



| | |
|----------------------------------------------------------------------------------------------|------|
| The China- Caribbean Relationship on a fast track to where? | Pg 1 |
| History, Importance And Development Of Trade Statistics In The Caribbean Community (CARICOM) | Pg 3 |
| Regional News Summary | Pg 9 |

THE CHINA- CARIBBEAN RELATIONSHIP ON A FAST TRACK TO WHERE?

The People’s Republic of China (PRC) has reported rapid economic growth in recent years despite the dismal economic conditions of the world’s leading economies. The reported strong performance of the PRC’s economy (Table 1) has been an anchor for the world economy since the onset of the 2007 recession. A developing nation, the PRC has positioned itself to be one of the leading economies in the world having invested heavily in other developing economies. The heightened interest of the PRC in Caribbean economies in recent times has been debated and questioned by academics, businesses and governments. There appears to be a sudden influx of Chinese investment, grants and loans and a growing number of Chinese-owned and operating businesses.

Table 1: CHINA’S KEY ECONOMIC STATISTICS

| | 2011 | 2012 | 2013 |
|--------------------------------------------|---------|---------|------|
| Real GDP Growth Rate (%) | 9.3 | 7.8 | 7.8 |
| Unemployment Rate (%) | 4.1 | 4.1 | 4.1 |
| Inflation Rate (%) | 5.4 | 2.6 | 3.0 |
| T-Bill Rate (%) | 0.22 | 0.05 | - |
| Gross International Reserves (US\$Billion) | 3,202.7 | 3,331.1 | - |

Source : IMF Article IV Consultation Report (July 2013)

The level of international trade between China and the Caribbean is mostly one-sided. Imports from China increased moderately until 2010 when there was a significant increase of 62 per cent in imports when compared to 2009 (Figure 1). According to Montoute (2013), the top ten imports from China to Caribbean countries for the period 2001-2010 are finished manufactured products. In contrast to the growth in its exports to the Caribbean, China’s imports from the Caribbean have been minimal (Figure 2). In 2011 there has been a notable increase but still not significant when compared to the Caribbean imports from China. Montoute (2013) indicates that the top ten exports to China from the Caribbean countries for the period 2001-2010 are raw

Figure 1: Imports by Caribbean Countries from China (US\$M)

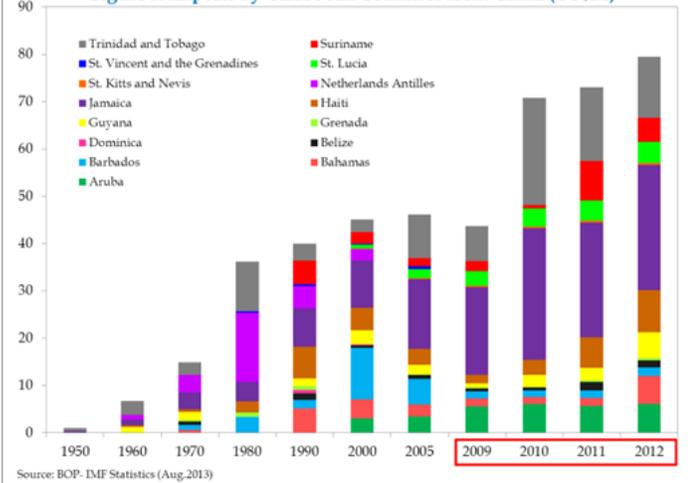
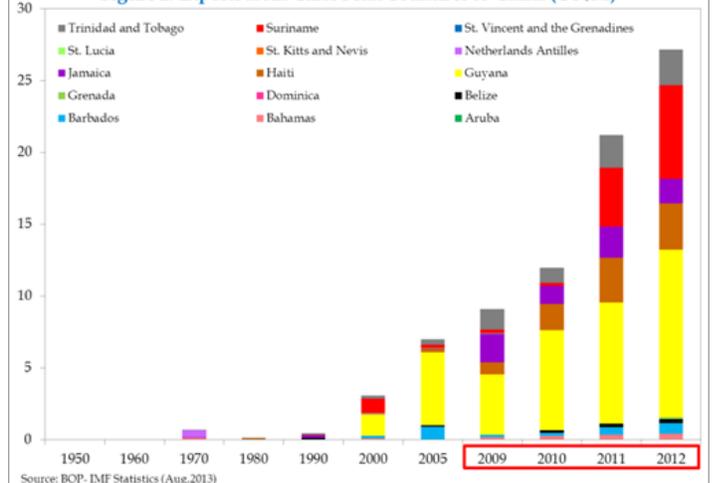


Figure 2: Exports from Caribbean Countries to China (US\$M)



materials. Because of their mineral and energy endowments, Jamaica, Guyana, Suriname and Trinidad and Tobago are of strategic interest to China. In The Bahamas, Chinese companies have taken advantage of the proximity to the United States of America (USA) to establish manufacturing and assembly of products for the USA Market. (R. Saunders 2008)¹

¹R. Saunders (2008) - "Setting the China Question: A Caribbean Challenge" May 5th 2008 BBC Caribbean

THE CHINA- CARIBBEAN RELATIONSHIP ON A FAST TRACK TO WHERE? CONT'D

Caribbean economies may not be exporting goods and services to China, but what they have not gained in trade, they surely have gained in the form of grants and aids. The level of monetary assistance that China has given to Caribbean economies in the past three years is very substantial. It was reported in May 2013 that since 2005 China has provided US\$86 billion dollars in developmental loans to the Latin America and Caribbean region which exceeds loans from the World Bank or the Inter – American Development Bank. The conditionality of Chinese loans is more favourable. The timing of PRC's aid to the Caribbean region comes at a very appropriate time, with the region experiencing severe economic and social problems. Caribbean economies have welcomed the funds that PRC has generously given, since it has provided some degree of economic relief that some economies have been craving since the 2007 global economic slump. The USA and the European Union (EU) are major sources of revenue for Caribbean economies, but the slowdown of their economic activities since 2007 has further depressed the level of grants and aid given to the Caribbean region by them. On the contrary, PRC economic activities have picked up substantially during this same time period and have enabled it to position itself to be a new source of financing for the Caribbean region.

The trends and patterns of the PRC that we have observed in the Caribbean region are not limited to the Caribbean region. China has been offering aid to other developing regions and has also been investing heavily in other economies – Africa, Latin America and India. China recognizes those territories as fellow developing countries and potential partners. In most instances the PRC has presented itself as an alternative to aid and development assistance from the USA and EU. *“China is positioning itself to be an increasingly influential actor in a distant part of the world traditionally attached to its principal rival, the United States.” D. Erickson (2009).*

What does China want for all this generosity? – Z. Laing 2013 suggests that they want jobs for their citizens, markets for their products, earnings for their excess cash and friends in the international community as they move their national vision and mission forward. As Caribbean countries seek to increase their gains from economic relations with China, the following concerns and issues need to be addressed:

- The work ethic of Caribbean people has hindered the use of local labour in the Chinese construction projects in the region. Given pressure by local governments to deliver projects on time and without cost-overruns, Chinese construction firms have argued that they are not able to do so without importing Chinese workers to whom they do not apply the labour laws and practices of the Caribbean countries. (R. Saunders (2013) and C. Tufton (2013))²
- Caribbean countries should continue to actively secure investment and concessionary loan financing from China, but not for the construction of vanity projects that do not earn revenues or will quickly deteriorate unless they are maintained by national budgets, but rather for sustainable projects from which they will earn a return such as energy generation from renewable sources, roads and bridges that can be financed from tolls, region wide maritime transportation, construction of modern sea ports, tourist resorts and agriculture and fisheries projects. (R. Saunders, 2013)³
- In the construction sector in particular, local businesses feel neglected, since governments take loans from the PRC to build mega buildings and the contract to build is awarded to Chinese firms, who at most times use Chinese labour. This practice reduces the benefits to the local economy. Governments should include some local content in negotiating contracts with Chinese firms.
- Individual Caribbean economies lack the bargaining power of China. Because only ten of the 14 CARICOM members have diplomatic relations with PRC. CARICOM is not able to negotiate collective agreements binding on the other four countries which have diplomatic relations with Taiwan, namely Belize, Haiti, St. Lucia, St. Kitts and Nevis and St. Vincent and the Grenadines. As a consequence, economic relations between PRC reflect the stronger negotiating capacity of China (R. Saunders, (2008 and 2013), A. Montoute (2012))⁴.

³R. Saunders (2013) - “China – Caribbean relations: a new footing needed” August 11th 2013; Jamaica Observer.

²C. Tufton (2013) - “Cultural Orientation critical to China – Caribbean relations” - Jamaica Gleaner.

⁴A. Montoute (2012) - “Caribbean – China Economic Relations: what are the Implications?” Caribbean Journal of International Relations & Diplomacy Vol. 1, No. 1, February 2013: pp. 110-126.

By Julia Jhinkoo
Junior Research Fellow
Caribbean Centre for Money and Finance

HISTORY, IMPORTANCE AND DEVELOPMENT OF TRADE STATISTICS IN THE CARIBBEAN COMMUNITY (CARICOM)



“... Trade is after all the ‘bread and butter’ of the Common Market and it is vital for proper understanding of the working and development of the Common Market that accurate and up-to-date information be available on the transactions taking place between Member Countries...”¹

The above quotation by a former Secretary-General of the Caribbean Community, Sir Alister McIntyre provides the backdrop to the historical context and importance of trade statistics in CARICOM. The need for trade statistics has its basis in the efforts at economic integration in its different forms with a key aim being to improve intra-CARICOM trade flows. In what follows the story of trade statistics is depicted within the context of the economic integration agenda, starting with the Caribbean Free Trade Association (CARIFTA)-1968-72; the Caribbean Community and Common Market from 1973-2005 and the CARICOM Single Market and Economy (CSME) from 2006 to the present.

The Caribbean Free Trade Area (CARIFTA) which was established in 1968 with 11 countries² was the early context for the compilation of trade data since specifically, CARIFTA was intended to encourage balanced development of the Region including:

- Increasing trade among the Member States;
- Expanding the variety of goods and services available for trade;

The CARIFTA Agreement also sought to ensure that the benefits of free trade were equitably distributed; by promoting industrial development in the LDCs; supporting the development of the coconut industry, which was significant in many Less Developed Countries (LDCs); and providing for a longer period for the phasing out of Customs duty on certain products that were important revenue earners to LDCs. The monitoring of CARIFTA therefore required statistics and in particular trade data.³ Production data on Oils and Fats also used to be monitored routinely by the CARICOM Secretariat.

1960 to the 1970’s

The first digest of trade statistics of Member States of CARICOM, which was produced in 1976, represented efforts by the Secretariat to produce “estimates of the flow and pattern of intra-CARICOM” trade for 1960 to 1974. It was stated that the information published in the first digest of trade statistics would have served to correct misunderstandings about intra-CARICOM trade performance. The sources of data were the trade publications as well as unpublished data provided by the National Statistical Offices (NSOs) of Member States.

While the stated purpose of this first digest was to present trade statistics on intra-CARICOM trade, in fact there were tables on Total trade for the period 1960-1974 for CARICOM countries including: Balance of Trade, Imports and Domestic Exports by Country, by SITC Section and by selected Trading Partners; Percentage Distribution of Imports and Exports by country and by SITC Section. Total Trade data (disaggregated) for individual countries were also provided including by SITC Section. There were similar tables for intra-CARICOM including in this case a matrix or network of imports (exports) among countries.

1973 to the early 80’s

The Caribbean Community and Common Market came into effect in April 1973 in Georgetown, Guyana, starting with Barbados, Guyana, Jamaica and Trinidad and Tobago. The Accord which was agreed to in April 1973 contained the draft treaty which is now known as the Treaty of Chaguaramas. By 2002 the membership stood at fifteen with the last Member State to join being Haiti. One of the key objectives of the Community was economic integration of the Member States by the establishment of the Common Market. The objective on economic integration included the following aim in part:

*“...strengthening coordination and regulation of the economic and trade relations among Member in order to promote their accelerated, harmonious and balanced development...”*⁴

¹Sir Alister McIntyre, Secretary-General of the Caribbean Community (1974-77) in “A Digest of Trade Statistics of Caribbean Community Member States”, September 1976.

²A Brief History of CARICOM- Signing of the Treaty of Chaguaramas, Public Information Unit, June 2010

³A Commonwealth Caribbean Regional Secretariat was established in Georgetown Guyana on 1 May 1968 when the CARIFTA Agreement first came into effect with Antigua and Barbuda, Barbados, Guyana, Jamaica and Trinidad and Tobago.

⁴Treaty establishing the Caribbean Community, Chaguaramas, 4th July 1973

HISTORY, IMPORTANCE AND DEVELOPMENT OF TRADE STATISTICS IN THE CARIBBEAN COMMUNITY (CARICOM) CONT'D

In 1974 the Common Market Council that came into being under the Treaty in 1973, in turn established the Standing Committee of Caribbean Statisticians (SCCS):

"...to foster increased recognition of the importance of statistical services to the countries of the region; to widen the scope and coverage of statistical data collection; and to improve the quality, comparability and timeliness of statistics produced..."

The CARICOM Secretariat continued collecting trade data on an annual basis during the period of the 80's from Member States in whatever formats the Member States could supply- reports or final tabulations, in order to fulfill the requirements of compiling a regional trade report. There were many interventions made in meetings including at the highest level of the Community on the need to develop and improve trade statistics in order to enable improvement in the availability of trade statistics for the monitoring of the

economic integration process.

A lot of the data submitted by countries were provisional and the task of collating the report entailed the manual addition of the data across categories such as the sections of the Standard Industrial Trade Classification (SITC), since in many cases no totals were provided. In response to the mandates given by the Conference of Heads of Government and the Common Market Council, proposals for a regional trade monitoring system were prepared by the Secretariat and the SCCS, which included the extraction of data at the most detailed level on imports, exports and re-exports from the administrative and legal documents of the Customs departments, identifying country of origin, country of destination, description and customs tariff classification number, quantity and f.o.b. value for each item. This was to be undertaken on a monthly basis.

The CARICOM Secretariat was tasked with the preparation of regional aggregates based on data received by Member States and with dispatching these regional aggregates to Member States within six weeks of the end of each month.

With regard to the proposals presented on the statistical monitoring system for trade flows, it was recognised that the responsibility for producing timely information on intra-regional trade resided in the statistical offices. It was also noted that statistical offices required additional resources if they were to administer the trade monitoring system. Further, in the administration of the system at the national level statistical offices required the cooperation and assistance of the certifying authorities. Thus the arrangements for the system to monitor trade flows were conceptualised.

Amidst these efforts to improve the monitoring of trade flows, a second digest of trade statistics for the period 1970 to 1980 was produced in 1983 based on data submitted to the regional office by Member States.

1984 to the early 1990s

The proposed system for monitoring trade flows and its implications for customs administrations were examined by the *Ninth (9th) Meeting of the Customs Committee* in October 1984. It was agreed that customs administrations would pass to national statistical authorities, copies of the Certificate of Origin and supporting invoices. It was also agreed that the customs administrations would indicate on the shipping bills for intra-regional exports those instances where the goods qualified for Common Market treatment.

The national statistical offices also felt that it was impossible to provide the data within the next week of the end of each month as recommended in the system approved by Council and that a time lag of one or two months was more feasible. It was agreed that there was need for timely data to monitor intra-regional trade flows and delegates present re-iterated their commitment to producing such data.

Best Practice during the 80's

The sharing of the copies of the Certificate of Origin/Shipping Bills and related invoices can be described as a defining moment in the compilation of trade statistics. National Statistical Offices (NSOs) need to obtain data from two main sources – statistical surveys and administrative data sources. Over the years NSOs have experienced (and still do) difficulties in accessing the data from key administrative sources such as income tax data for the compilation of National Accounts. The CARICOM

HISTORY, IMPORTANCE AND DEVELOPMENT OF TRADE STATISTICS IN THE CARIBBEAN COMMUNITY (CARICOM) CONT'D

Secretariat has recently executed a project activity on a Common Framework for Statistics Production a component of which focused on the production of a Model Statistics Bill to inform the collection of data in an integrated statistical system. Funded by the Inter-American Development Bank, one of the key inclusions in the Model Bill pertained to access of information from government and other agencies for statistical purposes. The decision made so many years ago to share administrative data with the NSOs for statistical purposes can only be described as an outstanding practice in the history of statistical data collection since it meant that the Statistical agencies were able to have access to copies of legal documents for the purposes of compiling and monitoring trade flows.

Importance of Intra-regional Trade- Challenges

Intra-regional trade statistics remained on the agenda of various Community Meetings for several years including meetings of the Conference of Heads of Government (1984); SCCS meetings (all) and meetings of the Common Market Council at which meetings a report on the performance of intra-regional trade was consistently presented in the 80's and 90's. Meetings of Statisticians, Custom Officials and Trade Experts (STECO) also had trade statistics on their agenda.

At the Thirty-Seventh Meeting of the Common Market Council (Council), 1991, Council noted the action taken by the Secretariat to improve the preparation and production of product level statistics in the Region. Further, at the Thirty-Ninth Meeting of Council in 1993, the Secretariat presented a paper entitled *Performance of Intra-regional Trade: January to December 1991*. The Meeting was informed that the analysis of the performance of intra-regional trade for the year 1991 as outlined in the Paper was based on the trade data supplied to the Secretariat by Member States as well as estimates made by the Secretariat of the trade for those Member States which had not yet produced their trade data for the full year.

The Secretariat representative stressed the limitations faced with respect to the availability of the requisite data. It was also explained that the introduction of the Common External Tariff (CET) by eight Member States at different points in time during 1991, and the use throughout that year of different versions of the classification system by four Member States which did not introduce the CET, made comparability of the data at the item level particularly difficult. Council called upon Member States to ensure the timely submission of data to the Secretariat at the detailed item level in respect of intra-regional and extra-regional trade.

1990's to the present

Moving from the Common Market to the CARICOM Single Market and Economy (CSME), the fundamental objective of the CSME is to achieve a single economic space that will foster growth and will result in sustained development of the standard of living of all Caribbean peoples. The Single Market was established in 2006 and comprises all Member States except The Bahamas, Montserrat and Haiti. Key elements of the CSME are: Free Movement of Capital, Labour, Goods, the Provision of Services and the Right of Establishment within member states of the CSME and establishment of a Common External Tariff (CET).

Underscoring the functioning of the CSME and the improving of the standard of living of the peoples of the Community is the vital role of statistical information in guiding and monitoring the progress of the integration movement. Given that the CSME is also about the free movement of goods, the analysis of the performance of intra-regional trade continues to be a critical element on which statistics are to be collected and disseminated.

Compilation of Trade Statistics at the Secretariat and data quality -then and now

The task involved in the compilation and dissemination of the first regional trade digest which was published in 1976 must have been an enormous one given that it was in an era where the use of Information Technology (IT) was mainly absent. Adding machines and calculators were the main means used by the Secretariat to collate the information received. What is known about the approach to the compilation and the production of that report is that the sources of data were the trade publications as well as unpublished data provided by the National Statistical Offices (NSOs) of Member States.

Some countries did not provide summary tables and these had to be meticulously compiled from detailed listings from the trade reports and computer printouts. This compilation was particularly required for collating the data on total/intra-CARICOM trade by SITC Section. It was also the case that the totals that were manually collated by SITC Section within a

HISTORY, IMPORTANCE AND DEVELOPMENT OF TRADE STATISTICS IN THE CARIBBEAN COMMUNITY (CARICOM) CONT'D

country differed from the summary totals where these were available. Efforts had to be made to reconcile the discrepancies where possible or if not, to simply use the totals obtained from collating the detailed data.

The approach was to compile summary matrices by SITC Section, by Trading Partners for each country and year and then to aggregate to show the picture for CARICOM. This would have to be done for Total trade as well as for Intra-CARICOM trade. Tables called Network (matrix) showing for intra-CARICOM trade the relationship of importing/exporting countries of CARICOM were also prepared.

With the advent of IT and its use in Member States and at the Secretariat the system of compiling the data would have made use of the new technologies. However the real impact of the use of IT at the Secretariat in compiling a regional trade information system was not felt until the early 90's. In 1994/95 the Secretariat obtained the services of a Consultant to prepare a data processing system based on dBase IV for the processing of trade data received from Member States. This change enabled the submission of data on electronic media based on the processing at the country level using in-house software packages or Eurotrace software. Paper submissions were still made by countries in some instances.

A computerized system of processing of the submitted trade data at the Secretariat was therefore established. Gradually the electronic submission of data became more organized and a format was established for the submission of the data. However it was the case that some countries did not adhere to the format and time had to be spent to correct this issue prior to the electronic processing of the data. Validation of the data was still necessary with queries being referred to Member States.

In the main, countries initially used in-house packages on mainframe computers to process and compile their trade data, and it still entailed the printing of computer printouts of tabulations that had to be verified. The system of data capture by the Customs Department also changed with the introduction of the Automated System of Customs Data (ASYCUDA) around the early 1990's. At the same time countries of the OECS sub-region had commenced the installation of the Eurotrace software for processing the data received from the Customs Department. For example, in the case of Dominica, Eurotrace was installed in March 1992 with ASYCUDA being installed one month earlier in the Customs Department of that Member State⁵.

There were several problems with the data that became available from the ASYCUDA System including: the absence of data from out-stations (outside of the main Customs office) and which therefore had to be entered; incorrect dates for these late/outside entries; inconsistencies in the identification numbers entered in the automated system and that used to process the declaration; values entered for some elements were erroneous e.g. net weight. Recommendations were made on data integrity relative to the data entered in the ASYCUDA system as well as for training in specific software to allow for the treatment of queries by the data processing officer in order to improve the data quality. In the early 1990s therefore countries commenced submitting trade data on electronic devices. In fact in 1993 while many countries submitted reports or computer printouts with tabulations, Barbados and St Kitts and Nevis submitted their trade data on diskettes.⁶

The difficulties identified in the production of the first digest on trade statistics included differences in definitions, coverage and in the reliability and availability of up-to-date information. There were also differences due to the version of the international classification (Standard Industrial Trade Classification-SITC) used across countries. Additionally there were missing data for some countries for specific years which would have resulted in totals across time that would not have been comparable and there were differences in the system of trade used, General versus the Special system, with implications for coverage of trade data captured as imports/exports. Some (if not all) of the above challenges still affect the compilation of regional trade statistics today and impact data quality including timeliness. In the mid-90s some of the challenges experienced by countries included the following:⁷

- Additional work required by NSOs resulting from the CET (based on the Harmonised Commodity and Description Coding System -HS);
- The implementation of the CET at varying points in times during the year rather than at the beginning of the year;
- Inadequate computer hardware and software to process the data;
- Lack of adequate staff capability in most of the smaller statistical offices to cope with the additional work load;

⁵Seventeenth Meeting of the Standing Committee of Caribbean Statisticians, Belize, November 1992

⁶Eighteenth Meeting of the SCCS, Guyana, 1993

⁷Nineteenth Meeting of the SCCS, Guyana, 1994

HISTORY, IMPORTANCE AND DEVELOPMENT OF TRADE STATISTICS IN THE CARIBBEAN COMMUNITY (CARICOM) CONT'D

- Delays in adapting the computerized system for processing the data collected based on revisions of the HS-based CET;
- Effect of teething problems relative to the implementation of the ASYCUDA and Eurotrace systems.

Challenges with the production of trade data by Member States continued throughout the years. At the end of 1996 only two countries, Barbados and Belize had full-year data for the previous year 1995. However there was marked improvement in the availability of trade data at the end of 1997 with nine countries with full year data for 1996 by October 1997. Support to the development of trade data was provided by the CARICOM Secretariat to four countries three of which were included in the nine countries that were able to provide the 1996 trade data.⁸ Compared to today, in 2011 six countries submitted data at the stated timeline (April) and by July 12, 13 countries submitted their trade data. The country which did not submit was experiencing problem due to issues pertaining to the updating of the system of trade data capture by the Customs Department leading to errors in the data collected.

The novelty of the New Eurotrace software implied that further upgrading was required to eliminate some of the “bugs” it contained. In addition changes in the system of data capture by the Customs Department, the main source of data at the national level may have resulted in some problems relative to the smooth transfer of data into the New Eurotrace system. Countries are supported by the Secretariat or through South-South co-operation in resolving these challenges.

However further support through technical assistance and training is planned under the Tenth European Development Fund provided by the European Union. While some countries in the spirit of competition strive to be the first to submit their trade data to the Secretariat, there are still challenges in the timeliness of the data submitted partly due to processing issues with the New Eurotrace or compatibility issues of the trade systems - Customs and the NSOs consequent to the upgrading of the former as explained above. A key challenge in the past has been the introduction of the Common External Tariff (CET) in the 90's relative to the slow pace of implementation which implied that over the period of implementation the data would not have been comparable across countries and of course the impact on the intended results of regional integration. Additionally the international Classification of the World Customs Organisation, the Harmonised Commodity and Description Coding System (HS) which is used by the Customs Department for trade data capture is subject to revisions over time which poses its own unique challenges relative to the timing of implementation even now. For analytical purposes the SITC is often the choice used or requested by users. Changes in the HS over time require that the more detailed coding of commodities to enable application of the CET must also be changed to conform to the new international standard.

There are several issues relative to the changes in the HS which affect the trade data. The timing of implementation of the HS-based CET at the national level is a major issue. If this is implemented at a time other than the beginning of the year it implies that the trade data would be classified using different versions of the HS with implications for the comparability of the data within a year and across counties. Harmonisation of statistics therefore becomes a nightmare.

With the change of the HS there is also need to prepare at the regional level an HS-SITC correlation table to reflect the CET level of details and to enable analysis by SITC Section. There are cases in which the changes in the HS results in structural breaks in the data. Additionally the upgrading of the SITC also can create challenges with the HS-SITC correlation, in terms of the past correspondence which affect data comparability. Efforts have been made at the regional level to create a correlation of the HS-based CET to the SITC grounded in the latest existing HS but it is not a perfect solution to these classification issues such as structural breaks in the data due to classification changes which may not have a significant impact on the Section level data and may more affect certain items at the very detailed level (again which may not be significant).

One of the main challenges with the quality of the data overtime has been the data on Quantity of trade and this is thought to be mainly due to the preoccupation of the Customs Department with the collection of revenue. Even though this is the case the quantity figures should have direct bearing on the revenue to be collected. There are obvious problems when comparisons of the unit value of identical items are made. This situation does not rule out the computation of Trade Indices using Unit Value since outlier analysis can be incorporated.

⁸Twenty-Second meeting of the SCCS, Saint Lucia, November 1997

HISTORY, IMPORTANCE AND DEVELOPMENT OF TRADE STATISTICS IN THE CARIBBEAN COMMUNITY (CARICOM) CONT'D

Recent Developments in Trade Data Production and Dissemination

At the CARICOM Secretariat using funds from its Research and Advisory budget the upgrading of the Trade Information System from a DOS-based system based on dBase IV to a system based on SQL Server was undertaken in 2002. This also involved the use of Microsoft Access at the frontend. This was a first phase of a planned programme to modernize the trade information system at the Secretariat. Post this upgrading, funding received from the IDB and the EU have enabled improvements in the submission of data from Member States to the Secretariat as well as improvement in the processing of the data to produce the regional trade information system (Tradsys) and to enable its access through the Internet.

The IDB provided funds for two aspects of development of the trade systems in Member States and at the Secretariat. The first related to the review and enhancing of the trade information system to collect, process and manage the regional data and to produce a draft data submission protocol to be used by Member States as a common format for the submission of data. In the course of making these recommendations an assessment of the systems in use in Member States in compiling trade data and submitting to the Secretariat was undertaken. The second component of the project related to the design of an online trade information system which is now enabling users' access to key data on trade through the internet.

Two projects were executed with funding support by the EU. The first project related to the installation of the New Eurotrace for Windows for the processing of trade data by those countries that were using the DOS version. The project involved in-country technical assistance to upgrade the trade information system in Member States. It specifically targeted the implementation of the New Eurotrace Software Package, which included the development of a functioning domain, loading of historical data, provision of the relevant training, and the implementation of the Data Submission Protocol for the transmission of data to the Secretariat.

The second activity served to reinforce the work undertaken by enabling full implementation of the New Eurotrace for Windows. It also provided training in the full suite of the New Eurotrace software including the processing, the dissemination (Comext), production of indices (Trade Indices module) and the Mirror Statistics Module for data reconciliation between countries. With the upgrading of Eurotrace to a Windows version, countries migrated from the DOS to Windows version with the support of the European Union project under the Ninth EDF executed by the Secretariat. Data editing rules were developed and installed in countries to improve data quality and to minimise manual checks.

Nowadays many countries disseminate trade data through their websites and submit their trade data electronically via official email communication and otherwise. In the case of the online regional trade information system (Tradsys_online) on the website, users can access data at a specific level of aggregation from this facility. It is intended to further enhance the online Tradsys with funding available from the EU to enable better access to the trade data through the internet. Countries continue to perform appreciably relative to the adherence to the data submission protocol and to the timeline for the submission of data to the Secretariat.

However in some aspects, the more things change... the more they remain the same... the challenges that affect the availability and timeliness of trade data in the early days of the development of a trade monitoring system still occur today specifically that of more effective coordination between Customs and the NSOs in some countries. Effective coordination at the national level can offset challenges due to changes in the system of the former that may not take on board the needs of the NSOs. Undoubtedly there are marked improvements in the regional trade monitoring system.

The importance of the data then and now is still primarily to monitor the impact and achievements of the economic integration agenda but also for use by the private sector and public sector for decision-making on policy formulation and on manufacturing initiatives.. Invariably there have been developments brought on by developments in IT hardware and software. Data submission can be said to have improved with occasional glitches posed by the challenges. Over the years other reports were produced including a second digest with data for the period 1970 to 1980; Trade in Agricultural Commodities; Quick Reference to Summary Data; Intra-regional trade (Volumes 1 & 2). Data are now distributed on websites and are submitted through the internet and online access to key trade data is available on our website: www.caricomstats.org. There has been appreciable performance in intra-regional trade and the trends and profile in trade statistics of the past still exist today to a large extent.

**Prepared by Dr. Philomen Harrison
Project Director, Regional Statistics
Caribbean Community (CARICOM) Secretariat
Georgetown Guyana**

REGIONAL NEWS SUMMARY

CL FINANCIAL

- The CL Financial resolution proposal before Cabinet raises the possibility that Clico and British American's traditional insurance portfolios may be sold along with all of Clico's investments in methanol, banking, alcohol and property, according to the July 4 Letter of Intent which forms part of the Cabinet Note on the issue. The Cabinet Note proposes the retention of \$1.6 billion in assets by CLF and the sale of assets worth an estimated \$31.5 billion, which would be used to pay all of the group's creditors. (TG 30 Jul)
- Cabinet has approved the transfer of about \$8 billion worth of insurance giant's CLICO's pro-fitable business to a new company called Atrius which will be 100% owned by the State (TE 2 Aug)
- The Ministry of Finance is seeking yet another extension of the June 2009 shareholders' agreement with the CL Financial group, Finance Minister Larry Howai disclosed last week. In an e-mail, Howai said the Ministry's proposal for the settlement of CL Financial's \$19 billion debt to the Government had been considered by Cabinet. Howai said that Cabinet asked him to "engage the services of an international financial services advisor to review the proposal and provide the Cabinet with the results of its evaluation before Government gives its approval." (TG 26 Aug)

CARIBBEAN

- In Suriname, any individual who has saved up to SRD 50,000 will be guaranteed the money is still there even if their bank is bankrupted. The Central Bank (CBvS) is busy preparing insuring savers' money. (de Ware Tijd 31 July)
- Caribbean finance professionals have less confidence in the future prospects of their businesses than earlier in the year, despite a rise in access to growth capital, according to new findings from the Global Economic Conditions Survey. (TG 1 Aug)
- Trinidad and Tobago's proven natural gas reserves have contracted by one per cent in 2012, the latest audit by Houston, Texas-based consultants Ryder Scott shows. The rate at which the contraction occurred over the past decade has, however, slowed and reserve levels have remained fairly constant since 2010. (TE 1 Aug)
- To contain rising prices for basic goods, the government considers supplying importers with cheap dollars. Currently 45 products are imported duty-free for which retailers are allowed a maximum of 10% in profit. (de Ware Tijd 3 Aug)
- The Dominican Republic subsidiary of local financial house, Jamaica Money Market Brokers has been voted as one of the 50 Best companies to work for in that Caribbean country. (JO 2 Aug)
- Barbadians took their eyes off productivity in the last decade and this has led to the current economic woes, says CARICOM ambassador Robert "Bobby" Morris. (BN 5 Aug)
- The executive board of the IMF completed the sixth review of Haiti's performance under its programme supported by the Extended Credit Facility arrangement on August 2, 2013. The Board also approved an extension of the arrangement until August 29, 2014 and a rephrasing of disbursements. (CNnow 5 Aug)
- In 2012, Latin America and the Caribbean received a record US\$ 173.361 billion of Foreign Direct Investment (6.7% more than in 2011), despite an external context characterised by shrinking FDI flows worldwide, according to the United Nations Economic Commission for Latin America and the Caribbean . The figures are attributable to the region's steady economic growth, high prices for raw materials and the impressive returns on investments related to natural resource exploitation. (GuyTim 5 Aug)
- A mere decade ago, it was practically non-existent; today Guyana boasts a thriving tourism sector with tremendous potential and with some aspects that can be compared to any of the popular tourist destinations in the region. (CNnow 6 Aug)
- Joint ventures between Surinamese and Chinese enterprises have come closer after the Suriname Business Forum signed a letter of intent with the firms association of the Chinese Chnagdong Province (de Ware Tijd 6 Aug)
- Uganda stands to benefit from Trinidad and Tobago's vast experience in the development and management of the oil and gas industry. So said Irene Muloni, that country's Minister of Energy and Mineral Development, as she wrapped up a study tour to T&T. (TG 6 Aug)
- Barbados' ambassador to CARICOM Robert "Bobby" Morris has suggested that the Caribbean would not see any improvement in employee engagement and productivity until fundamental change happened at the managerial level. Organizational structures within the region were traditionally hierarchical and characterized by top-down management, he said, and "you don't get participative workers in that environment (BN 7 Aug)
- Jamaica's BIGGA soft-drink maker Wisynco has partnered with a leading beverage distributor in New York, shifted production to the tri-state area, and launched an aggressive promotional blitz in an effort to make further inroads into the US market with the brand. (JO 7 Aug)
- Caribbean Cement Company announced that it returned to profitability earning J\$359.5 million for its second-quarter ending June 30 after effectively receiving billions in support from its parent. (JO 7 Aug)
- GraceKennedy is expected to send its first shipment to Nigeria by year-end. The food, financial and money services conglomerate has already established itself in Ghana. (JO 7 Aug)
- Management needs to address workplace stress issues as these are likely to result in absenteeism and have an impact

REGIONAL NEWS SUMMARY CONT'D

- on productivity, said Lecturer in Management in the Department of Management Studies at the University of the West Indies, Cave Hill Campus, Dr. Dion Greenidge. (BAdv 8 Aug)
- For the first time in a long time in T&T, a Government bond issue has been undersubscribed and the Central Bank believes that the First Citizens offer is the cause. (TG 8 Aug)
 - Six employees at Flavorite Ice Cream (Barbados) are without jobs after management from Trinidad informed them that the company was closing its Wildey office. (BN 8 Aug)
 - The shareholder governments of the regional airline, LIAT, signed a US\$65 million loan agreement with the Caribbean Development Bank as the airline seeks to upgrade its ageing fleet (TE 10 Aug)
 - T&T's food price inflation, which was at 29% in 2010, has been reduced to 9% this year, while the agriculture sector grew 6%, Food Production Minister Devant Maharaj announced (TG 11 Aug)
 - The quest to fully commercialise Jamaica's bamboo industry is making strides. US-based investors have already expressed an interest in buying a kiln that converts bamboo into charcoal. The overseas interest stems from demand for the renewable fuel by a chain of stores in the US that could take up to six million pounds a year (JO 12 Aug)
 - The expectation that governments will provide social services and take the lead in driving commercial activity is one of the major causes of high expenditure in the Caribbean public sector. This observation was among the key points noted during a panel discussion that formed part of the Institute of Chartered Accountants of the Caribbean's recent conference. (BN 13 Aug)
 - The ill health of employees is one of the reasons Barbados' economy is struggling to develop. This is the view of chairman of the Barbados Chamber of Commerce and Industry's health and wellness committee, David Neilands, who said high medical costs were a significant burden to the efficient running of both the private and public sectors. (BN 13 Aug)
 - Laparkan Financial Services in Guyana has secured a partnership agreement with the Jamaican remittance company, JN Money Services Limited which would enable the latter to expand to four more Caribbean countries. (SN 13 Aug)
 - Countries belonging to the ACP group (African, Caribbean and Pacific), including Suriname, fail to use the funds allocated by the European Union, a Dutch report shows. (de Ware Tijd 14 Aug)
 - Barbados' Finance and Economic Affairs Minister, Christopher Sinckler, announced in the budget that from September next year Barbadians will be called on to pay tuition fees at the UWI. (BAdv 14 Aug)
 - The IMF has maintained a 1.5% real GDP growth for Trinidad and Tobago in 2013, with risks slightly to the downside, should development spending be under-executed. (TE 14 Aug)
 - The St Kitts-based Monetary Council of the Eastern Caribbean Central Bank received the Governor's Report on Monetary and Credit Conditions, which was based on developments over the first quarter of 2013 and evaluated within the context of developments over the corresponding period of 2012. (CNnow 14 Aug)
 - The St Kitts-based Eastern Caribbean Central Bank says it has assumed control of two indigenous banks in Anguilla noting the move is designed to ensure the stability of the banking system in the entire Eastern Caribbean Currency Union (TG 14 Aug)
 - As Jamaica continues to haemorrhage manpower to the skilled-worker programme in Canada, there are lingering concerns that a number of local sectors could crumble unless something is done fast to staunch the flow. (JG 15 Aug)
 - Guatemala is eager to invest in Trinidad and Tobago, so much so that it is willing to invest at least US\$50 million in the country in the beverage market alone. (Newsd 15 Aug)
 - The Central Bank of T&T announced changes to the decision-making framework for monetary policy "to ensure greater consistency with international best practice and with our own specific macro-economic and institutional context." The main change is the expansion of the Monetary Policy Committee (TG 15 Aug)
 - Jamaica's unemployment rate rose to 16.3% in April this year, up almost two percentage points over year earlier figures (JO 16 Aug)
 - The World Bank is providing a US\$10- million loan to Antigua and Barbuda to finance the public and social sector reform activities for the next five years. (JO 16 Aug)
 - The National Gas Company (of T&T) has purchased US-based energy giant ConocoPhillips's 39% share in Phoenix Park Gas Processors Ltd for US\$600 million (TE 17 Aug)
 - Chairman of the Development Bank of Jamaica Joseph M Matalon says a strong microfinance industry is critical to reducing Jamaica's unemployment. (JO 20 Aug)
 - Guyana's first ever Bio-ethanol Demonstration Plant, a joint venture between the IDB and the Government of Guyana, has been commissioned by President Donald Ramotar (GCO 21 Aug)
 - Rating agency AM Best has removed from under review with negative implications and affirmed the financial strength ratings of several subsidiaries of Sagicor Financial Corporation. Sagicor Life Inc and Sagicor Capital Life Insurance Company Limited were affirmed A- (Excellent) with issuer credit ratings (ICR) of "a-". (TG 21 Aug)
 - Chinese businesses are being encouraged to come to Jamaica and set up shop with the promise of closer access to United States markets. (JG 21 Aug)
 - Foreign direct investments in Haiti increased by 20% in 2013 compared to the past couple of years and an effective legal and administrative framework to make doing busi-

REGIONAL NEWS SUMMARY CONT'D

- ness easier for entrepreneurs who want to invest in Haiti is to be set up. (CNnow 21 Aug)
- The Caribbean has been mentioned by two recent United Nations and United States Department of State reports as a region vulnerable to money laundering associated with illegal narcotics and the laundering of criminal proceeds. (Carib360 22 Aug)
 - Financing gaps worth more than US\$400 billion in the African, Caribbean and Pacific Group of States can be improved by setting up a major trade and investment bank to serve the group's 79 members, say experts. (CNnow 22 Aug)
 - The IMF has signalled that Jamaica has passed the first quarter test saying fiscal performance for the quarter as well as the last financial year outperformed projections despite declines in several key areas. (JG 22 Aug)
 - The Jamaican economy has continued in a recession as data from the Bank of Jamaica have confirmed a fifth consecutive quarter of negative growth. (JG 22 Aug)
 - The governments of Jamaica and China signed four agreements, among which will see the Asian superpower providing the island with billions of dollars in grants and loans to facilitate infrastructure development. (JO 22 Aug)
 - Guyana missed the deadline when it should have submitted its updated anti-money laundering act to be in compliance with the Caribbean Financial Action Task Force, but with no parliamentary consensus and the bill stuck at a select committee, government said the country is now exposed to international sanctions. (GuyTim 22 Aug)
 - THE Barbados Stock Exchange reported increased trading activity for the first half of 2013. Total trading volume was 19.11% higher, while trading values were up 3.1% over those for the corresponding period to June 2012. (BAdv 22 Aug)
 - Sagicor Financial Corporation has agreed to accept US\$85 million from AmTrust Financial Services for the sale of Sagicor Europe Limited which includes the loss-making Sagicor at Lloyds Limited. (BN 22 Aug)+
 - Citibank NA and exploration company Trinity Exploration and Production (Trinidad and Tobago) Ltd have reached a US\$25 million financing agreement, which provides the company with financing flexibility for development capital expenditure or acquisitions (TE 23 Aug)
 - The Sagicor Group recorded net income from continuing operations of US\$28.4 million for the first six months of 2013, an improvement of US\$4.0 million over the comparative period in 2012. (TE 24 Aug)
 - Even before the committee set up to review the fiscal regime for the hydrocarbons industry made a single recommendation to the Minister of Finance for the national budget, another oil company, Leni Gas and Oil, had its royalty rates reduced. The same was done for another oil company, Range Resources Ltd, in March. (TG 25 Aug)
 - Barbados Prime Minister Freundel Stuart has urged commercial banks to invest in the island's hotel sector. Stuart told the media that financial institutions should be willing to take investment in that sector seriously. (CNnow 26 Aug)
 - The Jamaican dollar hit a new record low when it broke through the J\$102 mark against the US dollar. The Bank of Jamaica responded with another float of two special certificates of deposit, both of which are seeking to raise unlimited amounts. (JG 27 Aug)
 - The initial public offering of 48,495,665 shares by the Government in state-owned bank, First Citizens has been oversubscribed by a significant amount, sources at the bank disclosed (TG 27 Aug)

STAFF OF THE CARIBBEAN CENTRE FOR MONEY AND FINANCE

Executive Director :

Prof. Compton Bourne
(868) 662-2002 ext 82550

Compton.Bourne2@sta.uwi.edu

Research Fellow :

Dr. Dave Seerattan
(868) 662-2002 ext 82552

Dave.Seerattan@sta.uwi.edu

Research Fellow :

Ms. Tracy Polius (on leave)
(868) 662-2002 ext 82553

Tracy.Polius@sta.uwi.edu

Junior Research Fellow:

Ms. Julia Jhinkoo
(868) 662-2002 ext 82546

Julia.Jhinkoo@sta.uwi.edu



CARIBBEAN CENTRE FOR MONEY & FINANCE

The University of the West Indies
St. Augustine, Trinidad and Tobago
Phone: 868-645-1174, Fax: 868-645-6017
E-mail: ccmf@sta.uwi.edu
Website : www.ccmf-uwi.org