



SRC WORKING PAPER



Trading Without Borders

**Celebrating the Association of Caribbean States
&
Unlocking its Full Potential**

By

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November 3rd, 2020

ABSTRACT

The ACS is a geopolitical force waiting to be awakened. Besides the great initiatives outlined by the political directorate, the ACS must promote itself as a grand venture that lives, breathes and has resonance and relevance to business, civil society, and educational institutions. Therefore, it is important to overcome traditional barriers like distance, language, culture, and political and economic asymmetries in order to create synergies with countries in our own backyards. This paper explores some of the significant achievements of the ACS throughout the years, while discussing the pivotal role that ACS can play in deepening the integration of the Wider Caribbean.

The Birth of the ACS

The signing of the Convention Establishing the Association of Caribbean States (ACS) on 24 July 1994 in Cartagena de Indias, Colombia, signaled a new era of regional cooperation, one envisaged way back in 1980s when the Caribbean Community (CARICOM) indicated its desire to widen the integration process to include all other countries in the Caribbean Basin (ACS and SRE 2014). The extensive reach covering Caribbean States, Central America and the littorals of South America would later be politically conceptualized as the Greater Caribbean (SELA 2015), but the real impetus for the creation of the ACS stems from the West Indian Commission's 1992 Report, 'A Time for Action' – a text that now has exulted status and is a must-read for any serious Caribbean academic or scholar. Against the backdrop of furthering cooperation and strengthening bargaining power, the largest integration movement in the Caribbean was thereby created (ACS and SRE 2014). Today, the ACS comprises 25 Member States¹, three Associate Members and eight non-independent Caribbean countries that are eligible for associate membership² (ACS 2017).

The ACS represents a unified but diverse geopolitical bloc. Lapped by the gentle waves of the Caribbean Sea, and bonded by historical linkages, high vulnerabilities to natural disasters and developing country status, ACS Member States differ however in size, political and economic structures, language, cultures and other factors. Despite these differences, the term Greater Caribbean evokes in us a sense of shared purpose, circumstance and direction (ACS and SRE 2014). It calls on its Member countries and 294 million inhabitants who speak the language of former colonizers of the New World – whether Spanish, French, Dutch, English – and of our own indigenous and creolized tongues and who celebrate together to the rhythms of new musical genres like calypso, reggae, salsa, son, merengue, cumbia, zouk to work jointly under the auspices of ACS where “our similarities bring us to a common ground and our differences allow us to be fascinated by each other”³ (UN 2020 and ACS and SRE 2014).

Success thus far is a result of cooperation with several regional organizations and groupings, including the CARICOM Secretariat, the Latin American Economic System (SELA), the Central American Integration System (SICA) and the Permanent Secretariat of the General Agreement on Central American Economic Integration (SIECA) – some of which the ACS originally entered into

¹ Membership of the ACS comprises: Antigua and Barbuda, The Bahamas, Barbados, Belize, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Suriname, Trinidad and Tobago, Venezuela.

² Aruba, British Virgin Islands, Curacao, France on behalf of (French Guiana and Saint Barthelemy), Guadeloupe, Martinique, Saint Martin, Sint Maarten and The Netherlands Antilles on behalf of (Saba and Sint Eustatius).

³ Quote by Tom Robbins.

special arrangements with “to facilitate their participation in the works of the Ministerial Council and the Special Committees” (ACS 2017). Other sub-groupings of states – whether formal or informal – also exist within the ACS which creates a platform for a variegated maze of interests that can be leveraged to greatest impact as we re-imagine ourselves going forward (see figure 1).

Figure 1: ACS Member States Agreements Matrix

Groups		CARICOM				GROUP OF THREE			CENTRAL AMERICA						NON-GROUPED		
	Countries	CARICOM	Trinidad and Tobago	Guyana	Belize	Mexico	Colombia	Venezuela	SIECA	Costa Rica	El Salvador	Guatemala	Honduras	Nicaragua	Dominican Republic	Cuba	Panama
CARICOM	CARICOM	CM				PTA	PTA	PTA		PTA					FTA	PTA	
	Trinidad and Tobago																PSA
	Guyana							ECA									
	Belize											PSA					
GROUP OF THREE	Mexico	PTA					FTA, MERCOSUR-ECA		FTA	FTA / CA	FTA / CA	FTA / CA	FTA / CA	FTA / CA		ECA	FTA
	Colombia	PTA				FTA, MERCOSUR-ECA		PSA		FTA	FTA	FTA	FTA	PSA		ECA	PSA
	Venezuela	PTA	PSA	ECA			PSA	PTA		ECA	PSA	PSA	ECA				
CENTRAL AMERICA	SIECA					FTA			CM								
	Costa Rica	FTA				FTA	FTA	ECA							FTA / CA		FTA / CA
	El Salvador					FTA / CA	FTA	PSA							FTA / CA	PSA	FTA / CA
	Guatemala				PSA	FTA / CA		PSA							FTA / CA	PSA	FTA / CA
	Honduras					FTA / CA		ECA							FTA / CA		FTA / CA
	Nicaragua					FTA / CA	PSA								FTA / CA		FTA / CA
NON GROUPED	Dominican Republic									FTA / CA	FTA / CA	FTA / CA	FTA / CA	FTA / CA			PTA
	Cuba	PTA				ECA	ECA				PSA	PSA					PSA
	Panama		PSA			FTA	PSA			FTA / CA	FTA / CA	FTA / CA	FTA / CA	FTA / CA	FTA / CA	PTA	PSA

Source: Compiled by Directorate for Trade and Sustainable Development of the ACS

Since its formation, several other observer organizations have taken an interest with the ACS, including: The United Nations Economic Commission for Latin America and the Caribbean (ECLAC), the Caribbean Tourism Organisation (CTO), the Bolivarian Alliance for the Peoples of Our America- People's Trade Treaty (ALBA-TCP), Central American Economic Integration Bank (CABEI), European Union (EU) and International Organization for Migration (IOM), among others (ACS 2017) making the grouping's geo-political reach quite expansive.

Despite the ACS' achievements over the last two decades (notably the implementation of the Agreement for Regional Cooperation on Natural Disasters; implementation of the Convention Establishing the Sustainable Tourism Zone of the Caribbean; implementation of the Air Transportation Agreement between the Member States and Associate Members of the ACS; etc. (ACS and SRE 2014)), possibilities abound for further cooperation and joint action. Ripe for attention is

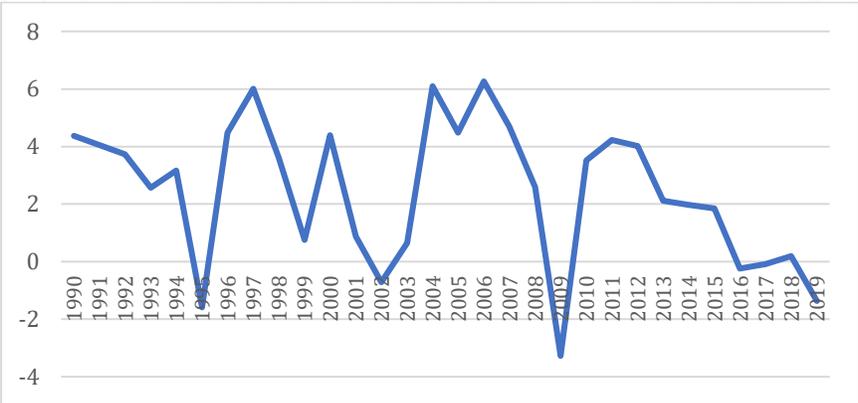
economic cooperation, given the underperformance of the bloc. In 2019, the ACS’ annual GDP growth rate dropped to -1.37%, persistently fluctuating over the last two decades (see figures 2 and 3). Several crises have constrained the collective economic growth of the ACS, including the Mexican Financial Crisis of 1994-1995, the Global Financial Crisis 2007/08, the Venezuelan Banking Crisis of 2009/10, surges of political unrest – and now more recently the COVID-19 pandemic. Member States are at different levels of development in terms of per capita income (see figure 4)⁴. Intra-regional trade remains limited (see figures 5-7), and options for intra-regional travel are few and expensive (more on this below).

Figure 2: ACS Economic Indicators 2019

Measure	Value
GDP (US\$ at constant prices 2015 in millions)	2,240,336
GDP per capita (US\$ at constant prices 2015)	7,549
Current Account Balance (US\$ at current prices in millions)	- 16,958
Current Account Balance (% of GDP)	-0.67

Source: UNCTAD Stat 2020

Figure 3: ACS Annual Average GDP Growth Rate ⁵



Source: UNCTAD Stat 2020

⁴ Overall, the services sector is the group’s main productive sector, but the economic importance of sectors varies across countries and is typically a function of “the different levels of resource availability, domestic markets, diversification, and economies of scale” present in each Member State.

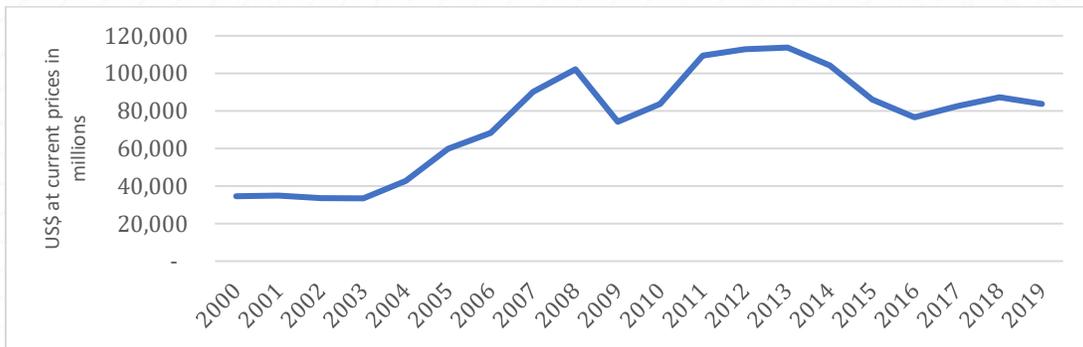
⁵ Growth rates are based on GDP at constant 2015 US dollars.

Figure 4: Country Classifications by Income⁶

Low Income	Lower Middle Income	Upper Middle Income	High Income
Haiti	El Salvador	Belize	Antigua & Barbuda
	Honduras	Colombia	Bahamas
	Nicaragua	Costa Rica	Barbados
		Cuba	Panama
		Dominica	St. Kitts & Nevis
		Dominican Republic	Trinidad & Tobago
		Grenada	
		Guatemala	
		Guyana	
		Jamaica	
		Mexico	
		St. Lucia	
		St. Vincent & the Grenadines	
		Suriname	
		Venezuela	

Source: World Bank 2020a

Figure 5: Total ACS Intra-Group Trade⁷

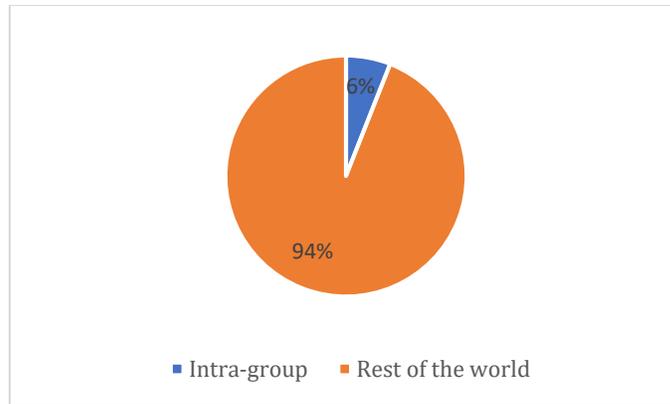


Source: UNCTAD Stat 2020

Figure 6: ACS Import Trade by Source in 2019

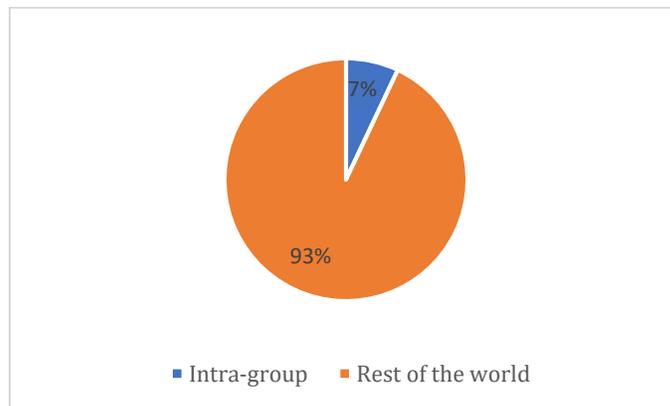
⁶ Based on the World Bank's classification system.

⁷ Total intra-group trade is the sum of exports and imports traded within the group.



Source: UNCTAD Stat 2020

Figure 7: ACS Export Trade by Destination in 2019



Source: UNCTAD Stat 2020

The answer to many of these challenges lies as much in our collective imagination as it does in following through on the 5 main priority areas that have been identified by the ACS for joint action (ACS 2017). These include:

1. The Preservation and Conservation of the Caribbean Sea,
2. Sustainable Tourism,
3. Trade and Economic External Relations,
4. Natural Disasters, and
5. Transport.

Mobilizing the ACS Agenda

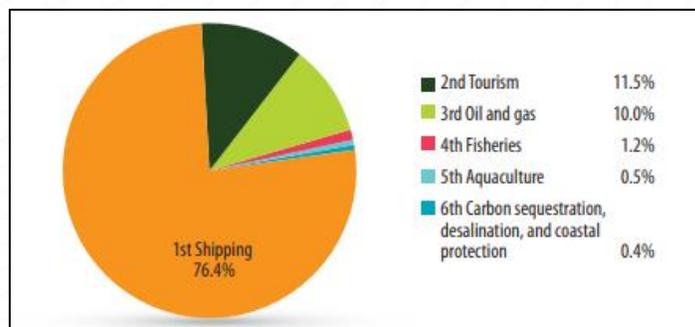
The Preservation and Conservation of the Caribbean Sea

The Caribbean Sea although physically distancing Member States, also serves as the throughway glue linking the ACS membership. “The Convention Establishing the ACS acknowledges the Caribbean Sea as a common asset of the peoples of the region” (ACS and SRE 2014), with due regard for the role that the Caribbean Sea has played in the region’s history and its potential to operate as a unifying element in the region’s development.⁸

Located southeast of the Gulf of Mexico and adjacent to the Atlantic Ocean, the Caribbean Sea is one of the largest seas, spanning over 1.063 million square miles in size but constituting less than 1% of world’s ocean area (Chow 2020 and Patil et al. 2016). Yet, the Caribbean Sea contains 14% of the world’s reefs including the world’s second-largest barrier reef, is home to over 12,046 marine species and is one of the largest oil-producing regions providing around 170 million tons of oil annually (Chow 2020). Some studies estimate the Caribbean Sea’s economic value at over US\$400 billion, but until the Sea’s value is properly understood and reconceptualised as a frontier for growth, such estimates are at best modest (Patil et al. 2016).

This brings into sharp focus the potential the ACS holds for advancing the region’s “Blue Economy” – the new-frontier for development that has captured the imagination and attention of a number of donor agencies from the World Bank to UNCTAD. “The Blue Economy is the sustainable use of ocean resources for economic growth, improved livelihoods and jobs, and ocean ecosystem health” (World Bank 2017). Beyond the region’s traditional blue economy activities (see figure 8), higher value-added and non-traditional opportunities must be pursued – for example, ocean-based renewable energy, marine pharmacognosy, marine biotechnology, and others.

Figure 8: The Measurable Ocean Economy of the Caribbean in 2012



Source: Park and Kildow 2014 and Patil et al. 2016

⁸ This is outlined in the preamble of the Convention Establishing the ACS.

Unlocking the full potential of the blue economy will require a spirit of collaboration and environmentally sustainable approach. Already, the ACS has laid some of the groundwork – in 1999 at the United Nations General Assembly (UNGA) the ACS called for the designation of the Caribbean Sea as a ‘special area’ within the context of sustainable development, although the proposal was not endorsed, Resolution A/RES/54/225 was adopted which “acknowledged the need for an integrated approach to ocean governance in the Wider Caribbean Region, minus a special area designation.” (Parris 2016). The ACS later created the Caribbean Sea Commission in 2007 with the objective of having the Caribbean Sea internationally recognized as a ‘special area’ (ACS and SRE 2014). Evidently, the ACS plays a pivotal role in international advocacy.

The ACS also provides opportunities for information sharing among its Members, which is an important component when developing a new growth industry like the blue economy. Members like Barbados, Belize, Guyana, Jamaica, Panama and Saint Lucia are currently participating in a GEF-funded Blue Economy Project ‘BE-CLME+’, focused on blue economy development through “marine spatial planning and marine protected areas, the ecosystem approach to fisheries, and development of sustainable fisheries value chains” (Nurse 2020). Certainly, findings and best practices from this project can be shared with the wider ACS Membership, directly contributing to the collective development of the group’s blue economy.

Sustainable Tourism

Beyond the ‘sun, sand, and sea’ appeal, the Greater Caribbean is known for its architectural wonders, unique cultural festivities and is home to more than fifty UNESCO declared World Heritage Sites (see figure 9). The diversity in attractions offered across the ACS has made the region one of the world’s main tourist destinations, welcoming millions of international tourist arrivals annually (see figure 10 and 11). Furthermore, the strategic placement of islands around the Caribbean Basin across short distances has proven ideal for cruise ship tourism, with the region now considered the world’s leading cruise ship destination (ACS and SRE 2014). Consequently, tourism is a major contributor to economic activity and development in the region, so much so that in some Member States like St. Kitts and Nevis, it accounts for as much as 62% of GDP (Dukharan 2020).

The ACS has been instrumental in promoting sustainable tourism by establishing the Special Committee on Sustainable Tourism and creating the world’s first sustainable tourism zone in the Caribbean which came into force by signing and ratifying the Agreement and Protocol Establishing the Sustainable Tourism Zone of the Caribbean in 2013 (ACS and SRE 2014). The ACS has also formed strategic alliances with international tourism organizations like the new MOU between the UNWTO

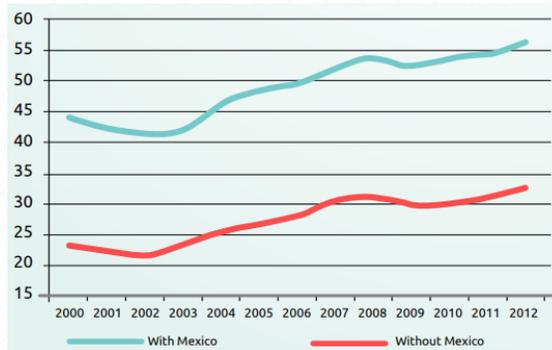
and the ACS signed in 2014, the MOU with the German Organization Fair Travel (supposedly in progress), plans for an MOU with the Pan-American Confederation of Hospitality and Tourism, and others (ACS and SRE 2014).

Figure 9: World Heritage Sites in The Greater Caribbean in 2014



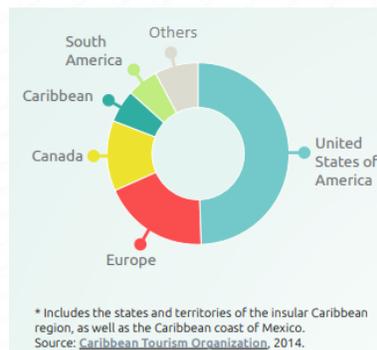
Source: ACS and SRE 2014

Figure 10: International Tourist Arrivals to the Greater Caribbean (Millions)



Source: ACS and SRE 2014

Figure 11: Origin of International Tourists to the Caribbean, 2012*



Source: ACS and SRE 2014

However, the COVID-19 pandemic has dealt a blow to the global tourism industry – and the ACS has not been spared. International tourist arrivals are down by 58-78% and are expected to recover only by the fourth quarter in 2021 (UNWTO 2020).

Against this backdrop, the ACS countries will each need to reconfigure, repurpose and rebrand their tourism industry – and plans are already afoot. For example, Barbados and Antigua and Barbuda are capitalizing on the global shift towards remote working by offering long-stay visas for digital nomads. Imagine the possibilities of expanding this concept to allow digital nomads long-stay visas across the Greater Caribbean. Such a move could reboot international arrivals. Opportunities for digital forms of tourism also exists. For example, Guatemala is offering 360° virtual tours of the country, Costa Rica is applying virtual reality technology to various aspects of its tourism product, the Dominican Republic has launched a ‘get to know the country without leaving home’ initiative, and Nicaragua has set up a virtual space for tourists to learn cultural dances (Travel2LATAM 2020). These initiatives all aim to position these countries as ‘must-go-to’ destinations post-COVID.

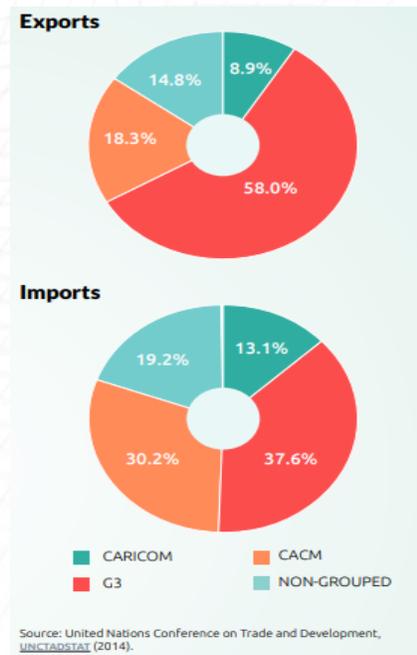
Beyond this, potential lies in leveraging the ACS - as a grouping - as regional destination to outsiders. With increasing competition from other prime destinations like Seychelles and the Maldives, the Greater Caribbean must leverage its diversity and develop other forms of tourism which hone the region’s comparative advantages like agro, sports, cultural, medical, historic, ecological and spiritual tourism, among others. Also, scope lies in promoting, among ourselves, intra-regional travel and tourism, which to date is still minimal and for which we still have underdeveloped transport and infrastructural links (more on that later).

Trade and Economic External Relations

The ACS was founded on functional cooperation on trade and development to achieve sustainable economic growth and regional equality (ACS and SRE 2014). Despite the various activities⁹ by the Special Committee on Trade Development and External Economic Relations to promote and strengthen trade relations, intra-regional trade is still minimal (see figures 4-5). Participation in intra-regional trade is influenced by the size of the countries involved (ACS and SRE 2014), resulting in Colombia, Mexico and Venezuela (G3) driving most of the intra-regional trade (see figure 12).

⁹ The Biennial Business Forum of the Greater Caribbean, the Forum for Trade Promotion Organizations, the Textile and Fashion Forum of the Greater Caribbean which in 2010 and 2011 generated US \$1.86 million and US \$3.45 million in sales respectively, promotion of small and medium enterprises, and dialogue for identifying trade opportunities between member states of the Wider Caribbean (ACS and SRE 2014).

Figure 12: Participation in Intraregional Exports and Imports, 2003-2012¹⁰



Source: ACS and SRE 2014

This may seem surprising given the presence of several partial scope agreements across ACS Members. For instance, CARICOM has a number of them in place (see table below) but many of these need renewal and a good start would be for technical experts to evaluate what trade patterns and trends are discernible under them with a view to reactivating them and placing emphasis on creating trade complementarities across our economies.

Figure 13: CARICOM's Bilateral Trade Agreements

CARICOM- Venezuela Trade, Economic, and Technical Cooperation Agreement	1992	Goods
CARICOM-Colombia Trade, Economic and Technical Cooperation Agreement	1994	Goods
CARICOM- Dominican Republic Free Trade Agreement	1998	Goods, Services, Investment
CARICOM-Cuba Trade and Economic Cooperation Agreement	2000	Goods
CARICOM-Costa Rica Free Trade Agreement	2004	Goods, Services, Investment

Source: SRC Report Policy Document (2020)

¹⁰ G3 (Mexico, Colombia and Venezuela), Non-grouped (Cuba, Dominican Republic and Panama), CARICOM (Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago), CACM (Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica).

Although this should be far more analysis on the basis of current data, what we do know is that both tariff and non-tariff barriers contribute to limited intra-regional trade. Across the Latin America and Caribbean region, trade is conducted through “a complicated patchwork of preferential trade agreements” anchored in trade blocs like the OECS, CARICOM, MERCOSUR, Pacific Alliance, ALBA, UNASUR, and others. (IDB 2018). Yet around 135 bilateral links still exist between Latin American and Caribbean countries that lack formal trade agreements (Moreira 2018). Developing a Latin America Caribbean Free Trade Area (LAC-FTA), along the lines of the new African Continental Free Trade Area¹¹, could help to removing existing tariff barriers. This is supported by an IDB study that posits that, “an LAC-FTA driven mostly by tariff elimination would increase intra-regional trade in all goods by an average 3.5%, adding an additional \$11 billion in annual trade flows by blending 33 separate agreements into a single regional free trade bloc” (Moreira 2018).

The ACS may prove instrumental in advocating for – and ultimately implementing – an LAC-FTA, since the group’s Membership already comprises Caribbean states, Central America and the littorals of South America. Non-tariff barriers to trade like SPS and TBT measures, as well as language and cultural differences that serve as unofficial restraints on trade would also need to be considered.

In this regard, it augurs well that the ACS has already begun groundwork by establishing two trade-focused working groups: one for Customs Procedures (focused on harmonization and simplification of customs procedures and also the Agreement for Cooperation in the Area of Trade Facilitation) and the other for Business Visas (focused on identifying options to harmonize the requirements for a business visa) (ACS and SRE 2014). The ACS has also signed MOUs with the Government of Panama to establish the Center for the Promotion of Languages and Cultures of the Wider Caribbean, and with the Language Center of the University of the West Indies (ACS and SRE 2014). Certainly, developing multilingual populations would eliminate the language barrier and facilitate more business opportunities for our private sector.

Global disruptions from the COVID-19 pandemic have sharpened the call that existed before for countries to diversify trade partners and to develop local and regional capacities. Even prior to COVID-19, events at the multilateral level including trade wars has led to greater emphasis on regional groupings - for example, Mexico under the USMCA, and others like the AfCFTA, RECEP, etc. Fully developing the ACS as a trade bloc could be the solution to breaking the region’s excessive dependence on North American partners and establishing geographically closer supply and value

¹¹“The African Continental Free Trade Area (AfCFTA) agreement will create the largest free trade area in the world measured by the number of countries participating. The pact connects 1.3 billion people across 55 countries across Africa with a combined gross domestic product (GDP) valued at US\$3.4 trillion” (World Bank 2020b).

chain links. E-commerce solutions (now being popularized amidst COVID-19) can also be mobilized to strengthen the intra-regional trade ties of the ACS. For example, 'Mercado Libre' is a Latin American e-commerce platform operating across Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Mexico, Spain, Ecuador, Guatemala, Honduras, Peru, Panama, Uruguay, and Venezuela, with its own secure payment system 'Mercado Pago'. Imagine conceptualizing a similar region-wide e-commerce platform for the ACS, especially now that COVID-19 is highlighting the importance of e-commerce.

Natural Disasters

ACS Member States are highly vulnerable to natural disasters due to their geographic location (in the Hurricane Alley and on North American and Cocos tectonic plates), topography (low lying coastal and mountainous areas) and geological construct (loose clay and volcanoes) (ACS and SRE 2014 and FAO and CDB 2019). Hurricanes, earthquakes, volcanic eruptions and landslides have affected the region, leaving death tolls, infrastructural damage and economic losses behind. To make matters worse, climate change is exacerbating the frequency and severity of climate-related disasters like hurricanes, while also contributing to rising sea levels and saltwater intrusion, intense drought periods, increasing temperatures and lower precipitation (FAO and CDB 2019). These disasters have serious economic and social consequences, costing the region 16% of GDP over the last 30 years and affecting millions of lives (ACS and SRE 2014).

From the inception the ACS has emphasized the importance of “regional cooperation in the area of disaster risk reduction; supporting national, regional, and international organizations dedicated to disaster risk reduction; and strengthening the response capacity of Members with coaching and training” (ACS and SRE 2014). Achievements under the ACS in this context include: the formation of the Special Committee for Natural Disasters in 1999, the Agreement for Regional Cooperation in Natural Disasters which entered into force in 2014, several MOUs with international organizations¹² and projects like Strengthening Hydrometeorological Operations and Services in the SIDS of the Caribbean (SHOCS)¹³ and Territorial Information Platform for Disaster Prevention (PITCA). The ACS has also worked with the International Federation of the Red Cross “to strengthen the legal

¹² Some of the MOUs include the Network for Social Studies on Disaster Prevention in Latin America in Guatemala (2002); the International Federation of Red Cross and Red Crescent Societies (2004); the Caribbean Disaster Emergency Management Agency (2004); the United Nations Office for Disaster Risk Reduction (2004); the Coordination Center for the Prevention of Natural Disasters in Central America (2005); the Organization of the Comprehensive Nuclear Test Ban (2005); the White Helmets Commission of the Republic of Argentina (2007); the International Monetary Fund (2011); the Finnish Meteorological Institute (2011) and others.

¹³ This project is supported by the IMF and valued at US \$1.2 million. It is the largest project undertaken by the ACS.

framework in the area of disasters and are developing projects like Urban Risk and Green Response.” (ACS and SRE 2014).

Other areas where the ACS can be instrumental include joining the global climate change fight and bringing visibility to the challenges faced by SIDS through increased climate change advocacy. Additionally, in highlighting the vulnerabilities faced by the region, the ACS countries – many of which are island states, and/or low lying ones – should support the efforts to create and deploy a “vulnerability index” that uses indicators based on economic, environmental and social vulnerabilities to measuring countries’ (relative) vulnerabilities as an alternative to GDP per capita. As a complement or alternative to GDP per capita, the region’s ‘high’ income Members would be able to access certain recovery funds and obtain special treatment in trade and other negotiations. (SRC Working Paper, 2019)

Information and skills sharing in disaster management across the ACS Membership is also a valuable resource. For example, the OECS Commission signed a deal with Facebook Caribbean to use Facebook’s Disaster Maps to improve emergency responses (OECS 2019) – a deal that perhaps could be expanded to include the full ACS Membership. Other Members have benefitted from disaster risk management plans for specific sectors. For example, the FAO has worked with Dominica to develop and implement a Disaster Risk Management Plan for the agriculture sector and has produced a report on best practices (FAO 2015), that could be beneficial to the wider ACS Membership.

Transport

The ‘Uniting the Caribbean by Air and Sea’ programme was launched in 1997 under the ACS after realizing the connectivity challenges the region faced. Transportation is integral to any integration process in order to facilitate trade and the movement of people. Therefore, the aim of this programme is to establish “a coherent, inclusive, efficient and secure air and sea transport system” (ACS and SRE 2014). In the Greater Caribbean, 90% of goods are transported by boat underscoring the importance of efficient maritime transportation (ACS and SRE 2014). Additionally, the region’s strategic geographical location has increased its importance as a center of port facilities, with over 45 ports - Panama, Mexico, Colombia, the Bahamas, the Dominican Republic and Jamaica are all frontrunners in maritime shipping (ACS and SRE 2014). However, “the quantity of maritime cargo transported is significantly lower than other regions, particularly those focused on extra-regional trade such as U.S. ports in Florida, which are major transshipment ports for the Greater Caribbean. These extra-regional trade hubs reduce the use of Caribbean ports and increase the average cost of intra-regional

transportation” (ACS and SRE 2014). Regarding air travel, there are over 150 international and domestic airports, but no company serves the region comprehensively. Consequently, connecting flights, long waiting times and high costs are the results of traveling across the region despite close geographic proximities (ACS and SRE 2014).

The ACS has had some success in uniting the Caribbean by Air and Sea. For example, the Air Transport Agreement was signed in 2004 “to create the framework needed to establish the Sustainable Tourism Zone of the Caribbean; to allow airlines to offer a variety of air cargo and passenger services and to ensure the highest level of operational safety and security of international civil aviation” (ACS and SRE 2014). The Air Transport Agreement was signed once again in 2008 facilitating the entry of Copa Airlines Group into regional markets where it did not have previous access (ACS and SRE 2014). The ACS has also created the Forum for Airline Executives and Regional Tourism Managers to Promote Multi-Destination Tourism in the Greater Caribbean and implemented the various maritime projects like the database of maritime routes in the Greater Caribbean and the port and maritime strategy of the Greater Caribbean. Additionally, the ACS has signed various agreements with organizations specialized in transportation.¹⁴

Moving forward the ACS should consider using low-cost carriers to serve the region. Drawing from the success of the network of low-cost flights in the coastal area of the Greater Caribbean (running from Mexico through Central America and into Northern South American Countries), a similar concept can be applied to connect the entire region (ACS and SRE 2014 and Ribeiro 2019). This move would revolutionize intra-regional travel in the Greater Caribbean and would come at a time when the Eastern Caribbean is very much in need of more intra-regional travel options following the demise – temporary or permanent (this is left to be seen) – of our beleaguered by much loved LIAT. Additionally, the ACS must champion the need for Member States to review tax structures on travel and encourage the elimination of excessively high fees.

In the area of maritime transport, the ACS must focus on transforming the region’s ports to be internationally competitive, with due consideration for enhancing security features, creating channels for larger and feeder ships that serve larger hubs as well as smaller ports and improving infrastructure. Approaching the implementation of the WTO’s Trade Facilitation Agreement, (especially the digital components like single electronic windows) from a regional perspective can

¹⁴ Some of these include Cooperation Agreement with the Caribbean Shipping Association (2001); Cooperation Agreement with the Caribbean Maritime Institute (2002); Cooperation Agreement with the International Maritime Organization (2004); Cooperation Framework Agreement (2004) and Memorandum of Understanding with COCATRAM (2007); Memorandum of Understanding with the Azienda Nazionale Autonoma delle Strade (2005); Memorandum of Understanding with the Latin American Civil Aviation Commission (2008), among others.

also help to improve trade facilitation aspects that have reduced the competitiveness of the region's ports through excessive waiting times and delays.

The Way Forward

The ACS is a geopolitical force waiting to be awakened. Besides the great initiatives by our political directorate outlined above, the ACS must promote itself as a grand venture that lives, breathes and has resonance and relevance to business, civil society, educational institutions which must all build on our similarities while remaining "fascinated by our differences". We must all begin to dream about how to transform what have traditionally seen as barriers like distance, language, culture, and political and economic asymmetries as the keys to creating new synergies with countries in our own backyards.

For instance, existing avenues like the ACS' MOU with the Government of Panama to establish the Center for the Promotion of Languages and Cultures of the Wider Caribbean, and the MOU with the Language Center of the University of the West Indies need to be resuscitated and fully exploited by Member States to develop multilingual and more accepting and open populations that exist in other places like Europe. More missions and embassies in each other's countries would increase the sense of shared values, facilitate business opportunities on the ground and ensure a more hands on presence to generate collaborations in real time. Newer technologies like AI and virtual reality can prove instrumental in exposing populations to other cultures and identities of the Greater Caribbean. An ACS-wide e-commerce platform can help forge stronger intra-regional trade ties, and cheaper travel options can encourage greater intra-regional travel.

The power to unlock this potential lies in our hands. Let the ACS be the spark that unleashes it and creates a new dynamic force emanating from the depths of the Caribbean Sea and rising to the highest heights of the blue skies that envelope us.

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