

Regional integration and structural change in the Caribbean

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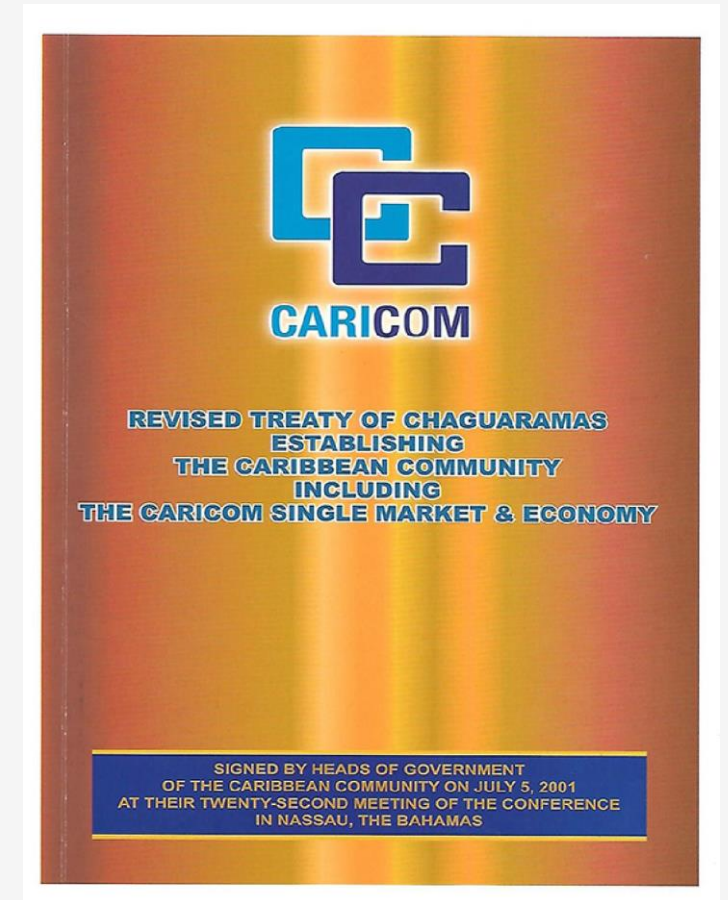
CDR 2022 PANEL 5 - Economic Restructuring and Diversification towards deepening the integration of the Caribbean into Latin America and the Global Economy



Key goals for Caribbean regional integration and industrialization in Caribbean

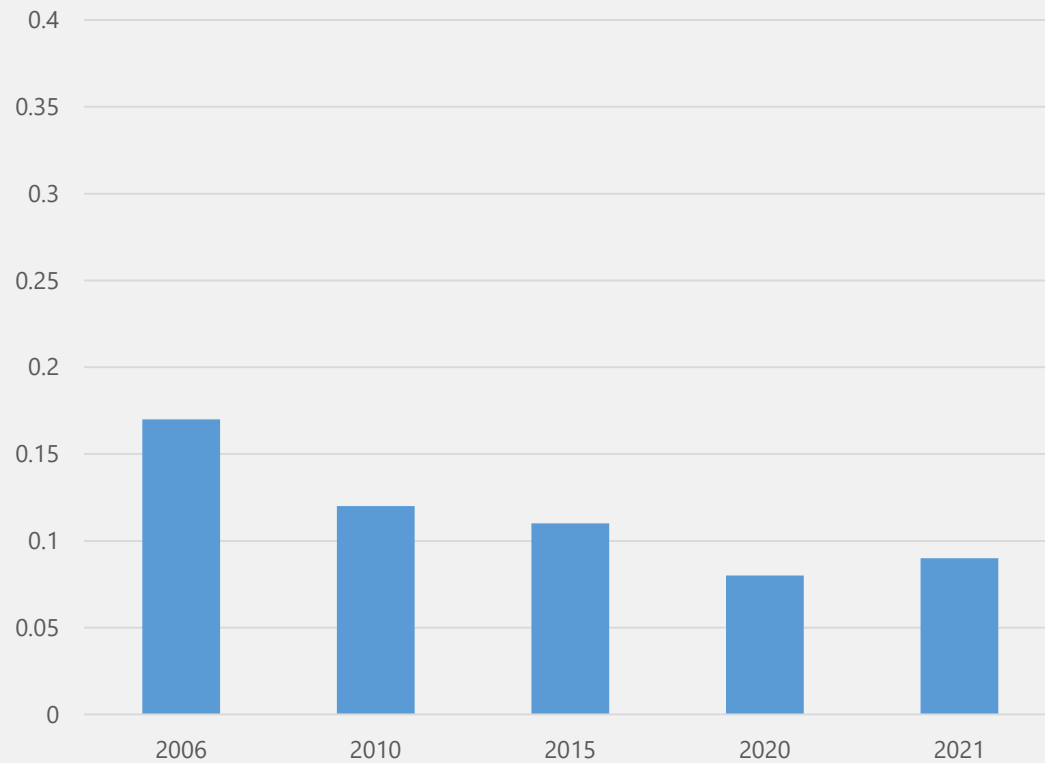
Revised Treaty of Chaguaramas: Select objectives of the Community

- *Expansion of trade and economic relations with third States;*
- *Enhanced levels of international competitiveness;*
- *The achievement of a greater measure of economic leverage and effectiveness of Member States in dealing with third States, groups of States and entities of any description;*
- *Enhanced co-ordination of Member States' foreign economic policies;*

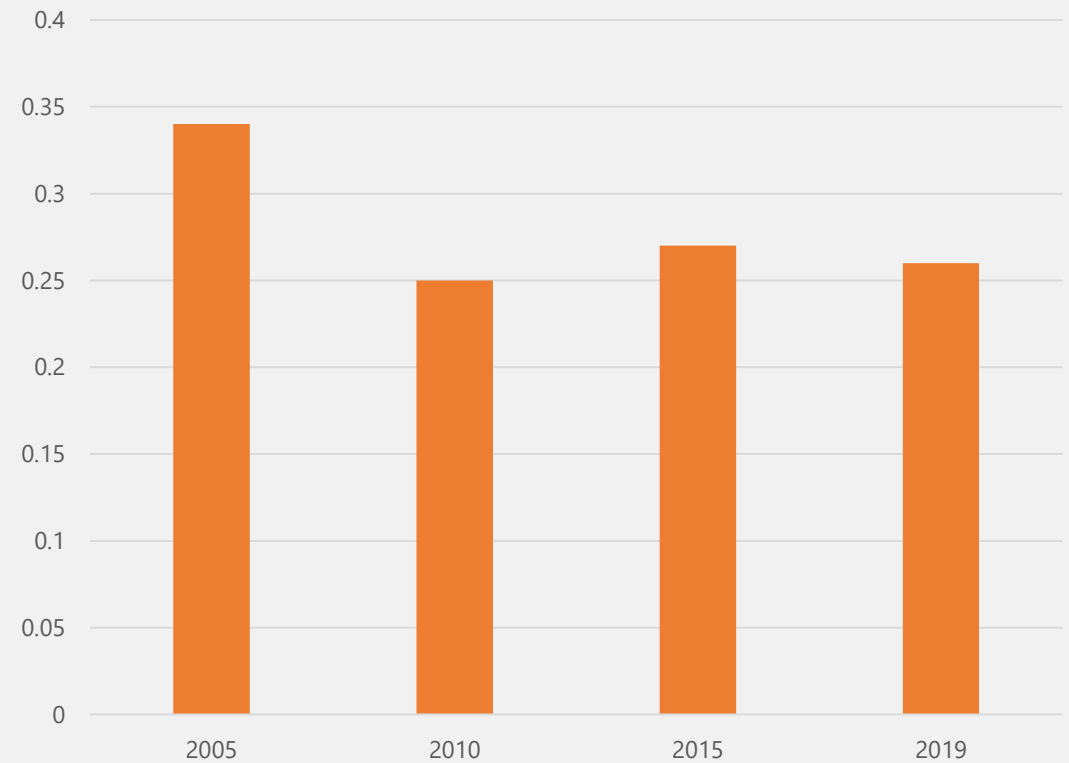


CARICOM's relative goods and service exports are very small and have been declining

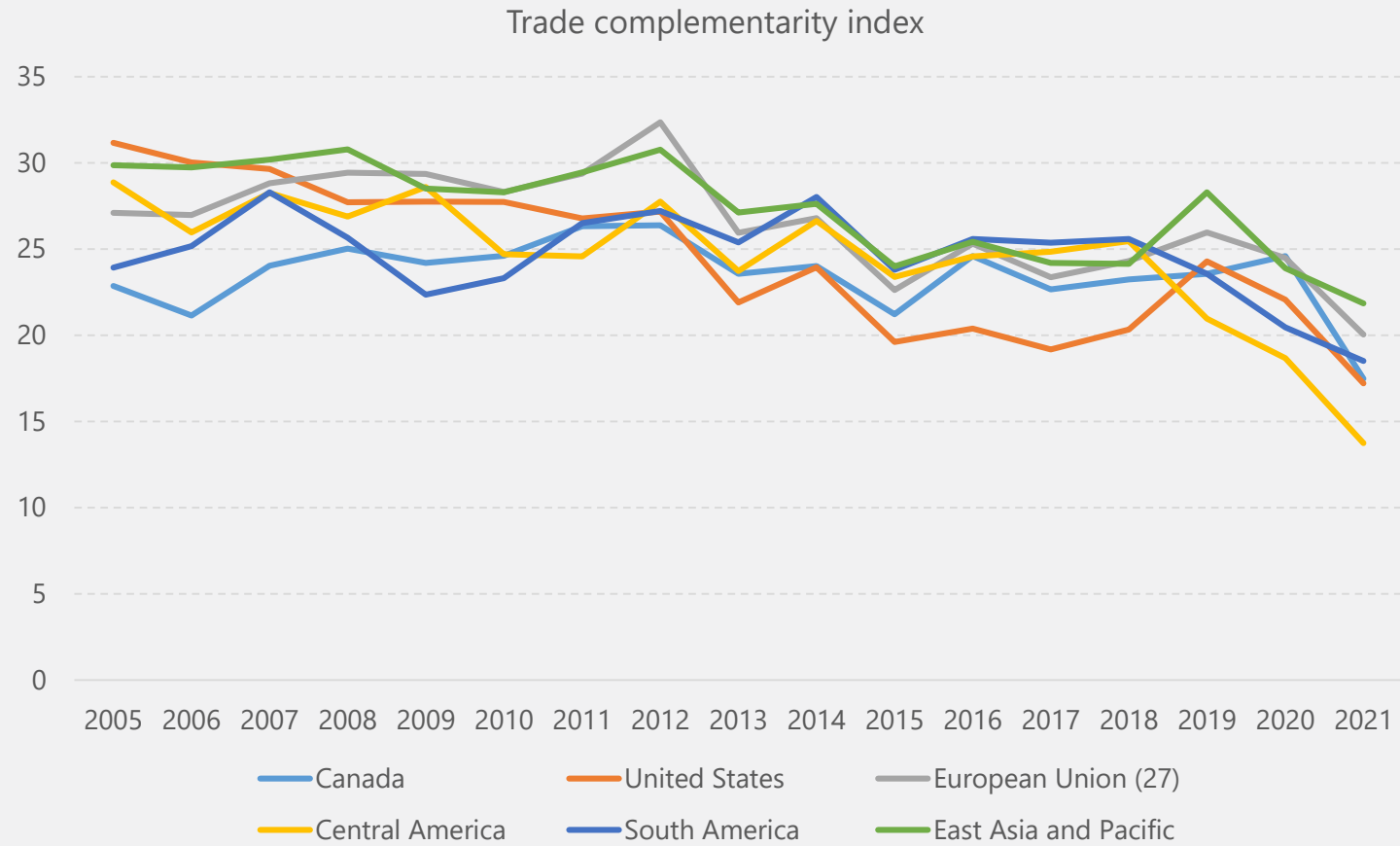
CARICOM goods exports
(Percentage of world exports)



CARICOM service exports
(Percentage of world exports)



Trade complementarity has been declining



Intra-industry trade between Caribbean countries and major trading partners

Grubel-Lloyd Index

Country	Year	CARICOM	United States	Canada	European Union (excluding UK)	SICA	Mercosur	World excluding Caribbean
Antigua and Barbuda	2015	●	●	●	●			●
Bahamas, The	2015	●	●	●	●		●	●
Barbados	2021	●	●	●	●	●	●	●
Belize	2021	●	●	●	●	●		●
Grenada	2021	●	●	●	●	●		●
Guyana	2021	●	●	●	●	●	●	●
Jamaica	2020	●	●	●	●	●	●	●
St. Kitts and Nevis	2015	●	●		●	●	●	●
St. Lucia	2015	●	●	●	●	●	●	●
St. Vincent and the Grenadi	2021	●	●	●	●			●
Suriname	2021	●	●	●	●	●	●	●
Trinidad and Tobago	2021	●	●	●	●	●	●	●



Indication of intra-industry trade

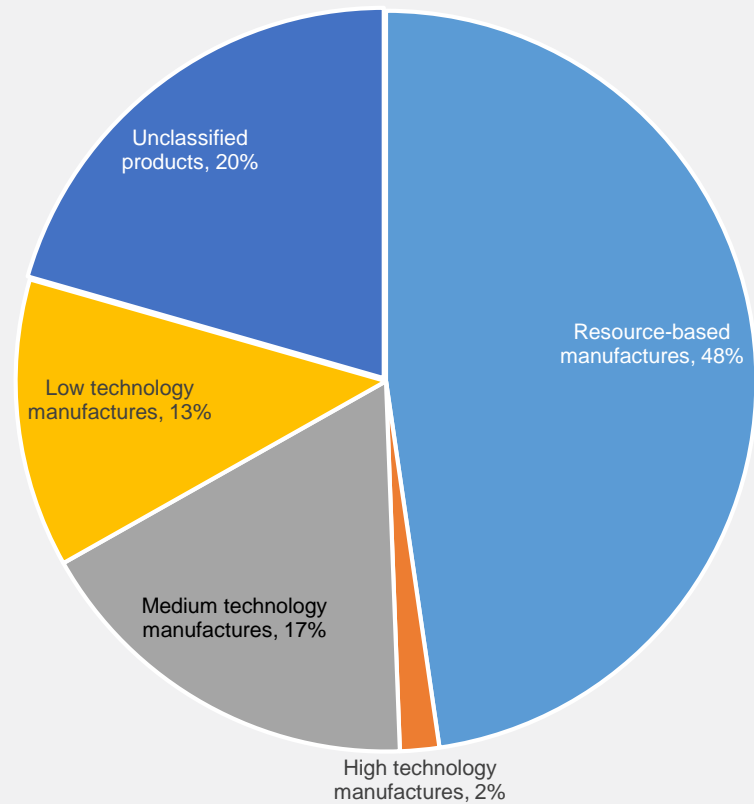


Potential intra-industry trade



Inter-industrial relations

Technical assistance and financial support needed to facilitate trade



Only a small percentage of the Caribbean's technological intensity of exports focused on high technology manufactures (2%) which increases value added to the economy

Instead, 78% of the Caribbean's technological intensity of exports composed of natural resource-based manufactures (48%) and medium-low technology manufactures (30%)

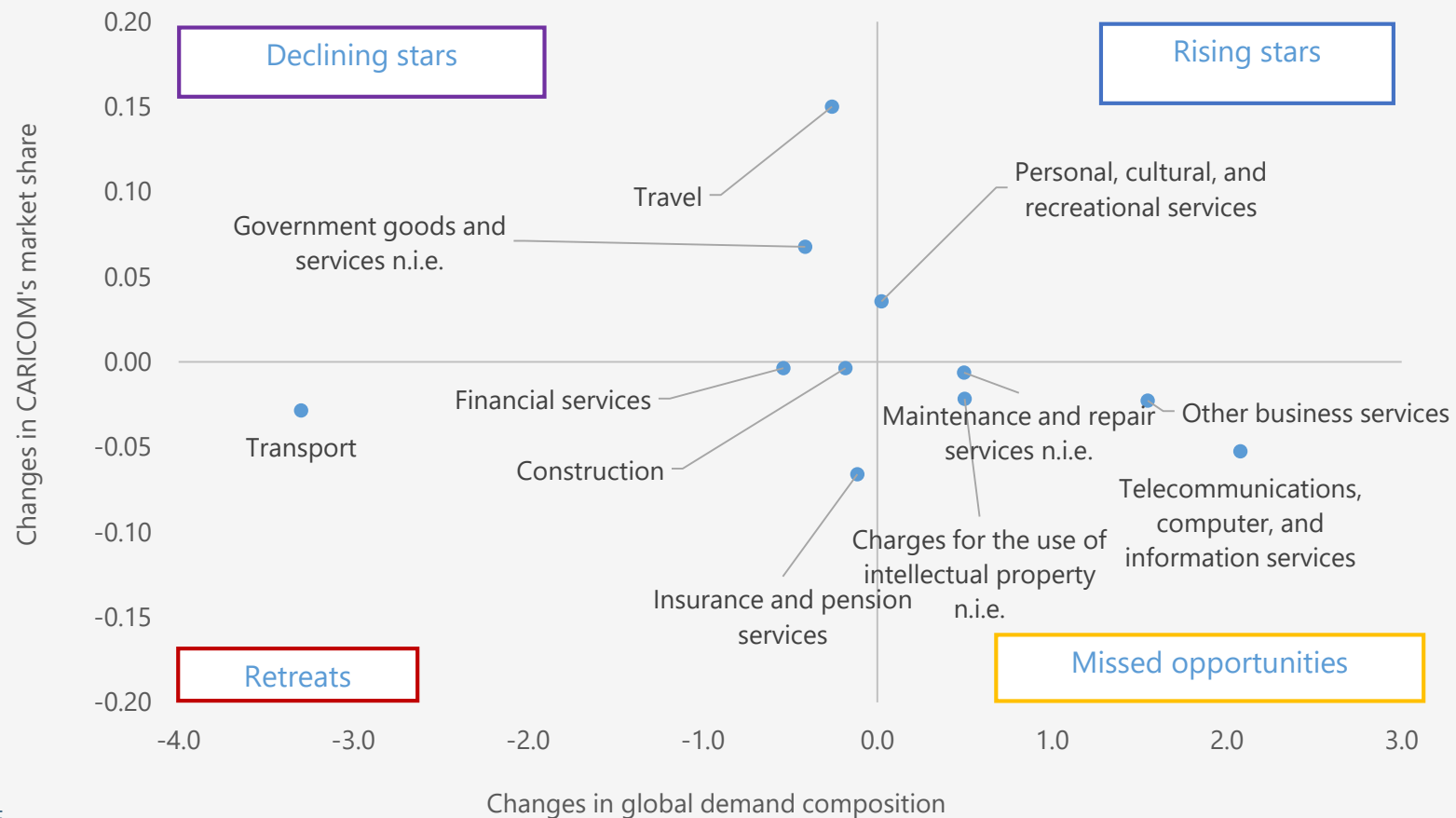
CARICOM's top 10 exports are also highly concentrated, accounting for an average of 73.6% of the overall value of its global shipments from 2010 – 2020 with a substantial increase to 91% in 2020

The Caribbean needs substantial development and financial support to diversify their exports and facilitate the trade needed to promote economic development

Opportunities exist to improve service export trade competitiveness

Trade Competitiveness Matrix for Goods Export of CARICOM

(Percentage points)

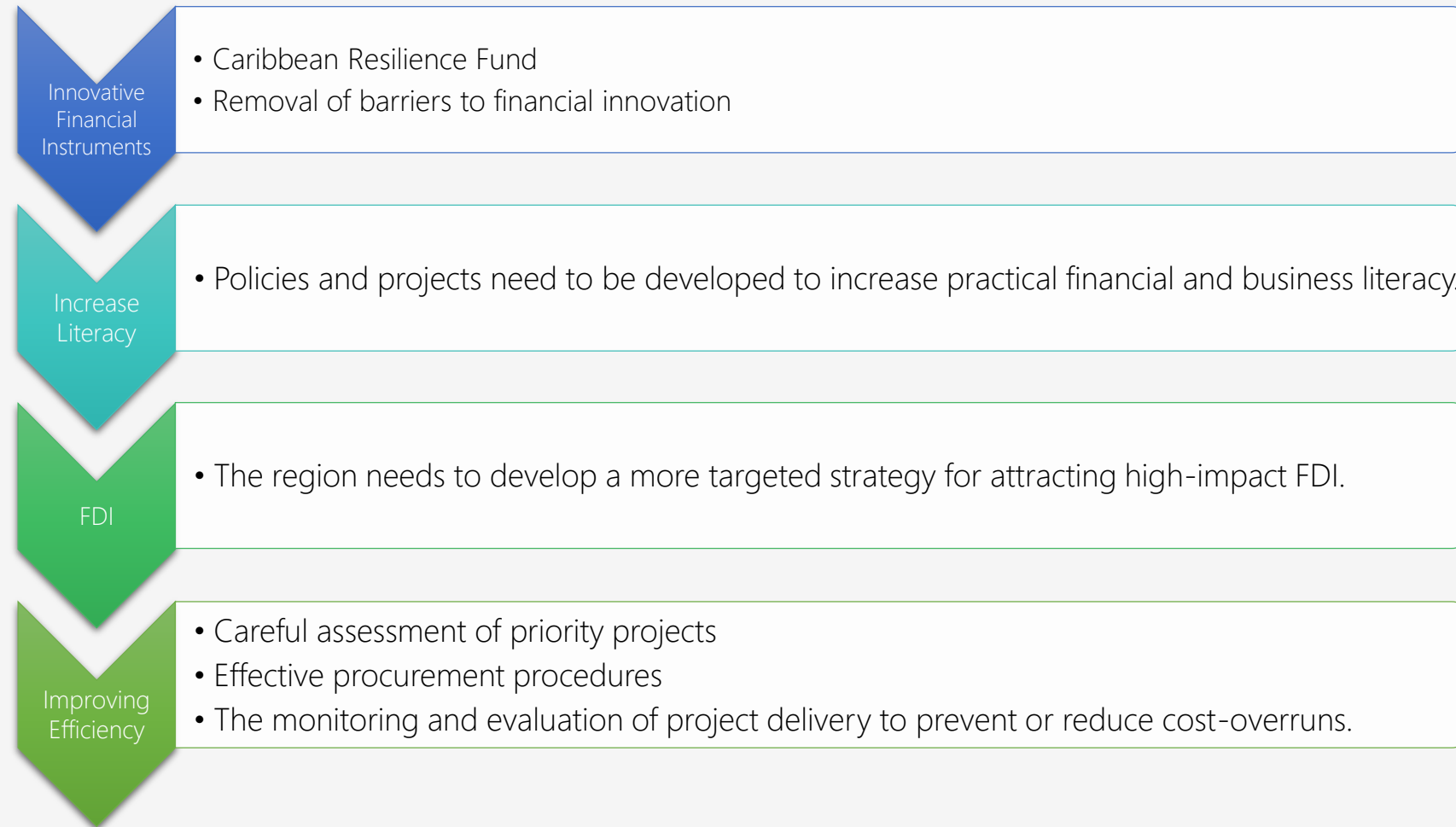


Industrialization

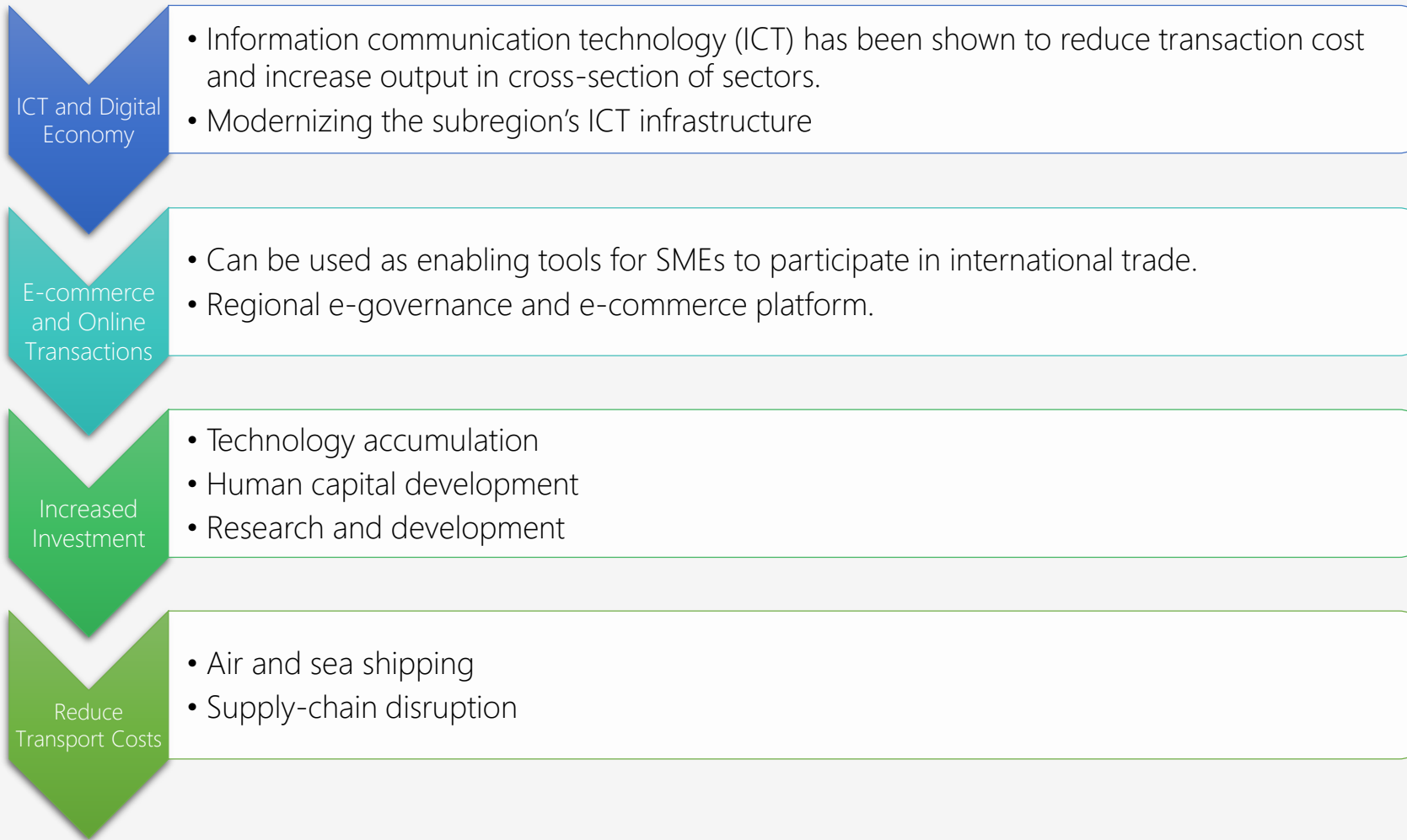
Services sectors which can be key poles of industrialization and diversification drives in the Caribbean

- Creative industries;
- Education, sports, health and medical tourism;
- Community-based and eco- tourism;
- Business process and other tertiary services;
- Renewable energy services;
- ICT, intellectual property and knowledge-based services;
- Financial Services

Recommendations with respect to financing for development



Recommendations for stimulating international trade



Thank you



UNITED NATIONS

ECLAC

SEVENTH MEETING OF THE
CARIBBEAN DEVELOPMENT ROUNDTABLE