOM Member States, Bermuda's tourism industry is not one of the main contributors to the country's GDP. The majority of people who visit Bermuda are from the US, which accounts for around 85 per cent of international arrivals. Visitors have high incomes, and around 40 per cent of tourists to Bermuda are repeat visitors.

Although a small sector, tourism employs a large proportion of Bermudians, and business tourism is a particularly sizeable sub-sector. The Bermuda Department of Tourism is tasked with attracting a tightly targeted selection of high-end visitors each year, and aligning the tourism sector with the country's status as an international business destination sets Bermuda apart from neighbouring Caribbean countries.

Bermuda has one of the highest per capita incomes in the world, and providing financial

The capital city, Hamilton. Nearly 75 per cent of US and European Fortune 100 companies operate in Bermuda

services for international firms has contributed much to that status. The country is a leading offshore financial centre, with international recognition being a consequence of its long-standing reputation for quality, credibility and strong, progressive systems of regulation. Bermuda is a tax-efficient jurisdiction, which means that profits on income, dividends and capital gains are not taxed.

The country is home to a wealth of expertise, with experienced service providers who are able to advise on legal matters, fund administration, banking and auditors, among a range of other areas. However, there are substantial costs associated with doing business in Bermuda. Company formation incurs considerable cost, and there are annual fees and other particulars to contend with.

The one corporate tax that Bermuda does apply across its territory is payroll tax, which is paid on each employee in a company, although

Independence: **British overseas territory**

GDP real growth rate (2011 estimate): **-3.5 per cent**
World ranking: **214**

GDP – composition by sector (2012 estimate):
Agriculture: **0.7 per cent**
Industry: **7 per cent**
Services: **92.2 per cent**

GDP per capita (2011 estimate): **\$86,000**
World ranking: **3**

Population (July 2013 estimate): **69,467**

Investment authority

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the rate of payroll tax is lower than in many of Bermuda's competing jurisdictions.

Around 75 per cent of the largest Fortune 100 companies in the US, as well as their European counterparts, have operations in Bermuda. The country boasts a strategic location and time zone for conducting international business, and has a professional workforce available. It has advanced information and communications technology systems, and the Bermuda Stock Exchange is the world's largest offshore and electronic securities market.

Bermuda offers a range of investment opportunities in all areas of its economy, and interested parties can benefit from the country's established sectors. ■

Associate Member

British Virgin Islands

The British Virgin Islands, a British overseas territory, boasts one of the most stable economic environments in the Region, with a good track record of development, as well as a prosperous climate for growth. Tourism and financial services form the backbone of the economy of the archipelago, which spreads across the main islands of Tortola, Virgin Gorda, Anegada and Jost Van Dyke, and more than 50 smaller islands and cays.

The minor industries of the British Virgin Islands include fishing, rum distilling and construction. Exports include livestock, rum, fish, sand and gravel, fruit and vegetables. The most important agricultural activity is the raising of livestock, as the low quality of soil limits crop growth.

In 2012, the exports of the British Virgin Islands totalled around \$26 million, while imports totalled around \$310 million. Food,



CarlaMarial/istockphoto



Capital city: **Road Town**

Independence: **British overseas territory**

GDP real growth rate (2010 estimate): **1.3 per cent**

World ranking: **152**

GDP – composition by sector (2012 estimate):

Agriculture: **1 per cent**

Industry: **11.7 per cent**

Services: **87.3 per cent**

GDP per capita (2010 estimate): **\$42,300**

World ranking: **25**

Population (July 2013 estimate): **31,912**

Investment authority

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building materials, cars and machinery make up the bulk of imports to the country.

Tourism accounts for around 45 per cent of the national income, and measurable growth can be seen in the number of recent tourist arrivals. The British Virgin Islands is already an established centre for the charter yacht industry, and the Ministry of Tourism is actively exploring new markets and niches to attract more visitors. The country has the specific goal of ensuring the development, stability and growth of the sector, and of the economy in the long term. Currently, the US is the main source market of tourists travelling to the British Virgin Islands.

The islands have also enjoyed much success in the financial services industry, and are maintaining their status as a highly attractive offshore destination, despite the competition from other countries in the Region. Financial offshore activities in the British Virgin Islands include trust management, mutual funds and captive insurance, as well as the stability,

The island of Tortola. The British Virgin Islands has enjoyed success in the offshore financial services industry

high levels of privacy, good reputation and transparent and flexible legislation, all of which contribute to an appealing offshore destination.

In the first quarter of 2013, the Financial Services Commission of the British Virgin Islands reported that there had been 16,666 new company incorporations, 30 private trust companies and 15 limited partnerships.

By 2015, Premier Orlando Smith hopes to have reduced the fiscal deficit, and the government is making headway in targeted and efficient high-value expenditures. In his 2013 budget address, Premier Smith said that a challenging year was expected, but growth was also anticipated – particularly in the construction industry. Ongoing construction projects include airport expansion, cruise pier development, the new Peebles Hospital and the upgrade of sewerage systems. ■

Cayman Islands



Patrick Gorham/Cayman Islands Department of Tourism

Located in the western Caribbean Sea, the Cayman Islands is a high-income British overseas territory that comprises the islands of Grand Cayman, Cayman Brac and Little Cayman. The Cayman Islands hosts extensive offshore financial activity, having grown over the past four decades to become one of the world's most well-established and stable financial services centres.

Investment channels enable the flow of capital from around the globe. The Department of Commerce and Investment lists captive insurance, banking, trusts, funds, company and partnership incorporation, structured finance, vessel and aircraft registration and the Cayman Islands Stock Exchange, which opened in 1997, among the services available.

According to the Department, there are more than 11,000 regulated funds registered in the jurisdiction, and investors include global giants such as UBS, Deutsche Bank and PricewaterhouseCoopers. In 2012, the country's financial sector grew by two per cent.

Tourism and financial savings are the two principal pillars of the economy on the Cayman Islands

The economy also grew in 2012, with GDP increasing by 1.6 per cent, the strongest expansion since 2007. As part of its divestment strategy, the government paved the way for the construction of a 2000-bed, privately-owned tertiary care medical centre that will specialise in cardiac surgery, cardiology and orthopedics, and in 2012 launched a technology-based special economic zone. Both initiatives are expected to boost long-term growth.

Following the global economic and financial crisis, 2012 was the second consecutive year of economic growth for the Cayman Islands. The country also witnessed mounting activity in a number of sectors, including tourism, construction, transport, wholesale and retail trade, storage and communication, and financing and insurance services, are all helping to prolong this positive development.

Tourism is a highly significant economic sector in the Cayman Islands, contributing

Capital city: **George Town**

Independence: **British overseas territory**

GDP real growth rate (2008 estimate): **1.1 per cent**
World ranking: **160**

GDP – composition by sector (2012 estimate):
Agriculture: **0.2 per cent**
Industry: **27.6 per cent**
Services: **72.2 per cent**

GDP per capita (2004 estimate): **\$43,800**
World ranking: **18**

Population (July 2013 estimate): **53,737**

Investment authority

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Cayman Islands

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Small business development: **smallbiz@dci.gov.ky**

Business licensing: **licensing@dci.gov.ky**

Web: **www.dci.gov.ky**

around 70 per cent of GDP and 75 per cent of the country's foreign currency earnings. The Cayman Islands' tourism industry is chiefly targeted at visitors seeking luxury accommodation and high-end services. Although it attracts tourists from around the world, the majority of visitors to the country come from the US.

The islands' Public Tourism Arrivals Report states that in 2012, the number of tourists arriving in the Cayman Islands by cruise was 1,507,370, up 7.6 per cent from 2011, with a further 321,650 arriving by air, an increase of 4.1 per cent over the previous year.

Associate Member

Turks and Caicos

Turks and Caicos is a British overseas territory that consists of two groups of tropical islands – the larger Caicos Islands and the smaller Turks Islands.

The economy of Turks and Caicos is largely reliant on tourism, offshore financial services and the fishing industry, which is a valuable export earner. The construction industry also contributes to the growth of the economy, with most work concentrated on improving infrastructure for tourism. The majority of food consumed in Turks and Caicos is imported, as are many capital goods.

The bulk of exports are made up of lobster, conch shells and dried and fresh conch. For both imports and exports, the US is the largest trading partner of Turks and Caicos.

The financial sector of Turks and Caicos complies with international standards of regulation under the islands' Financial Services Commission, which has regulatory oversight across banking and insurance activity, investment advisors and dealers, mutual funds, trusts and company management services.

In June this year, Premier the Hon Dr Rufus Ewing attended a number of forums during Caribbean Week in New York, where he promoted Turks and Caicos as "a beacon for investment, open for business".

Special attention is being paid by the government to the tourism sector, in which tax incentives are available to attract greater numbers of investors – especially in the construction of low-density luxury new builds on the numerous cays that surround the larger

islands. The Providenciales Airport is being expanded and the Caicos Causeway project is under way. The Causeway project will ultimately link the islands from South Caicos to Providenciales. There is also focus on increasing yachting tourism through marina development. By 2020, Premier Ewing wants the 3,000 tourism rooms available on the islands doubled, thereby ensuring that each island has enough properties to cope with demand and to grow their markets.

Attracting investments that will support a sustainable economy is a major objective of the government. Incentives include streamlined immigration procedures, an array of duty concessions, in addition to a number of tax exemptions.

In May, as part of international moves to impede tax evasion, Turks and Caicos signed agreements on sharing tax information with the UK, France, Germany, Italy and Spain, reinforcing the image of stability that Turks and Caicos is projecting to potential investors. ■



JAGS McCartney International Airport on Grand Turk. A number of transport projects are under way in Turks and Caicos



Capital city: **Cockburn Town**

Independence: **British Overseas Territory**

GDP real growth rate (2007 estimate): **11.2 per cent**

World ranking: **5**

GDP – composition by sector (2012 estimate):

Agriculture: **1 per cent**

Industry: **20.8 per cent**

Services: **78.3 per cent**

GDP per capita (2007 estimate): **\$29,100**

World ranking: **53**

Population (July 2013 estimate): **47,754**

Investment authority

Email: **investment@gov.tc**

Web: **www.turksandcaicos.tc/investment**

Success stories

Digicel



Digicel

In 2001, telecommunications company Digicel began operations in Jamaica, which had just opened its market up for competition with the launch of a GSM cellular phone service. After 100 days, the company's customer base had grown to about 100,000 patrons – an early indication of the growth that the company was set to enjoy.

In 2006, Digicel operations spread to Haiti, and subsequently the company ventured into the British Virgin Islands, Guyana and Suriname. Present in a total of 31 markets worldwide, Digicel operates in 26 countries in the Caribbean – where it is the largest telecommunications operator. The company's revenue reached \$2.78 billion in 2013 – an eight per cent year-on-year increase over 2012.

Meeting demands specific to individual countries is key to its business success, and in

Digicel's huge success has enabled it to support community projects that provide educational and cultural opportunities

September 2013 Digicel introduced internet and mobile bundles in Bermuda, targeting customers who pay separate bills for their home internet and mobile internet services. In a press release, Wayne Caines, chief executive officer of Digicel Bermuda, stated: "We have seen the savings such synergies have created for customers in other regions and we are thrilled to continually provided increased value to our customers."

September also saw Digicel launch its 'refer a friend' campaign in Antigua and Barbuda. The reward scheme sees customers earning credit on their bills each time someone they refer activates a new 4G LTE account. The user who has been referred also earns credit, and both customers are entered into a weekly prize draw.

In October, the company removed roaming rates in Trinidad and Tobago – where the market is on a continuous growth path – to make it easier for Digicel customers to move around the Caribbean without incurring charges. Digicel's chief executive officer of Trinidad and Tobago, John Delves, said: "We know a lot of people travel to places like Guyana, Barbados, Antigua and Jamaica. We want to make it easier for every customer to move around." The company's chief operating officer for Jamaica, Richard Fraser, added that: "We also look forward to seeing how these reduced roaming rates for Digicel customers help to advance the government's vision of creating a more unified Caribbean through more affordable communication."

Digicel prides itself on being the first in the market to introduce innovative new products and services. It is continuing to enjoy great success – both in the CARICOM region and worldwide – and its support of development projects and foreign direct investment in the Region is helping to ensure the long-term growth of CARICOM Member States.

The company is the lead sponsor of sports teams in the Caribbean (as well as in Central America and the Pacific), and runs a number of community-based initiatives across its markets. In 2010, Digicel Group Chairman Denis O'Brien

was named Goodwill Ambassador for Port-au-Prince in Haiti – a title that acknowledges his work to attract foreign direct investment to the country and rebuild damaged communities following the hugely destructive earthquake in January 2010.

Digicel had appealed for contributions and donated top-up values made by customers to the Haiti Earthquake Fund. It also directed funding towards rebuilding and restoring Port-au-Prince's Iron Market, which is home to more than 900 permanent vendors. One year after the earthquake struck, the company had

donated more than \$20 million in support of relief efforts in the country.

In addition to its efforts in Haiti, the company runs not-for-profit organisations in Jamaica and Papua New Guinea that support education, social, cultural and community-development projects. Regionally, Digicel has launched the Kick Start 2013 programme, which culminates in October at the week-long Digicel Academy in Barbados. The programme sees coaches from the Chelsea FC Foundation lead a search across the Caribbean and Central America for the Region's top-30 young footballers. ■

D&E Green Enterprises

In January 2010, Haiti suffered a devastating earthquake that claimed 220,000 lives and left more than 1.5 million people homeless. At the time, D&E Green Enterprises employed 15 people in Haiti, having set up just a year before, making stoves. The company's factory was destroyed in the earthquake and, after considering closure, founder and chief executive officer Duquesne Fednard was persuaded by his employees to keep the business going.

Tents donated by a local businessman (and subsequently damaged by 2012's Hurricane Sandy) took the place of D&E's factory and are still being used for the production of Fednard's EcoRecho stoves. An innovative design that was conceived when Fednard came across it on a trip to Ghana, the EcoRecho uses significantly less charcoal than other stoves. Reducing Haiti's

dependence on charcoal is crucial as its use by many citizens as the primary source of cooking fuel has had a hugely damaging impact on their health. Haiti has the western hemisphere's highest rate of child mortality relating to respiratory illnesses and charcoal use has led to chronic deforestation, with tree cover reduced from 63 per cent in 1923 to 1.5 per cent today. With its EcoRecho stoves, D&E Green Enterprises aims to provide an alternative to traditional metal charcoal burners and, ultimately, to eradicate the population's widespread use of charcoal, which currently accounts for up to one-third of Haitian families' income expenditure.

The EcoRecho stoves are both high quality and affordable, and about 33,000 of them have been sold to date. A number of versions exist on the production line, including variations for

use in rural and urban environments. Use of the stoves can reduce charcoal consumption by 50 per cent and carbon dioxide emissions by 60 per cent. Based on its success, the company plans to export the stoves to neighbouring countries in the near future. Fednard and his team will then concentrate on delivering sustainable energy technologies. For example, a core objective of D&E Green Enterprises is to source an alternative fuel to replace charcoal that can be produced in Haiti.

Part of the company philosophy is to merge business with aid – a stance especially pertinent in Haiti, where up to two-thirds of adults are thought to be unemployed; for half of Fednard's employees, working for D&E Green Enterprises is their first job. All of the employees are originally from the Cité Soleil slum of Port-au-Prince, although employment with the company has enabled two employees to move. D&E Green Enterprises offers staff a daily meal and the company hopes to soon provide health insurance and an allowance for education.

The company also offers the opportunity for people to subsidise the purchase of stoves for Haitians unable to afford one. As soon as finance is secured, Fednard plans to rebuild the factory using steel reinforced against earthquakes and hurricanes, and production will be scaled up to 120,000 units each year.

In doing so, D&E Green Enterprises will be able to employ significantly more staff, enabling the company to continue its efforts in lifting people out of poverty, restoring a sense of dignity among Haitians and generally helping local people to improve their lives and secure the future of their country. ■



More than 30,000 EcoRechos have been sold in Haiti

SunTours Barbados



In 1860, Trotman's Livery Stables began hiring out its horses and carriages to the passengers and crew of ships docking in Barbados. In 2003, after years of adaptation, and as one of the oldest taxi and tour companies in Barbados, the company joined the Caribbean World Travel Services Group of Companies – now trading as Sun Group Inc.

Now based in Saint George, SunTours Barbados has come a long way from its horse and carriage roots, offering 24-hour transport services around the island, including airport and sea transfers, taxi services, sightseeing and island tours and transportation for weddings in its fleet of luxury saloons, vans and coaches. With a view to staying competitive, the company also offers refreshments and champagne in its private car and limousine transfers.

SunTours Barbados's fleet of vehicles comprises tourbuses, minivans, luggage vehicles, limousines, BMWs, Mercedes Benz cars, Nissans,

Companies such as SunTours Barbados have helped the island to become a choice destination for visitors to the Caribbean

SUVs and minibuses with wheelchair lifts. Its three categories of cars are regular, luxury and limousine, which enables the company to meet a broad range of customer requirements.

As well as meeting the transport needs of locals and visitors alike, SunTours Barbados lives up to its name by offering a number of tours around the island. These include the 'Beauty of Barbados Tour', the 'Gardens and Gullies Tour', the 'Caves and Critters Tour' as well as the 'Made in Barbados Tour', which all showcase the sights, products and culture of Barbados. The company also offers a 'Go as You Please Tour', during which customers are chauffeured in a private car to destinations of their choosing.

Barbados is keen to reap the maximum benefits from its lucrative tourism industry, and companies such as SunTours Barbados have developed from humble beginnings to help

show off the island as a choice destination in a region where competition is fierce.

As part of Sun Group Inc's community involvement in the Region, the company hosts the Sportive event, which features within a two-week festival of cycling organised by Kreeda Caribbean Sports & Tours with the support of the Barbados Tourism Authority and in partnership with the Barbados Cycling Union.

SunTours Barbados's parent company, Sun Group Inc, boasts nearly 40 years' of experience in travel services. Headquartered in Barbados, the company operates 51 offices across 11 countries, offering employment to more than 700 people. In its mission statement, Sun Group Inc espouses its commitment to continuing the growth of its companies in the Caribbean and offering international standards, unsurpassed services and quality products. ■

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