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International Trade Commission

Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers and on Beneficiary Countries

22nd Report
2013-14

September 2015
Publication Number: 4567
Investigation Number: 332-227

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Preface

Section 215 of the Caribbean Basin Economic Recovery Act (CBERA or the Act), as amended (19 U.S.C. 2704), requires the U.S. International Trade Commission (Commission) to provide biennial reports in odd-numbered years to the Congress and the President on the economic impact of the Act on U.S. industries and consumers and on the economy of beneficiary Caribbean Basin countries. This report constitutes the Commission's report for 2015.

CBERA was originally enacted on August 5, 1983 (Public Law 98-67, 97 Stat. 384, 19 U.S.C. 2701 et seq.). It authorized the President to proclaim duty-free treatment or other preferential treatment for eligible articles from designated beneficiary countries. The Act has been amended several times, including by the United States Caribbean Trade Partnership Act (CBTPA) in 2000, the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE I), the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II), and the Haiti Economic Lift Program Act of 2010 (HELP Act). Among other things, the CBTPA amended section 215 of CBERA to change the frequency of Commission reports from annual reports to the current biennial reports in odd-numbered years.

This is the Commission's 22nd report under CBERA and the 8th report since the 2000 amendments. While it encompasses the period 2013–14, it focuses mainly on developments in calendar year 2014. The report covers the 17 CBERA beneficiary countries of Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Curaçao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, and the British Virgin Islands.

This report covers fewer Caribbean Basin countries than earlier reports, as a number of former CBERA countries have concluded free trade agreements with the United States and are no longer eligible for the CBERA program. The most recent, Panama, ceased to be a CBERA beneficiary country after the entry into force of the U.S.-Panama Trade Promotion Agreement on October 31, 2012. As in previous reports, trade data for countries entering into free trade agreements during the reporting period are included through the last month when the countries were eligible for the CBERA program.

The information provided in this report is for the purpose of this report only. Nothing in it should be construed as indicating what the Commission's findings or determination would be in an investigation involving the same or similar subject matter conducted under another statutory authority.

Abstract

This report is the 22nd in a series of reports prepared by the U.S. International Trade Commission (Commission) under section 215 of the Caribbean Basin Economic Recovery Act (CBERA) of 1983 (19 U.S.C. 2704). This report covers the period 2013–14. Section 215 requires the Commission to submit to Congress and the President biennial reports on the economic impact of CBERA on U.S. industries and consumers, and on the economy of the beneficiary countries.

As part of its report the Commission is required, first, to assess CBERA's actual effect, during the period covered by the report, on the U.S. economy generally, as well as on specific domestic industries which produce articles that are like or directly competitive with articles being imported into the United States from beneficiary countries. Second, the Commission is required to assess the probable future effect that CBERA will have on the U.S. economy generally, as well as on the relevant domestic industries, before the provisions of CBERA terminate.

CBERA authorizes the President to grant preferential treatment (duty-free or reduced-duty treatment) to most products that may be imported into the United States from CBERA beneficiary countries (which numbered 17 during most of the period covered). Some of these products can receive tariff preferences only under CBERA provisions; these goods are referred to as CBERA-exclusive imports. The Commission found that the overall effect of CBERA-exclusive imports on the U.S. economy generally and on U.S. industries and consumers continued to be negligible in 2014. U.S. industries supplying garment pieces, yarn, and fabric to CBERA apparel producers benefit from enhancements to CBERA, such as the Caribbean Basin Trade Partnership Act. U.S. imports of the leading CBERA-exclusive items all produced small net welfare gains for U.S. consumers in 2014. On the other hand, the Commission identified one U.S. industry—methanol—that might face significant negative effects due to competition from CBERA-exclusive imports.

The probable future effect of CBERA on the United States should also be minimal for most products, as CBERA countries generally are small suppliers relative to the U.S. market. This assessment is based on an examination of overall trends in investment, especially export-oriented investment in these countries. Both investment and production in most CBERA countries have yet to recover significantly from the 2008–09 global economic downturn. Moreover, investment in CBERA countries increasingly targets export-oriented services, such as tourism, finance, and telecommunications, rather than the manufacturing of CBERA-eligible

Abstract

export goods. Investment rose significantly in Haiti's export-oriented apparel sector, but Haiti is—and will likely remain—a small U.S. apparel supplier compared to globally competitive producers in Central America and Asia.

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Abbreviations and Acronyms

Acronyms	Term
ACP	African, Caribbean and Pacific States (European Union)
AGOA	African Growth and Opportunity Act
ATPA	Andean Trade Preference Act
ATPDEA	Andean Trade Preference and Drug Eradication Act
ATC	Agreement on Textiles and Clothing (World Trade Organization)
BEA	Bureau of Economic Analysis (U.S. Department of Commerce)
CAIC	Caribbean Association of Industry and Commerce, Inc.
CAFTA-DR	Central America-United States-Dominican Republic Free Trade Agreement
CARICOM	Caribbean Community
CARIFORUM	Forum of the Caribbean Group of African, Caribbean and Pacific (ACP) States
CBERA	Caribbean Basin Economic Recovery Act
CBEREA	Caribbean Basin Economic Recovery Expansion Act
CBI	Caribbean Basin Initiative
CBP	U.S. Customs and Border Protection
CBTPA	Caribbean Basin Trade Partnership Act
CIA	U.S. Central Intelligence Agency
c.i.f.	cost, insurance, and freight (value of goods delivered to the port of destination)
ECLAC	Economic Commission for Latin America and the Caribbean (United Nations)
EIA	U.S. Energy Information Agency (U.S. Department of Energy)
EIAP	Earned Import Allowance Program
EIU	Economist Intelligence Unit
ES	elasticity of substitution
EU	European Union
FDI	foreign direct investment
FTA	free trade agreement
GAO	Government Accountability Office
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GSP	Generalized System of Preferences
HELP Act	Haiti Economic Lift Program Act of 2010
HOPE Acts	HOPE I and HOPE II (see below)
HOPE I	Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006
HOPE II	Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008
HS	Harmonized System (global tariff schedule)
HTS	Harmonized Tariff Schedule of the United States
IADB	Inter-American Development Bank
IMF	International Monetary Fund
IPR	intellectual property rights
ITA	International Trade Administration (U.S. Department of Commerce)
LNG	liquefied natural gas
MFN	most-favored-nation
MTBE	methyl tertiary-butyl ether
NAFTA	North American Free Trade Agreement
n.e.s.o.i.	not elsewhere specified or included
NTR	normal trade relations (U.S. term; same as MFN elsewhere)

Abbreviations and Acronyms

Acronyms	Term
OAS	Organization of American States
ODC	other duties and charge
OTEXA	Office of Textiles and Apparel (U.S. Department of Commerce)
PRIDE	Promote, Renew, Invigorate, Develop, and Energize Jamaica program
SME	square meter equivalent
TPA	trade promotion agreement
TRQ	tariff-rate quota
UN	United Nations
UNCTAD	UN Conference on Trade and Development
US&FCS	U.S. and Foreign Commercial Services (U.S. Departments of Commerce and State)
USAID	U.S. Agency for International Development
USDOC	U.S. Department of Commerce
USDOE	U.S. Department of Energy
USDOS	U.S. Department of State
USITC	U.S. International Trade Commission
USTR	U.S. Trade Representative
WTO	World Trade Organization

Definitions of Frequently Used Terms

The following terms are presented in order of their use in the report:

CBERA: Caribbean Basin Economic Recovery Act, as amended by the Caribbean Basin Trade Partnership Act (**CBTPA**); the Haitian Hemispheric Opportunity through Partnership Encouragement (**HOPE**) Acts of 2006 and 2008; the Haitian Economic Lift Program (**HELP**) Act of 2010; and other legislation. Data for CBERA and the Hope Acts appear separately in this report.

CBERA-exclusive imports (or imports benefiting exclusively from CBERA): Imports that entered the United States free of duty under CBERA, or under CBERA reduced-duty provisions, and that were not eligible to enter free of duty under normal trade relations (NTR) rates or under other programs, such as the Generalized System of Preferences (GSP).

Original CBERA: The non-expiring provisions of CBERA as first enacted in 1983.

CBERA beneficiary countries (or CBERA countries): Countries designated by the President as eligible for CBERA benefits. There were 17 of these at yearend 2014: Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, British Virgin Islands, Curaçao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago. The President designated Curaçao as a beneficiary country for purposes of CBERA effective January 1, 2014. See also the definition for “former CBERA countries” below.

Former CBERA countries: Countries no longer eligible for CBERA benefits at or before yearend 2014 because they had entered into a free trade agreement with the United States or, in the case of the Netherland Antilles, went out of existence. Six Caribbean Basin countries ceased being eligible for CBERA benefits once the Central America-United States-Dominican Republic Free Trade Agreement (CAFTA-DR) entered into force. Those countries (and their respective dates of entry into force of CAFTA-DR) were El Salvador (March 1, 2006); Honduras and Nicaragua (April 1, 2006); Guatemala (July 1, 2006); the Dominican Republic (March 1, 2007); and Costa Rica (January 1, 2009). The Netherlands Antilles was dissolved as a political entity on October 10, 2010, and ceased to be a designated CBERA beneficiary country at that time. Panama ceased to be a designated CBERA beneficiary country with the entry into force of the U.S.-Panama Trade Promotion Agreement on October 31, 2012.

CBTPA beneficiary countries (or CBTPA countries): CBERA countries designated by the President as eligible for CBTPA benefits, and found by the U.S. Trade Representative (USTR) to satisfy customs-related requirements established in the CBTPA. At yearend 2014, there were

Definitions of Terms

seven CBTPA countries: Barbados, Belize, Guyana, Haiti, Jamaica, St. Lucia, and Trinidad and Tobago. Curaçao was designated a CBTPA beneficiary effective August 18, 2015. CBTPA benefits are currently scheduled to expire on September 30, 2020.

Fuel ethanol: Includes ethanol (ethyl alcohol) imported for fuel use in the following product categories of the Harmonized Tariff Schedule of the United States (HTS): (1) undenatured ethyl alcohol of 80 percent volume alcohol or higher, for nonbeverage purposes (HTS 2207.10.60), and (2) ethyl alcohol and other spirits, denatured, of any strength (HTS 2207.20.00).

Textiles and apparel: Products classified in HTS chapters 50–63.

Executive Summary

The Caribbean Basin Economic Recovery Act (CBERA) was enacted in 1983 as part of the Caribbean Basin Initiative (CBI). CBERA was intended to encourage economic growth and development in the Caribbean Basin countries by promoting increased production and exports of nontraditional products. This report, the 22nd in a series, assesses the actual and the probable future effect of CBERA on the U.S. economy generally, on U.S. industries and consumers, and on the economies of the Caribbean Basin beneficiary countries. The report covers the period 2013–14. The tables in this report show data for 2010–14 (five years of data as presented in previous reports).¹

Throughout this report, the term “CBERA” refers to CBERA as amended by the Caribbean Basin Trade Partnership Act of 2000 (CBTPA); the Haitian Hemispheric Opportunity through Partnership Encouragement Acts of 2006 (HOPE I) and 2008 (HOPE II) (jointly referred to in this report as the HOPE Acts); the Haitian Economic Lift Program (HELP) Act of 2010; and other legislation. However, trade data under the HOPE and HELP Acts are reported and analyzed separately in the report.

Although the effect of CBERA on the U.S. economy generally was negligible during 2013–14 and is likely to remain so, CBERA continues to have a positive impact on a number of Caribbean Basin countries. Haiti has been the greatest beneficiary of CBERA trade preferences in recent years, largely due to more flexible rules of origin for apparel under the HOPE Acts. CBERA also has encouraged the development of niche product manufacturing in several other countries.

Impact of CBERA on the United States in 2013–14

Overview

The effect of CBERA on the U.S. economy generally was negligible.

The overall effect of CBERA-exclusive imports (imports that can receive tariff preferences only under CBERA provisions) on the U.S. economy and U.S. consumers continued to be negligible in 2014. In 2014, total imports from CBERA countries represented a minor share (0.4 percent) of the total value of U.S. merchandise imports. CBERA-exclusive imports accounted for an even

¹ This report incorporates the latest official revision of data from the Census Bureau of the U.S. Department of Commerce. For this reason, data may differ somewhat from those in previous CBERA reports and other Commission reports.

smaller share (0.08 percent) of the total value of U.S. merchandise imports, and represented a decline in 2013–14 from the 2011–12 period covered by the prior report.

Most U.S. imports entered under CBERA preferences were eligible for duty preferences only under CBERA.

Of the \$2.0 billion in U.S. imports that were entered under CBERA in 2014, imports valued at \$1.8 billion could not have received tariff preferences under any other program. U.S. imports from CBERA countries, broken down according to the import programs under which they entered, are shown in figure ES.1. These CBERA-exclusive imports accounted for 21.4 percent of the value of total U.S. imports from CBERA countries. The five leading CBERA-exclusive imports in 2014—methanol (methyl alcohol), knitted cotton T-shirts, light crude petroleum, polystyrene, and knitted cotton sweaters and pullovers—account for approximately 95 percent of the value of the 20 leading items in 2014.

Impact on U.S. Consumers and on Tariff Revenues

Eliminating duties on methanol and cotton T-shirts provided the largest welfare gains to U.S. consumers.

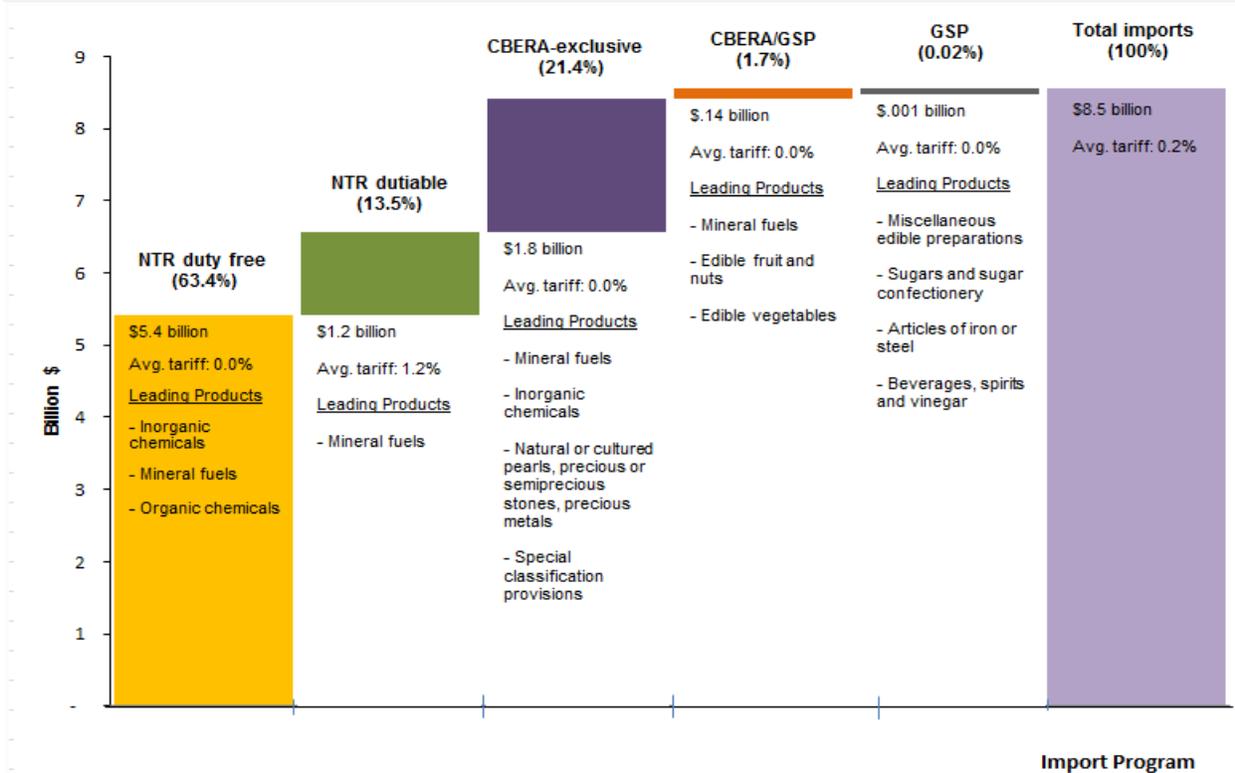
Methanol from Trinidad and Tobago imported under CBERA provided the largest single gain in U.S. consumer welfare (\$52.3 million); it is classified in subheading 2905.11.20 of the Harmonized Tariff Schedule of the United States (HTS). Methanol was followed in welfare gains by cotton T-shirts (HTS 6109.10.00) from Haiti (\$28.8 million). Methanol and cotton T-shirts also accounted for the largest losses of tariff revenues resulting from duty-free treatment under CBERA.

Effect on Domestic Industries

Methanol imports may have displaced some U.S. production.

The Commission's economic and industry analyses indicate that imports receiving CBERA preferences in 2014 in most cases had only a minimal effect on competing U.S. industries, mainly because those imports had low shares of the U.S. market and/or low margins of preference. Methanol is the only product imported under CBERA for which imports may have displaced more than 5 percent of the value of U.S. production in 2014. The Commission estimates that the approximate value of U.S. methanol production displaced by CBERA imports in 2014 was \$59.2 million. Further analysis indicates that an important factor in this displacement was the difference in natural gas prices between the United States and Trinidad and Tobago. Natural gas is the feedstock for methanol and, until recently, was far less costly in

Figure ES.1 U.S. imports from CBERA beneficiary countries, by import program and as a share of total imports, 2014



Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: “NTR” refers to normal trade relations (U.S. term; means the same as most-favored nation (MFN) elsewhere). “CBERA-exclusive imports” are imports that could only receive preferential entry under CBERA. “CBERA/GSP imports” are imports that were entered under CBERA but were also eligible for duty-free entry under the Generalized System of Preferences (GSP). “Avg. tariff” is the ad valorem equivalent tariff (i.e., the average tariff expressed as a percentage of the value of the imports, even if some tariffs were levied using some other measure, such as dollars per ton). Average tariffs are rounded to the nearest tenth of a percent and may not be equal to zero. Mineral fuels include crude petroleum, refined petroleum products, and liquefied natural gas (LNG).

Trinidad and Tobago (a major producer of natural gas) than in the United States. However, U.S. natural gas prices have declined over the past few years, mainly because of higher U.S. production owing to greater use of shale gas technology. As a result, U.S. domestic production of methanol increased, resulting in less demand for methanol imports from Trinidad and Tobago.

Textiles and Apparel

Textile and apparel imports under CBERA and under the HOPE and HELP Acts increased.

The value of U.S. imports of textiles and apparel entering under CBERA trade preferences rose 12.7 percent over the 2013 level to \$389.8 million in 2014. Haiti was the leading CBERA supplier of U.S. textile and apparel imports in 2014, accounting for over 90 percent of such imports. From 2013 to 2014, U.S. imports of textiles and apparel from Haiti rose 10 percent to \$843.2 million; virtually all U.S. imports of apparel from Haiti entered free of duty under trade preference programs. In 2014, U.S. imports of apparel from Haiti under the HOPE/HELP Acts surpassed those under CBERA and accounted for over half of total U.S. apparel imports that entered free of duty into the United States. In 2014, the continued growth of U.S. imports of apparel from Haiti and the establishment of new apparel manufacturing facilities there is attributed in large part to the trade preference program established by the HOPE/HELP Acts.

Probable Future Effect

The probable future effect of CBERA on the U.S. economy and domestic industries will likely remain small.

CBERA countries generally are small suppliers relative to the U.S. market and are likely to remain so in the near term. Most of the effect of CBERA on the U.S. economy occurred shortly after the program's implementation in 1984, or shortly after implementation of each major enhancement to CBERA.

Overall CBERA-related investment during 2013–14 was low.

Information available to the Commission indicated that investment in the production and export of CBERA-eligible products in most CBERA countries was limited during 2013–14. The low level of investment appears to be attributable largely to two factors: (1) the CBERA countries are relatively small global producers, small exporters, and small suppliers of U.S. imports; and (2) investment in many CBERA countries is directed much more to services, such as tourism and financial services, than to goods eligible under CBERA preferences. Following the global economic downturn in 2009–10, foreign direct investment (FDI) in most CBERA countries recovered in 2011; after leveling off during 2012–13, it increased again in 2014. However, this recent expansion in FDI may moderate in upcoming years. The advanced economies remain the main export markets for the CBERA countries, and IMF projections suggest that advanced economies' growth is likely to slow in the near and medium term.

Imports of energy products from Trinidad and Tobago—the largest product category, and the largest supplier, under the CBERA program—are unlikely to affect the U.S. economy.

Trinidad and Tobago was the leading supplier of U.S. energy imports (such as crude petroleum and methanol) under CBERA during 2013–14. Nevertheless, these imports represented a sharp decline from previous years. Reasons for the decline included falling U.S. consumption and increased U.S. production of crude petroleum and related energy products, along with the closure of production wells and an oil refinery in Trinidad and Tobago. Trinidad and Tobago is and will likely remain a small energy supplier to the United States; as a consequence, imports from this country are unlikely to affect the U.S. economy.

U.S. imports from Haiti of textiles and apparel—the second-largest import category under CBERA—increased during 2013–14.

Haiti was by far the largest CBERA supplier in this category, with apparel making up most of its exports to the United States. Much of this increase was attributed by industry sources to the Haiti HOPE/HELP trade preference programs, which provide key incentives to set up and maintain textile and apparel operations in Haiti. Nevertheless, Haiti is a small U.S. apparel supplier compared to globally competitive apparel producers in Central America and Asia, and economic factors such as its low port capacity and inadequate infrastructure limit its ability to expand its apparel production significantly. As a result, any increase in U.S. apparel imports under CBERA from Haiti is not likely to affect U.S. producers or consumers.

Impact of CBERA on the Beneficiary Countries

Supply-side constraints make exporting CBERA-eligible goods a challenge for many beneficiaries.

These constraints include inadequate roads, ports, and telecommunications; shortages of skilled workers; high production costs; high energy and telecommunications costs; inadequate access to investment financing; low levels of innovation; and often an underdeveloped private sector. Perhaps more important, many CBERA countries have oriented their economies more toward the service sectors—predominantly tourism, but also financial and business operation services—rendering CBERA’s trade preferences for exports of goods less relevant to their economic future.

U.S. preferential rates of duty under CBERA continue to provide an advantage to energy products from Trinidad and Tobago, although less than in recent years.

Increased U.S. production of crude petroleum and natural gas, as well as the decline in the world price of oil, have reduced U.S. imports of energy products from Trinidad and Tobago under the program. However, CBERA is widely viewed as a key element that helped Trinidad and Tobago to diversify its economy toward downstream energy products. Since 2010 the country has used its methanol and ammonia industries as inputs in the production of melamine—a resin used to make kitchen and tableware, flooring laminates, and adhesives.

Special CBERA provisions for Haiti have had a strong, positive effect on export earnings and job creation in Haiti's apparel sector.

Apparel assembly is Haiti's largest manufacturing activity, and the country's largest source of manufacturing jobs. CBERA—enhanced by the CBTPA and the HOPE and HELP Acts—has been an important factor in promoting apparel production in Haiti and apparel exports to the U.S. market. In particular, CBERA has provided an incentive for the quick recovery of the apparel assembly sector after the vast destruction caused by the January 2010 earthquake.

CBERA has encouraged development of some niche products for export under the program.

CBERA has helped promote the production of polystyrene in The Bahamas for export to the U.S. market, and the production of fruits and fruit juices in Belize. CBERA preferences have also spurred foreign investment in St. Kitts and Nevis to produce certain telecommunication electronics that are eligible to benefit from CBERA preferences.

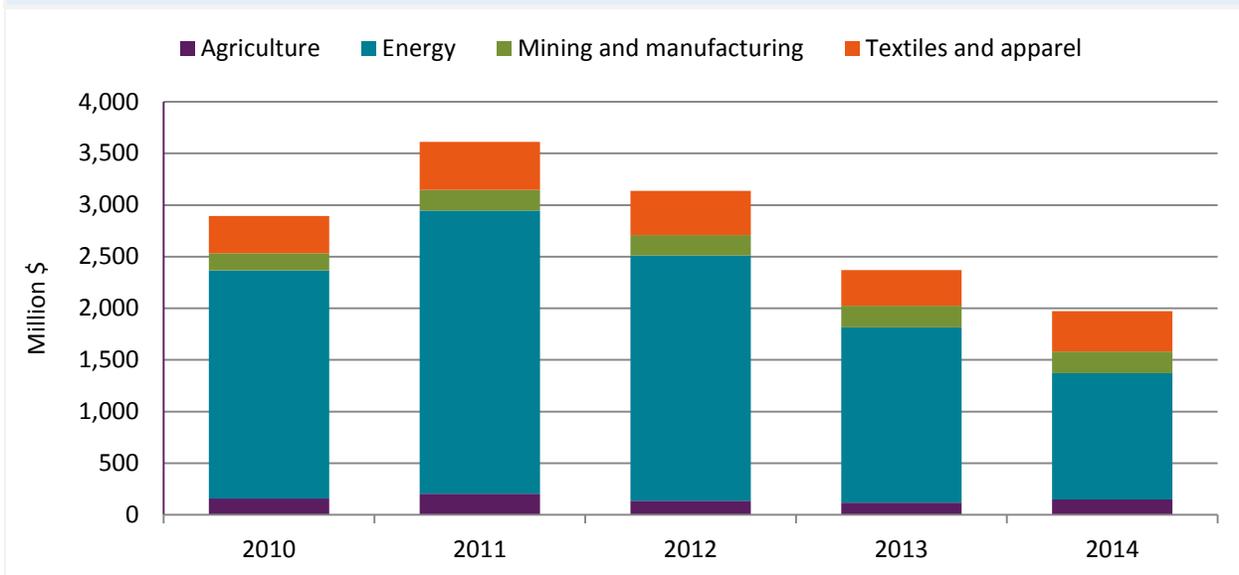
CBERA Imports

- In 2014, U.S. imports from CBERA countries (with and without trade preferences) declined for a third consecutive year: the value of total U.S. imports from these countries was \$8.5 billion in 2014, following a previous decline from \$12.0 billion in 2012 to \$8.9 billion in 2013. The decline of U.S. imports from CBERA countries from 2012 to 2014 was mainly due to the sharp drop in U.S. imports of crude petroleum and refined petroleum products from CBERA countries, in terms of value.
- The five leading categories of U.S. imports from CBERA countries in 2014—mineral fuels, inorganic chemicals, organic chemicals, iron and steel, and knitted apparel—together accounted for 72.5 percent of total U.S. imports from CBERA countries. Trinidad and Tobago, Haiti, The Bahamas, and Guyana were the United States' leading sources of imports

from CBERA countries, jointly accounting for 89.1 percent of the value of such imports in 2014.

- Imports receiving preferential treatment under CBERA (including CBTPA) totaled \$2.0 billion in 2014, a decline of 16.8 percent from \$2.4 billion in 2013 (figure ES.2). Energy products accounted for 62.0 percent of total imports under CBERA in 2014, with Trinidad and Tobago supplying 97.3 percent of energy imports. Textiles and apparel, supplied mainly by Haiti, accounted for 19.8 percent of imports under CBERA in 2014; “other mining and manufacturing products,” 10.7 percent; and agricultural products, 7.6 percent.

Figure ES.2 U.S. imports under CBERA, by major product categories,^a 2010–14



Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012. Data for 2012 include U.S. imports from Panama only for the period during which Panama was eligible for CBERA benefits before the U.S.-Panama FTA entered into force on October 31, 2012. The Netherlands Antilles, which was made up of Curaçao, Sint Maarten, and several other nearby islands, no longer exists, but CBERA trade in 2014 is reported for the portion of the Netherlands Antilles that includes Curaçao and Sint Maarten.

^a Agricultural imports are defined as imports under HTS chapters 01 through 24, excluding fuel ethanol, which is found in chapter 22 but is classified as an energy import. Energy imports are defined as all chapter 27 imports, as well as methanol (HTS 2905.11.20) and the fuel ethanol reported in chapter 22. Textile and apparel imports are defined as all imports in chapters 50 through 63. Mining and manufacturing imports are defined as everything not categorized as agricultural, energy, or textile and apparel imports in this report, with the exception of imports classified in HTS chapters 98 and 99, which are excluded from the data.

- In 2014, the value of U.S. imports of energy products under CBERA was \$1.2 billion, a 27.9 percent decline from 2013. The decline is chiefly due to the decrease in crude petroleum imports from Trinidad and Tobago, as well as from Belize. Increasing U.S. production and a slight drop in U.S. consumption of crude petroleum, as well as the shutdown for maintenance of several petroleum refineries in Trinidad and Tobago, contributed to this trend.

Executive Summary

- In 2014, U.S. imports of other mining and manufacturing products under CBERA totaled \$210.2 million, representing a continuous increase since 2012. Expandable polystyrene in primary forms accounted for 73.6 percent of these imports in 2014, with The Bahamas being the only source. The continued increase in U.S. imports under CBERA of expandable polystyrene from 2012 to 2014 was due primarily to the continued rise in U.S. domestic consumption of this product.
- In 2014, U.S. imports of agricultural products under CBERA totaled \$149.2 million, an increase of 25.4 percent from \$119.0 million in 2013. In 2014, the four leading agricultural products among U.S. imports under CBERA were raw cane sugar, cassava (manioc) and arrowroot, and fruit juices, as well as sauces and spices. Jamaica, Guyana, and Belize were the principal sources of these imports under CBERA.

Chapter 1

Introduction

The Caribbean Basin Economic Recovery Act (CBERA or the Act)² was enacted in 1983 as part of the Caribbean Basin Initiative (CBI) to encourage economic growth and development in the Caribbean Basin countries by promoting increased production and exports of nontraditional products.³ The Act authorizes the President to proclaim preferential rates of duty on most products entering the United States from the region. CBERA has no statutory expiration date. The U.S. International Trade Commission (USITC or “the Commission”) has submitted its reports on the economic impact of the CBERA program to Congress and the President since 1986.

This report fulfills the statutory requirement under CBERA that the Commission report biennially on CBERA’s economic impact on U.S. industries, consumers, the U.S. economy in general, and the economies of the beneficiary countries.⁴ This report, the 22nd in the series, covers the period 2013–14. Throughout this report, the term “CBERA” refers to CBERA as amended by the United States-Caribbean Basin Trade Partnership Act (CBTPA); the Haitian Hemispheric Opportunity through Partnership Encouragement Acts of 2006 (HOPE I) and 2008 (HOPE II) (jointly referred to as the HOPE Acts); the Haiti Economic Lift Program Act of 2010 (HELP Act); and other legislation.⁵ However, in this report imports under the HOPE and HELP Acts are reported and analyzed separately. To identify the non-expiring provisions of CBERA as

² CBERA was signed into law August 5, 1983, as Pub. L. 98-67, title II, 97 Stat. 384, 19 U.S.C. 2701 et seq. The President signed a proclamation that made preferential rates under CBERA effective January 1, 1984 (Proclamation No. 5133, 48 Fed. Reg. 54453). Minor amendments to CBERA were made by Pub. Laws 98-573, 99-514, 99-570, and 100-418. Major amendments were made to CBERA by Pub. L. 106-200, the Caribbean Basin Trade Partnership Act. Further modifications were made by Pub. L. 107-210, the Trade Act of 2002; Pub. L. 109-53, the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act; Pub. L. 109-432, § 5001 et seq., the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE I); Pub. L. 110-234, § 15401 et seq., the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II); and Pub. L. 111-171, the Haiti Economic Lift Program Act of 2010 (HELP Act). CBERA beneficiary countries are listed in table 1.1.

³ The principal components of the CBI were CBERA and a program of preferential access for certain apparel assembled in the region, described below.

⁴ The reporting requirement is set forth in section 215 of CBERA (19 U.S.C. 2704). Section 215 calls for the Commission’s report to include an assessment of “(A) the actual effect, during the period covered by the report, of this Act on the United States economy generally as well as on those specific domestic industries which produce articles that are like, or directly competitive with, articles being imported into the United States from beneficiary countries; and (B) the probable future effect which this Act will have on the United States economy generally, as well as on such domestic industries, before the provisions of this Act terminate.”

⁵ Preferences provided in the CBTPA and the HOPE and HELP Acts have expiration dates, as detailed below and in table 1.1.

it was first passed in 1983, the term “original CBERA” will be used. Table 1.1 summarizes the major provisions of CBERA.

Trade with CBERA countries continues to decline. This reflects not only a reduction in the number of countries eligible for benefits—due mostly to the entry into force of free trade agreements such as the TPA with Panama—but also changes in trade patterns.⁶ Unless otherwise noted, tables in this report referring to trade with CBERA countries include trade data for each country through the last month that the country was eligible for CBERA preferences. The tables also report data for 2010–14.

Organization of the Report

Chapter 1 summarizes the CBERA program, including amendments to the original CBERA by CBTPA, the Trade Act of 2002, the HOPE Acts of 2006 and 2008, and the HELP Act of 2010; and describes the analytical approach used in the report. Chapter 2 gives an overview of U.S. trade with CBERA beneficiaries through 2014. Chapter 3 provides the Commission’s assessment of the impact of CBERA during 2013–14 on the U.S. economy generally, as well as on U.S. industries and consumers. Chapter 3 also provides the Commission’s assessment of the probable future effect of CBERA. Chapter 4 assesses the impact of CBERA on the economies of selected beneficiary countries.

Appendix A reproduces the *Federal Register* notice by which the Commission solicited public comment for this 22nd report. Appendix B explains the economic model used to estimate the effect of the CBERA program on the U.S. economy presented in chapter 3. Appendix C includes tables presenting the data underlying some of the analysis of trade trends in chapter 2. Appendix D includes tables presenting the data used for figures.

Summary of the CBERA Program

CBERA authorizes the President to grant certain unilateral preferential trade benefits to Caribbean Basin countries and territories. The program permits exporters from designated beneficiaries to claim duty-free or reduced-duty treatment for eligible products imported into the customs territory of the United States. If U.S. importers do not claim this status or some other special status, then duties are charged on their goods using the rates found in the “general rates of duty” column of the Harmonized Tariff Schedule of the United States (HTS).

⁶ The act, which approved and implemented the U.S.-Panama TPA, required the President to terminate the designation of Panama as a beneficiary country, with certain exceptions, as of the date the TPA entered into force (October 31, 2012). See section 201 (a) (3) of the TPA (19 u.s.c. 3805 note). Implemented in Presidential Proclamation 8899 (77 Fed. Reg. 66507).

Table 1.1 Summary of CBERA preferential provisions, yearend 2014

CBERA characteristic	Description
History	Enacted 8/5/83, became effective 1/1/84 under CBERA Expanded and made permanent, 8/20/90, under CBEREA ^a Enhanced 5/18/00 under CBTPA; ^b CBTPA was extended, 5/22/08 and 5/24/10; ^c it was modified 8/6/02 under the Trade Act of 2002 ^d Enhanced for Haiti under the HOPE Act 12/20/06, ^e HOPE II 5/22/08, ^f HELP Act 5/24/10 ^g
Benefits	Duty-free entry and reduced-duty entry granted on a nonreciprocal, non-normal trade relations (NTR) basis.
Exclusions under original CBERA ^h	Most textiles/apparel, leather, canned tuna, petroleum and derivatives, certain footwear, certain watches/parts; quantities of agricultural goods exceeding various tariff-rate quotas.
Duration (President's authority to proclaim preferential treatment)	Originally 12 years, until 9/30/95 CBEREA: removed original CBERA's expiration date (CBERA is now non-expiring) CBTPA: until 9/30/20 ⁱ HOPE and HELP Acts: until 9/30/20
Beneficiaries ^j	Beneficiaries in 2014: Antigua and Barbuda, Aruba, The Bahamas, Barbados,* Belize,* British Virgin Islands, Curaçao, Dominica, Grenada, Guyana,* Haiti,* Jamaica,* Montserrat, St. Kitts and Nevis, St. Lucia,* St. Vincent and the Grenadines, and Trinidad and Tobago*
Coverage (eligible provisions)	Approximately 5,700 HTS 8-digit tariff lines
Value of imports under the program	\$1.972 billion (2014)
Significance in terms of U.S. trade:	
U.S. imports from CBERA countries as a share of total U.S. imports	0.36% (2014)
U.S. imports from beneficiaries that receive program preferences as a share of total U.S. imports from beneficiary countries	23.1% (2014)

Source: Commission compilation.

^a Caribbean Basin Economic Recovery Expansion Act of 1990.

^b Caribbean Basin Trade Partnership Act, title II, of the Trade and Development Act of 2000, effective October 2000. The measure gives certain preferential treatment to goods originally excluded from CBERA preferences.

^c Pub. L. 110-234, § 15408 and Pub. L. 111-171, § 3.

^d Pub. L. 107-210, § 3107.

^e HOPE Act of 2006 (Pub. L. 109-432, § 5001 et seq.).

^f HOPE Act of 2008 (Pub. L. 110-234, § 15401 et seq.).

^g HELP Act of 2010 (Pub. L. 111-171).

^h The CBTPA provides for the application of Mexico's North American Free Trade Agreement (NAFTA) rates of duty, where goods from CBTPA countries meet NAFTA rule-of-origin criteria, for most goods excluded from CBERA, except for agricultural and textile/apparel products. Certain apparel and textile luggage made from U.S. inputs are eligible for duty-free entry. For more information, see subchapter XX (20) of chapter 98 of the Harmonized Tariff Schedule of the United States (HTS). No other CBTPA benefits apply to excluded agricultural and textile/apparel products; that is, NAFTA parity is not accorded.

ⁱ The CBTPA benefits expire on either September 30, 2020, or the date on which the Free Trade Area of the Americas or a comparable agreement enters into force, whichever is earlier.

^j Asterisk (*) indicates CBTPA beneficiary countries.

These are the rates charged on goods from countries that have normal trade relations (NTR) with the United States; such rates are generally known as NTR rates of duty.⁷

As originally enacted, CBERA authorized the President to provide duty-free treatment or reduced rates of duty to qualifying goods from beneficiary Caribbean Basin countries through September 30, 1995. The Caribbean Basin Economic Recovery Expansion Act (CBEREA) of 1990⁸ repealed that termination date, made the authority permanent, and expanded CBERA benefits in several ways.⁹ In May 2000, CBTPA further expanded the CBERA program and extended trade preferences to textiles and apparel from eligible countries in the region.¹⁰ In August 2002, the Trade Act of 2002 amended CBERA to clarify and modify several CBTPA provisions.¹¹ In December 2006, HOPE I enhanced benefits under CBERA for Haiti. In May 2008, HOPE II extended and further enhanced benefits for Haiti. In May 2010, the HELP Act of 2010 extended the expiration date of the HOPE Acts from September 30, 2018, to September 30, 2020; extended the expiration date of CBTPA from September 30, 2010, to September 30, 2020; and further expanded benefits for Haiti.

The following subsections summarize CBERA provisions concerning beneficiaries, trade benefits, qualifying rules, and the relationship between CBERA and the U.S. Generalized System of Preferences (GSP) program. A description of the provisions of CBERA added by CBTPA, the HOPE Acts, and the HELP Act concludes this section.

Beneficiaries

Imports from 17 countries (collectively referred to in this report as “CBERA beneficiary countries” or “CBERA countries”¹²) were eligible for CBERA tariff preferences during all or part of 2013–2014 provided that they met certain country of origin rules and other requirements.¹³

⁷ NTR status was formerly known as “most-favored-nation” (MFN) status; this is the term still commonly used outside the United States. Goods from a country with NTR status are entitled to normal nondiscriminatory tariff treatment. Certain goods from countries that are beneficiary countries under the U.S. Generalized System of Preferences (GSP) may be imported free of duty. A number of CBERA countries are GSP beneficiary countries; see the section below on CBERA and GSP.

⁸ CBEREA was signed into law on August 20, 1990, as part of the Customs and Trade Act of 1990 (Pub. L. 101-382, title II, 104 Stat. 629, 19 U.S.C. 2101). Presidential Proclamation 6428, 57 Fed. Reg. 19363.

⁹ Among other things, the 1990 act reduced duties on certain products previously excluded from such treatment. For a comprehensive description of the 1990 act, see USITC, *Annual Report on the Impact of the Caribbean Basin Economic Recovery Act on U.S. Industries and Consumers, Sixth Report, 1990*, September 1991, 1-1 to 1-5.

¹⁰ CBTPA is described in a separate section of this chapter.

¹¹ Modifications to CBERA were made in section 3107 of the Trade Act of 2002 (Pub. L. 107-210).

¹² For additional information, see the “Frequently Used Abbreviations and Acronyms” section in the front of this report.

¹³ CBERA beneficiary countries at the end of 2014 were Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, the British Virgin Islands, Curaçao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago. See HTS general note 7.

Curaçao was designated a CBERA beneficiary effective January 1, 2014 and designated a CBTPA beneficiary on August 18, 2015.¹⁴ Additional countries that are potentially eligible for CBERA benefits include Anguilla, the Cayman Islands, Sint Maarten, Suriname, and the Turks and Caicos Islands. Suriname requested CBERA beneficiary status in 2009. The Turks and Caicos Islands and Sint Maarten requested CBERA status in 2012. Final determinations on designating the beneficiary status of those countries were pending as of mid-2015.¹⁵

CBERA countries must be separately designated by the President for the enhanced benefits of CBTPA—they are not automatically eligible for CBTPA preferences. Seven CBERA countries were eligible for CBTPA preferences in 2013–14.¹⁶ Seven other countries have requested CBTPA beneficiary status; final determinations were pending as of mid-2015.¹⁷ The President can terminate beneficiary status or suspend or limit a country’s CBERA benefits at any time, as explained below.¹⁸

Trade Benefits under CBERA

CBERA provides duty-free or reduced-duty treatment to qualifying imports from designated beneficiary countries.¹⁹ For some products, duty-free entry under CBERA is subject to statutory conditions in addition to normal program rules. In addition to these basic preference-eligibility rules, certain conditions apply to CBERA duty-free entries of sugar, beef,²⁰ and—until

¹⁴ Presidential Proclamation 9072, published 78 Fed. Reg. 80417 (Dec. 23, 2013) and *Federal Register* notice published August 25, 2015 (80 Fed. Reg. 51650).

¹⁵ The Caribbean, Central American, and South American countries and territories potentially eligible for CBERA benefits are listed in 19 U.S.C. 2702(b).

¹⁶ Barbados, Belize, Guyana, Haiti, Jamaica, St. Lucia, and Trinidad and Tobago. See HTS general note 17 and U.S. notes in subchapters II and XX of chapter 98 of the HTS. Although the list of eligible countries is currently the same in both the general note and in chapter 98, countries can be added to the general note list, dealing with non-apparel goods, without qualifying for the apparel articles benefits of chapter 98.

¹⁷ Aruba, The Bahamas, Dominica, Grenada, Montserrat, St. Kitts and Nevis, and St. Vincent and the Grenadines. 77 Fed. Reg. 61816 (Oct. 11, 2012). In Proclamation 9072, Curaçao received CBERA status and was noted as requesting CBTPA (78 FR 80417). Effective August 18, 2015, USTR determined that Curaçao meets certain customs criteria of the CBTPA. Therefore, imports of eligible products from Curaçao qualify for the enhanced trade benefits provided under the Act. 80 Fed. Reg. 51650 (August 25, 2015). Sint Maarten and Turks and Caicos have requested both CBERA and CBTPA status, but cannot be considered for CBTPA unless first granted CBERA status.

¹⁸ 19 U.S.C. 2702(e).

¹⁹ HTS general note 3(c) enumerates the special tariff treatment for eligible products of covered countries under various U.S. trade programs, including CBERA. HTS general note 7 covers CBERA in detail.

²⁰ Sugar (including syrups and molasses) and beef (including veal) are eligible for duty-free entry only if the exporting CBERA country submits a stable food production plan to the United States, assuring that its agricultural exports do not interfere with its domestic food supply and its use and ownership of land. See 19 U.S.C. 2703(c)(1)(B).

December 31, 2011—ethyl alcohol (ethanol).²¹ Imports of sugar and beef, like those of some other agricultural products, remain subject to any applicable and generally imposed U.S. tariff-rate quotas (TRQs) and food-safety requirements.²²

Under the original CBERA, certain leather handbags, luggage, flat goods (such as wallets and portfolios), work gloves, and leather wearing apparel were eligible to enter at reduced rates of duty.²³ Not eligible for any preferential duty treatment under the original CBERA were cotton, wool, and manmade-fiber textiles and apparel; certain footwear; canned tuna; petroleum and petroleum derivatives; and certain watches and parts.²⁴

The CBTPA amended CBERA to authorize duty-free treatment for some products previously ineligible for CBERA preferences, most notably certain apparel. It also authorized treatment equivalent to that given to Mexico under the North American Free Trade Agreement (NAFTA) for other products previously ineligible for duty-free treatment, including certain footwear; canned tuna; the above-mentioned handbags, luggage, flat goods, work gloves, and leather wearing apparel; petroleum and petroleum derivatives; and certain watches and watch parts.²⁵ Roughly 5,700 HTS 8-digit tariff lines or products are now covered by CBERA trade preferences, of which about 257 were added by CBTPA. The products that continue to be excluded by statute from receiving preferential treatment are textile and apparel articles not otherwise eligible for preferential treatment under CBTPA, certain footwear, and above-quota imports of certain agricultural products subject to TRQs.

²¹ Ethyl alcohol produced from agricultural feedstock grown in a CBERA country is admitted free of duty, provided it meets the 35 percent value-content rule. See the “Qualifying Rules” section of this chapter, below. Until December 31, 2011, ethyl alcohol dehydrated from non-CBERA agricultural feedstock was permitted to enter free of duty. As of January 1, 2012, ethyl alcohol exported from CBERA countries and entering the United States that does not meet the 35 percent value-content criterion is dutiable. See chapter 2 for more information.

²² A TRQ is a non-absolute quota for a volume of imports and a two-tier tariff regime; imports within the quota trigger level enter at a lower (in-quota) tariff rate, while imports above the trigger enter at a higher (above-quota) tariff rate. TRQs on imports of sugar and beef were established under sections 401 and 404 of the Uruguay Round Agreements Act (URAA). These provisions replaced absolute quotas on imports of certain agricultural products imported under section 22 of the Agricultural Adjustment Act of 1933 (7 U.S.C. 624), the Meat Import Act of 1979 (Pub. L. 88-482), and other authorities. The URAA also amended CBERA by excluding from duty preferences any imports from beneficiary countries in quantities exceeding the new TRQs’ global trigger levels or individual country allocations; i.e., only within-quota imports qualify for duty-free treatment. Imports of agricultural products from beneficiary countries remain subject to sanitary and phytosanitary restrictions, such as those administered by the U.S. Animal and Plant Health Inspection Service.

²³ These are articles that were not designated for GSP duty-free entry as of August 5, 1983. Under CBERA, beginning in 1992, duties on these goods were reduced up to 20 percent in five equal annual stages. See 19 U.S.C. 2703(h).

²⁴ See 19 U.S.C. 2703(b)(1). For discussions of products originally excluded from CBERA and subsequent modifications to the list of excluded products, see USITC, *Report on the Impact of the Caribbean Basin Economic Recovery Act on U.S. Industries and Consumers, 1993*, September 1994, 2–9; USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers, Tenth Report, 1994*, September 1995, 3–4.

²⁵ 19 U.S.C. 2703(b)(3).

Qualifying Rules

CBERA generally provides that to receive duty-free entry into the United States, eligible products must either be (1) wholly grown, produced, or manufactured in a designated CBERA country or (2) “new or different” articles made from substantially transformed non-CBERA inputs.²⁶ The cost or value of the local (CBERA-region) materials, plus the direct cost of processing in one or more CBERA countries, must total at least 35 percent of the appraised customs value of the product at the time of entry. These rules of origin allow goods incorporating value from multiple CBERA countries to meet the requirement for “local value content” on an aggregated basis.²⁷ Also, inputs from Puerto Rico, the U.S. Virgin Islands, and former CBERA countries²⁸ may count in full toward the value threshold. As an advantage over the GSP program’s 35 percent requirement, the CBERA local-value-content requirement can also be met when the CBERA content is 20 percent of the customs value and the remaining 15 percent is attributable to U.S.-made (excluding Puerto Rican) materials or components.²⁹ To encourage production sharing between Puerto Rico and CBERA countries, CBERA allows duty-free entry for articles produced in Puerto Rico that are “by any means advanced in value or improved in condition” in a CBERA country.³⁰

Qualifying rules for duty-free importation of apparel are complex and are summarized in the CBTPA section of this chapter.

²⁶ Certain products do not qualify. These include products that undergo simple combining or packaging operations, dilution with water, or dilution with another substance that does not materially alter the characteristics of the article. See 19 U.S.C. 2703(a)(2). However, articles, other than textiles and apparel or petroleum and petroleum products, that are assembled or processed in CBERA countries wholly from U.S. components or materials also are eligible for duty-free entry under note 2 to subchapter II, chapter 98, of the HTS. Articles produced through operations such as enameling, simple assembly or finishing, and certain repairs or alterations may qualify for CBERA duty-free entry under changes made in 1990. For more information, see USITC, *Caribbean Basin Economic Recovery Act Impact on U.S. Industries and Consumers, 1991*, September 1992, 1–4.

²⁷ The Commission is not aware of any articles imported under CBERA that take advantage of the aggregated local-content requirement.

²⁸ The term “former beneficiary country” means a country that is no longer a beneficiary country under CBERA because it became a party to a free trade agreement with the United States. Pub. L. 109–53, § 402.

²⁹ See 19 U.S.C. 2703(a)(1).

³⁰ Any materials added to such Puerto Rican articles must be of U.S. or CBERA-country origin. The final product must be imported directly into the customs territory of the United States from the CBERA country. See 19 U.S.C. 2703(a)(5). Imports entered under the “Puerto Rico-CBI” coding are counted in this report as having entered under the original CBERA. See chapters 2 and 3 for additional information.

CBERA and GSP

All current CBERA countries—except Antigua and Barbuda, Aruba, The Bahamas, Barbados, and Trinidad and Tobago—are also GSP beneficiary countries.³¹ CBERA and GSP are similar in many ways, and many products may enter the United States free of duty under either program at the choice of the importer.³² Both programs offer increased access to the U.S. market. Like CBERA, GSP requires that eligible imports (1) be imported directly from beneficiaries into the customs territory of the United States, (2) contain a minimum of 35 percent local value content, and (3) meet the double substantial-transformation requirement for any foreign inputs.³³

However, the programs differ in several ways that make U.S. importers of goods from CBERA countries more likely to enter qualified products under CBERA than under GSP. First, CBERA preferences apply to more tariff categories and products than the GSP program. CBERA extends duty-free or reduced-duty treatment to all tariff categories, except for certain categories excluded by statute (assuming that the imported good meets certain country of origin rules and other requirements). The GSP program, on the other hand, applies only to a more limited number of products in tariff categories that are designated as eligible for duty-free treatment after an interagency review process. For example, certain textile and apparel products are eligible for duty-free treatment under CBERA but not under GSP.

Second, CBERA beneficiary countries are not subject to the competitive-need limitations and country-income graduation requirements set by GSP. Under GSP, products that exceed a specified level of market penetration in the United States (the competitive-need limitation) may be excluded from GSP eligibility.³⁴ Products so restricted may continue to enter free of duty

³¹ The U.S. GSP program was established under Title V of the Trade Act of 1974, Pub. L. 93-618, 88 Stat. 2066 et seq. The statute authorized the President to provide duty-free treatment to eligible articles from beneficiary developing countries for a 10-year period. The President's authority was extended for an additional 10 years under Title V of the Trade and Tariff Act of 1984, Pub. L. 98-573, 98 Stat. 3018 et seq. The President's authority has expired and been renewed several times since then, as summarized later in this section. Trinidad and Tobago was graduated from GSP on January 1, 2010, because of its higher per capita income. Both the Turks and Caicos Islands (not currently eligible) and St. Kitts and Nevis were graduated from the GSP program effective January 1, 2014.

³² With the exception of 11 tariff lines, none of the products excluded from permanent CBERA provisions is eligible for normal GSP treatment. A limited number of products excluded from permanent CBERA provisions—mostly canned tuna and petroleum and petroleum products—are eligible for GSP treatment if they originate in least-developed GSP beneficiary countries. Haiti is the only such least-developed country among CBERA countries, and does not produce those products.

³³ Both the CBERA and the GSP programs use a "double substantial transformation" rule, which involves transforming an imported product into a new or different product that, in turn, becomes the constituent material used to produce a second new or different final product in the beneficiary country.

³⁴ A beneficiary developing country loses GSP benefits for an eligible product when U.S. imports of the product exceed the competitive-need limitation, which is defined as either a specific annually adjusted value (\$165 million in 2014) or 50 percent of the value of total U.S. imports of the product in the preceding calendar year (19 U.S.C. 2463(c)(2)). USTR, *U.S. Generalized System of Preferences (GSP) Guidebook*, December 2012, 11.

under CBERA. Moreover, a country may lose all of its GSP privileges once its per capita income grows beyond a specified amount,³⁵ but it would retain its CBERA eligibility, because there are no income limits in CBERA.

Third, CBERA qualifying rules for individual products are more liberal than those of GSP. GSP requires that 35 percent of the value of the product be added in a single beneficiary country or in a specified association of eligible GSP countries,³⁶ whereas CBERA allows the value to come from any or all of the countries covered by CBERA (including former CBERA beneficiaries), as well as from limited U.S. content.

Fourth, the President's authority to provide duty-free and reduced-duty treatment to products covered by the original CBERA is not time limited, whereas the President's authority to provide duty-free treatment under GSP is time limited and has in fact expired many times over the life of the program, with the gaps between expiration and renewal ranging from one month to nearly two years.³⁷ For example, the President's authority to provide duty-free treatment under the GSP program expired on December 21, 2010.³⁸ It was renewed retroactively on October 21, 2011, through July 31, 2013, after which it expired once again.³⁹ Effective July 29, 2015, GSP was extended through December 31, 2017, with retroactive refund of duties paid on imports from all countries eligible for GSP at the time of the lapse.⁴⁰

Importers of goods from CBERA countries that are eligible for duty-free treatment under both programs have always had the option to enter these goods under either program. Because of the periodic lapses in the President's authority to grant duty-free treatment under GSP, Caribbean Basin suppliers generally have preferred to enter such dual-eligible goods under CBERA.⁴¹

Caribbean Basin Trade Partnership Act

The United States-Caribbean Basin Trade Partnership Act (CBTPA), enacted May 18, 2000, expanded the CBERA program in several significant respects.⁴² Additional modifications and

³⁵ See 19 U.S.C. 2462(e).

³⁶ See 19 U.S.C. 2463(a)(2)(A)(ii).

³⁷ See USITC, *The Impact of Caribbean Basin Economic Recovery Act, Seventeenth Report, 2003–2004*, September 2005, 1–8.

³⁸ Pub. L. 111-124.

³⁹ Pub. L. 112-40.

⁴⁰ Pub. L. 114-27.

⁴¹ See USITC, *Caribbean Basin Economic Recovery Act Impact on U.S. Industries and Consumers, Thirteenth Report, 1997*, and *Andean Trade Preference Act Impact on U.S. Industries and Consumers, Fifth Report, 1997*, September 1998, 22–23.

⁴² See Trade and Development Act of 2000 (Pub. L. 106-200, title II).

clarifications were made in the Trade Act of 2002, enacted August 6, 2002.⁴³ CBTPA became effective on October 2, 2000, as a transitional measure through September 30, 2008, or until the entry into force of the Free Trade Area of the Americas—a proposed pan-American free trade agreement (FTA)—or any comparable FTA between the United States and individual CBERA countries. As noted previously, CBTPA was extended to September 30, 2020, in May 2010.

CBTPA represents the first time the United States has authorized duty-free treatment for imports of qualifying cotton, wool, and manmade-fiber apparel classified in HTS chapters 61 and 62 from CBERA countries. Key apparel provisions are summarized in table 1.2. For the most part, these CBTPA apparel goods must be made wholly of U.S. or CBERA-regional inputs and assembled in an eligible CBTPA country listed in chapter 98 of the HTS. The CBTPA also extended preferential treatment to a number of other products previously excluded from CBERA, including petroleum and petroleum products, certain tuna, certain footwear, and certain watches and watch parts. The rates of duty for these products are identical to those accorded to like goods from Mexico, under the same rules of origin applicable under NAFTA found in HTS general note 12. CBTPA also provided duty-free treatment for textile luggage assembled from U.S. fabrics made of U.S. yarns.⁴⁴ A substantial apparel industry developed in CBERA countries in the 1980s and 1990s, based on special U.S. production-sharing policies for CBERA countries that allowed virtually quota-free entry of apparel assembled in the region from U.S.-formed and -cut apparel components.⁴⁵ Such imports are dutiable only on the value added abroad. At their peak in 1997, apparel imports from CBERA countries accounted for 17.0 percent of U.S. imports of apparel. However, production sharing in current or former CBERA countries is no longer substantial because of the opportunities for duty-free entry of apparel under CBTPA, the HOPE and HELP Acts, the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR), and the United States-Panama TPA.⁴⁶

HOPE and HELP Acts

Since 2006, CBERA has been amended three times to expand and enhance trade benefits for Haiti and to give Haitian apparel producers more flexibility in sourcing yarns and fabrics.⁴⁷ The

⁴³ See Trade Act of 2002 (Pub. L. 107-210).

⁴⁴ See HTS 9820.11.21.

⁴⁵ See USITC, *The Impact of the Caribbean Basin Economic Recovery Act, Eighteenth Report, 2005–2006*, September 2007, 1–12 to 1–13.

⁴⁶ The vast majority of pre-CBTPA production sharing occurred in countries that are now part of CAFTA-DR.

⁴⁷ Apparel manufacturing is considered a key to Haiti's economic growth and currently accounts for 50 percent of Haiti's formal employment. Every 10,000 square meter equivalents (SMEs) in Haitian apparel production reportedly creates 1,500 jobs. Representative of Haitian CTMO-HOPE Secretariat, telephone interview by USITC staff, January 9, 2015.

Table 1.2 Textiles and apparel made in CBERA countries that are eligible for duty-free entry under CBTPA, as amended by the Trade Act of 2002

Brief description of article, with HTS code ^a	Brief description of criteria and related information
Apparel assembled from U.S.-formed and -cut fabric (HTS 9802.00.8044)	Unlimited duty-free treatment.
Apparel assembled from U.S.-formed and -cut fabric that underwent further processing, such as embroidering or stone-washing (9820.11.03)	Fabric must be made wholly of U.S. yarn and cut or knit-to-shape in the United States.
Apparel cut and assembled from U.S. fabric, knit and woven (HTS 9820.11.06)	Fabric, whether knit or woven, must be dyed, printed, and finished in the United States.
Apparel cut and assembled from U.S. fabric, knit (HTS 9820.11.18)	Unlimited duty-free treatment.
Certain apparel of “regional knit fabrics”—includes apparel knit to shape directly from U.S. yarn (other than socks) and knit apparel cut and assembled from regional fabrics or regional and U.S. fabrics	Fabric must be made wholly of U.S. yarn. Preferential treatment subject to the following “caps” that became permanent in October 2010.
Knit apparel except outerwear T-shirts (HTS 9820.11.09)	HTS 9820.11.09: 970 million SMEs.
Outerwear T-shirts (HTS 9820.11.12)	HTS 9820.11.12: 12,000,000 dozen.
Brassieres cut and assembled in the United States and/or the region from U.S. fabric (HTS 9820.11.15)	Producer must satisfy rule that, in each of seven one-year periods starting on October 1, 2001, at least 75 percent of the value of the fabric contained in the firm's brassieres in the preceding year was attributed to fabric components formed in the United States (the 75 percent standard rises to 85 percent for a producer found by U.S. Customs to have not met the 75 percent standard in the preceding year).
Textile luggage assembled from U.S.-formed and -cut fabric (HTS 9802.00.8046) or from U.S.-formed fabric cut in eligible CBTPA countries (HTS 9820.11.21)	Fabric must be made wholly of U.S. yarn.
Socks in which the sock toes are sewn together (HTS 6115.94.00; 6115.95.60; 6115.95.90; 6115.96.60; 6115.96.90; 6115.99.14; 6115.99.19; 6115.99.90)	Knit to shape in the United States.
Apparel cut and assembled in eligible CBTPA countries, otherwise deemed to be “originating goods” under NAFTA rules of origin in HTS general note 12(t) but containing fabrics or yarns determined under Annex 401 to the NAFTA as being not available in commercial quantities (in “short supply”) in the United States (HTS 9820.11.24)	The fabrics and yarn include fine-count cotton knitted fabrics for certain apparel; linen; silk; cotton velveteen; fine wale corduroy; Harris Tweed; certain woven fabrics made with animal hairs; certain lightweight, high-thread-count polyester/cotton woven fabrics; and certain lightweight, high-thread-count broadwoven fabrics in production of men's and boys' shirts. ^b
Apparel cut and assembled from additional fabrics or yarns designated as not available in commercial quantities in the United States (HTS 9820.11.27)	On request of an interested party, the President may proclaim preferential treatment for apparel made from additional fabrics or yarn if the President determines that such fabrics or yarn cannot be supplied by the domestic industry in commercial quantities in a timely manner. ^c

Brief description of article, with HTS code ^a	Brief description of criteria and related information
Handloomed, handmade, and folklore articles (HTS 9820.11.30)	Must be certified as such by exporting country under an agreement with the Office of Textiles and Apparel (OTEXA), U.S. Department of Commerce.

Source: United States-Caribbean Basin Trade Partnership Act, as amended by the Trade Act of 2002.

Note: SME means square meter equivalent.

^a Includes articles ineligible for duty-free treatment under the 1983 CBERA (those of cotton, wool, and manmade fibers). The tariff provisions appear in subchapter XX of chapter 98 of the HTS.

^b See U.S. House of Representatives, *Trade and Development Act of 2000*: Conference Report to Accompany H.R. 434, 106th Cong., 2d sess., H. Rept. 106-606, 77, which explains a substantially identical provision of the African Growth and Opportunity Act that is contained in CBTPA.

^c Since the implementation of the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) beginning in 2006, the USITC has not provided any advice under the “commercial availability” provisions of the CBTPA. Note that CAFTA-DR parties (treated as “former CBTPA beneficiary countries”) accounted for about 95 percent of U.S. imports of textiles and apparel under the CBTPA.

first of the three amendments, in effect since March 20, 2007, is also known as the Haitian Hemisphere Opportunity through Partnership Encouragement Act of 2006 (HOPE I).⁴⁸ HOPE I provided duty-free treatment for a limited amount of apparel imported from Haiti if at least 50 percent of the value of inputs and/or costs of processing (e.g., assembling an entire garment or knitting it to shape) came from Haiti, the United States, or any country that is an FTA partner with the United States or is a beneficiary of specified U.S. trade preference programs (see box 1.1).⁴⁹ The percentage requirements for the value of inputs originating in the countries described above were increased in subsequent years, reaching 60 percent through December 20, 2011.⁵⁰

On May 22, 2008, Congress further amended CBERA by enacting the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II).⁵¹ HOPE II amended the special provisions for apparel and other textiles from Haiti in section 213 (b) of CBERA, including provisions specified by HOPE I. On September 30, 2008, the President issued a proclamation to implement the tariff treatment for apparel and textiles under HOPE II.⁵² The tariff treatment under HOPE II was designed to address concerns raised about HOPE I, such as the limited duration of the legislation's benefits, which could deter investment, and HOPE I's complexity

⁴⁸ Pub.L. 109-432, sect. 5001 et seq.

⁴⁹ CBTPA, the African Growth and Opportunity Act (AGOA), and the Andean Trade Promotion and Drug Eradication Act (ATPDEA) are the specified trade preference programs.

⁵⁰ To allow more flexibility in sourcing for Haitian apparel manufacturers, HOPE I also authorized duty-free treatment for three years for a specified quantity of woven apparel imports from Haiti made from fabrics produced anywhere in the world. It also included a single-transformation rule of origin for apparel articles entering under HTS 6212.10 (brassieres), which allows the components of these garments to be sourced from anywhere as long as the garments are both cut and sewn or otherwise assembled in Haiti. For more details see USITC, *The Impact of the Caribbean Basin Economic Recovery Act, Nineteenth Report, 2007–2008*, September 2009.

⁵¹ Pub. L. 110–234, § 15401 et seq.

⁵² 73 Fed. Reg. 57475 (October 3, 2008).

Box 1.1 Comparison of the rules of origin for apparel under CBTPA, the HOPE Acts, and the HELP Act^a

In general, apparel imported into the United States under CBTPA must be made from U.S. yarn that is made into fabric in either the United States or a beneficiary country. The approach of HOPE I is to allow inputs from nonbeneficiary countries, as long as a portion of the value-added content of the garment is from Haiti, the United States, or other beneficiary countries. The value-added requirement increases in subsequent years of the act. Both programs allow certain exceptions, as noted below. Amendments under HOPE II allow for coproduction arrangements between Haiti and the Dominican Republic and indirect shipment to the United States as permitted under the CBTPA. The HELP Act expands and extends existing U.S. trade preferences for Haiti (especially duty-free treatment for certain qualifying apparel) established under the CBTPA and the HOPE Acts.

CBTPA: Requirements concerning origin of inputs and processes, value added, and quantitative limits

Article	Yarn	Fabric	Cutting	Assembly	Value added	Quantitative Limit
Apparel	U.S.	U.S.	U.S./CBTPA ^b	CBTPA	No	No
Knit apparel	U.S.	U.S. or CBTPA	CBTPA	CBTPA	No	Yes
T-shirts	U.S.	CBTPA	CBTPA	CBTPA	No	Yes
Brassieres	Any country	U.S. (75%)	U.S./CBTPA	U.S./CBTPA	No	No
Apparel of yarns/fabrics in short supply ^c	Any country	Any country	CBTPA	CBTPA	No	No

HOPE/HELP Acts: Requirements concerning origin of inputs and processes, value added, and quantitative limits

Article	Yarn	Fabric	Cutting	Assembly	Value added	Quantitative Limit
Apparel	Any country	Any country	Any country	Haiti	50% or more beneficiary country content ^d	Yes
Knit apparel ^e	U.S.	Any country	Any country	Haiti	No	Yes
Woven apparel	Any country	Any country	Any country	Haiti	No	Yes
Brassieres	Any country	Any country	Haiti/U.S.	Haiti/U.S.	No	No ^f
Certain non-apparel textile goods (luggage, towels, and bedspreads and quilts)	Any country	Any country	Haiti	Haiti	No	No
Apparel of yarns/fabrics in short supply ^g	Any country	Any country	Haiti	Haiti	No	No

^a The tariff provisions are set forth in subchapter XX of chapter 98 of the HTS.

^b The use of U.S. thread is also required if the articles are cut and sewn or otherwise assembled in one or more CBTPA countries.

^c If a fiber, yarn, or fabric that has been determined to be not commercially available in the United States or CBTPA beneficiary countries, apparel using the product may still qualify for duty-free treatment.

^d As noted in the discussion of HOPE I, the value-added requirement increased from 50 percent to 55 percent in year 4 of the act, and then to 60 percent in year 5 of the act. Beneficiary countries include the United States, Haiti, and any country with which the United States has an FTA or preferential trading arrangement.

^e Certain types of knit apparel (e.g., men's and boys' T-shirts, sweatshirts) do not qualify—generally they are given preferential treatment under CBTPA.

^f As long as the brassieres (as well as luggage, headwear, and certain sleepwear) are wholly assembled or knit to shape in Haiti.

^g Under HOPE I/HOPE II/HELP, if a fiber, yarn, or fabric has been determined to be not commercially available under any free trade agreement or preference program, apparel using the product may still qualify for duty-free treatment.

and ambiguity, which reportedly delayed and discouraged the use of the trade benefits.⁵³ HOPE II provided additional ways, under simplified rules, that Haitian apparel might qualify for duty-free treatment. It also authorized a new capacity-building and monitoring program in the apparel sector, known as the Technical Assistance Improvement and Compliance Needs Assessment and Remediation Program, to benefit Haitian workers with training and worksite safety programs.⁵⁴

The principal provisions in HOPE II relating to apparel and textile trade with Haiti are as follows:⁵⁵ (1) most apparel preferences provided for in HOPE I were extended for 10 years until September 30, 2018; (2) the existing value-added rule (now capped at 60 percent)⁵⁶ was retained until the original five-year expiration date, but the quantitative cap was changed to 1.25 percent of total U.S. apparel imports for the duration of the provision; (3) the cap for woven apparel in HOPE I was expanded from 50 million square meter equivalents (SMEs) to 70 million SMEs; (4) a new knit apparel cap of 70 million SMEs was created, subject to exclusions for certain men's/boys' T-shirts and sweatshirts; (5) an uncapped benefit for certain articles (brassieres, textile luggage, headwear, and certain sleepwear) was created for apparel wholly assembled or knit to shape in Haiti, regardless of the source of the inputs; (6) an uncapped benefit was created for apparel wholly assembled or knit to shape in Haiti that meets a “3 for 1” earned import allowance requirement (i.e., for every 3 SMEs of qualifying fabric⁵⁷ purchased for apparel production by producers in Haiti, a 1-SME credit was received that can be used in the manufacture of apparel using non-qualifying fabric; the latter may enter the United States free of duty and not be subject to quantitative limitations); (7) an uncapped benefit was created for apparel made from non-U.S. fabrics deemed to be in “short supply;” and (8) direct shipment from and co-production in the Dominican Republic was allowed.

CBERA was amended a third time when the President, on May 24, 2010, signed the HELP Act into law.⁵⁸ The principal aim of the HELP Act was to aid in Haiti's recovery from a major earthquake in January 2010 and to offer additional incentives to make it more cost effective for U.S. companies to import apparel from Haiti.⁵⁹ The HELP legislation expanded existing programs

⁵³ USITC, *Textiles and Apparel: Effects of Special Rules for Haiti on Trade Markets and Industries*, June 2008, 3–9 to 3–10.

⁵⁴ Pub. L. 110–234, § 15403.

⁵⁵ Contained in HOPE II amendments to § 213A(b) of CBERA.

⁵⁶ See the description of HOPE I above.

⁵⁷ Fabric qualifies if it is from the United States or from U.S. FTA partners or certain trade preference program beneficiary countries.

⁵⁸ Pub. L. 111–171, § 2, Haiti Economic Lift Program Act of 2010 (HELP Act).

⁵⁹ White House, “The United States Government’s Haiti Earthquake Response,” June 25, 2010.

under the CBTPA and HOPE Acts and established new preferences, with unlimited duty-free treatment for certain knit apparel and certain home goods.⁶⁰

Key provisions under the HELP Act include (1) extension of CBTPA and the HOPE Acts through September 30, 2020; (2) provision of duty-free treatment for additional textile and apparel products that are wholly assembled or knit to shape in Haiti, regardless of the origin of the inputs (as cited above); (3) increases in the respective tariff preference levels under which certain Haitian knit and woven apparel products may receive duty-free treatment, regardless of the origin of inputs, from 70 million to 200 million SMEs; (4) liberalization of the earned import allowance rule by allowing the duty-free importation of 1 SME of apparel wholly assembled or knit to shape in Haiti, regardless of the origin of the inputs, for every 2 SMEs (previously it was 1 for every 3 SMEs) of qualifying fabric from the United States; and (5) extension of duty-free treatment until one of three dates: December 20, 2015, for apparel wholly assembled or knit to shape in Haiti with at least 50 percent of the value attributable to Haiti, the United States, or a U.S. FTA partner or preference program beneficiary; December 20, 2017, for Haitian apparel with at least 55 percent of the value from qualifying countries; and December 20, 2018, for Haitian apparel with at least 60 percent of the value of the inputs from qualifying countries. On June 29, 2015, the President signed into law Public Law 114-27, the Trade Preferences Extension Act of 2015, which extends preferential access provided under the HOPE and HELP programs through September 20, 2025.

Analytical Approach

As in previous reports in this series, this report analyzes the effects of CBERA by estimating the differences in benefits to U.S. consumers, U.S. tariff revenues, and U.S. industry production that would likely have occurred if the relevant tariffs had been in place for beneficiary countries in 2014. Actual 2014 market conditions are compared with a hypothetical case in which NTR duties were imposed for the year. The effects of CBERA duty reductions for 2014 are estimated by using a partial equilibrium model to estimate gains to consumers, losses in tariff revenues,

⁶⁰ The new classifications added to the HTS were HTS subheading 9820.61.45 (certain apparel articles) and HTS subheading 9820.63.05 (certain made-up textiles articles). Articles produced in Haiti imported under these HTS numbers can enter the United States free of duty regardless of the source of the fabric, fabric components, components knit to shape, or yarns from which the articles are made.

and industry displacement.⁶¹ Previous analyses in this series have shown that since CBERA has been in effect, U.S. consumers have benefited from lower prices and higher consumption; competing U.S. producers have had lower sales; and tariff revenues to the U.S. Treasury have been lower. The model used in this analysis assumes that the supply of imports and of U.S. domestic production is perfectly elastic; that is, producer prices do not fall in response to CBERA duty reductions. The effect of CBERA duty reductions on most U.S. industries, U.S. consumers, and tariff revenues is expected to be small.

The original CBERA provides for the duty-free treatment of imports of qualifying products from designated beneficiary countries. Direct effects of such a one-time duty elimination are expected to consist primarily of increased U.S. imports from beneficiary countries resulting from trade and resource diversion to take advantage of lower duties in the U.S. market. In general, these direct effects are likely to occur within a short time (a year or two) after the duty elimination. It is therefore likely that these effects have been fully realized for the original CBERA program, as well as for most provisions of CBTPA.

Over a longer period, the effects of CBERA will likely flow mostly from investment in industries in beneficiary countries that benefit from the duty elimination or reduction. Both short-term and long-term effects on the U.S. economy are limited by the small size of the CBERA country economies,⁶² and the long-term effects are likely to be difficult to distinguish from other market forces in play since the program was initiated. Investment, however, has been tracked in past CBERA reports in order to detect the trends in, and composition of, investment in the region.

Section 215 of CBERA requires the Commission to assess the effect of the CBERA program on the U.S. economy, relevant industries, and consumers.⁶³ The assessment is conducted through an analysis of (1) imports entered under the program, and trends in U.S. consumption of those imports; (2) estimates of gains to U.S. consumers, losses to the U.S. Treasury resulting from reduced tariff revenues, and potential displacement in U.S. industries competing with the leading U.S. imports that benefited exclusively from the CBERA program in 2014; and (3) an

⁶¹ The partial equilibrium model numerically estimates the effects of changes in trade policy at a product level—often at the 8-digit HTS tariff code level—in which each market is analyzed separately. This model relies on information about the magnitude of the duty reduction, U.S. market shares for domestic and foreign producers of the product, the degree to which domestic demand for the good responds to price changes, the degree to which domestic and foreign producers respond to price changes, and the degree of substitutability between the domestically produced product and imports from other countries. This is a standard economic approach for measuring the impact of a change in the prices of one or more goods. A more detailed explanation of the approach can be found in appendix B.

⁶² Also, U.S. imports under CBERA account for a small share, 0.1 percent in 2014, of total U.S. imports.

⁶³ See footnote 3 in this chapter for further detail.

examination of trends in production and other economic factors in the U.S. industries identified as likely to be particularly affected by such imports.

The analysis was conducted on the 20 leading product categories that benefited exclusively from CBERA tariff preferences in 2014 (see chapter 3).⁶⁴ To avoid understating CBERA's potential effects on consumer welfare and industry displacement, the analysis reports an upper-bound estimate.⁶⁵ Further analysis was done on industries for which the upper-bound estimate of displacement was more than 5 percent of the value of U.S. production, the threshold traditionally used in this series for selecting industries for further analysis. As in previous years, one U.S. industry—methanol—met that criterion in 2014.

The probable future effect of CBERA is assessed on the basis of a qualitative analysis of economic trends and investment patterns in beneficiary countries and in competing U.S. industries. Information on investment in CBERA-related production facilities was obtained mainly from U.S. embassies in the region and other public sources.

CBTPA requires the Commission to report on the impact of CBERA on the economies of the beneficiary countries. This report assesses CBERA's impact in the context of the CBI goals of encouraging economic growth, economic development, and export diversification by gauging the extent to which CBERA beneficiary countries are diversifying their economies and using the production of CBERA-eligible exports as part of an overall strategy for attaining sustainable economic growth. Profiles of four countries are presented. They include Trinidad and Tobago, Haiti, The Bahamas, and Jamaica.

Data Sources

General economic and trade data come from official statistics of the U.S. Department of Commerce (USDOC) and from information developed by country/regional and industry analysts at the Commission. Because this report incorporates the latest official revision of data from the Census Bureau of the U.S. Department of Commerce, data may differ somewhat from those in previous CBERA reports and other Commission reports. Other primary sources of information include U.S. embassies in the CBERA countries and reports by other U.S. government departments and offices, including the USDOC and the U.S. Department of State; reports by international nongovernmental organizations, including the Inter-American Development Bank, the International Monetary Fund (IMF), the Organization of American States, the United

⁶⁴ That is, those product categories that are not excluded or do not receive unconditional "column 1" general duty-free treatment or duty-free treatment under other preference programs such as GSP.

⁶⁵ Estimates are affected by the substitution elasticity, which was assumed to be 5 (implying high elasticity). See Shiells, Stern, and Dearnorff, "Estimates of the Elasticities of Substitution," 1986, 497–519; Gallaway, McDaniel, and Rivera, "Short-Run and Long-Run Estimates," 2003, 49–68; and chapter 3 for more information.

Chapter 1: Introduction

Nations (UN), the UN Economic Commission for Latin America and the Caribbean (ECLAC), and the World Bank; official government sources in the CBERA countries; and other published sources of information on CBERA-related investment, production, and exports. The report also incorporates information provided to the Commission in written public comments received in response to the Commission's Federal Register notice regarding the investigation.⁶⁶

⁶⁶ A copy of the notice appears in appendix A of this report.

Chapter 2

U.S. Imports from CBERA Countries

This chapter covers U.S. imports from countries that were designated CBERA beneficiary countries (“CBERA countries”) for all or part of 2013–14. The analysis focuses primarily on 2014, the most recent year, although trends or changes with respect to other years are highlighted when appropriate. Data are reported for 2010–14 (five years). The data on U.S. imports presented in this chapter refer to U.S. imports for consumption, a category that only includes merchandise that has physically cleared through U.S. Customs.⁶⁷

Key Findings

In 2014, the value of U.S. imports from CBERA countries declined for a third consecutive year: it was \$8.5 billion in 2014, lower than the values reported in 2013 (\$8.9 billion) and in 2012 (\$12 billion). The decline in values from 2012 to 2014 was mainly due to the sharp decrease in U.S. imports of crude petroleum and refined petroleum products from CBERA countries, which continued to fall in quantity and value in 2013 and 2014. Important factors in this decrease were lower U.S. consumption and higher U.S. production of crude petroleum, as well as the shutdown and maintenance of several petroleum refineries in Trinidad and Tobago.⁶⁸

⁶⁷ This chapter reflects the Census’s latest revision of trade statistics for 2013–14. Thus, the trade data for these years in this chapter could differ from those in the previous CBERA reports and other USITC reports. All trade under CBERA discussed in the report is merchandise trade, as CBERA does not cover trade in services. “Imports for consumption” measures the total value of merchandise that physically clears U.S. Customs and Border Protection (Customs) for entry into the United States, as well as goods withdrawn from Customs bonded warehouses or U.S. foreign-trade zones, which immediately enter U.S. consumption channels. Merchandise being held in bonded warehouses or U.S. foreign-trade zones is included in statistics on general imports but is not included in statistics on imports for consumption until it is specifically withdrawn for consumption. To measure U.S. trade with CBERA countries, this report uses imports for consumption, because CBERA is a tariff preference program, and tariffs are only applied to imports for consumption. See USDOC, ITA, “Trade Data Basic” (accessed June 2, 2015); USITC, “A Note on U.S. Trade Statistics,” August 7, 2014; and USITC, Special Topic: Trade Metrics, “*Shifts in U.S. Merchandise Trade 2014*,” June 2015, part IV.

⁶⁸ The lone oil refinery and production wells in Trinidad and Tobago are operated by Petrotrin, a state-owned petroleum corporation. Hutchinson-Jafar, “Protest Shuts Down Trinidad’s Oil Refinery,” March 19, 2013. Trinidad and Tobago was the major supplier of petroleum products to the United States from CBERA countries. For instance, its crude petroleum exports to the United States accounted for over 80 percent of U.S. total crude petroleum imports from CBERA countries in 2014. USITC DataWeb/USDOC (for HTS heading 2709; accessed June 14, 2015).

Imports receiving preferential treatment under CBERA (including CBTPA) totaled \$2.0 billion in 2014, a decline of 16.8 percent from \$2.4 billion in 2013. Energy products accounted for 62.0 percent of imports under CBERA in 2014, with Trinidad and Tobago supplying 97.3 percent of such imports. Textiles and apparel, supplied mainly by Haiti, accounted for 19.8 percent of imports under CBERA in 2014; other mining and manufacturing products,⁶⁹ 10.7 percent; and agricultural products, 7.6 percent.

Approach

This chapter compares trade with CBERA beneficiary countries in 2013–14 to trade with these countries in 2011–12. Trade data presented for 2010–14 reflect a number of changes in the composition of the CBERA countries. Most recently, Curaçao was designated a beneficiary country for purposes of CBERA effective January 1, 2014, and for purposes of CBTPA effective August 18, 2015.⁷⁰ Before that, Panama’s designation as a beneficiary country was terminated when the U.S.-Panama Trade Promotion Agreement entered into force on October 31, 2012. The Netherlands Antilles was dissolved as a political entity in October 2010.⁷¹ Panama and the Netherlands Antilles are thus referred to as “former CBERA beneficiaries” in the data presented in this chapter.

U.S. Imports from CBERA Countries

This section examines total U.S. imports from CBERA countries—regardless of whether products are eligible for CBERA preferences. U.S. imports entering under the CBERA preference program will be discussed in a later section of this chapter. U.S. imports benefiting exclusively from the CBERA program are analyzed in chapter 3 to gauge their impact on U.S. industries and consumers.

As noted above, in 2014 the value of total U.S. imports from CBERA countries declined for a third consecutive year to \$8.5 billion, down from \$8.9 billion in 2013 and \$12.0 billion in 2012.⁷² Total U.S. imports from CBERA countries as a share of U.S. imports from the world was approximately 0.4 percent in both 2013 and 2014, indicating that CBERA countries account for a very small share of total U.S. imports (table 2.1).

⁶⁹ “Other mining and manufacturing products” are defined as everything not otherwise categorized as an agricultural, energy, or textiles and apparel product in tables 2.9, 2.10, or 2.13 in this chapter, with the exception of all items classified in HTS chapters 98 and 99, which are excluded from the data.

⁷⁰ 78 Fed. Reg. 80417 (December 31, 2013); 80 Fed. Reg. 51650 (August 25, 2015).

⁷¹ From 1948 to 2010, Curaçao and Sint Maarten were members of the now-dissolved Netherlands Antilles.

⁷² The decline of U.S. imports for consumption from CBERA countries from 2012 to 2013 was in part due to Panama graduating from the CBERA program in October 2012.

Table 2.1 U.S. imports for consumption from CBERA countries, 2010–14

Year	U.S. imports from CBERA countries	CBERA countries' share of U.S. imports from the world	U.S. imports under CBERA	Share of U.S. imports under CBERA in total U.S. imports from CBERA countries	Share of U.S. imports under CBERA in total U.S. imports from the world
	Value (million \$)	Percent	Value (million \$)	Percent	Percent
2010	10,128.1	0.5	2,895.2	28.6	0.2
2011	14,492.3	0.7	3,613.6	24.9	0.2
2012	11,956.9	0.5	3,137.4	26.2	0.1
2013	8,937.2	0.4	2,369.7	26.5	0.1
2014	8,549.4	0.4	1,972.3	23.1	0.1

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

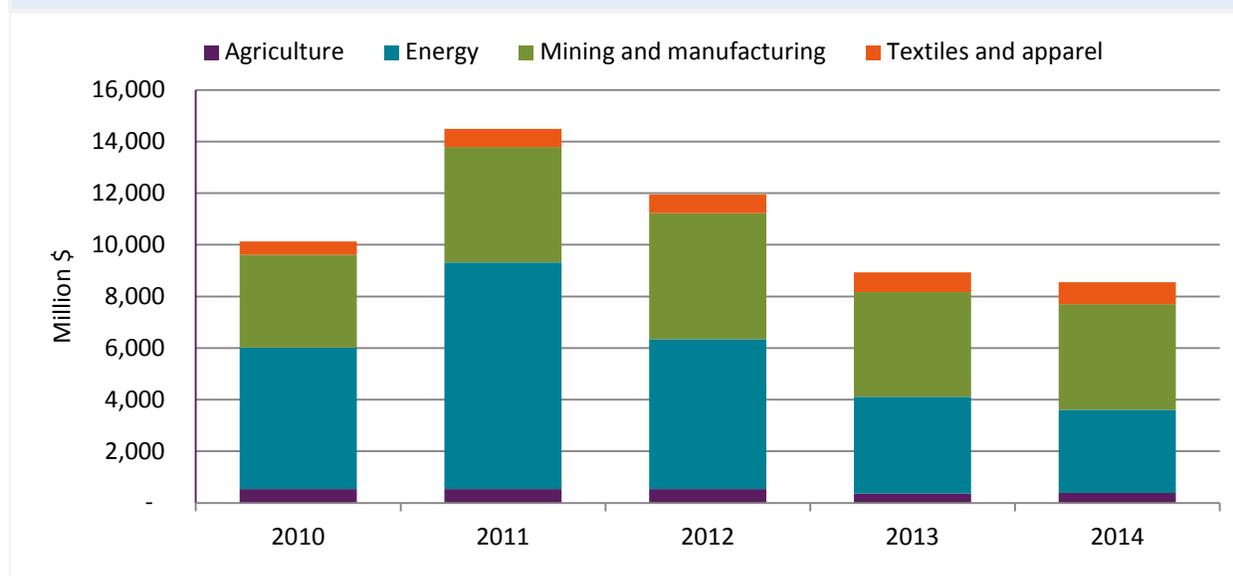
Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012. Data for 2012 include U.S. imports from Panama only for the period when Panama was still eligible for CBERA benefits before the U.S.-Panama FTA entered into force on October 31, 2012. The Netherlands Antilles no longer exists, but CBERA trade is reported for one portion of the Netherlands Antilles that includes Curaçao and Sint Maarten in 2014.

The decline of U.S. imports from CBERA countries from 2013 to 2014 was due mainly to the sharp decrease in U.S. imports of crude petroleum and refined petroleum products from CBERA countries. Falling U.S. consumption, coupled with increased U.S. production of crude petroleum, as well as the shutdown and maintenance of several petroleum refineries in Trinidad and Tobago in 2013, were largely responsible for this decline.⁷³ Additionally, the value of U.S. imports of anhydrous ammonia, a chemical widely used as a fertilizer and refrigerant, fell by 13.2 percent from 2012 to 2013. This declining trend continued from 2013 to 2014, with a reduction in both the price and quantity of imports from Trinidad and Tobago.⁷⁴

U.S. imports from CBERA countries are highly concentrated in two categories: energy products and other mining and manufacturing products. Energy products were dominant from 2006 through 2012, but have slipped from the leading position since then. Of the \$8.5 billion in U.S. imports from CBERA countries in 2014, other mining and manufacturing products accounted for 48 percent; energy products, 38 percent; textiles and apparel, 10 percent; and agricultural products, 5 percent (figure 2.1). Most of the energy products, and most of the other mining and manufacturing products (anhydrous ammonia and melamine), originated from Trinidad and Tobago.

⁷³ Hutchinson-Jafar, "Protest Shuts Down Trinidad's Oil Refinery," March 19, 2013.

⁷⁴ USITC DataWeb/USDOC (for HTS subheading 2814.10.00; accessed June 1, 2015).

Figure 2.1 U.S. imports from CBERA countries, by major product categories,^a 2010–14

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012.

^a Agricultural imports are defined as imports under HTS chapters 01 through 24 (inclusive), excluding fuel ethanol from chapter 22, which is classified as an energy import. Energy imports are defined as all chapter 27 imports, as well as methanol (HTS subheading 2905.11.20) and the fuel ethanol reported in chapter 22. Textile and apparel imports are defined as imports in chapters 50 through 63 (inclusive). Mining and manufacturing imports are defined as everything not categorized as agricultural, energy, or textile and apparel imports, with the exception of imports classified in HTS chapters 98 and 99, which are excluded from the data.

Total U.S. Imports by Country

In 2014, Trinidad and Tobago, Haiti, The Bahamas, and Guyana were the United States' leading sources of imports from CBERA countries, jointly accounting for 89.1 percent of the value of such imports (table 2.2). U.S. imports from Haiti and Guyana increased by 10.9 percent and 6.9 percent, respectively, while U.S. imports from Trinidad and Tobago, as well as The Bahamas, both declined with respect to 2013.

Trinidad and Tobago accounted for 66.6 percent of U.S. imports from CBERA countries in 2014, with imports consisting mostly of anhydrous ammonia, crude petroleum, refined petroleum products, methanol, and liquefied natural gas (LNG). However, U.S. imports from Trinidad and Tobago declined for three consecutive years—from \$8.1 billion in 2012 to \$6.4 billion in 2013, and to \$5.7 billion in 2014. The decline was mainly due to the decrease in the value of U.S. imports of energy-related products.⁷⁵

⁷⁵ Energy-related products refer to crude and refinery petroleum products, natural gas, and petrochemicals (methanol, ammonia, urea, and melamine).

Table 2.2 U.S. imports for consumption from CBERA countries, by source, 2010–14

Source	2010	2011	2012	2013	2014	Change 2013–14
	Million \$					Percent
Current CBERA beneficiaries						
Trinidad and Tobago	6,569.8	8,152.3	8,076.5	6,366.3	5,690.3	-10.6
Haiti	550.8	741.7	774.1	809.1	897.1	10.9
Bahamas	717.5	778.9	524.5	572.6	540.5	-5.6
Guyana	297.9	423.5	515.2	460.2	491.8	6.9
Sint Maarten ^a	0.0	0.0	0.0	0.0	293.2	^(b)
Jamaica	298.3	506.2	456.7	393.6	266.8	-32.2
Belize	120.4	177.0	160.4	134.2	96.9	-27.8
Aruba	18.5	3,169.7	746.6	43.0	70.3	63.6
All other	146.9	154.8	163.2	158.2	202.5	28.0
Former CBERA beneficiaries						
Netherlands Antilles	1,030.0	0.0	0.0	0.0	0.0	^(b)
Panama	378.0	388.2	539.8	0.0	0.0	^(b)
Total	1,408.0	1,234.8	539.8	0.0	0.0	^(b)
Grand total	10,128.1	14,492.3	11,956.9	8,937.2	8,549.4	-4.3
	Percent of total					Percentage points
Current CBERA beneficiaries						
Trinidad and Tobago	64.9	56.3	67.5	71.2	66.6	-4.7
Haiti	5.4	5.1	6.5	9.1	10.5	1.4
Bahamas	7.1	5.4	4.4	6.4	6.3	-0.1
Guyana	2.9	2.9	4.3	5.1	5.8	0.6
Sint Maarten ^a	0.0	0.0	0.0	0.0	3.4	3.4
Jamaica	2.9	3.5	3.8	4.4	3.1	-1.3
Belize	1.2	1.2	1.3	1.5	1.1	-0.4
Aruba	0.2	21.9	6.2	0.5	0.8	0.3
All other	1.5	1.1	1.4	1.8	2.4	0.6
Former CBERA beneficiaries						
Netherlands Antilles	10.2	0.0	0.0	0.0	0.0	0.0
Panama	3.7	2.7	4.5	0.0	0.0	0.0
Total	13.9	2.7	4.5	0.0	0.0	0.0
Grand total	100.0	100.0	100.0	100.0	100.0	0.0

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012.

^a The Netherlands Antilles no longer exists, but CBERA trade is reported for one portion of the former Netherlands Antilles that includes Curaçao and Sint Maarten in 2014.

^b Not applicable.

For instance, U.S. imports of anhydrous ammonia from Trinidad and Tobago declined from \$2,035 million in 2012 to \$1,766 million in 2013, and to \$1,651 million in 2014.⁷⁶ Increasing U.S. domestic production of ammonia, coupled with a declining profit margin on Trinidad and Tobago's ammonia exports to the United States, lowered the value of such U.S. imports. These trends reflect changes in the price and availability of natural gas, which is the major feedstock for ammonia production. U.S. marketed production of natural gas⁷⁷ increased from 25,283 billion cubic feet in 2012 to 27,271 billion cubic feet in 2014,⁷⁸ which in turn resulted in an increase in U.S. production of ammonia; U.S. ammonia production rose from 8.7 million metric tons (mt) in 2012 to 9.2 million mt in 2014.⁷⁹ Meanwhile, Trinidad and Tobago's ammonia plants have been short of natural gas, which has affected ammonia production in the country.⁸⁰ This shortage of natural gas has put upward pressure on natural gas feedstock prices for Trinidad and Tobago's ammonia production and reduced profits, making it increasingly difficult for Trinidad and Tobago to compete with Middle East producers exporting to the U.S. market.⁸¹

Besides anhydrous ammonia, the value of U.S. imports of crude petroleum from Trinidad and Tobago declined by 85.5 percent between 2012 and 2014—from \$1,136 million in 2012 to \$293 million in 2013, and to \$165 million in 2014.⁸² The decline in the value of U.S. imports of crude petroleum was driven both by increased U.S. production of crude petroleum products and by declining oil prices.⁸³ The shutdown and maintenance of several petroleum refineries in Trinidad and Tobago also contributed to the decline; in 2013 and 2014, Trinidad and Tobago's state-owned oil company Petrotrin conducted maintenance at its Pointe-à-Pierre refinery to ensure its safety.⁸⁴ In addition, operations at this refinery and at Trinidad and Tobago's

⁷⁶ USITC DataWeb/USDOC (for HTS subheading 2814.10.00; accessed June 1, 2015).

⁷⁷ Marketed production of natural gas refers to the gross withdrawals of gas less gas used for repressuring, quantities vented and flared, and nonhydrocarbon gases removed in treating or processing operations. EIA, "Natural Gas: Definitions, Sources and Explanatory Notes," http://www.eia.gov/dnav/ng/tbldefs/ng_prod_whv_tbldef2.asp (accessed June 1, 2015).

⁷⁸ EIA, "Natural Gas: Data," http://www.eia.gov/dnav/ng/ng_prod_sum_dcu_NUS_a.htm (accessed June 1, 2015).

⁷⁹ USGS, "Mineral Commodity Summaries," January 2015.

⁸⁰ eAmmonia, "Is Ammonia Boom in North America Peril?" May 21, 2013.

⁸¹ eAmmonia, "Is Ammonia Boom in North America Peril?" May 21, 2013. The price (dollar per ton) of ammonia supplied by the Gulf Coast countries fell from \$579 in 2012 to \$530 in 2014. USGS, "Mineral Commodity Summaries," January, 2015.

⁸² USITC DataWeb/USDOC (for HTS heading 2709; accessed June 1, 2015).

⁸³ U.S. consumption of crude petroleum remained relatively stable while U.S. production increased, particularly from two sources—North Dakota's Bakken formation and Eagle Ford in Texas. North Dakota Industrial Commission, Oil and Gas Division, "ND Monthly Bakken Oil Production Statistics," n.d. (accessed June 14, 2015); Railroad Commission of Texas, "Texas Eagle Ford Shale Oil Production," May 18, 2015; Foresio, "U.S. Becoming a Leading Exporter of Petroleum Products," December 2014.

⁸⁴ Guardian, "Petrotrin Completes Refinery Turnaround," July 14, 2014.

production wells were shut down for several days in 2013 as workers engaged in a protest and work stoppage over salaries, hiring, and promotion practices.⁸⁵

U.S. imports from Haiti accounted for 10.5 percent of U.S. imports from CBERA countries in 2014 and consisted primarily of textiles and apparel. The value of U.S. imports from Haiti rose by 10.9 percent in 2014 (see table 2.2 above), an increase that was mainly driven by the continued growth of U.S. imports in textiles and apparel from Haiti. The Haiti HOPE/HELP trade preferences were the principal factor in this growth from 2012 to 2014.⁸⁶

The Bahamas was the third-largest source of U.S. imports from CBERA beneficiaries in 2014, accounting for 6.3 percent of total U.S. imports from CBERA countries in 2014 (see table 2.2 above). The value of U.S. imports from The Bahamas fell by 5.6 percent from 2013 to 2014, due primarily to a decline in the value of U.S. imports of refined petroleum products from the country.⁸⁷ The Bahamas are a major petroleum-related products storage and transshipment center for the region.⁸⁸ The Bahamas Oil Refining Company International (BORCO) owns and operates a large storage terminal facility with the ability to store, blend, transship, and bunker various petroleum products.⁸⁹ This facility is used during times when U.S. refiners are too busy to blend or store petroleum products. Hence, U.S. imports of refined petroleum products from The Bahamas are constantly fluctuating.⁹⁰

Guyana was the fourth-largest source of U.S. imports from CBERA countries, and accounted for 5.8 percent of total U.S. imports from CBERA beneficiaries in 2014 (see table 2.2 above). In the same year the value of U.S. imports from Guyana increased by 6.9 percent. The increase was driven principally by a sharp increase in the value of U.S. imports of unwrought gold and gold waste and scrap.⁹¹ By contrast, a decline of U.S. imports from Guyana from 2012 to 2013 (from \$515.2 million in 2012 to \$460.2 million in 2013) was due mainly to the decline in the value of

⁸⁵ Hutchinson-Jafar, "Protest Shuts Down Trinidad's Oil Refinery," March 19, 2013.

⁸⁶ See chapter 1 for more details on the HOPE/HELP trade preferences.

⁸⁷ USITC DataWeb/USDOC (for HTS subheading 271019; accessed June 14, 2015).

⁸⁸ Hydrocarbons-technology.com, "South Riding Point Terminal, Bahamas," n.d. (accessed June 22, 2015).

⁸⁹ Note that The Bahamas accounts for less than 0.3 percent of total U.S. imports of refined petroleum products and that U.S. imports from that country are primarily classified in HTS heading 271019—distillate and residual fuel oils. The Bahamas lacks the capacity to refine crude petroleum, and the BORCO terminal is mainly a storage and blending facility. At the BORCO, imported petroleum products from all over the world are blended, and transshipped from the Arabian Gulf, Northwest Europe and West Africa to the United States' Gulf Coast and East Coast; the facility also provides services for petroleum products from the U.S. and Canada for export to Europe, Latin America, and the Pacific. Bahamas Petroleum Company, "Oil Exploration," n.d. (accessed June 3, 2015); U.S. energy sector expert, email message to USITC staff, June 3, 2015.

⁹⁰ U.S. energy sector expert, email message to USITC staff, June 3, 2015.

⁹¹ Besides a slight increase in the value of U.S. imports of unwrought gold (HTS subheading 710812) from Guyana from 2013 to 2014, the value of U.S. imports of gold waste and scrap (HTS subheading 711291) jumped from \$1.5 million in 2013 to \$35.1 million in 2014. USITC DataWeb/USDOC (accessed June 1, 2015).

U.S. imports of unwrought gold,⁹² primarily due to a decrease in the price of gold on the world market.⁹³ Guyana's gold mining industry has been growing rapidly in recent years, and from 2012 to 2014, over 70 percent of U.S. imports from Guyana consisted of unwrought gold.⁹⁴

Product Composition and Leading Items

Table 2.3 displays leading U.S. imports from CBERA countries by HTS chapters. Mineral fuels, which include crude petroleum, refined petroleum products, and LNG, accounted for over one-fourth (25.6 percent) of U.S. imports from CBERA countries in 2014. The five leading categories of U.S. imports from CBERA countries in 2014—mineral fuels; inorganic chemicals; organic chemicals; iron and steel; and knitted apparel—together accounted for 72.5 percent of total U.S. imports from CBERA countries. In 2014, the decline in imports of mineral fuels from CBERA countries mainly accounted for the 4 percent decline in total U.S. imports from CBERA countries from 2013 to 2014. Additional declines in imports of inorganic and organic chemicals were partially offset by an increase in iron and steel imports, as well as apparel imports from 2013 to 2014 (table 2.3).

Table 2.4 shows the 20 leading items on an HTS 8-digit basis, ranked by their 2014 import value. Eleven of these items have an NTR duty rate of free. Only three of the items were dutiable in 2014.⁹⁵ The remaining six items entered mainly under CBERA and Hope Act provisions.

Table 2.5 shows the changes in import customs values, import quantities, and unit values for leading commodities imported by the United States from CBERA countries from 2012 to 2014. From 2013 to 2014, the imported value and quantities of anhydrous ammonia, methanol, LNG, and distillate and residual fuel oil all declined, while the imported value and quantities of ferrous products, gold, and garments all increased (table 2.5).⁹⁶

The value of U.S. imports of crude petroleum (HTS heading 2709) from CBERA countries is relatively small compared to that of U.S. imports of refinery petroleum products from CBERA countries.

⁹² U.S. imports of unwrought gold from Guyana declined from \$394.9 million in 2012 to \$339.9 million in 2013, and increased slightly to \$346.3 million in 2014. USITC DataWeb/USDOC (for HTS subheading 710812; accessed June 1, 2015).

⁹³ Capitol News, "Price for Gold Continues to Slide Downward," June 13, 2013.

⁹⁴ USITC DataWeb/USDOC (for HTS subheading 710812; accessed June 1, 2015).

⁹⁵ The three items from HTS subheading 2710.19 found in table 2.4 are eligible for duty-free entry under CBTPA provided they meet the requirements under the rules of origin. In 2014, the majority of U.S. imports of these products from CBERA countries came from Trinidad and Tobago.

⁹⁶ USITC DataWeb/USDOC (for HTS subheading 2814.10.00; accessed June 1, 2015).

Table 2.3 Leading U.S. imports for consumption from CBERA countries, by major product category, 2010–14

HTS chapter	Description	2010	2011	2012	2013	2014
Million \$						
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	4,564.4	7,395.0	4,589.9	2,503.2	2,189.0
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	1,600.1	2,073.1	2,047.8	1,822.4	1,654.4
29	Organic chemicals	935.8	1,224.6	1,053.4	1,196.7	1,060.9
72	Iron and steel	482.8	647.7	745.7	642.1	662.9
61	Articles of apparel and clothing accessories, knitted or crocheted	425.0	573.6	569.1	578.6	634.6
71	Natural or cultured pearls, precious or semiprecious stones, precious metals; precious metal-clad metals, articles thereof; imitation jewelry; coin	369.3	468.5	547.4	395.4	461.3
31	Fertilizers	228.1	412.2	382.9	281.6	289.6
62	Articles of apparel and clothing accessories, not knitted or crocheted	97.6	135.1	168.1	191.6	212.4
39	Plastics and articles thereof	101.0	129.6	141.8	153.8	164.6
03	Fish and crustaceans, molluscs and other aquatic invertebrates	226.9	206.9	235.9	162.2	157.7
	All other	1,096.9	1,226.0	1,474.9	1,009.7	1,062.0
	Total ^a	10,128.1	14,492.3	11,956.9	8,937.2	8,549.4
Percent of total						
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	45.1	51.0	38.4	28.0	25.6
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	15.8	14.3	17.1	20.4	19.4
29	Organic chemicals	9.2	8.4	8.8	13.4	12.4
72	Iron and steel	4.8	4.5	6.2	7.2	7.8
61	Articles of apparel and clothing accessories, knitted or crocheted	4.2	4.0	4.8	6.5	7.4
71	Natural or cultured pearls, precious or semiprecious stones, precious metals; precious metal-clad metals, articles thereof; imitation jewelry; coin	3.6	3.2	4.6	4.4	5.4
31	Fertilizers	2.3	2.8	3.2	3.2	3.4
62	Articles of apparel and clothing accessories, not knitted or crocheted	1.0	0.9	1.4	2.1	2.5
39	Plastics and articles thereof	1.0	0.9	1.2	1.7	1.9
03	Fish and crustaceans, molluscs and other aquatic invertebrates	2.2	1.4	2.0	1.8	1.8
	All other	10.8	8.5	12.3	11.3	12.4
	Total ^a	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012.

^a N.e.s.o.i. stands for “not elsewhere specified or included” and indicates that other types of products matching the description may be properly classified under other provisions of the HTS where explicitly specified or included.

Table 2.4 Leading U.S. imports for consumption from CBERA countries, by HTS subheading, 2010–14

HTS number	Description	2010	2011	2012	2013	2014	2013–14
							(% change)
Million \$							
2814.10.00 ^a	Anhydrous ammonia	1,567.7	1,932.7	2,035.9	1,766.4	1,651.3	-6.5
2905.11.20 ^b	Methanol (methyl alcohol), other than imported only for use in producing synthetic natural gas (SNG) or for direct use as fuel	914.9	1,133.5	1,025.2	1,179.3	1,032.4	-12.5
2711.11.00 ^a	Natural gas, liquefied	1,035.7	749.9	835.4	879.7	832.5	-5.4
2710.19.06 ^{c,d}	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing > 25 degrees a.p.i.	0.0	0.0	2,255.1	962.1	760.2	-21.0
7203.10.00 ^a	Ferrous products obtained by direct reduction of iron ore	478.3	644.7	741.7	623.1	658.5	5.7
7108.12.10 ^a	Gold, nonmonetary, bullion and doré	262.0	386.7	442.7	348.6	391.7	12.4
6109.10.00 ^e	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	214.4	255.8	276.8	316.9	347.7	9.7
2709.00.20 ^f	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees a.p.i. or more	1,318.5	1,317.7	1,237.2	371.2	192.4	-48.2
3102.80.00 ^a	Mixtures of urea and ammonium nitrate in aqueous or ammoniacal solution	122.0	257.3	217.0	173.6	185.3	6.7
3903.11.00 ^b	Polystyrene, expandable, in primary forms	95.5	122.2	130.3	142.0	154.8	9.0
6110.20.20 ^e	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	153.8	238.4	199.3	157.8	154.6	-2.0
2606.00.00 ^a	Aluminum ores and concentrates	52.1	79.9	107.8	144.4	138.5	-4.1
2710.19.11 ^{c,g}	Distillate and residual fuel oil (including blends) derived from petroleum oils or oil of bituminous minerals, testing 25 degree a.p.i. or greater	0.0	0.0	78.2	32.5	130.6	301.8
2710.19.16 ^{c,h}	Kerosene-type jet fuel from petroleum oils and oils of bitumin minerals (other than crude) or preps. 70%+ by wt. from petroleum oils	0.0	0.0	51.3	1.7	115.0	6,836.8
3102.10.00 ^a	Urea, whether or not in aqueous solution	106.1	154.8	165.8	107.9	104.2	-3.4

HTS number	Description	2010	2011	2012	2013	2013–14	
						2014	(% change)
6203.42.40 ^e	Men's or boys' trousers and shorts, not bibs, not knitted or crocheted, of cotton, not containing 15% or more by weight of down, etc.	34.0	43.3	61.8	69.1	78.3	13.4
7112.91.00 ^a	Gold waste and scrap, including metal clad with gold but excluding sweepings containing other precious metals	58.9	43.8	68.9	38.2	63.9	67.2
0306.17.00 ^{a, i}	Other shrimps and prawns, cooked in shell or uncooked, dried, salted or in brine, frozen	0.0	0.0	71.1	52.4	46.5	-11.3
0306.11.00 ^a	Rock lobster and other sea crawfish, cooked in shell or uncooked, dried, salted or in brine, frozen	55.5	50.7	57.5	48.3	42.5	-12.1
2711.12.00 ^a	Propane, liquefied	85.2	91.6	29.7	52.8	36.2	-31.5
	Subtotal, top 20 product-based HTS subheadings	6,554.6	7,503.0	10,088.6	7,468.0	7,116.9	-4.7
	All other HTS subheadings	3,573.4	6,989.3	1,868.3	1,469.2	1,432.5	-2.5
	Total U.S. imports for consumption from CBERA countries during participation	10,128.1	14,492.3	11,956.9	8,937.2	8,549.4	-4.3

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012.

^a NTR duty free.

^b Imported under the CBERA (excluding CBTPA) provisions in 2014.

^c NTR duties paid on imports in 2014.

^d Before 2012, products currently classified in HTS subheading 2710.19.06 were classified in HTS subheading 2710.09.05.

^e Imported under the HOPE Act in 2014.

^f Imported under the CBTPA provisions in 2014.

^g Before 2012, products currently classified in HTS subheading 2710.19.11 were classified in HTS subheading 2710.19.10.

^h Before 2012, products currently classified in HTS subheading 2710.19.16 were classified in HTS subheading 2710.19.15.

ⁱ Before 2012, products currently classified in HTS subheading 0306.17.00 were classified in HTS subheading 0306.13.00.

Table 2.5 U.S. imports of major commodities from CBERA countries: changes in customs value, quantity, and unit values, 2012–13 and 2013–14 (percent)

Major commodities	2012–13	2013–14
Anhydrous ammonia (HTS 2814.10.00)		
Customs value	-13.2	-6.5
Quantity	-8.2	-2.9
Unit value	-5.5	-3.7
Methanol (HTS 2905.11.20)		
Customs value	15.0	-12.5
Quantity	6.0	-14.6
Unit value	8.5	2.5
Natural gas, liquefied (HTS 2711.11.00)		
Customs value	5.3	-5.4
Quantity	-13.5	-27.7
Unit value	21.7	30.9
Distillate and residual fuel oil (HTS 2710.19.06)		
Customs value	-57.3	-21.0
Quantity	-51.1	-16.3
Unit value	-12.8	-5.6
Ferrous products obtained by direct reduction of iron ore (HTS 7203.10.00)		
Customs value	-16.0	5.7
Quantity	-7.2	3.6
Unit value	-9.4	2.0
Gold (HTS 7108.12.10)		
Customs value	-21.3	12.4
Quantity	-10.1	28.0
Unit value	-12.5	-12.2
T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton (6109.10.00)		
Customs value	14.5	9.7
Quantity	17.5	7.8
Unit value	-2.6	1.8

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012.

As noted in the previous section, increasing U.S. domestic production of ammonia, together with the decreasing profit margin of Trinidad and Tobago's ammonia exports to the United States, were the principal causes of the decline of the value and quantity of such U.S. imports.⁹⁷ U.S. imports of methanol from CBERA countries, which were also predominantly from Trinidad and Tobago, declined due to the increasing price competitiveness of U.S. domestic methanol

⁹⁷ eAmmonia, "Is Ammonia Boom in North America Peril?" May 21, 2013; Methanol Institute, "How Is Methanol Made?" n.d. (accessed June 22, 2015); EIA, "U.S. Natural Gas Wellhead Price," n.d. (accessed June 22, 2015).

production.⁹⁸ Similarly, the decline in the value and quantity of U.S. imports of LNG under CBERA in 2014 was largely due to reduced competitiveness of LNG from Trinidad and Tobago.

The price of LNG from Trinidad and Tobago was \$9.71 per thousand cubic feet in 2014, much higher than that for natural gas imported in its gaseous state via pipeline from Canada and Mexico. This price disparity made imports of LNG from Trinidad and Tobago relatively uncompetitive in the U.S. market.⁹⁹ The high LNG prices from Trinidad and Tobago resulted mainly from higher demand by Japan and other large consuming nations in Asia.¹⁰⁰ Finally, as indicated in the previous section, the shutdown and maintenance of several petroleum refineries in Trinidad and Tobago contributed to the decline of the value and quantity of U.S. imports of distillate and residual fuel oil from 2013 to 2014.

The unit value of U.S. imported gold¹⁰¹ from CBERA countries declined by 12.2 percent in 2014, following a decline of 12.5 percent in 2013 (see table 2.5 above).¹⁰² However, with the rapid growth of Guyana's gold mining industry, the quantity of U.S. imports of unwrought gold from Guyana increased from 2013 to 2014, resulting in an overall increase of the value of U.S. imports of unwrought gold from CBERA countries. Meanwhile, the increase in the value and quantity of U.S. imports of apparel in 2014 mainly originated from the increase of such imports from Haiti.

Table 2.6 shows U.S. imports of textiles and apparel from CBERA countries. The value of U.S. imports of textiles and apparel from CBERA countries increased by 9.9 percent to \$848.1 million in 2014, compared to its level of \$771.8 million in 2013. This trend followed an increase of 4.5 percent from 2012 to 2013. Haiti remains the top supplier of textiles and apparel, with U.S. imports of \$843.2 million in 2014, accounting for 99.4 percent of total U.S. imports of textiles and apparel from CBERA countries.

⁹⁸ Ibid.

⁹⁹ The U.S. price for natural gas imported via pipeline from Canada and Mexico was \$5.21 per thousand cubic feet in 2014. EIA, "Price of U.S. Liquefied Natural Gas Imports from Trinidad and Tobago," n.d. (accessed June 14, 2015); EIA, "Natural Gas Prices," n.d. (accessed June 14, 2015); EIA, "U.S. Natural Gas Imports by Country," n.d. (accessed July 21, 2015).

¹⁰⁰ MarketWatch, "Global Liquefied Natural Gas (LNG) Market Assessment," June 25, 2015.

¹⁰¹ Here U.S. imports of gold refer to U.S. imports of unwrought gold.

¹⁰² This corresponds to a decline of gold price worldwide from 2012 to 2014.

Table 2.6 U.S. imports for consumption of textiles and apparel from CBERA countries, by source, 2010–14 (thousand \$)

Country	2010	2011	2012	2013	2014
Current CBERA beneficiaries ^a					
Haiti	518,004.7	701,612.5	730,146.8	765,975.8	843,240.6
Guyana	4,011.1	5,429.6	5,657.4	4,081.5	3,734.6
Barbados	853.6	711.1	738.4	569.9	607.7
Antigua and Barbuda	2.7	4.9	0.9	448.5	220.0
Jamaica	398.7	387.5	556.7	458.1	208.4
All other	176.8	412.9	776.4	247.4	125.8
Former CBERA beneficiaries					
Panama	1,000.6	1,477.1	865.9	0.0	0.0
Netherlands Antilles	18.0	0.0	0.0	0.0	0.0
Total	1,018.6	1,477.1	865.9	0.0	0.0
Grand total	524,466.2	710,035.4	738,742.6	771,781.1	848,137.1

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012.

^a Countries that were CBERA beneficiaries as of December 31, 2014.

Total U.S. Imports Classified by Import Program

In 2014, U.S. imports under CBERA (excluding CBTPA) declined both in value and as a share of U.S. imports for consumption from the previous year, reflecting the decline of imports of methanol from Trinidad and Tobago (table 2.7). Meanwhile, U.S. imports under CBTPA also decreased both in value and in share terms in 2014, and the decline was driven mainly by the sharp decrease of U.S. imports of crude petroleum from Trinidad and Tobago.

In 2014, U.S. NTR duty-free imports and dutiable imports from CBERA countries remained relatively stable compared to 2013. However, both types of imports declined significantly from 2012 to 2013 (see table 2.7 below). The decline of U.S. NTR duty-free imports mainly reflected the sharp decline of U.S. imports of anhydrous ammonia from Trinidad and Tobago from 2012 to 2013, while the decrease of NTR dutiable imports was mainly driven by a decline of U.S. imports of distillate and residual fuel oil from Trinidad and Tobago during this period.¹⁰³

¹⁰³ As pointed out earlier in this chapter, although distillate and residual fuel oils are potentially eligible for duty-free preferences under CBTPA, most imports of these products from Trinidad and Tobago are entered duty-paid.

Table 2.7 U.S. imports for consumption from CBERA countries, by special import program and rate provision status, 2010–14^a

Program	2010	2011	2012	2013	2014
Million \$					
NTR					
Dutiable	1,984.7	4,886.3	2,597.6	1,149.1	1,155.7
Duty-free	5,211.9	5,980.8	6,169.8	5,401.3	5,419.2
CBERA (excluding CBTPA)	1,223.8	1,734.7	1,504.0	1,517.9	1,382.9
CBTPA	1,671.4	1,878.9	1,633.4	851.8	589.4
GSP	35.9	11.1	38.1	16.6	1.3
Other	0.4	0.5	14.0	0.5	0.9
Total	10,128.1	14,492.3	11,956.9	8,937.2	8,549.4
Percent of total					
NTR					
Dutiable	19.6	33.7	21.7	12.9	13.5
Duty-free	51.5	41.3	51.6	60.4	63.4
CBERA (excluding CBTPA)	12.1	12.0	12.6	17.0	16.2
CBTPA	16.5	13.0	13.7	9.5	6.9
GSP	0.4	0.1	0.3	0.2	0.0
Other	^(b)	^(b)	0.1	^(b)	^(b)
Total	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012. Data for 2012 include U.S. imports from Panama only for the period during which Panama was eligible for CBERA benefits before the U.S.-Panama FTA entered into force on October 31, 2012. The Netherlands Antilles no longer exists, but CBERA trade is reported for one portion of the Netherlands Antilles that includes Curaçao and Sint Maarten in 2014.

^a The rate provision status listing under NTR breaks out U.S. import data by whether imports are subject to duty (dutiable) or not subject to duty (duty free), regardless of whether duties were actually collected on the merchandise in question. The vast majority of U.S. imports (over 99.8 percent) claiming benefits under CBERA/CBTPA and other special import programs were classified as duty free, so data are based on the rate provision status of imports under the special import provisions. NTR duty-free imports include U.S. imports from CBERA countries under the HOPE/HELP Acts.

^b Less than 0.1 percent.

U.S. Imports under CBERA¹⁰⁴

In 2014, U.S. imports entered under the CBERA program decreased 16.8 percent to \$2.0 billion from \$2.4 billion in the previous year. This is the third consecutive year that U.S. imports under CBERA declined. The decline in 2014 was preceded by a decrease of imports under CBERA by 24.5 percent in 2013 from 2012 (table 2.8).

The drop in imports in 2013 and 2014 is also attributable to declines in U.S. imports of crude petroleum, as well as methanol from Trinidad and Tobago, in contrast to the 2010–11 period in which U.S. imports under CBERA increased.

U.S. Imports by Country under CBERA

Trinidad and Tobago was the primary source of U.S. imports (mainly energy products) under CBERA. Trinidad and Tobago accounted for 62.6 percent of total U.S. CBERA imports in 2014 and for 69.2 percent in 2013 (see table 2.8). Although the share of energy products in CBERA imports has remained high, Trinidad and Tobago's share of CBERA imports has declined since 2010, as chemical product imports from The Bahamas (polystyrene) and apparel product imports from Haiti have grown.

In 2014, Haiti ranked second as a source of CBERA imports, and its share of CBERA imports has expanded each year since 2010.¹⁰⁵ Meanwhile, The Bahamas ranks third as a source of CBERA imports, and its share of CBERA imports has continued to increase from 2012 to 2014, due principally to the continued increase of U.S. imports of polystyrene.

Product Composition and Leading Imports

Of the \$2.0 billion in U.S. imports under CBERA in 2014, energy products accounted for 62.0 percent; textile and apparel (predominately apparel), 19.8 percent; other mining and manufacturing products, 10.7 percent; and agricultural products, 7.6 percent (figure 2.2). The four major product categories are analyzed in more detail in the relevant sections below.

¹⁰⁴ The data for U.S. imports under CBERA include U.S. imports under CBERA as amended by CBTPA. Trade data under the HOPE and HELP Acts are reported and analyzed separately under the “textile and apparel products” section.

¹⁰⁵ U.S. imports from Haiti under CBERA, as amended by CBTPA, as well as under the HOPE and HELP Acts, are discussed in more details at the “Textile and Apparel Products” section.

Table 2.8 U.S. imports for consumption under CBERA/CBTPA, by source, 2010–14

Source	2010	2011	2012	2013	2014	Change 2013–14
	Million \$					Percent
Current CBERA beneficiaries^a						
Trinidad and Tobago	2,207.8	2,589.4	2,171.2	1,640.7	1,234.5	-24.8
Haiti	364.1	474.6	436.8	361.8	405.5	12.1
Bahamas	99.0	123.9	130.5	142.7	157.2	10.2
Jamaica	83.9	179.2	206.2	90.2	71.8	-20.5
Belize	61.7	146.0	131.9	104.8	60.6	-42.2
St. Kitts and Nevis	20.5	27.3	22.3	18.9	18.3	-3.1
Guyana	10.6	11.2	5.3	4.5	11.8	161.2
Sint Maarten ^b	0.0	0.0	0.0	0.0	5.4	(^c)
All others	17.4	7.3	6.8	6.0	7.3	20.1
Former CBERA beneficiaries						
Netherlands Antilles	1.2	0.0	0.0	0.0	0.0	(^c)
Panama	28.9	54.7	26.3	0.0	0.0	(^c)
Total	30.1	55.1	26.3	0.0	0.0	(^c)
Grand total	2,895.2	3,613.6	3,137.4	2,369.7	1,972.3	-16.8
	Percent total					Percentage points
Current CBERA beneficiaries						
Trinidad and Tobago	76.3	71.7	69.2	69.2	62.6	-6.6
Haiti	12.6	13.1	13.9	15.3	20.6	5.3
Bahamas	3.4	3.4	4.2	6.0	8.0	1.9
Jamaica	2.9	5.0	6.6	3.8	3.6	-0.2
Belize	2.1	4.0	4.2	4.4	3.1	-1.4
St. Kitts and Nevis	0.7	0.8	0.7	0.8	0.9	0.1
Guyana	0.4	0.3	0.2	0.2	0.6	0.4
Sint Maarten ^b	0.0	0.0	0.0	0.0	0.3	0.3
All others	0.6	0.2	0.2	0.3	0.4	0.1
Former CBERA beneficiaries						
Netherlands Antilles	0.0	0.0	0.0	0.0	0.0	0.0
Panama	1.0	1.5	0.8	0.0	0.0	0.0
Total	1.0	1.5	0.8	0.0	0.0	0.0
Grand total	100.0	100.0	100.0	100.0	100.0	0.0

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

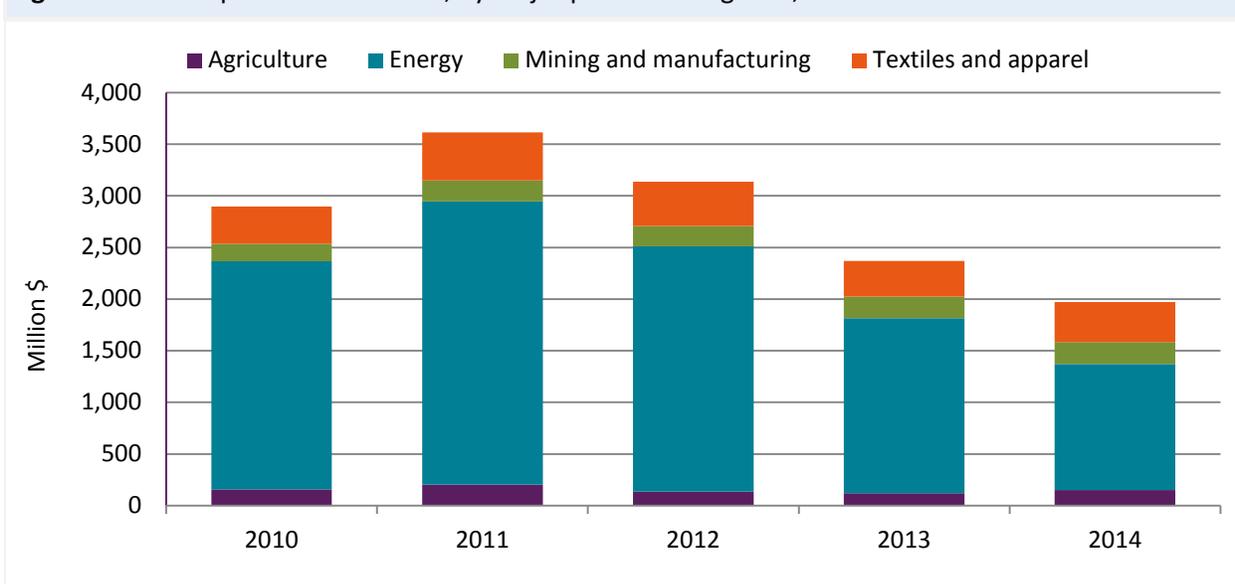
Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012. Data for 2012 include U.S. imports from Panama only for the period during which Panama was eligible for CBERA benefits before the U.S.-Panama FTA entered into force on October 31, 2012.

^a Countries that were CBERA beneficiaries as of December 31, 2014.

^b The Netherlands Antilles no longer exists, but CBERA trade is reported for one portion of the former Netherlands Antilles that includes Curaçao and Sint Maarten in 2014.

^c Not applicable.

Figure 2.2 U.S. imports under CBERA, by major product categories,^a 2010–14



Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012. Data for 2012 include U.S. imports from Panama only for the period during which Panama was eligible for CBERA benefits before the U.S.-Panama FTA entered into force on October 31, 2012. The Netherlands Antilles no longer exists, but CBERA trade is reported for one portion of the Netherlands Antilles that includes Curaçao and Sint Maarten in 2014.

^a Agricultural imports are defined as imports under HTS chapters 01 through 24 (inclusive), excluding fuel ethanol from chapter 22, which is classified as an energy import. Energy imports are defined as all chapter 27 imports, along with methanol (HTS 2905.11.20) and the fuel ethanol reported in chapter 22. Textile and apparel imports are defined as imports in chapters 50 through 63 (inclusive). Mining and manufacturing imports are defined as everything not categorized as agricultural, energy, or textile and apparel imports, with the exception of imports classified in HTS chapters 98 and 99, which are excluded from the data.

Mineral Fuels and Other Energy Products

In 2014, the value of U.S. imports of energy products under CBERA was \$1.2 billion, the lowest level in the 2010–14 period. The value of U.S. imports of energy products fell by 27.9 percent from 2013 to 2014, following a 28.6 percent decline from 2012 to 2013 (table 2.9).

The continued decline of the value of U.S. imports of energy products from 2012 to 2014 is chiefly due to the significant decrease of crude petroleum imports from Trinidad and Tobago, as well as from Belize. The decrease in U.S. imports of fuel ethanol from Jamaica from 2012 to 2014 also contributed to the overall decline. U.S. imports of crude petroleum and methanol accounted for 99.4 percent of all U.S. imports of energy products under CBERA in 2014.

Table 2.9 U.S. energy imports^a under CBERA, by major product and source, 2010–14 (million \$)

Product category (HTS code)	Source	2010	2011	2012	2013	2014
Methanol (methyl alcohol) (HTS 2905.11.20)	Trinidad and Tobago	891.8	1,091.7	1,022.3	1,170.8	1,023.6
	Barbados	0.0	0.0	0.0	0.8	0.0
	Total	891.8	1,091.7	1,022.3	1,171.5	1,023.6
Petroleum oils and oil from bituminous minerals, crude (HTS 2709.00.20)	Trinidad and Tobago	1,211.6	1,164.2	1,062.1	293.0	165.1
	Belize	37.8	109.7	101.6	78.1	27.3
	Total	1,249.5	1,273.9	1,163.7	371.2	192.4
Refined petroleum products (HTS 2710)	Sint Maarten ^b	0.0	0.0	0.0	0.0	5.2
	Trinidad and Tobago	59.6	137.4	40.3	132.9	1.9
	Panama	0.0	0.2	0.2	0.0	0.0
	Jamaica	0.0	0.0	0.0	0.0	0.0
	Total	59.6	137.6	40.5	132.9	7.1
Fuel ethanol (HTS 2207.10.60 and 2207.20.00)	Jamaica	10.3	100.1	149.8	20.9	0.0
	Trinidad and Tobago	0.0	139.4	0.0	0.0	0.0
	Total	10.3	239.5	149.8	20.9	0.0
	Subtotal	2,211.2	2,742.7	2,376.2	1,696.5	1,223.1
	All other energy products	0.0	0.0	0.0	0.0	0.0
	Total	2,211.2	2,742.7	2,376.2	1,696.5	1,223.1

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012. Data for 2012 include U.S. imports from Panama only for the period during which Panama was eligible for CBERA benefits before the U.S.-Panama FTA entered into force on October 31, 2012.

^a Energy imports are defined as HTS chapter 27 imports, as well as imports under HTS subheading 2905.11.20 and the fuel ethanol reported in HTS chapter 22.

^b The Netherlands Antilles no longer exists, but CBERA trade is reported for one portion of the former Netherlands Antilles that includes Curaçao and Sint Maarten in 2014.

Trinidad and Tobago was the primary source of U.S. energy product imports under CBERA, accounting for 97.3 percent of these products in 2014. Crude petroleum and methanol¹⁰⁶ accounted for almost all of U.S. imports of energy products from Trinidad and Tobago in 2014 under CBERA (13.5 percent and 83.0 percent, respectively). With a significant decline in U.S. imports of crude petroleum from Trinidad and Tobago, the share of crude petroleum in all U.S. imports of energy products from Trinidad and Tobago continued to fall. Meanwhile, U.S.

¹⁰⁶ Methanol, also known as methyl alcohol, is the simplest of all alcohols and is an industrial chemical that can be produced from fossil fuels, primarily natural gas and coal. It is also produced from renewables, such biomass, wood, landfill gas, and even power plant emissions and CO₂ from the atmosphere. Although methanol is not an energy source, it is included in this energy product section.

imports of crude petroleum from Belize under CBERA also continued to decline, mainly due to increasing U.S. production, coupled with a slight dip in U.S. consumption.¹⁰⁷

Fuel Ethanol

Fuel ethanol imports under CBERA have varied widely from year to year in recent years. There were no imports in 2014 and only a small amount of imports in 2013 (\$20.9 million) and 2010 (\$10.3 million). However, in 2011 and 2012, fuel ethanol accounted for a significant portion of U.S. imports of energy products under CBERA, totaling \$239.5 million and \$149.8 million, respectively. Jamaica and Trinidad and Tobago were the principal suppliers in all these years.

U.S. imports of fuel ethanol (all imports included in HTS 2207.10.60 and 2207.20.00) under CBERA varied widely from year to year, for several reasons. There were no imports between April 2010 and May 2011, mostly because developments in the global sugar market and the domestic Brazilian ethanol market reduced exportable supplies of Brazilian hydrous (“wet”) ethanol, the only economically viable feedstock used by CBERA dehydrators.¹⁰⁸ U.S. imports of fuel ethanol under CBERA resumed in June 2011 and reached \$239.5 million in that year, with Trinidad and Tobago accounting for 58 percent and Jamaica for 42 percent. By 2013, imports of fuel ethanol under CBERA had fallen to \$20.9 million, all from Jamaica.¹⁰⁹

The reduction in U.S. fuel ethanol imports under CBERA after 2011 was largely due to the end of the special “origin quota” for fuel ethanol.¹¹⁰ Until the end of 2011, the United States provided an excise tax credit of 45 cents per gallon to U.S. companies that produced gasoline-ethanol blends using either domestically produced or imported ethanol.¹¹¹ There was also an additional “other duty or charge” (ODC) of 54 cents per gallon on imports of fuel ethanol that entered non-preferentially.¹¹² However, section 7 of the Steel Trade Liberalization Program

¹⁰⁷ U.S. consumption of crude petroleum remained relatively stable while U.S. production increased, particularly from two sources—North Dakota’s Bakken formation and Eagle Ford in Texas. North Dakota Industrial Commission, Oil and Gas Division, “ND Monthly Bakken Oil Production Statistics,” n.d. (accessed June 14, 2015); Railroad Commission of Texas, “Texas Eagle Ford Shale Oil Production, 2008 through March 2015,” May 18, 2015; Foreso, “U.S. Becoming a Leading Exporter of Petroleum Products,” December 2014.

¹⁰⁸ See USITC, *Caribbean Basin Economic Recovery Act: Impact, 2011*, 2–16, for more details.

¹⁰⁹ As shown in table 2.9, U.S. imports of fuel ethanol from Jamaica under CBERA amounted to \$149.8 million in 2012. An additional \$37.3 million of imports of fuel ethanol from Jamaica entered the United States non-preferentially. In 2013 fuel ethanol imports from Jamaica under CBERA were \$20.9 million, and non-preferential imports were \$44.1 million.

¹¹⁰ The Embassy of Jamaica predicted that the removal of the ODC and special origin quota for fuel ethanol, which would result in the obligation to pay the NTR rate of 2.5 percent ad valorem, would make Jamaica’s fuel ethanol more vulnerable to competition from larger non-CBERA exporters. Embassy of Jamaica, written submission to the USITC, June 21, 2013, 7–8.

¹¹¹ The credit was 51 cents per gallon during 2008. Pub. L. 110-234, § 15331.

¹¹² This additional duty was temporary and subject to renewal. Pub. L. 111–312, § 708(d). See HTS subheading 9901.00.50.

Implementation Act of 1989,¹¹³ which amended section 423(c) of the Tax Reform Act of 1986,¹¹⁴ allowed countries in CBERA and U.S. insular possessions, to process (dehydrate) ethanol from non-indigenous feedstock free of duty under CBERA provisions without being subject to the rules of origin requirement.¹¹⁵ The resulting anhydrous ethanol was considered to be a product of the beneficiary country. U.S. imports of fuel ethanol under this program were subject to a quota of 7 percent of U.S. consumption. Imports of fuel ethanol from CBERA countries never exceeded the quota.

The expiration on December 31, 2011, of the ODC also ended the preferential treatment for the CBERA countries under the special origin quota for fuel ethanol. The effective period of the preferential treatment was the same as the effective period of the ODC under HTS heading 9901.00.50.¹¹⁶ With the expiration of the ODC, the preferential treatment for CBERA countries concerning ethanol ended because CBERA exports using Brazilian feedstock no longer meet the rules of origin requirements.¹¹⁷ Thus, U.S. imports of ethanol from non-indigenous feedstock from CBERA countries have been subject to normal duty rates since December 31, 2011.¹¹⁸

Textile and Apparel Products¹¹⁹

Haiti is by far the leading CBERA supplier of textiles and apparel, with U.S. imports totaling \$843.2 million in 2014, up 10 percent from \$766.0 million in 2013. Guyana is the only other significant supplier of textiles and apparel under CBERA. In 2014, imports from Guyana totaled \$3.7 million, down from \$4.1 million in 2013.

Much of the continued growth in U.S. imports of apparel from Haiti in 2014 is attributed to the Haiti HOPE/HELP trade preference programs.¹²⁰ These programs offer unlimited duty-free treatment for certain apparel products; for other apparel products, they offer limited duty-free treatment up to certain non-absolute quotas known as tariff preference levels. Industry sources

¹¹³ Pub. L. 101-221, § 7(a). The original legislation applied to CBERA beneficiaries and U.S. insular possessions. The subsequent CAFTA-DR separated the beneficiaries, but the program was extended later under CAFTA-DR provisions.

¹¹⁴ Pub. L. 99-514, § 423.

¹¹⁵ The quota totaled 875.4 million gallons for 2011, the last year the quota was in effect. 75 Fed. Reg. 82069 (December 29, 2010). Countries that became part of the Central America-United States-Dominican Republic Free Trade Agreement (CAFTA-DR) retained the rules of origin exception for ethanol from non-indigenous feedstock, but graduated from CBERA benefits.

¹¹⁶ Pub. L. 99-514, § 423(g).

¹¹⁷ Ibid.

¹¹⁸ Since December 31, 2011, column 1 general rates of duty in HTS subheadings 2207.10.60 (2207.10.6010, undenatured fuel ethanol, have been dutiable at 2.5 percent ad valorem and 2207.20.00 (2207.20.0010, denatured fuel ethanol, have been dutiable at 1.9 percent ad valorem.

¹¹⁹ Defined as products classified in HTS chapters 50–63. Apparel traditionally has accounted for nearly all imports from the CBERA countries, remaining at 99 percent of the total in 2014.

¹²⁰ U.S. apparel industry representative, email message to USITC staff, January 13, 2015.

in Haiti assert that without the HOPE/HELP trade preferences, there would be no apparel industry in Haiti.¹²¹ Moreover, the HOPE/HELP preferences are often cited as the reason for investors to set up textile and apparel operations in Haiti.¹²² For example, the trade preferences were the principal incentive behind a U.S. apparel firm's decision in 2014 to construct a new apparel factory in Port-au-Prince.¹²³ The facility employs 500 sewing operators who produce high-performance wear and other clothing.¹²⁴

In 2014, the value of U.S. imports of textiles and apparel entering under CBERA trade preferences (exclusive of HOPE and HELP) increased to \$389.8 million, 12.7 percent over the 2013 level of \$345.8 million (table 2.10). This increase followed a decline in 2013 of 19.4 percent from \$428.8 million in 2012. U.S. imports of textiles and apparel entering under CBERA trade preferences (of which Haiti accounts for the vast majority) are concentrated in a few products: knitted cotton T-shirts and tops and knitted cotton sweaters, pullovers, and similar articles, which together accounted for over 90 percent of U.S. imports of apparel from Haiti in 2014.¹²⁵ The principal apparel goods imported from Guyana, the second leading CBERA supplier of textiles and apparel to the United States, are knitted bodysuits and body shirts of manmade fibers, certain knitted garments not elsewhere specified of manmade fibers, and knitted cotton T-shirts and other knitted cotton tops.

Table 2.11 shows U.S. general imports of textiles and apparel from CBERA countries by duty treatment. Most U.S. imports of textiles and apparel from the CBERA region continued to enter under trade preference programs in 2014; less than 1 percent of U.S. imports of textiles and apparel were dutiable at NTR rates. Imports that entered free of duty under the HOPE Acts totaled \$453.4 million and accounted for over half (53 percent) of U.S. imports of textiles and apparel goods from the region. U.S. imports of textiles and apparel under the CBTPA rose to \$400.9 million in 2014. This is the first time that U.S. imports entering free of duty under the HOPE/HELP Acts surpassed those entering free of duty under the CBTPA. The change may be attributed in part to increased familiarity with the HOPE/HELP trade preferences. However, a more significant factor may be the greater sourcing flexibility that the HOPE/HELP trade

¹²¹ Haitian apparel industry representative, email message to USITC staff, January 13, 2015. On June 29, 2015, the President signed into law Public Law 114-27, the Trade Preferences Extension Act of 2015. This law extends the preferential access provided under the HOPE and HELP programs through September 20, 2025.

¹²² HaitiLibre, "Haiti-Economy: Strengthening of Investments in the Textile Sector," May 28, 2015.

¹²³ U.S. apparel industry representative, telephone interview with USITC staff, February 20, 2015.

¹²⁴ Ibid.

¹²⁵ However, in the near future the concentration of products may change. Apparel industry sources in the United States and Haiti state that apparel manufacturers in Haiti have begun to increase production of higher-value-added apparel products and seek to do more of this in the future. U.S. government official, email message to USITC staff, June 1, 2015.

Table 2.10 U.S. textile and apparel imports^a under CBERA,^b by major product and source, 2010–14 (million \$)

Product	Source	2010	2011	2012	2013	2014
T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton (HTS 6109.10.00)	Haiti	203.6	213.1	224.6	208.7	246.6
	All other countries	0.0	0.0	(^c)	0.0	0.4
Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i. (HTS 6110.20.20)	Haiti	125.1	220.4	175.5	117.8	120.8
	All other countries	0.1	0.2	0.6	0.3	0.4
T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of manmade fibers (HTS 6109.90.10)	Haiti	19.7	17.9	15.6	10.6	13.5
	All other countries	0.1	0.1	0.0	(^c)	0.0
Subtotal		348.5	451.7	416.3	337.5	381.6
All other textile and apparel products		11.6	14.3	12.6	8.3	8.2
Total		360.0	466.1	428.8	345.8	389.8

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012. Data for 2012 include U.S. imports from Panama only for the period during which Panama was eligible for CBERA benefits before the U.S.-Panama FTA entered into force on October 31, 2012. The Netherlands Antilles no longer exists, but CBERA trade is reported for one portion of the Netherlands Antilles that includes Curaçao and Sint Maarten in 2014. N.e.s.o.i. stands for “not elsewhere specified or included.”

^a Textile and apparel imports are defined as imports listed in HTS chapters 50 through 63.

^b The data of U.S. imports under CBERA includes U.S. imports under CBERA as amended by CBTPA. Trade data under the HOPE and HELP Acts are reported and analyzed separately in table 2.12.

^c Less than \$50,000.

Table 2.11 Textiles and apparel: U.S. general imports from CBERA countries, by duty treatment, 2014

Product	Haiti	Guyana	All other	Total
Million \$				
Duty-free imports				
CBTPA				
Apparel cut and assembled from U.S. fabric ^a	47.8	3.7	0.0	51.4
Certain apparel of “regional knit fabrics” ^b	349.3	0.0	0.0	349.3
All other	0.1	0.1	0.0	0.2
Subtotal	397.2	3.8	0.0	400.9
HOPE Acts	453.4	0.0	0.0	453.4
Total	850.6	3.8	0.0	854.3
Dutiable imports (NTR rates)				
Total	3.7	0.0	1.3	5.0
Grand total	854.3	3.8	1.3	859.4

Source: Compiled from official statistics of the International Trade Administration, Office of Textiles and Apparel.

Note: Because of rounding, figures may not add to totals shown. Data in this table (U.S. general imports) are not comparable to data in table 2.6 and 2.10 (U.S. imports for consumption). See footnote 67 for details.

^a HTS subheading 9820.11.06 and 9820.11.18.

^b HTS subheading 9820.11.09 and 9820.11.12.

preferences offer over those of the CBTPA.¹²⁶ Furthermore, the only CBTPA trade preference not also covered under HOPE/HELP is a tariff-rate quota for T-shirts.¹²⁷ Since Haitian apparel producers reportedly have begun moving away from solely manufacturing commodity items like T-shirts to producing more of the higher-value-added apparel goods, they have less incentive to use the CBTPA. This appears to have resulted in fewer imports entering under the CBTPA.¹²⁸ Nevertheless, regardless of the type of trade preferences being used, CBERA's share of total U.S. imports of textiles and apparel remains small, accounting for less than 1 percent in 2014.

Other Mining and Manufacturing Products

U.S. imports of other mining and manufacturing products under CBERA totaled \$210.2 million in 2014, and have increased each year since 2010 with the exception of 2012 (table 2.12). In 2014, the value of the four leading U.S. imports of other mining and manufacturing products accounted for 89.5 percent of total U.S. imports of these products under CBERA (table 2.12). The remainder of this subsection will focus on trends in imports of these four products under CBERA.

U.S. imports under CBERA of expandable polystyrene (EPS) in primary forms totaled \$154.7 million in 2014, and it has continuously increased since 2012 (table 2.12). In 2014, such imports accounted for 73.6 percent of total U.S. imports of other mining and manufacturing products under CBERA; among CBERA countries, The Bahamas was the sole source of this product. The continued increase of U.S. imports under CBERA of EPS from 2012 to 2014 was due primarily to the continued increase of U.S. domestic consumption of such products, which grew from 301,000 mt in 2010 to 371,000 mt in 2014.¹²⁹

The next leading product in this category, in terms of value, was melamine, used in making melamine resins and coatings, in tanning leather, and as a fertilizer additive. The value of U.S. imports of melamine under CBERA totaled \$16.9 million in 2014, slightly higher than the \$16.8 million in 2013. This reflected a decline in U.S. imports of this product from the levels in

¹²⁶ U.S. government official, email message to USITC staff, June 1, 2015. As explained in chapter 1, HOPE/HELP trade preferences expanded and enhanced trade benefits under CBERA/CBTPA by allowing inputs from nonbeneficiary countries, as long as a portion of the value-added content of the garment is from Haiti, the United States, or other CBERA beneficiary countries.

¹²⁷ U.S. government official, email message to USITC staff, June 1, 2015.

¹²⁸ Ibid.

¹²⁹ Carvajal and Ravindranath, *Chemical Economics Handbook*, December 2014, 20. The largest demand driver in the United States for EPS is the building and construction segment. This segment, which has been growing in recent years owing to U.S. recovery from the 2008 global financial crisis, accounted for 51 percent of total EPS demand in 2014. The EPS is also consumed in packaging (accounting for 21 percent of consumption) and other applications (28 percent share). Increases in both packaging and insulation applications started to improve demand for EPS beginning in 2010; these applications grew at annual rates of 4.6 percent and 3.8 percent, respectively, from 2013 to 2014. Carvajal and Ravindranath, *Chemical Economics Handbook*, December 2014, 64.

Table 2.12 U.S. other mining and manufacturing imports^a under CBERA, by major product and source, 2010–14 (million \$)

Product category (HTS code)	Source	2010	2011	2012	2013	2014
Polystyrene, expandable, in primary forms (HTS 3903.11.00)	Bahamas	95.4	122.2	129.4	141.5	154.7
	All other countries	0.0	0.0	0.0	0.0	0.0
Melamine (HTS 2933.61.00)	Trinidad and Tobago	6.1	23.7	21.5	16.8	16.9
	All other countries	0.0	0.0	0.0	0.0	0.0
Transmission apparatus for television, n.e.s.o.i. (HTS 8525.50.30)	St. Kitts and Nevis	11.0	15.7	12.2	10.6	9.8
	All other countries	0.0	0.0	^(b)	0.0	^(b)
Electrical transformers, static converters or inductors; power supplies for ADP machines or units; parts thereof (HTS 8504)	St. Kitts and Nevis	2.8	4.3	3.5	3.1	4.6
	All other countries	0.4	0.1	0.2	1.6	2.1
	Subtotal	115.7	166.2	166.9	173.7	188.3
	All other mining and manufacturing products	51.7	35.2	29.3	34.7	21.9
	Total	167.4	201.6	196.2	208.4	210.2

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012. Data for 2012 include U.S. imports from Panama only for the period during which Panama was eligible for CBERA benefits before the U.S.-Panama FTA entered into force on October 31, 2012. The Netherlands Antilles no longer exists, but CBERA trade is reported for one portion of the Netherlands Antilles that includes Curaçao and Sint Maarten in 2014. N.e.s.o.i. stands for “not elsewhere specified or included.”

^a Other mining and manufacturing imports are defined as everything not categorized as agricultural, energy, or textile and apparel imports in tables 2.9, 2.10, or 2.13, with the exception of imports classified in HTS chapters 98 and 99, which are excluded from the data.

^b Less than \$50,000.

2011 and 2012 (\$23.7 million and \$21.5 million, respectively). Trinidad and Tobago is the sole CBERA source of U.S. imports of this product. The decline in U.S. imports of melamine under CBERA from Trinidad and Tobago in 2013 was reportedly due to a shutdown of the sole melamine plant in Trinidad and Tobago—the Methanol Holdings (Trinidad) Ltd (MHTL) plant—because of a disruption in the supply of natural gas that is needed to make melamine.¹³⁰

¹³⁰ ICIS, “MHTL Melamine Plant Restart in Trinidad,” October 22, 2013. There is also an ongoing antidumping case involving melamine from Trinidad and Tobago in 2015. On December 29, 2014, the Commission determined that there is a reasonable indication that a U.S. industry is materially injured by reason of imports of melamine from China and Trinidad and Tobago that are allegedly subsidized and sold in the United States at less than fair value. As a result, the U.S. Department of Commerce continued to investigate melamine imports from these countries in 2015. USITC, “USITC Votes to Continue Cases on Melamine,” December 29, 2014.

U.S. imports under CBERA of transmission apparatus for television were \$9.8 million in 2014, down from \$10.6 million in 2013. This 7.5 percent decrease followed a 13.1 percent decline from 2012 to 2013. St. Kitts and Nevis was the principal import source (table 2.12).

U.S. imports under CBERA of electrical transformers, static converters, and inductors totaled \$6.7 million in 2014, an increase from \$4.7 million in 2013. Again, St. Kitts and Nevis was the primary source of such imports, accounting for 68.7 percent of total U.S. imports of such products under CBERA in 2014. The increase of U.S. imports of such products likely reflects higher exports of electrical transformer parts to the United States by Jaro Electronics—a U.S.-based company producing these goods in St. Kitts and Nevis. In 2013, Jaro Electronics announced plans to increase its production capacity in St. Kitts-Nevis, which may have resulted in higher exports from St. Kitts and Nevis of electrical transformer parts to the United States.¹³¹

Agricultural Products

In 2014, U.S. imports of agricultural products under CBERA totaled \$149.2 million, an increase of 25.4 percent from \$119.0 million in 2013. By contrast, U.S. imports declined by 12.6 percent from 2012 to 2013 (table 2.13). In 2014, the four leading agricultural product categories among U.S. imports under CBERA were raw cane sugar; cassava (manioc), arrowroot, and similar roots; fruit juices; and sauces and spices. The decrease in agricultural imports under CBERA from 2012 to 2013 and their subsequent increase from 2013 to 2014 were mainly caused by changes in levels of U.S. imports of raw cane sugar (table 2.13). The remainder of this subsection will discuss trends in the imports of these four products under CBERA (table 2.13).

U.S. imports of raw cane sugar under CBERA totaled \$19.5 million in 2014, an increase from zero in 2013. The major import sources were Jamaica and Guyana, jointly accounting for 62.6 percent of total U.S. imports of such products under CBERA in 2014. U.S. imports of raw cane sugar from Jamaica under CBERA, which were also zero in 2012 and 2013, jumped to \$5.9 million in 2014 (table 2.13). There were two likely reasons Jamaica exported no raw cane sugar under CBERA to the United States in 2012 and 2013: increasing consumption within Jamaica, and higher prices offered by the European Union (EU) countries. In 2013, Jamaica consumed more sugar domestically than in the past.¹³² Meanwhile, Jamaica's export destinations were largely based on international prices. Prices in the EU were higher than those in the United States in 2012 and 2013.¹³³ Hence, Jamaica did not fill its U.S. tariff-rate quota (TRQ) in 2013,

¹³¹ Williams, "Jaro Electronics to Expand Production," April 29, 2013; Trade Data Services, Inc., Import Genius database, <https://www.importgenius.com/> (accessed June 1, 2015).

¹³² USDA, FAS, "Jamaica Sugar Annual Report 2014," May 13, 2014.

¹³³ USDA, FAS, "Jamaica Sugar Annual Report 2013," May 30, 2013; USDA, FAS, "Jamaica Sugar Annual Report 2014," May 13, 2014.

Table 2.13 U.S. agricultural and agro-industrial imports^a under CBERA, by major product and source, 2010–14 (million \$)

Product category (HTS code)	Source	2010	2011	2012	2013	2014
Cane or beet sugar and chemically pure sucrose, in solid form (HTS 1701)	Guyana	4.7	5.0	0.0	0.0	6.3
	Jamaica	10.1	13.8	0.0	0.0	5.9
	All other countries	10.9	48.7	12.7	0.0	7.3
	Subtotal	25.6	67.5	12.7	0.0	19.5
Cassava (manioc), arrowroot, salep, jerusalem artichokes, sweet potatoes and similar roots, etc. (high starch etc. content), fresh or dried (HTS 0714)	Jamaica	15.1	17.8	16.8	17.9	18.8
	All other countries	0.5	0.5	0.2	0.3	0.3
	Subtotal	15.6	18.2	17.0	18.1	19.1
Fruit juices not fortified with vitamins or minerals (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sweetening (HTS 2009)	Belize	11.7	11.0	16.0	12.1	15.8
	All other countries	0.9	0.8	0.8	0.5	0.6
	Subtotal	12.7	11.8	16.7	12.6	16.4
Sauces and preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard (HTS 2103)	Jamaica	6.8	8.2	8.8	8.9	10.8
	All other countries	2.1	2.5	2.3	2.7	3.4
	Subtotal	9.0	10.7	11.1	11.6	14.2
	All other agricultural products	93.7	94.8	78.6	76.6	79.9
	Total	156.6	203.2	136.2	119.0	149.2

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012. Data for 2012 include U.S. imports from Panama only for the period during which Panama was eligible for CBERA benefits before the U.S.-Panama FTA entered into force on October 31, 2012. The Netherlands Antilles no longer exists, but CBERA trade is reported for one portion of the Netherlands Antilles that includes Sint Maarten in 2014. N.e.s.o.i. stands for “not elsewhere specified or included.”

^a Agricultural and agroindustrial imports include imports in HTS chapters 01–24, excluding fuel ethanol.

but took advantage of the higher prices in Europe.¹³⁴ The price of Jamaica's exports of raw cane sugar to the EU was \$0.90 per kilogram in 2012 and 2013 but declined to \$0.70 per kilogram in 2014.¹³⁵ With price offered by the United States becoming relatively more competitive in 2014,¹³⁶ U.S. prices remained lower than EU prices, but the gap narrowed, and Jamaica shipped enough raw cane sugar to the United States (11,000 mt) to fill its U.S. quota allocation in 2014.¹³⁷ Similarly, U.S. sugar prices were not attractive to Guyanaian exporters in 2013, who shipped mainly to the EU that year, but the U.S. offered prices became more competitive as EU import prices on sugar declined from 2013 to 2014.¹³⁸ Hence, the value of U.S. imports of sugar from Guyana under CBERA increased from zero in 2013 to \$6.3 million in 2014.

U.S. imports under CBERA of cassava (manioc), arrowroot, sweet potatoes, and similar roots totaled \$19.1 million in 2014, following a continuous increase since 2012 (table 2.13). Jamaica was the primary source of U.S. imports of this agricultural commodity group, accounting for 98.4 percent of total U.S. imports of these products. Increasing production in Jamaica,¹³⁹ coupled with declining production in other major U.S. import sources,¹⁴⁰ led to the increase of U.S. imports of cassava and similar roots under CBERA. This trend also corresponds to the

¹³⁴ USDA, FAS, "Jamaica Sugar Annual Report 2013," May 30, 2013; USDA, FAS, "Jamaica Sugar Annual Report 2014," May 13, 2014. Total exports of raw sugar from Jamaica during crop year 2012-13 were 82,000 mt, valued at \$72 million. The entire 82,000 mt exported went to the European Union.

¹³⁵ Global Trade Atlas. (for HTS heading 1701; accessed June 4, 2015).

¹³⁶ The per unit price of Jamaica's raw cane sugar exports to the United States was \$0.5 per kilogram, still lower than the price offered by the European Union, but the difference between the two becomes smaller with a drop in EU import prices. GTIS, www.gtis.com (for HTS heading 1701; accessed June 4, 2015).

¹³⁷ USDA, "Jamaica Sugar Annual Report 2014," May 13, 2014.

¹³⁸ The EU unit price for sugar from Guyana dropped from \$0.7 per kilogram in 2013 to \$0.6 per kilogram in 2014. Data drawn from GTIS, www.gtis.com (accessed June 4, 2015).

¹³⁹ Recent developments in Jamaica's cassava industry included a public-private initiative to increase cassava production in order to reduce dependence on grain imports. In January 2014, local beer company Red Stripe signed a lease agreement with the Jamaican Ministry of Agriculture to facilitate a multimillion-dollar cassava-growing project. Red Stripe has invested \$150 million in local cassava production for its own captive consumption, but the government of Jamaica is working to adopt the technology used by Red Stripe so that an island-wide cassava industry can be sustained. Red Stripe announced that it plans to cultivate 500 acres of cassava over the next two years and 2,400 acres within the next five years. This project aims to produce 60 tons per hectare, comparable to yields in Africa, Brazil, and the Philippines, while current yields in Jamaica range between 10 and 15 tons per hectare. McIntosh, "Big Boost for Cassava Production," January 8, 2014; *Jamaica Observer*, "Red Stripe to Train, Employ 2,400," September 17, 2014; Government of Jamaica, Ministry of Agriculture, "The Lease Signing Ceremony with Red Stripe," March 10, 2015.

¹⁴⁰ The top four suppliers of U.S. imports of cassava and similar roots are Costa Rica, Ecuador, Jamaica, and China. Three non-CBERA countries—Nicaragua, Ghana and the Dominican Republic—vied for fifth place. Nicaragua's share of import value fell sharply between 2012 and 2014, by 28 percent. Moreover, in 2014, the spread of witches' broom disease reduced cassava yields in Southeast Asia (including China). U.S. imports of cassava from China fell by 7 percent from 2013 to 2014, compared to a 25 percent increase in those imports between 2012 and 2013. *New Agriculturist*, "Witches' Broom—A Curse on Cassava," January, 2014; U.S. Bureau of Census Trade data (for HTS heading 0714; accessed June 3, 2015).

increase of the value of total U.S. imports of cassava, arrowroot, sweet potatoes, and similar roots from the rest of the world.¹⁴¹

Fruit juice, primarily orange juice, ranks third among U.S. imports of agricultural products under CBERA. In 2014, U.S. imports of fruit juice increased to \$16.4 million, from \$12.6 million in 2013, with Belize being the major source of imports (table 2.13). The reason behind the increase is that U.S. production of fruit juice declined from 607,000 mt in 2012/2013 to 492,000 mt in 2013/14,¹⁴² while U.S. consumption experienced a much lesser decline during the same period, decreasing from 733,000 mt in 2012/2013 to 716,000 mt in 2013/2014.¹⁴³ U.S. imports under CBERA increased from 2013 to 2014, likely due to imports from CBERA too small to “make up for” the shortfall in U.S. domestic production.

U.S. imports of sauces and spices under CBERA increased to \$14.2 million in 2014, from \$11.6 million in 2013. Jamaica was the major source of imports, accounting for 76.1 percent of overall U.S. imports of such products under CBERA in 2014 (table 2.13). The increase in U.S. imports of sauces and spices from Jamaica likely reflects Jamaica's switching from exporting to Canada to exporting to the United States. The United States and Canada are the top two markets for Jamaican food exports.¹⁴⁴ Because of the December 2013 expiration of preferential duty treatment under the non-reciprocal Caribbean-Canada Trade Agreement, Jamaican manufacturers of pepper sauce were faced with a declining profit margin when exporting to Canada, and diverted their exports to the U.S. market.¹⁴⁵

¹⁴¹ Total U.S. imports of such products increased 6 percent between 2012 and 2014. U.S. Bureau of Census Trade data (for HTS heading 0714; accessed June 3, 2015).

¹⁴² The decline of U.S. production of fruit juice mainly reflects lower U.S. production of orange juice, which accounts for more than 75 percent of total U.S. fruit juice production. U.S. production of orange juice fell mainly due to an insect-borne disease known as “citrus greening” (also called Huanglongbing or yellow dragon disease). Before killing the orange trees, the infection causes them to produce smaller, bitter fruit that is unusable for juice, and it also increases the drop rate (the rate at which unripened oranges fall from the tree). Statistics Portal, “Fruit Juice Production in the United States,” n.d. <http://apps.fas.usda.gov/psdonline/circulars/citrus.pdf> (accessed June 4, 2015); USDA, “Citrus: World Markets and Trade,” January 2015; USDA, “Fruit and Tree Nuts Outlook,” March 27, 2015. <http://www.ers.usda.gov/media/1811281/fts358.pdf>.

¹⁴³ Statistics Portal, “Fruit Juice Domestic Consumption in the United States,” n.d. (accessed June 4, 2015).

¹⁴⁴ Richardson, “Exporters Face Threats, Opportunities in Canadian Market,” February 8, 2013.

¹⁴⁵ Ibid.

Chapter 3

Impact of CBERA on the United States and Its Probable Future Effect

This chapter presents the Commission’s findings concerning the economic impact of the CBERA program on U.S. industries and consumers in 2013–14, as well as the probable future effect that the program is likely to have on the U.S. economy generally. The assessment of CBERA’s effect on the U.S. economy focuses on imports that can enter free of duty only under the CBERA preferences (CBERA-exclusive imports) for the 20 HTS 8-digit categories that had the highest import values in 2014. The assessment of CBERA’s probable future effect is based on information about overall investment trends and CBERA-related investment in the beneficiary countries. Most of this investment information has been collected from international sources such as the United Nations, augmented by information from reports from U.S. embassies in the CBERA countries.

Key Findings

The overall impact of CBERA-exclusive imports on the U.S. economy and on U.S. industries and consumers continued to be negligible in 2014. The five leading CBERA-exclusive imports in 2014 were methanol (methyl alcohol), knitted cotton T-shirts, light crude petroleum, polystyrene, and knitted cotton sweaters and pullovers. Despite lower U.S. imports in 2014 and 2013, methanol remained the only U.S. industry for which CBERA-exclusive imports may have displaced more than 5 percent of the value of U.S. production in 2014. As noted earlier, the decline in U.S. imports of methanol mainly reflected a decrease in the cost of U.S. methanol production, which lessened demand for methanol from Trinidad and Tobago.¹⁴⁶

In assessing the probable future effect of CBERA, the Commission analyzed 2013–14 CBERA-related investment and investment trends in the CBERA countries for the near-term production and export of CBERA-eligible products. This analysis indicates that 2013–14 investment is unlikely to generate U.S. imports that will have a measurable economic impact on U.S. consumers and producers, as CBERA countries generally are, and are likely to remain, small suppliers relative to the U.S. market. CBERA had its greatest effects on the U.S. economy in the past, shortly after the program’s implementation in 1984 and shortly after implementation of each of the major enhancements to CBERA; even these effects were minimal. Moreover,

¹⁴⁶ For further details, see chapter 2 and the section “Highlights of U.S. Industries Most Affected by CBERA” later in this chapter.

investment in CBERA countries in recent years has focused primarily on service sectors rather than on the production of CBERA-eligible goods for export to the United States.

Impact of CBERA on the United States in 2013–14

Since its implementation, CBERA has had a negligible effect on the overall economy of the United States. During 2013–14, the actual effect of CBERA on the U.S. economy generally and on U.S. domestic industries producing articles like or directly competitive with articles being imported into the United States from beneficiary countries continued to be negligible. This was mainly because the value of U.S. imports entered under CBERA in that two-year period remained at 0.01 percent of U.S. gross domestic product (GDP) and 0.1 percent of total U.S. imports. As pointed out in chapter 2, the total value of U.S. imports from CBERA countries remained small in 2014, amounting to 0.4 percent of total U.S. imports. The impact of CBERA on U.S. industries and consumers was minimal in 2014, as it has been in recent years.

As noted earlier, in evaluating the impact of CBERA, the Commission considered U.S. imports that can receive preferential treatment only under CBERA. Since many CBERA-eligible products are also eligible for duty-free entry under the Generalized System of Preferences (GSP), they were excluded from the analysis.¹⁴⁷

The following section (1) identifies products that benefited exclusively from CBERA; and (2) presents quantitative estimates of the impact of CBERA on U.S. consumers, on the U.S. Treasury (as measured through tariff revenues), and on U.S. industries (as measured by domestic shipments) whose products compete with CBERA imports.

¹⁴⁷ Because tariff preferences under the original CBERA legislation are permanent, products from CBERA beneficiary countries that are also eligible for GSP can continue to enter the United States free of duty even when GSP preferences have lapsed. This fact makes investment in such products more attractive than would be the case in the absence of CBERA. Investment that depends solely on GSP for duty-free preferences is often viewed as riskier because of the uncertainties surrounding the periodic renewals of GSP. In addition, U.S. imports of certain products from particular countries may exceed competitive need limitations (CNLs) under GSP for that country, making those products ineligible for GSP benefits. However, least-developed-country beneficiaries of GSP (Haiti being the only CBERA country in this category) are not subject to CNLs. As noted in chapter 1, the President's authority to provide duty-free treatment under the GSP program most recently expired on July 31, 2013. Effective July 29, 2015, GSP was extended through December 31, 2017, with retroactive refund of duties paid for all countries eligible for GSP at the time of the lapse.

Products That Benefited Exclusively from CBERA in 2014

In 2014, the value of CBERA-exclusive U.S. imports was \$1.8 billion, a decline of 16.5 percent from 2013. The share of these imports in total imports from CBERA beneficiaries was 21.4 percent in 2014 (table 3.1).

Table 3.1 Total imports from CBERA beneficiaries, imports entered under CBERA provisions, and imports that benefited exclusively from CBERA provisions, 2010–14

Item	2010	2011	2012	2013	2014
Total imports from CBERA beneficiaries					
Value (millions of \$)	10,128.1	14,492.3	11,956.9	8,937.2	8,549.4
Imports entered under CBERA provisions ^a					
Value (millions of \$)	2,895.2	3,613.6	3,137.4	2,369.7	1,972.3
Percent of total	28.6	24.9	26.2	26.5	23.1
Imports that benefited exclusively from CBERA provisions ^b					
Value (millions of \$)	2,731.4	3,327.3	2,929.8	2,191.0	1,829.4
Percent of total	27.0	23.0	24.5	24.5	21.4

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012.

^a Refers to U.S. imports entered under CBERA program but which are eligible to enter under other provisions such as GSP.

^b Imports that benefited exclusively from CBERA provisions are imports that could only receive preferential entry under CBERA.

The 20 leading imports CBERA-exclusive imports are shown in table 3.2. The five leading CBERA-exclusive imports in 2014 were methanol (methyl alcohol), knitted cotton T-shirts, light crude petroleum, polystyrene, and knitted cotton sweaters and pullovers. These five products accounted for about 97 percent of the value of the 20 leading items in 2014, with methanol alone accounting for more than 70 percent.

Economic Effect of CBERA on U.S. Industries and Consumers in 2014

Although a large number of products were eligible for tariff preferences under CBERA in 2014, a relatively small group accounts for most of the CBERA-exclusive imports during that period. Table 3.2 presents the 20 leading CBERA-exclusive products from CBERA countries in 2014. They are selected and ranked on the basis of the landed duty-paid import values of goods entering under CBERA preferences.

Table 3.2 Leading CBERA-exclusive products, value of U.S. imports in 2014 (thousand \$)

HTS number	Description	Landed duty-paid value of total U.S. imports	Landed duty-paid value of imports under CBERA preferences
2905.11.20	Methanol (methyl alcohol), other than imported only for use in producing synthetic natural gas (SNG) or for direct use as fuel	1,864,099	1,095,511
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	4,302,791	251,052
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees a.p.i. or more	68,268,111	168,428
3903.11.00	Polystyrene, expandable, in primary forms	462,443	158,436
6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	9,475,293	123,005
2933.61.00	Melamine	53,107	17,771
6109.90.10	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of manmade fibers	1,629,515	13,788
8525.50.30	Transmission apparatus for television, n.e.s.o.i.	1,205,541	10,252
2009.11.00	Orange juice, frozen, unfermented and not containing added spirit	571,703	9,570
2106.90.99	Food preparations not elsewhere specified or included, not canned or frozen	1,957,152	7,456
2009.19.00	Orange juice, not frozen, of a brix value exceeding 20, unfermented	70,244	6,848
2710.19.16	Kerosene-type jet fuel from petroleum oils and oils of bitumin minerals (other than crude) or preps. 70%+ by wt. from petroleum oils	3,404,610	5,284
2202.10.00	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	1,908,790	4,403
1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. U.S. note 5 to ch. 17	512,059	3,732
6110.30.30	Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, n.e.s.o.i.	6,269,948	3,209
0406.30.24	Cheddar cheese, processed, not grated or powdered, subject to add. U.S. note 18 to ch. 4	3,670	2,926
2308.00.98	Vegetable materials and vegetable waste, vegetable residues and byproducts, of a kind used in animal feeding, n.e.s.o.i.	28,234	2,468
9405.10.80	Chandeliers and other electric ceiling or wall lighting fixtures (other than used for public spaces), not of base metal	806,533	2,441
3909.10.00	Urea resins; thiourea resins	50,896	2,193
9405.99.40	Parts of lamps, lighting fixtures, illuminated signs and the like, not of glass, plastics or brass	647,776	2,138

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: The abbreviation n.e.s.o.i. stands for “not elsewhere specified or included.”

For the 20 leading CBERA-exclusive products, the Commission used a partial equilibrium model to estimate the effects of the CBERA preferences on U.S. consumer welfare, tariff revenues, and domestic shipments. The technical details of this economic model are provided in appendix B.¹⁴⁸

Estimates of potential displacement effects on U.S. industry were small. Only one industry—methanol—had an upper estimate of displacement of more than 5.0 percent, the cutoff traditionally used in this series for selecting industries for further analysis (presented below). On the other hand, a number of U.S. producers benefited from CBERA preferences because they supplied inputs to apparel assembled in CBERA countries.

For any particular product, the size of the U.S. market share accounted for by CBERA-exclusive imports was a major factor in determining the imports' estimated impact on competing domestic producers.¹⁴⁹ (This market share is the ratio of the value of CBERA-exclusive imports to total apparent U.S. consumption of that product.) Market shares for these 20 products varied considerably in 2014. For instance, the market share of CBERA-exclusive imports of methanol was approximately 43 percent, whereas the market shares of CBERA-exclusive imports of many other goods, such as petroleum products, were less than 1 percent.

Estimated Effect on U.S. Consumers

For each of the 20 leading CBERA-exclusive imports, table 3.3 reports apparent U.S. consumption and gives an estimate of the effect of the CBERA preferences on U.S. consumer welfare. This estimate is reported as an equivalent variation¹⁵⁰ measure based on the difference between the actual prices of the imports in 2014 and the model's estimates of the prices that would have prevailed in the absence of the CBERA preferences. The assumption in the model about the size of the elasticity of substitution (ES) between CBERA-exclusive imports, non-CBERA imports, and corresponding domestic products is set to ensure that the model shows maximum effects.¹⁵¹ The ES is a measure of how much demand shifts among the different types of products (the two types of imports and the domestic products) in response to the change in their relative prices. An elasticity of 5, as assumed in this report, means that different types of products are similar in the eyes of consumers and readily substitutable.

¹⁴⁸ Also, chapter 1 includes a description of the economic model used in the analysis.

¹⁴⁹ Other factors include the tariff rate and the degree of substitutability among beneficiary imports, nonbeneficiary imports, and domestic production.

¹⁵⁰ Equivalent variation is a measure of income that would be equivalent to the cost to consumers of re-imposing tariffs.

¹⁵¹ The ES used in the partial equilibrium models is consistent with the economics literature, as discussed in chapter 1.

Table 3.3 Estimated effect of CBERA preferences on U.S. consumer welfare in 2014 (thousand \$)

HTS number	Description	Apparent consumption	Effect on consumer welfare if ES = 5
2905.11.20	Methanol (methyl alcohol), other than imported only for use in producing synthetic natural gas (SNG) or for direct use as fuel	2,569,072	52,303
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	4,721,816	28,812
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees a.p.i. or more	276,336,609	160
3903.11.00	Polystyrene, expandable, in primary forms	907,045	8,856
6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	9,609,871	13,963
2933.61.00	Melamine	94,903	554
6109.90.10	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of manmade fibers	1,853,921	2,294
8525.50.30	Transmission apparatus for television, n.e.s.o.i.	5,558,557	170
2009.11.00	Orange juice, frozen, unfermented and not containing added spirit	1,614,603	1,226
2106.90.99	Food preparations not elsewhere specified or included, not canned or frozen	8,747,086	418
2009.19.00	Orange juice, not frozen, of a brix value exceeding 20, unfermented	642,644	909
2710.19.16	Kerosene-type jet fuel from petroleum oils and oils of bitumin minerals (other than crude) or preps. 70%+ by wt. from petroleum oils	66,368,006	20
2202.10.00	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	13,440,990	123
1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. U.S. note 5 to ch. 17	1,421,288	96
6110.30.30	Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, n.e.s.o.i.	6,454,294	532
0406.30.24	Cheddar cheese, processed, not grated or powdered, subject to add. U.S. note 18 to ch. 4	914,988	322
2308.00.98	Vegetable materials and vegetable waste, vegetable residues and byproducts, of a kind used in animal feeding, n.e.s.o.i.	344,434	26
9405.10.80	Chandeliers and other electric ceiling or wall lighting fixtures (other than used for public spaces), not of base metal	1,221,533	80
3909.10.00	Urea resins; thiourea resins	994,795	107
9405.99.40	Parts of lamps, lighting fixtures, illuminated signs and the like, not of glass, plastics or brass	1,774,776	103

Source: Estimated by USITC from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: The abbreviation n.e.s.o.i. stands for “not elsewhere specified or included.” ES stands for elasticity of substitution. An ES of 5 means that competing products are relatively similar to the CBERA-produced products in the eyes of consumers and hence may fairly easily be substituted for them.

In 2014, methanol from Trinidad and Tobago provided the largest gain in consumer welfare (\$52.3 million) resulting exclusively from CBERA tariff preferences (table 3.3). Without CBERA, the price U.S. consumers would have paid for imports of methanol from CBERA countries would have been higher. In general, the CBERA-exclusive items providing the largest gains in consumer

welfare either have the highest NTR tariff rates (see table B.2) or the highest total U.S. import values in 2014, or both.

Estimated Effect on U.S. Tariff Revenues

CBERA preferences also reduced U.S. tariff revenues, offsetting much of the gain to consumers. Table 3.4 reports the total tariff revenues collected by the United States in 2014 for each of the 20 products from total imports other than those under CBERA, as well as an estimate of the effect of the CBERA preferences on these tariff revenues. Again, the estimates assume that the elasticity of substitution between CBERA and non-CBERA imports and the corresponding domestic products equals 5.

Estimated Effect on U.S. Domestic Shipments of the 20 Products

Table 3.5 reports the reduction in the value of U.S. domestic shipments in 2014 for each of the 20 products in the United States and estimates the effect of the CBERA preferences on the value of U.S. shipments.

Overall, the above estimates suggest that the impact of CBERA in 2014 on the U.S. economy, industries, and consumers was minimal, mainly because of the very small share of U.S. imports that come from CBERA countries. In particular, estimates of the potential displacement of domestic production were small for most individual sectors.¹⁵² According to the model estimates, only one CBERA-exclusive product—methanol—had any significant potential displacement impact on U.S. producers. This industry is therefore discussed further below.

Highlights of U.S. Industries Most Affected by CBERA

Industries estimated to have displaced 5 percent or more of the 2014 value of U.S. domestic production were chosen for further analysis. In 2014, as mentioned previously, only one product that benefited exclusively from CBERA met this criterion—methanol from Trinidad and Tobago—although increased U.S. production capacity has dampened and is likely to continue to dampen U.S. demand for methanol imports, including from Trinidad and Tobago.

¹⁵² U.S. market share, tariff rates, and the ES between beneficiary imports and competing U.S. production are the main factors that affect the estimated displacement of U.S. domestic shipments.

Table 3.4 Estimated effect of CBERA preferences on U.S. tariff revenues in 2014 (thousand \$)

HTS number	Description	Actual tariff revenues in 2013 ^a	Potential tariff revenue loss if ES = 5 ^b
2905.11.20	Methanol (methyl alcohol), other than imported only for use in producing synthetic natural gas (SNG) or for direct use as fuel	30,678	50,074
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	267,051	26,261
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees a.p.i. or more	36,010	160
3903.11.00	Polystyrene, expandable, in primary forms	2,319	7,779
6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	1,101,831	15,887
2933.61.00	Melamine	1,084	540
6109.90.10	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of manmade fibers	167,066	1,940
8525.50.30	Transmission apparatus for television, n.e.s.o.i.	17,998	165
2009.11.00	Orange juice, frozen, unfermented and not containing added spirit	72,979	991
2106.90.99	Food preparations not elsewhere specified or included, not canned or frozen	51,076	365
2009.19.00	Orange juice, not frozen, of a brix value exceeding 20, unfermented	18	557
2710.19.16	Kerosene-type jet fuel from petroleum oils and oils of bituminous minerals (other than crude) or preps. 70%+ by wt. from petroleum oils	10,696	20
2202.10.00	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	1,328	115
1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. U.S. note 5 to ch. 17	3,516	91
6110.30.30	Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, n.e.s.o.i.	1,057,717	606
0406.30.24	Cheddar cheese, processed, not grated or powdered, subject to add. U.S. note 18 to ch. 4	85	221
2308.00.98	Vegetable materials and vegetable waste, vegetable residues and byproducts, of a kind used in animal feeding, n.e.s.o.i.	204	25
9405.10.80	Chandeliers and other electric ceiling or wall lighting fixtures (other than used for public spaces), not of base metal	26,024	80
3909.10.00	Urea resins; thiourea resins	1,465	94
9405.99.40	Parts of lamps, lighting fixtures, illuminated signs and the like, not of glass, plastics or brass	24,755	96

Source: Estimated by USITC from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: The abbreviation n.e.s.o.i. stands for “not elsewhere specified or included.” ES stands for elasticity of substitution. An ES of 5 means that competing products are relatively similar to the CBERA-produced products in the eyes of consumers and hence may fairly easily be substituted for them.

^a Refers to tariff revenue from non-CBERA U.S. imports for the product.

^b This is an estimate of how much larger total tariff revenues would have been if these imports under CBERA had been imported at NTR dutiable rates.

Table 3.5 Estimated effect of CBERA preferences on the value of U.S. domestic shipments in 2014
(thousand \$)

HTS number	Description	Value of U.S. domestic production	Potential reduction in domestic shipments if ES = 5
2905.11.20	Methanol (methyl alcohol), other than imported only for use in producing synthetic natural gas (SNG) or for direct use as fuel	775,000	59,186
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	598,607	10,322
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees a.p.i. or more	220,134,728	482
3903.11.00	Polystyrene, expandable, in primary forms	637,392	17,620
6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	207,042	784
2933.61.00	Melamine	85,000	984
6109.90.10	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of manmade fibers	320,580	1,113
8525.50.30	Transmission apparatus for television, n.e.s.o.i.	5,000,500	531
2009.11.00	Orange juice, frozen, unfermented and not containing added spirit	1,200,000	3,172
2106.90.99	Food preparations not elsewhere specified or included, not canned or frozen	10,000,000	1,297
2009.19.00	Orange juice, not frozen, of a brix value exceeding 20, unfermented	600,000	3,244
2710.19.16	Kerosene-type jet fuel from petroleum oils and oils of bituminous minerals (other than crude) or preps. 70%+ by wt. from petroleum oils	63,639,139	75
2202.10.00	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	12,000,000	424
1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. U.S. note 5 to ch. 17	910,337	247
6110.30.30	Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, n.e.s.o.i.	283,610	61
0406.30.24	Cheddar cheese, processed, not grated or powdered, subject to add. U.S. note 18 to ch. 4	1,000,000	1,283
2308.00.98	Vegetable materials and vegetable waste, vegetable residues and byproducts, of a kind used in animal feeding, n.e.s.o.i.	350,000	95
9405.10.80	Chandeliers and other electric ceiling or wall lighting fixtures (other than used for public spaces), not of base metal	488,000	108
3909.10.00	Urea resins; thiourea resins	973,560	405
9405.99.40	Parts of lamps, lighting fixtures, illuminated signs and the like, not of glass, plastics or brass	1,325,000	261

Source: Estimated by USITC from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: The abbreviation n.e.s.o.i. stands for “not elsewhere specified or included.” ES stands for elasticity of substitution. An ES of 5 means that competing products are relatively similar to the CBERA-produced products in the eyes of consumers and hence may fairly easily be substituted for them.

Methanol

Energy products from Trinidad and Tobago account for a large share of U.S. imports under CBERA. In 2014, Trinidad and Tobago supplied 100 percent of the methanol imported by the United States under CBERA. Trinidad and Tobago also figures prominently in the methanol industry worldwide. The following section describes methanol trade and production in Trinidad and Tobago especially as it relates to the United States.

Major Companies

Methanol Holdings (Trinidad) Ltd. and Methanex, through full or partial ownership of production facilities, had the largest methanol production capacities in Trinidad and Tobago in 2014. Methanol Holdings (Trinidad) Ltd. has five methanol plants in Trinidad and Tobago with a total capacity of 4.1 million mt per year.¹⁵³ Methanex has a global network of methanol production facilities with significant annual capacity, including 2.7 million mt in Trinidad and Tobago, 2.4 million mt in New Zealand, 2.0 million mt in the United States, 1.3 million mt in Egypt, and 0.6 million mt in Canada.¹⁵⁴

U.S. Imports of Methanol

U.S. imports of methanol under HTS 2905.11.20 (methanol other than for use in producing synthetic natural gas or for direct use as a fuel) in 2014 were dutiable at the NTR rate of 5.5 percent ad valorem or were eligible for duty-free or reduced-duty treatment under a number of preferential programs and free trade agreements (FTAs), including CBERA. U.S. imports of methanol under HTS 2905.11.10 (methanol for use in producing synthetic natural gas or for direct use as a fuel) were subject to an NTR duty rate of free. Trinidad and Tobago was the primary source of methanol to the United States among CBERA beneficiaries during 2013–14, and more than 99 percent of its exports of methanol to the United States under HTS 2905.11.20 entered under CBERA.¹⁵⁵ There were no U.S. imports of methanol under HTS 2905.11.10 from CBERA beneficiaries during 2013–14.

¹⁵³ Methanol Holdings (Trinidad) Ltd., <http://www.ttmethanol.com/index.php/profile/about.html> (accessed May 28, 2015).

¹⁵⁴ Methanex homepage, <https://www.methanex.com/> (accessed May 29, 2015).

¹⁵⁵ Among CBERA beneficiaries during 2013, Barbados reportedly provided less than 0.1 percent of U.S. imports of methanol under HTS subheading 2905.11.20.

Trinidad and Tobago became the primary source of U.S. imports of methanol under HTS 2905.11.20 in 1998. Its share of the value of U.S. methanol imports expanded to 71 percent in 2009 before beginning a steady decline; the country's share fell to 60 percent in 2014.¹⁵⁶

The value of U.S. imports of methanol under HTS 2905.11.20 declined in 2014 compared to 2013 levels, although import levels have irregularly increased overall since the global recession in 2008–09. From 2013 to 2014, as more U.S. production capacity was utilized,¹⁵⁷ the value of U.S. imports of methanol under HTS 2905.11.20 from all sources dropped 8.9 percent to \$1.7 billion; although unit values rose 2.8 percent, volume fell by 11 percent.¹⁵⁸ The value of U.S. methanol imports from Trinidad and Tobago under HTS 2905.11.20 decreased \$146 million (12 percent) from 2013 to 2014, while the value of imports of methanol from all sources decreased \$168 million.¹⁵⁹

Methanol Uses

Natural gas is the primary input used to produce methanol, which in turn is primarily used as a feedstock to manufacture a number of chemicals. Major uses of methanol in the United States during 2014 included production of formaldehyde and acetic acid and direct fuel applications. Formaldehyde resins are used in making plywood, particle board, paints, and adhesives. Acetic acid is an input for other intermediate chemicals that go into plastic bottles, paints, adhesives, and synthetic fibers. Direct fuel applications include the manufacture of methyl tertiary-butyl ether (MTBE), tertiary-amyl methyl ether (TAME), dimethyl ether, and biodiesel.¹⁶⁰

U.S. Demand for Methanol

From its low point in 2009, U.S. demand for methanol steadily increased to 6.5 million mt in 2013 and 6.6 million mt in 2014.¹⁶¹ In tandem with projected increases in U.S. production capacity and production, U.S. demand is projected to increase by 2.7 percent per year during 2015–19.¹⁶² Methanol use for formaldehyde production, which is driven by the construction

¹⁵⁶ Venezuela has been the second-largest source of U.S. imports of methanol under HTS 2905.11.20 since 2003, representing 22 percent of U.S. imports by value in 2014. USITC DataWeb/USDOC (for HTS subheading 2905.11.20, accessed July 22, 2015).

¹⁵⁷ Sriram, Nash, and Maronneaud, "Methanol (674.5000)," May 2014.

¹⁵⁸ USITC DataWeb (for HTS subheading 2905.11.20, accessed June 9, 2015).

¹⁵⁹ Ibid.

¹⁶⁰ Sriram, Nash, and Maronneaud, "Methanol (674.5000)," May 2014.

¹⁶¹ Sriram, Nash, and Maronneaud, "Methanol (674.5000)," May 2014; Marc Laughlin, IHS, telephone interview by USITC staff, July 7, 2015.

¹⁶² Marc Laughlin, IHS, telephone interview by USITC staff, July 7, 2015.

industry, and in direct fuel applications is forecast to account for a growing share of U.S. methanol demand.¹⁶³

U.S. Production of Methanol

U.S. methanol production increased from 1.0 million mt in 2012 to 1.2 million mt in 2013 and to 2.0 million mt in 2014.¹⁶⁴ U.S. production capacity increased to 2.7 million mt in 2014, up 1.0 million mt from 2013; it is projected to climb to an estimated 12.4 million mt by 2018.¹⁶⁵ The number of operating U.S. plants followed a similar trend, falling from 17 in the late 1990s to 4 during 2005–12 but increasing to 6 in 2013¹⁶⁶ and to 8 by mid-2015.¹⁶⁷ The number will likely grow further over the next three years (table 3.6). During the early 2000s, relatively high North American prices for natural gas had made it unprofitable for many U.S. methanol producers to remain operating.

During 2010–14, more than half of U.S. methanol production was for captive consumption—that is, for consumption by another unit or division of the manufacturer.¹⁶⁸ Since 2012, however, the amount being sold in the U.S. market has been increasing.¹⁶⁹

¹⁶³ Sriram, Nash, and Maronneaud, “Methanol (674.5000),” May 2014. Throughout the 1990s, U.S. methanol demand followed the increasing production of MTBE, an octane enhancer in fuels. In 1999, in response to concerns about groundwater contamination, California and other states phased out MTBE in fuel, leading to the decline in methanol demand and MTBE’s decreasing relevance in overall methanol demand. California Energy Commission, “Energy Commission MTBE Study Documents Page,” February 20, 2004; USDOE, EIA, “Status and Impact of State MTBE Bans,” March 27, 2003. Currently, U.S. production of MTBE primarily services export markets. Although TAME, one of the fuel additive replacements for MTBE, can also be produced from methanol, the use of methanol to produce TAME never fully offset the MTBE-related decline in methanol demand. All U.S. TAME production is estimated to have ended in 2010, as ethanol has replaced TAME as a fuel oxygenator. Sriram, Nash, and Maronneaud, “Methanol (674.5000),” May 2014; USDOE, EIA, “MTBE, Oxygenates, and Motor Gasoline,” March 6, 2000.

¹⁶⁴ Sriram, Nash, and Maronneaud, “Methanol (674.5000),” May 2014; Marc Laughlin, IHS, telephone interview by USITC staff, July 7, 2015.

¹⁶⁵ Sriram, Nash, and Maronneaud, “Methanol (674.5000),” May 2014.

¹⁶⁶ Sriram, Nash, and Maronneaud, “Methanol (674.5000),” May 2014; Marc Laughlin, IHS, telephone interview by USITC staff, July 5, 2013.

¹⁶⁷ Methanex, “Geismar,” <https://www.methanex.com/location/north-america/geismar> (accessed June 3, 2015); Clay Boswell, “G2X Makes First Methanol Shipments,” June 1, 2015.

¹⁶⁸ Sriram, Nash, and Maronneaud, “Methanol (674.5000),” May 2014; Marc Laughlin, IHS, telephone interview by USITC staff, July 5, 2013.

¹⁶⁹ See McGaughy, “Louisiana Natural Gas Industry,” November 24, 2012; Marc Laughlin, IHS, telephone interview by USITC staff, August 3, 2015.

Table 3.6 Anticipated U.S. methanol production facilities, 2015–18

Production start date	Company name	Location	Facility type	Capacity (thousand mt)
2015	Celanese/Mitsui	Texas	Greenfield	1,300 ^a
2016	G2X Energy	Louisiana	Greenfield	1,400 ^b
2016	Methanex	Louisiana	Relocation ^c	1,000
2016	South Louisiana Methanol	Louisiana	Greenfield	1,860
2017	Natgasoline	Texas	Greenfield	1,750
2018	CCI	Louisiana	Greenfield	1,800
2018	Yuhuang Chemical	Louisiana	Greenfield	3,000
Indeterminate	Celanese	Texas	Greenfield	1,300
Indeterminate	Fund Connell USA Energy	Texas	Greenfield	7,200

Sources: Sriram, Nash, and Maronneaud, "Methanol (674.5000)," May 2014; Marc Laughlin, IHS, telephone interview by USITC staff, July 5, 2013; Kelley, "Trinidad Problems Boost U.S. Methanol," October 1–14, 2012, 24; "Methanex Moves Plant from Chile to Louisiana," November 19–25, 2012, 6; Methanex.com, "Methanex Proceeds with a Second Methanol Plant," April 25, 2013; *IHS Chemical Week*, "G2X Starts U.S Methanol Project," January 28, 2013, 4; Boswell, "ZEEP, Todd to Build \$1.3-Billion Methanol Plant," March 11, 2013; *Oil and Gas Journal*, "Contract Let for Louisiana Methanol Complex," February 11, 2015; Frost, "Celanese Eyes Second US Methanol Plant," April 4, 2014; Alperowicz, "Castleton Commodities to Build Methanol Plant," October 13, 2014; G2X Energy, "MTHL to Partner in World-Scale MTG-Ready Methanol Production," December 18, 2014; Fisher, "Panama Canal Supertanker Access Spurs Chinese Interest," July 24, 2014.

^a Half of the planned production is anticipated to be captively consumed.

^b All of the planned production is anticipated to be captively consumed.

^c Methanex relocated an existing production facility in Chile to Louisiana.

Global Methanol Production

As mentioned earlier, natural gas is the main input for most methanol production processes. Countries with significant supplies of natural gas, such as Trinidad and Tobago, have transformed the geographic composition of the methanol industry over the last two decades by investing in new, large-scale methanol production facilities to leverage their access to natural gas. These countries reportedly not only retain the extra value added but also are able to save on logistical costs, as shipping methanol is cheaper and easier than shipping natural gas.¹⁷⁰

In 2013, global methanol production capacity grew because of new facility construction and the restart or transfer of existing production facilities in China, Southeast Asia, and North America. Most other regions and countries, including Trinidad and Tobago, experienced no significant changes. This increased capacity, however, depressed capacity utilization rates worldwide from 2008 to 2013.¹⁷¹

China is the world's largest methanol producer, consumer, and importer. The country is expected to see growth in each of these categories, including imports, during the next three to five years, despite its goal of energy independence. China's increasing energy demands during that time period are forecast to outrun even its abundant reserves of coal (the primary input for Chinese methanol production).

¹⁷⁰ Guillermo A. Saade, "Methanol," CEH Marketing Research Report, 674.500 A, July 2011.

¹⁷¹ Sriram, Nash, and Maronneaud, "Methanol (674.5000)," May 2014.

North American capacity increased with the 2013 expansion of a Methanex plant in Canada; U.S. plant restarts in 2012, 2013, and 2015; and the relocation of a plant in Chile to the United States in 2014.¹⁷²

Methanol Production Capacity and the U.S. Market

Discoveries of natural gas in North America and new gas production technologies kept the price of that commodity low even after the U.S. economy started recovering from the 2008–09 recession. The lower relative price of natural gas in North America has enabled some idled methanol plants to be reopened and lessened U.S. demand for methanol imports, including from Trinidad and Tobago under CBERA. Methanex restarted a shuttered Canadian facility in 2011, which will allow Methanex to serve all of the Canadian market’s demand and will result in Canada becoming a net exporter by 2017.¹⁷³ In 2012, Pandora Methanol restarted an idled Texas methanol facility, and LyondellBasell restarted a separate Texas facility in 2013.¹⁷⁴ Methanex also relocated two methanol plants in Chile to the United States, with one facility beginning production in 2014. In June 2015, G2X Energy announced the first methanol shipments from its small Texas plant.¹⁷⁵ New sources of U.S. methanol production are anticipated in the near term, as listed in table 3.6, and will increasingly lessen U.S. demand for methanol imports, including from Trinidad and Tobago under CBERA.

The additional production capacity represented by the projects listed above will likely result in supply exceeding anticipated U.S. demand, possibly by 2017, if production begins as planned. This is likely to result in U.S. exports of methanol and to further depress U.S. demand for methanol from CBERA countries.¹⁷⁶

¹⁷² Sriram, Nash, and Maronneaud, “Methanol (674.5000),” May 2014; Boswell, “G2X Makes First Methanol Shipments,” June 1, 2015.

¹⁷³ Kelley, “Year of the Restart,” March 28, 2011, 32. The value of U.S. imports of methanol under HTS 2905.11 from Canada were \$55 million in 2012, \$99 million in 2013, and \$83 million in 2014, representing about 99 percent of Canadian exports each year. USITC/DataWeb (for HTS subheading 2905.11.20, accessed June 9, 2015).

¹⁷⁴ Falconer, “Egypt’s Orascom Buys Texas Ammonia-Methanol Plant,” May 16, 2011; Kelley, “Lure of Methane Drives U.S. Plant Construction,” January 28–February 10, 2013, 19; Marc Laughlin, IHS, telephone interview by USITC staff, July 5, 2013; PR Newswire, “LyondellBasell Restarts Methanol Plant at Channelview,” January 2, 2014.

¹⁷⁵ Boswell, “G2X Makes First Methanol Shipments,” June 1, 2015.

¹⁷⁶ Boswell, “ZEEP, Todd to Build \$1.3-Billion Methanol Plant,” March 11, 2013; *ICIS Chemical Business*, “U.S. to Be Methanol Self-Sufficient,” October 1–14, 2012, 6; Marc Laughlin, IHS, telephone interview by USITC staff, July 5, 2013; Sriram, Nash, and Maronneaud, “Methanol (674.5000),” May 2014.

Assessment of the Probable Future Effect of CBERA

Overview

The future effect of the CBERA program on the U.S. economy, including on U.S. domestic industries and U.S. consumers, is likely to remain minimal for most products, based on analysis of investment activity in the Caribbean Basin region and an assessment of the role such investment might play on future U.S. imports under CBERA.¹⁷⁷ The reason for the minimal size of CBERA's future effect is that the CBERA countries are small producers in the global context, and small suppliers of U.S. imports.¹⁷⁸ Following sharply reduced investment flows to the Caribbean region triggered by the 2008–09 global economic downturn, the CBERA countries as a whole experienced a recovery around 2011, followed by stagnant or slipping growth during 2012–13. The CBERA countries saw further recovery most recently in 2014, according to recent statistics—a trend that seems likely to continue in the near future.¹⁷⁹

This section begins with a description of the approach used for the analysis, followed by a summary of the trends in investment and other macroeconomic variables in the CBERA countries and an overview of CBERA-related investments in selected CBERA countries during 2013–14. The analysis focuses on forward-looking economic indicators of the effect of the CBERA program on U.S. imports in the near future, including investment and forecasts of GDP growth over the next five years.¹⁸⁰

Analytical Framework and Data Sources

Assuming no changes in duties, and no significant changes in other trade barriers such as transportation costs, future U.S. imports under the CBERA program are likely to be determined by future changes in demand in the United States and supply in the CBERA countries. These can be approximated based on forecasts of GDP growth for these countries. More importantly, future supply conditions affecting beneficiary country exports to the United States under CBERA can be assessed more directly by analyzing CBERA-related investment in the region.

However, investment information and data specific to CBERA is minimal and often irregular or variable in coverage. As a result, the analysis below is based largely on overall trends in foreign

¹⁷⁷ Including CBTPA, the HOPE Acts, and the HELP Act. Those programs are described in chapter 1 of this report.

¹⁷⁸ U.S. imports under CBERA account for 0.1 percent of U.S. total imports. See chapter 2 for further information.

¹⁷⁹ UNCTAD, *World Investment Report, 2015*, June 2015, annex table 1.

¹⁸⁰ Note that all significant export-oriented CBERA-related investments identified by the Commission for the 2013–14 period were related to textiles and apparel production in Haiti, with the same pattern likely to continue.

direct investment (FDI) flows to the CBERA countries. The Commission requested and received the assistance of U.S. embassies in the Caribbean Basin region, compiling information on investment related to products eligible under the CBERA program during 2013–14. Where available, data collected and provided by U.S. embassies in response to the Commission’s request served as a primary source of information for this analysis. In previous reports, written submissions to and testimony before the Commission have also served as an additional source of CBERA-specific information, though that was not the case for this report.¹⁸¹ Data on macroeconomic conditions and forecasts, as well as on investment flows, were obtained from various sources published by international organizations, including the International Monetary Fund (IMF), the United Nations Economic Commission for Latin America and the Caribbean (UN ECLAC), and the United Nations Conference on Trade and Development (UNCTAD).

Summary of Macroeconomic Forecasts of Supply and Demand

As noted, future imports can be approximated and analyzed based on economic growth projections, such as forecasts of a country's GDP. The IMF forecasts annual growth rates for real GDP in most CBERA countries that range in the 2015–16 near term between a low of 0.8 percent for Barbados and a high of 4.4 percent for Guyana (table 3.7). Economic growth in the CBERA countries in the coming years appears to be stable but sluggish, at 2.4 percent over the 2015–16 near term and the longer term (2020). Forecasts for the United States over the same periods indicate an annual growth rate for the near term of about 3.1 percent (2015–16), slowing to an annual growth rate of 2.7 percent over the 2015–2020 period. Overall, such muted economic growth in the United States suggests slow growth in U.S. imports from the CBERA countries. U.S. economic growth was less than world economic growth during 2010–14 (figure 3.1).

Table 3.7 IMF forecasts of real GDP in the CBERA countries and the United States, 2013–20 (annual percentage change)

Country	2013	2014	2015P	2016P	2020P
CBERA countries					
Antigua and Barbuda	1.8	2.4	1.9	2.3	2.7
Aruba	(^a)				
Bahamas	0.7	1.3	2.3	2.8	1.5
Barbados	0.0	-0.3	0.8	1.4	2.0
Belize	1.5	3.4	2.0	3.0	2.5
British Virgin Islands	(^a)				

¹⁸¹ The investigation in this report was announced by the *Federal Register* notice that appears in appendix A (80 Fed. Reg. 23286, April 27, 2015), although no hearing was held and no submissions were received. As noted above, the Commission requested any CBERA-specific information that U.S. embassies in the region could provide, but CBERA-related business data of a non-sensitive nature were largely unavailable.

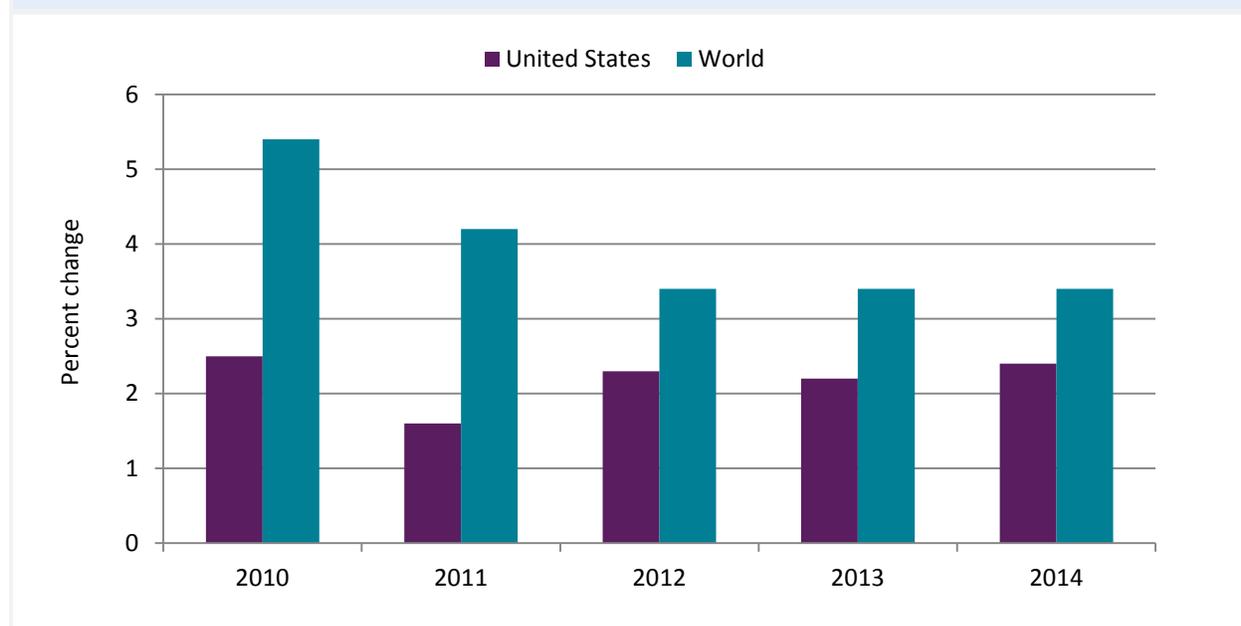
Country	2013	2014	2015P	2016P	2020P
Curaçao	(^a)				
Dominica	-0.9	1.1	2.4	2.9	1.9
Grenada	2.4	1.5	1.5	2.0	2.5
Guyana	5.2	3.8	3.8	4.4	3.2
Haiti	4.2	2.7	3.3	3.8	3.5
Jamaica	0.2	0.5	1.7	2.2	2.7
Montserrat	(^a)				
St. Kitts and Nevis	3.8	7.0	3.5	3.0	2.5
St. Lucia	-0.5	-1.1	1.8	1.4	2.2
St. Vincent and the Grenadines	2.4	1.1	2.1	3.1	3.2
Trinidad and Tobago	1.7	1.1	1.2	1.5	2.0
United States	2.2	2.4	3.1	3.1	2.0

Source: Data are from IMF, World Economic Outlook, April 2015, tables A2 and A4.

Notes: "P" = projected years (2015, 2016, and 2020). Data unavailable for CBERA beneficiary countries Aruba, British Virgin Islands, Curaçao, and Montserrat.

^a Not available.

Figure 3.1 World and U.S. economic growth, 2010–14, percentage change



Source: IMF, World Economic Outlook, 2015, April 2015, 170, table A1.

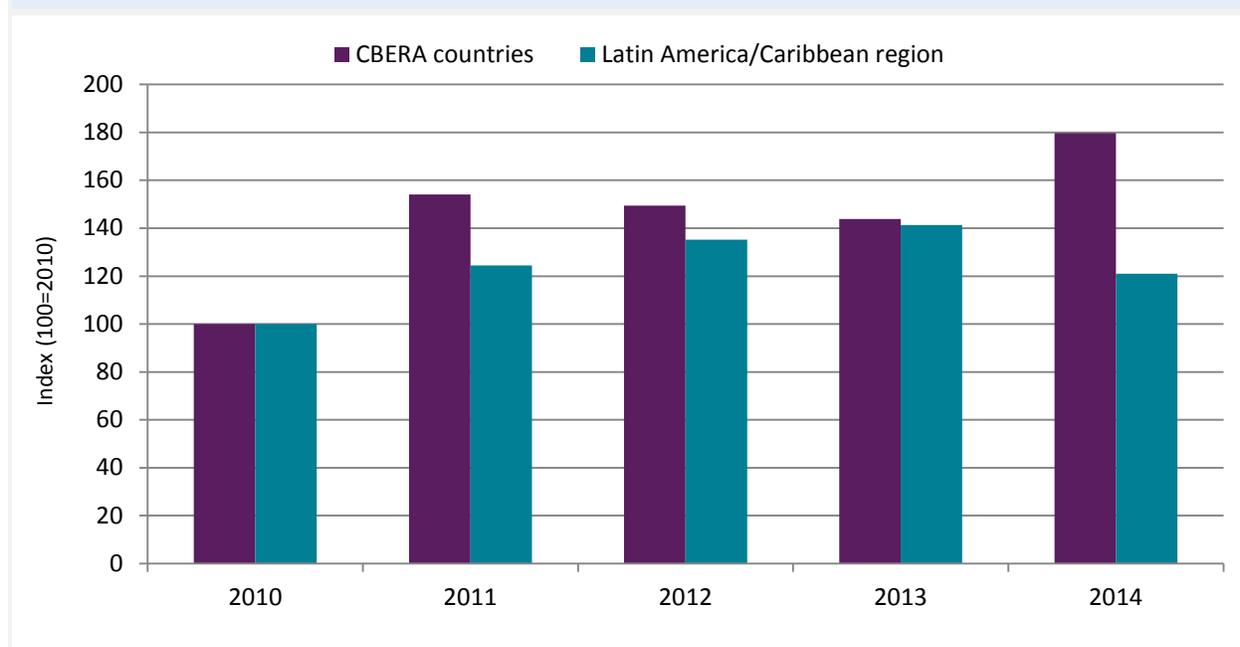
Summary of Foreign Direct Investment in the Region

The expansion of exports to the United States under CBERA or any other program is likely to be constrained by these countries' ability to attract FDI—in this case, in CBERA-related projects—given that domestic capital formation is limited in the smaller economies found in most of these developing countries. Given the limited CBERA-specific investment information available

from sources such as the U.S. embassies in the region, the following analysis relies largely on overall trends in FDI flows to these countries.

FDI flows to the CBERA countries since the global downturn increased in 2011, stabilized in 2012–13, and then increased again in 2014 (figure 3.2).¹⁸² In contrast, investment flows to the Latin America/Caribbean region during the same period rose during 2011–13, but fell in 2014 (figure 3.2). FDI inflows into the CBERA countries totaled \$6.4 billion in 2014, up nearly 25 percent from 2013 and up nearly 17 percent from their post-downturn peak of \$5.4 billion in 2011 (table 3.8). Overall, new FDI flows into Latin America and the Caribbean as a region totaled \$159.4 billion in 2014, down 14.4 percent from the region’s post-downturn peak of \$186.2 billion in 2013.

Figure 3.2 Foreign direct investment flows into CBERA countries versus the Latin America/Caribbean region, 2010–14 (index, 100 = 2010)



Source: UN ECLAC, *Foreign Direct Investment in Latin America and the Caribbean*, 2015, May 27, 2015, 68, table II.2; UNCTAD, *World Investment Report*, 2014, June 24, 2014, 205–08, annex table 1.

Note: NA = data not available. Data presented are from UN ECLAC, *Foreign Direct Investment in Latin America and the Caribbean*, 2015, 68, table II.2, except for Aruba, British Virgin Islands, Curaçao, and Montserrat. Data for Aruba, Curaçao, and Montserrat are from UNCTAD, *World Investment Report*, 2014, 205–08, annex table 1. Data for the British Virgin Islands are not reported due to its role as an international financial center and the resulting distortions in foreign direct investment flows. Aggregated data for CBERA countries and the Latin America/Caribbean region are the sum of the country data available.

¹⁸² UN ECLAC, *Foreign Direct Investment in Latin America and the Caribbean*, 2015, May 27, 2015, 66.

Table 3.8 Worldwide net foreign direct investment flows into CBERA countries, 2010–14 (million \$)

Host region/economy	2010	2011	2012	2013	2014
CBERA countries	3,537	5,448	5,287	5,089	6,355
Antigua and Barbuda	101	68	138	101	167
Aruba	190	488	-319	225	244
Bahamas	1,148	1,533	1,073	1,111	1,596
Barbados	290	384	436	5	275
Belize	97	95	189	92	141
British Virgin Islands	^(a)	^(a)	^(a)	^(a)	^(a)
Curaçao	89	69	57	17	183
Dominica	58	51	57	39	41
Grenada	64	45	34	114	40
Guyana	198	247	294	214	255
Haiti	178	119	156	186	99
Jamaica	228	218	413	593	551
Montserrat	4	2	3	4	6
St. Kitts and Nevis	119	112	110	139	120
St. Lucia	127	100	78	95	75
St. Vincent and the Grenadines	97	86	115	160	139
Trinidad and Tobago	549	1,831	2,453	1,994	2,423

Source: UN ECLAC, *Foreign Direct Investment in Latin America and the Caribbean, 2015*, May 27, 2015, 68, table II.2; UNCTAD, June 24, 2014, 205–08, annex table 1.

Note: Data shown in the table are rounded. Negative signs indicate net investment outflows. Data presented are from UN ECLAC, *Foreign Direct Investment in Latin America and the Caribbean, 2015*, 68, table II.2, on the basis of official figures as of May 2015, except for Aruba, British Virgin Islands, Curaçao, and Montserrat. Data for Aruba, Curaçao, and Montserrat are from UNCTAD, *World Investment Report, 2014*, June 2014, 205–08, annex table 1. Data for the British Virgin Islands are not reported due to its role as an international financial center and resulting distortions in foreign direct investment flows. Aggregated data for CBERA countries are the sum of the country data available.

^a Not available

Constraints on FDI in CBERA Countries

CBERA countries can face special challenges in attracting FDI. In 2010, UNCTAD’s World Investment Report pointed to a number of factors that constrain investment flows to small island developing states—a description covering most CBERA countries.¹⁸³ These factors include (1) the small size of their domestic markets, (2) a general dependence on imported inputs and resulting exposure to endogenous shocks, and (3) vulnerability to natural disasters.

The small size of these island economies often reduces their ability to achieve economies of scale, typically raising unit costs of production relative to industries in larger economies, and thus reducing outside parties’ incentive to invest in the country to produce for the local market. Small size also means that these countries must rely generally on imported raw materials and intermediate products to expand production and exports, which can deter some investment projects. This is particularly true if outside shocks can disrupt the supply of these materials, e.g., through sudden increases in global commodity prices or reduced availability of international

¹⁸³ UNCTAD, *World Investment Report, 2010*, July 22, 2010, 69–70.

financing. Finally, small island countries are more vulnerable to recurring natural disasters, such as hurricanes or earthquakes, that can damage the entire island economy and therefore discourage investment.¹⁸⁴

Given that exports from Caribbean economies are sensitive to economic growth in their developed-country markets—such as from CBERA countries to the United States—IMF forecasts of tepid or slowing U.S. growth over the medium term to 2019 suggest lackluster growth in these countries.¹⁸⁵ This low growth potential, coupled with the high debt loads and large external financing needs facing many Caribbean countries, likely imply further constraints on FDI inflows to these economies.¹⁸⁶

Investment in Selected CBERA Countries and Future Effect of CBERA

Forecasted slow growth in the United States and CBERA countries would indicate slow growth in U.S. imports under CBERA. The following section, which summarizes CBERA-related investment activities in beneficiary countries, shows that such investments are small and unlikely to significantly affect imports under CBERA. Therefore, future effects on the United States are likely to be small.

The Bahamas¹⁸⁷

FDI in The Bahamas was nearly \$1.6 billion in 2014, up from \$1.1 billion in 2013 (table 3.8). Although The Bahamas has been a designated CBERA beneficiary since 1985, some businesses cite high wage rates and other production costs, combined with the small size of the country's agricultural and manufacturing sectors, as a major impediment to the country's benefiting more from CBERA preferential treatment.¹⁸⁸ Nonetheless, past investment in CBERA-eligible products continues to benefit The Bahamas, where increased domestic U.S. consumption of certain forms of polystyrene—for which The Bahamas is the sole U.S. CBERA source—has led to rising U.S. imports of this product from 2012 to 2014.

¹⁸⁴ UN, "Ad Hoc Expert Meeting," July 11, 2014; UN ECLAC, *Economic Survey of Latin America and the Caribbean, 2014*, August 6, 2014, 66; UNCTAD, "FDI in Small Island Developing States," September 1, 2014; UNCTAD, *World Investment Report, 2010*, July 22, 2010, 69–70.

¹⁸⁵ UN ECLAC, *Foreign Direct Investment in Latin America and the Caribbean, 2015*, May 27, 2015, 19.

¹⁸⁶ Ibid.

¹⁸⁷ For additional information on The Bahamas, see the economic profile of The Bahamas in chapter 4 of this report.

¹⁸⁸ USFCS and USDOS, *Doing Business in the Bahamas: 2012* (accessed June 10, 2015); USDOS, "2014 Investment Climate Statement (the Bahamas)," June 2014.

Belize

Belize is generally a very small supplier to the U.S. market, although it is an important supplier of certain fruits and processed-fruit products such as fruit juices. Any increase in imports of those products from Belize most likely would affect other foreign suppliers rather than U.S. producers. Most FDI in Belize is directed toward the country's services sector. FDI in Belize has fluctuated in the years following the 2008–09 world recession. From \$97 million and \$95 million in 2010 and 2011, respectively, it jumped to \$189 million in 2012, went down to \$92 million in 2013, and finally rose to \$141 million in 2014 (table 3.8).

Guyana

Total FDI in Guyana rose from \$198 million in 2010 to \$294 million in 2012, then fell to \$214 million in 2013, before rebounding to \$255 million in 2014 (table 3.8). The most recent data shows that FDI in the agroforestry-fishing sector rose steeply from \$22.6 million in 2013 to \$95.2 million in 2014 (up 321 percent), whereas FDI in the mining and quarrying sector plunged from \$80.0 million to \$6.2 million (down 92 percent) during the same period.¹⁸⁹

Haiti¹⁹⁰

Haiti is likely to remain a relatively small supplier of apparel to the United States, even though almost all U.S. imports from Haiti under CBERA are apparel. Reasons for this sector's poor growth prospects include the overall long-term condition of Haiti's economy, continued global competition from low-cost apparel suppliers in Asia, and poor physical infrastructure.¹⁹¹ According to one source, global competition in the apparel sector means that "the challenges facing a relative 'newcomer' to the global apparel trade, such as Haiti, are daunting."¹⁹² Investors have long encountered many complications in Haiti, including unreliable electricity supply, high utility rates, and a dwindling supply of available industrial space due to Haiti's rapidly growing urban population.¹⁹³ Despite these difficulties, Haiti maintained a significant level of FDI following the global downturn, reaching a post-recession peak of \$186 million in 2013 before slipping to \$99 million in 2014 (table 3.8).

¹⁸⁹ USDOS, "2014 Investment Climate Statement (Guyana)," June 2014.

¹⁹⁰ For additional information on Haiti, see the economic profile of Haiti in chapter 4 of this report.

¹⁹¹ For further details on the CBERA-related textile and apparel sector in Haiti, see chapter 2.

¹⁹² Nathan Associates, *Bringing HOPE to Haiti's Apparel Industry*, November 2009, 3.

¹⁹³ *Ibid.*, 46–48.

Jamaica¹⁹⁴

Jamaica is only a small U.S. supplier of most of the products it exports to the United States. Moreover, the slight recovery in Jamaican GDP in 2013 (0.2 percent), following its sizable contraction from 2008 to 2010 and again in 2012,¹⁹⁵ was accounted for largely by the tourism and mining sectors¹⁹⁶ rather than sectors focused on production of CBERA-eligible exports.¹⁹⁷ FDI in Jamaica rose from \$218 million in 2011 to \$593 million in 2013, before slipping to \$551 million in 2014 (table 3.8).

According to the U.S. Departments of Commerce and State, the Jamaican garment industry has not expanded under the CBTPA preferences as predicted. There are several reasons for this stagnation: (1) the loss of preferential access to key markets following the removal in 2000 of the international textile quota system (known as the Multifiber Arrangement); (2) competition from low-cost producers such as China, Vietnam, and others; (3) a large, untrained labor force; (4) small factories that lack economies of scale; (5) dependence on a few markets and on imported inputs; and (6) high overhead costs.¹⁹⁸

There is some innovative investment in the agriculture sector. In January 2014, Jamaica's local beer company, Red Stripe, signed a lease agreement with the Jamaican Ministry of Agriculture to facilitate a multimillion-dollar cassava-growing project. Red Stripe has invested \$150 million in local cassava production, which is likely to significantly increase both yield and output. The local government is hoping that technology transfer from the project can increase yields elsewhere in Jamaica, which is the largest source of U.S. cassava imports. (For more details, see chapter 2 on U.S. imports of agricultural products under CBERA.)

Trinidad and Tobago¹⁹⁹

The bulk of U.S. imports from Trinidad and Tobago is from the natural resources-based sectors of the economy. By far the most notable of these is the energy industries, which in recent years have accounted for over 40 percent of GDP.²⁰⁰ Whereas the petroleum industry in Trinidad and Tobago has expanded annually from 2011 to 2014, with the services sector also expanding

¹⁹⁴ For additional information on Jamaica, see the economic profile of Jamaica in chapter 4 of this report.

¹⁹⁵ Government of Trinidad and Tobago, Ministry of Finance, *Review of the Economy, 2014*, September 13, 2014, 15–16.

¹⁹⁶ USFCS and USDOS, *Doing Business in Jamaica: 2014*, 2014 (accessed June 10, 2015).

¹⁹⁷ For further information on U.S. imports of cassava and similar products under CBERA, see chapter 2.

¹⁹⁸ USFCS and USDOS, *Doing Business in Jamaica: 2014* (accessed June 10, 2015), and previous issues.

¹⁹⁹ For additional information on Trinidad and Tobago, see the economic profile of Trinidad and Tobago in chapter 4 of this report.

²⁰⁰ UN ECLAC, *Economic Survey of Latin America and the Caribbean, 2014*, August 6, 2014, 55–57; Government of Trinidad and Tobago, Ministry of Finance, *Review of the Economy, 2013*, November 2013, 21; Government of Trinidad and Tobago, Ministry of Finance, *Review of the Economy, 2014*, September 13, 2014, 20.

during 2012–14, the (nonpetroleum) manufacturing sector that would be involved in any production involving CBERA preferences has declined during 2011–14.²⁰¹ FDI in Trinidad and Tobago reached a peak of nearly \$2.5 billion in 2012; it slipped to \$2.0 billion in 2013 before rebounding to \$2.4 billion in 2014 (table 3.8).

Eastern Caribbean Countries

Whereas the eastern Caribbean countries—Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines—attract some of the highest levels of FDI relative to their small-size economies, this investment is largely directed toward the services sector—tourism in particular, but also financial services and professional services.²⁰² As a result, any impact on the U.S. economy from merchandise goods imported from these countries under CBERA-related investments is likely to be small.

²⁰¹ Government of Trinidad and Tobago, Ministry of Finance, *Review of the Economy, 2013*, November 2013, 21; Government of Trinidad and Tobago, Ministry of Finance, *Review of the Economy, 2014*, September 13, 2014, 20. For further details on CBERA-related production of petroleum products in Trinidad and Tobago, see chapter 2.

²⁰² De Groot and Ludeña, *Foreign Direct Investment in the Caribbean*, February 2014, 5.

Chapter 4

Impact of CBERA on the Beneficiary Countries

This chapter assesses the economic impact of CBERA on its beneficiary countries during 2013–14. The first section describes some of the economic and noneconomic factors that influenced the impact of CBERA trade preferences on the beneficiary countries. The second section assesses the economic impact of CBERA on the beneficiary countries in meeting the goals of the Caribbean Basin Initiative (CBI)—encouraging economic growth and development by promoting the production and export of nontraditional products.²⁰³ The final section evaluates the impact of CBERA through economic profiles of the countries that were the leading suppliers of imports under CBERA during the two-year period 2013–14: Trinidad and Tobago, Haiti, The Bahamas, and Jamaica.²⁰⁴

Key Findings

The Commission's assessment of the impact of CBERA on the beneficiary countries during 2013–14 has not changed significantly from those of previous reports in this series. CBERA preferential trade benefits continue to have small positive effects on Caribbean exports and on the Caribbean economies, with those effects largely concentrated in a few countries. Countries generally focus on only a few products to export under CBERA, but each country's export niche is relatively unique. The region's continued weak recovery from the 2008–09 global economic downturn, its reliance on volatile export sectors, and the effects of several natural disasters all helped to diminish the impact of CBERA during the current reporting period. In previous reports, Caribbean government officials and other regional stakeholders have suggested ways in which the CBERA program could be made more effective, mentioning in particular the expansion of product coverage, extending CBERA preferences to trade in services, and relaxing certain product eligibility requirements.²⁰⁵

²⁰³ See chapter 1 for details on the Caribbean Basin Initiative.

²⁰⁴ See chapter 2 for more information on U.S. imports under CBERA.

²⁰⁵ For further details, see USITC, *The Impact of the Caribbean Basin Economic Recovery Act, 21st Report, 2011–12*, September 2013, and previous issues.

Factors That Lessen the Utilization and Impact of CBERA

In recent years, the overall CBERA utilization rate (i.e., imports entered under CBERA as a share of total U.S. imports from current CBERA beneficiary countries) has fluctuated. The CBERA utilization rate for all countries fell to 23.1 percent in 2014 after rising marginally to 26.5 in 2013 from 26.2 in 2012 (table 4.1).²⁰⁶

In 2014, utilization rates for individual CBERA countries varied widely. Some of the larger sources of U.S. imports under CBERA (Trinidad and Tobago, Haiti, The Bahamas, and Jamaica) exported under CBERA about 31 percent of the value of their goods shipped to the United States, on average. For the past four years Belize has had the highest CBERA utilization rate, with crude petroleum as one its major exports under the program. Nonetheless, the utilization rate for Belize has declined recently, from 82.5 percent in 2011 to 62.5 percent in 2014. Haiti, which is a major exporter of apparel products under CBERA, has traditionally had one of the highest utilization rates among CBERA beneficiaries. However, following the January 2010 earthquake, Haiti's CBERA utilization rate fell from 66.1 percent in 2010 to 44.7 percent in 2013 before rising slightly to 45.2 percent in 2014.²⁰⁷

The utilization rate for St. Kitts and Nevis under CBERA preferences fell from nearly 50 percent in 2011 to 32.7 percent by 2014. Jamaica's utilization rate of CBERA preferences also fell from a recent peak of 45.2 percent in 2012 to 26.9 percent in 2014. CBERA utilization by Trinidad and Tobago fell each year during 2010–14, from 33.6 percent in 2010 to 21.7 percent in 2014. (The decline in world oil prices depressed the value of U.S. imports from Trinidad and Tobago under the program, even though the quantities shipped remained the same; the situation was similar for Belize.) Of the larger CBERA economies, The Bahamas was the only beneficiary to steadily increase its utilization rate in recent years; the rate rose from 13.8 percent in 2010 to 29.1 percent in 2014. Most of the smaller economies—over half of the eligible countries—had CBERA utilization rates of less than 10 percent; these countries were also among the smallest sources of imports to the United States.

²⁰⁶ For each country the utilization rate was calculated as U.S. imports for consumption under CBERA provisions divided by total U.S. imports for consumption from CBERA beneficiary countries.

²⁰⁷ Expanded textile and apparel exports from Haiti to the United States under the HOPE and HELP Acts may also have increased Haiti's utilization of preferences under CBERA. The HOPE and HELP Acts are described in chapter 1 of this report. The expansion of Haiti's textile and apparel exports to the United States is discussed in greater detail in chapter 2.

Table 4.1 CBERA utilization rates, by source, 2010–14

Source	2010	2011	2012	2013	2014
	Percent				
Belize	51.3	82.5	82.3	78.1	62.5
Haiti	66.1	64.0	56.4	44.7	45.2
St. Kitts and Nevis	40.4	49.9	39.3	34.9	32.7
Bahamas	13.8	15.9	24.9	24.9	29.1
Jamaica	28.1	35.4	45.2	22.9	26.9
Trinidad and Tobago	33.6	31.8	26.9	25.8	21.7
St. Vincent and Grenadines	7.0	4.6	5.9	4.9	13.2
Barbados	17.0	7.7	7.1	3.8	10.6
St. Lucia	51.7	10.5	12.1	19.4	7.5
Grenada	2.0	4.7	4.1	3.1	4.6
Dominica	3.3	8.3	6.7	6.5	3.6
Guyana	3.6	2.6	1.0	1.0	2.4
Sint Maarten ^a	(^b)	(^b)	(^b)	(^b)	1.8
British Virgin Islands	0.5	2.1	3.4	1.6	0.5
Antigua and Barbuda	0.4	0.4	0.3	0.3	0.2
Aruba	3.1	0.0	0.0	0.0	0.1
Curaçao ^a	(^b)	(^b)	(^b)	(^b)	0.0
Montserrat	0.0	0.0	1.3	0.0	0.0
Netherlands Antilles	0.1	(^b)	(^b)	(^b)	(^b)
Panama	7.6	14.1	4.9	(^b)	(^b)
Overall	28.6	24.9	26.2	26.5	23.1

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Utilization rate was calculated as U.S. imports for consumption under CBERA provisions divided by total U.S. imports for consumption from CBERA beneficiary countries. Data on U.S. imports from CBERA beneficiary countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012.

^a The Netherlands Antilles no longer exists, but CBERA trade is reported for the former Netherlands Antilles that includes Curaçao and Sint Maarten in 2014.

^b Not applicable.

Many economic forces contribute to low exports and low CBERA utilization rates.²⁰⁸ CBERA countries face many supply-side constraints, such as poor physical infrastructure, including inadequate roads, ports, and telecommunications; high wage rates; high energy and telecommunications costs; issues with crime and security; low levels of innovation; an underdeveloped private sector; and weak public institutions.²⁰⁹ As noted in chapter 3, CBERA countries generally have small domestic labor and consumer markets, meaning that it is more difficult for investors to benefit from returns to scale or from strong local demand.²¹⁰ These countries are also vulnerable to natural disasters, including hurricanes, earthquakes, and

²⁰⁸ The “probable future effect” section of chapter 3 of this report describes some of the challenges CBERA countries face in attracting investment that would diversify and increase their exports.

²⁰⁹ IMF, *Caribbean Small States*, February 20, 2013.

²¹⁰ *Ibid.*

volcanoes, which add considerable risk to investment within the region.²¹¹ Because many of the countries maintain large levels of public debt, they face instability in their interest rates and foreign exchange markets, which may deter investors, as occurred in Jamaica in 2012.²¹²

On the other hand, CBERA countries benefit from geographic advantages that distinguish them from other beneficiaries of U.S. preferential agreements. Most notably, their geographic closeness to and cultural similarities with the United States create “nearshore” opportunities for U.S. firms.²¹³ For example, Jamaica, which shares the English language and an overlapping time zone with the United States, has attracted significant FDI from U.S. services firms in the Montego Bay Free Zone, a large export-driven complex focused on information technology services.²¹⁴ Financial services activities have opened in countries such as Antigua and Barbuda, The Bahamas, Barbados, and St. Kitts and Nevis. Exports of services, however, are not eligible for CBERA preferences.

The Caribbean Energy Security Initiative was launched by the United States in June 2014 to facilitate the introduction of cleaner forms of energy in the Caribbean Community (CARICOM) countries. The CBERA countries that have participated in this initiative include Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Curaçao, Dominica, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago. The initiative supports diverse activities intended to improve the environmental sustainability of the energy and electricity sectors in the CARICOM countries. Individual participation of CBERA countries in the Caribbean Energy Security Initiative are discussed in each country profile below.

Impact of CBERA

As stated in chapter 1 of this report, CBERA was enacted as the trade component of the CBI. The goals of the CBI are to encourage economic growth and development in the Caribbean Basin countries by promoting increased production and exports of nontraditional products.²¹⁵ Thus, the Commission's assessment of the economic impact of CBERA in this chapter addresses the extent to which CBERA countries are diversifying their exports and are using the production of CBERA-eligible exports as part of an overall strategy for attaining sustainable economic growth.

²¹¹ IMF, *Caribbean Small States*, February 20, 2013.

²¹² *Ibid.*

²¹³ UNCTAD, “FDI in Small Island Developing States,” September 1, 2014, 12.

²¹⁴ UNCTAD, *World Investment Report, 2014*, June 24, 2014, 95–96; UNCTAD, *World Investment Report, 2013*, June 27, 2013, 85–87.

²¹⁵ USDOC, ITA, “Guide to the Caribbean Basin Initiative,” 2000, 1–2.

This series of reports has generally found that CBERA has had small positive effects on Caribbean exports.²¹⁶ However, those effects have largely been concentrated in a few countries and focused on a few products. The countries with the highest CBERA utilization rates²¹⁷—Belize, Haiti, St. Kitts and Nevis, The Bahamas, Jamaica, and Trinidad and Tobago—offer examples of ways in which CBERA has led to development of export-driven industries that have had positive economic effects in the region. The paragraphs below focus on Belize and St. Kitts and Nevis. The utilization rates in Trinidad and Tobago, Haiti, The Bahamas, and Jamaica are covered in the country profiles that follow.

Belize had the highest CBERA utilization rate, at 62.5 percent, and was the fifth-largest source of U.S. imports under CBERA in 2014. Belize's petroleum industry is a relatively new but nonetheless significant sector in the small country's economy.²¹⁸ During 2010–14, an average of two-thirds of U.S. imports coming from Belize under CBERA were crude petroleum (HTS 2709.00.20). As a result, the value of U.S. imports from Belize under CBERA has been tied to the price of crude petroleum, which fluctuated significantly between 2009 and 2014. A period of low world petroleum prices in 2009–10 was followed by substantially higher ones in 2011–12. But prices sank again in 2013–14, such that crude petroleum accounted for only 45 percent of U.S. imports from Belize under CBERA in 2014. Most of the remaining leading imports under CBERA from Belize were fruits and fruit extracts, including frozen and fresh orange juice (HTS 2009.11.00 and 2009.19.00), papayas (HTS 0807.20.00), and, in 2014, raw cane sugar (HTS 1701.14.10).

St. Kitts and Nevis accounted for less than 1 percent of U.S. imports under CBERA in 2010–14; nonetheless, it had the third-highest CBERA utilization rate at 32.7 percent in 2014. St. Kitts and Nevis has used CBERA to establish a successful exporting niche for electronic products. More than half of U.S. imports under CBERA from St. Kitts and Nevis in 2014 were transmission apparatus for televisions (HTS 8525.50.30), a product which could not have entered the United States duty free under any other provision. St. Kitts and Nevis accounted for virtually all U.S. imports under CBERA of transmission apparatuses for televisions, and for the vast majority of electronic machinery imports under the program. As discussed in previous versions of this

²¹⁶ The Commission's 15th report (2001) undertook an econometric analysis of the original CBERA preference program. Results suggested that CBERA may have had an overall impact on income growth in the region, but that effect was small, and was significant only when combined with trade and foreign exchange reforms on the part of the beneficiary countries themselves. For further information, see USITC, *The Impact of the Caribbean Basin Economic Recovery Act, Fifteenth Report, 1999–2000*, September 2001.

²¹⁷ The CBERA utilization rate is defined in this report as U.S. imports for consumption entered under CBERA divided by total U.S. imports for consumption from CBERA beneficiaries. See table 4.1 for additional information on country-specific CBERA utilization rates. Some countries had high CBERA utilization rates based on small values of exports to the United States (for example, Belize and St. Kitts and Nevis).

²¹⁸ Belize Chamber of Commerce and Industry, "Belize Trade and Investment Zone: Petroleum," July 9, 2013.

report, several firms have reported starting or expanding production of electronic machinery in St. Kitts and Nevis in recent years as a result of CBERA.²¹⁹

Trinidad and Tobago: Economic Profile

Overview

Trinidad and Tobago ranked as the largest CBERA economy in 2014, with a GDP of \$28.9 billion (table 4.2). With abundant supplies of fossil fuel, Trinidad and Tobago is the largest oil and natural gas producer in the Caribbean.²²⁰ The country was also the world's sixth-largest liquefied natural gas (LNG) exporter in 2013.²²¹ As natural gas is the feedstock for ammonia and methanol production, Trinidad and Tobago's natural gas resources also offer it a comparative advantage in downstream products as well; the country is one of the world's leading exporters of both ammonia and methanol.²²² Besides energy products, Trinidad and Tobago also supplies manufactured goods, notably food products and beverages, as well as cement to the Caribbean region. In addition, the country is a regional financial center with a well-regulated and stable financial system.²²³

From 2012 to 2014, the overall economy of Trinidad and Tobago experienced a slight expansion, although at a declining rate the second year—the country's real GDP growth rate was 2.1 percent in 2013 and 0.8 percent in 2014 (table 4.2).²²⁴ Meanwhile, the decline in the country's domestic production of crude petroleum, refined petroleum products, natural gas, and methanol likely hindered the country's economic growth. The quantity of crude petroleum production declined from 2012 to 2013 as a result of maturing oil fields and rising upstream costs,²²⁵ and as mentioned earlier, the shutdown for maintenance of several petroleum refineries in Trinidad and Tobago cut production of refined petroleum products in 2014.²²⁶

²¹⁹ USDOS, U.S. Embassy, Barbados, "St. Kitts and Nevis Response to USITC Biennial Caribbean Basin Investment Survey (Bridgetown 000622)," July 5, 2013; USDOS, U.S. Embassy, Barbados, "RE: U.S. International Trade Commission Biennial Caribbean Basin Investment Survey," email message to USITC staff, June 12, 2015; USITC, *The Impact of the Caribbean Basin Economic Recovery Act, 21st report, 2011–12*, September 2013, and previous issues.

²²⁰ EIA, "Trinidad and Tobago," October 2014.

²²¹ Ibid.

²²² eAmmonia, "Is Ammonia Boom in North America Peril?" May 21, 2013; Methanol Institute, "How Is Methanol Made?" n.d. (accessed June 22, 2015); Government of Trinidad and Tobago, Ministry of Energy and Energy Affairs, "Oil and Gas Industry Overview," n.d. (accessed June 25, 2015).

²²³ CIA, "Trinidad and Tobago: Economy" (accessed June 26, 2015).

²²⁴ EIU, *Country Report: Trinidad and Tobago*, June 26, 2015, 11.

²²⁵ Central Bank of Trinidad and Tobago, *Annual Economic Survey 2013*, 2013, 13.

²²⁶ Central Bank of Trinidad and Tobago, *Annual Economic Survey, 2014*, 16; *Trinidad and Tobago Guardian*, "Petrotrin Completes Refinery Turnaround," July 14, 2014; Hutchinson-Jafar, "Protest Shuts Down Trinidad's Oil Refinery," March 19, 2013.

Table 4.2 Trinidad and Tobago: Selected economic indicators, 2010–14

	2010	2011	2012	2013	2014
GDP (nominal, billion \$)	20.6	23.5	26.4	27.3	28.9
Real GDP growth (percent)	-0.3	-1.2	0.3	2.1	0.8
Population (million)	1.3	1.3	1.3	1.3	1.4
GDP per capita (\$ at PPP)	28,696	28,701	33,612	33,797	33,946
Goods exports (million \$)	11,219	14,913	12,983	12,770	11,727
Goods imports (million \$)	6,481	9,478	9,065	8,871	8,904
Trade balance (million \$)	4,738	5,435	3,918	3,899	2,823
Current account balance (million \$)	4,172	2,899	931	2,006	1,223
Total external debt (stock, million \$)	3,976	4,738	4,722	4,676	4,879
Foreign direct investment inflows (million \$)	549	1,831	2,453	1,994	2,423

Source: EIU, Trinidad and Tobago: Country Report, June 26, 2015; UNCTAD, World Investment Report, 2015, June 2015, annex table 1.

Trinidad and Tobago's natural gas production has also declined, at least temporarily. Total production of natural gas fell by nearly 2 percent to an average of 4,069 million cubic feet per day in 2014, mainly due to maintenance work and upgrade activities by the country's two large natural gas producers—British Petroleum of Trinidad and Tobago and BG Group of Trinidad and Tobago.²²⁷ The maintenance and natural gas supply issues also impacted the downstream production of methanol, which fell by around 3 percent to 5.5 million metric tons in 2014, compared to the 2013 level.²²⁸ As output contracted in Trinidad and Tobago's energy sector, the country's slight economic growth from 2012 to 2014 was supported mainly by its non-energy sectors, particularly by the construction and financial services industries.²²⁹

Trinidad and Tobago's domestic economic output consists mainly of the production of energy-related products, namely crude and refinery petroleum products, natural gas, and petrochemicals (methanol, ammonia, urea, and melamine). In recent years, the energy sector accounted for a little over half of the government revenue.²³⁰ Figure 4.1 shows the major

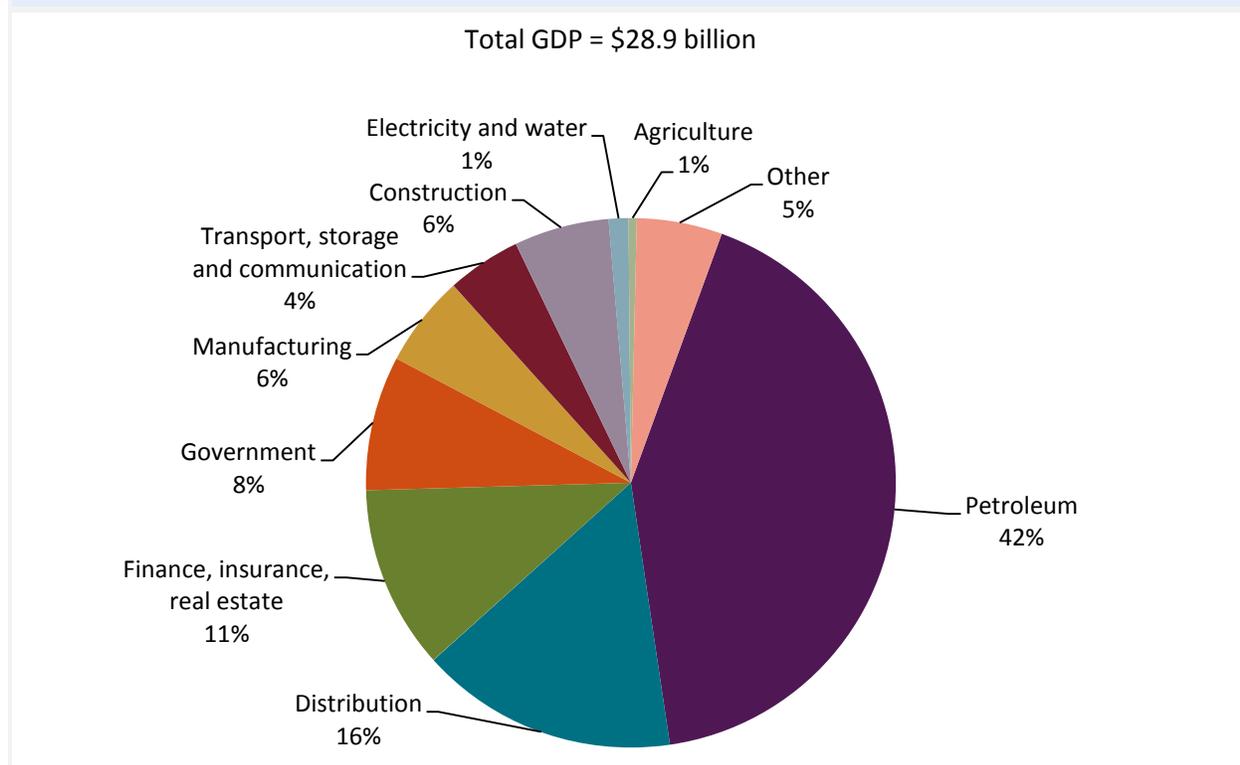
²²⁷ Central Bank of Trinidad and Tobago, *Annual Economic Survey 2014*, 2014, 16.

²²⁸ *Ibid.*, 18.

²²⁹ Central Bank of Trinidad and Tobago, *Annual Economic Survey 2013*, 2013, 5; Central Bank of Trinidad and Tobago, *Annual Economic Survey 2014*, 2014, 6. Buoyant activity in the commercial bank sub-industry in Trinidad and Tobago facilitated growth in the finance, insurance, and real estate sector (up 4.7 percent in 2013 and 3.3 percent in 2014). Moreover, the construction sector posted growth of around 3 percent in 2013 and 4 percent in 2014 due to the ongoing implementation of public sector projects. Output in the manufacturing sector improved by 2.6 percent in 2013 and by about 0.5 percent in 2014 due to higher production of cement and several other construction-related products. Additionally, the agriculture sector grew by over 8 percent in 2014, primarily due to larger supplies of root crops. The distribution services sector of Trinidad and Tobago grew by 3 percent in 2014, largely reflecting higher sales (up 6.5 percent) of new motor vehicles. Central Bank of Trinidad and Tobago, *Annual Economic Survey 2013*, 2013, 11; Central Bank of Trinidad and Tobago, *Annual Economic Survey 2014*, 2014, 12.

²³⁰ EIU, *Country Report: Trinidad and Tobago*, June 26, 2015, 6.

Figure 4.1 Trinidad and Tobago: Composition of GDP, 2013



Source: Central Bank of Trinidad and Tobago, Annual Economic Survey 2014, 2014, 64, table A.3.

economic sectors of Trinidad and Tobago in 2014, with the petroleum, distribution services,²³¹ and financial services sectors being the top three sectors contributing to the overall output of the economy. In recent years, the government of Trinidad and Tobago has sought to diversify its economy and reduce its reliance on the energy sector. The Medium Term Policy Framework for the period 2011–14, which was released by the country’s Ministry of Planning and the Economy in 2011, targeted the following seven clusters to diversify the economy: downstream energy and energy services, food sustainability, tourism, finance, information communication technology-driven industries, dry dock/ship repair/shipbuilding, and creative industries, such as music, visual arts, media, and fashion.²³²

²³¹ The distribution services, according to the WTO definition, include retail and wholesale services. USITC, *Recent Trends in U.S. Service Trade: 2015*, May 2015, 37.

²³² Sanders, “Trinidad and Tobago: Time to Ease Off the Gas,” n.d. (accessed June 26, 2015); Government of Trinidad and Tobago, Ministry of Planning and the Economy, *Medium Term Policy Framework (MTPF), 2011–14*, October 2011.

Trade Profile

Merchandise exports from Trinidad and Tobago to the world totaled \$11.7 billion in 2014, a decline from \$12.8 billion in 2013 (table 4.2).²³³ Energy sector products accounted for the majority of Trinidad and Tobago's exports in 2013 and 2014. The decline of Trinidad and Tobago's exports to the world from 2013 to 2014 was mainly due to the falling value of its energy sector exports, which fell from \$10.9 billion in 2013 to \$10.0 billion in 2014.²³⁴ As noted earlier, lower production, declining crude petroleum prices, and lower demand from the United States for crude petroleum, natural gas, and methanol were all factors in this decline.²³⁵

The value of Trinidad and Tobago's merchandise imports totaled \$8.9 billion in 2014, roughly the same as in 2013 (table 4.2). The country's energy sector imports, however, declined in 2014 as Petrotrin, the state-owned petroleum corporation, cut its usage in response to the corporation's falling crude refining activity due to refinery shutdown for maintenance (see chapter 2 for more details).²³⁶ The decrease of energy sector imports was offset by an increase in non-energy-sector imports, which rose from \$4.0 billion in 2013 to \$4.5 billion in 2014.²³⁷

The United States is Trinidad and Tobago's largest single-country trading partner. In 2014, the United States supplied nearly one-third (32.8 percent) of Trinidad and Tobago's imports (table 4.3). Leading U.S. exports to Trinidad and Tobago in 2014 were aircraft, petroleum, cellphones, and wheat. The United States also is the leading market for Trinidad and Tobago's exports, accounting for 28.8 percent of total Trinidadian exports (table 4.3). Leading U.S. imports from Trinidad and Tobago included anhydrous ammonia, methanol, natural gas, and petroleum.²³⁸

Table 4.3 Trinidad and Tobago: Main trade partners, 2014 (percent)

Leading markets for exports and share		Leading sources of imports and share	
United States	28.8	United States	32.8
Argentina	9.2	Brazil	7.3
Brazil	6.5	Gabon	5.8
Chile	5.9	China, P.R.: Mainland	5.8

Source: IMF, Direction of Trade Statistics database (accessed June 29, 2015).

²³³ EIU, *Country Report: Trinidad and Tobago*, June 26, 2015, 11.

²³⁴ Central Bank of Trinidad and Tobago, *Annual Economic Survey 2014, 2014*, 49.

²³⁵ Central Bank of Trinidad and Tobago, *Annual Economic Survey 2014, 2014*, 48; Foreso, "U.S. Becoming a Leading Exporter of Petroleum Products," December 2014; eAmmonia, "Is Ammonia Boom in North America Peril?" May 21, 2013; Methanol Institute, "How Is Methanol Made?" n.d. (accessed June 22, 2015).

²³⁶ Central Bank of Trinidad and Tobago, *Annual Economic Survey 2014, 2014*, 48.

²³⁷ *Ibid.*, 49.

²³⁸ U.S. bilateral trade data were obtained from official statistics of the U.S. Department of Commerce (June 22, 2015).

Investment Profile

Trinidad and Tobago is generally open to foreign direct investment (FDI) and traditionally has welcomed U.S. investors, having few if any restrictions or disincentives to investment, according to the U.S. Department of State.²³⁹ The bulk of Trinidad and Tobago's net FDI is concentrated in its petroleum and gas extraction sector.²⁴⁰ Leading sources of FDI include the United States, United Kingdom, Canada, Italy, and the Netherlands.²⁴¹

Trinidad and Tobago generally ranked high in ease of doing business when compared to most of the other CBERA countries, according to World Bank measures. In 2014, Trinidad and Tobago ranked 79th of 189 countries in the World Bank's overall Ease Of Doing Business Index²⁴²—the second-highest overall score for CBERA countries. It also ranked 71st of 189 countries in the subcategory "ease of starting a business."²⁴³ Trinidad and Tobago excelled in three categories: "getting electricity," where it ranked 21st; "getting credit," where it ranked 36th; and "protecting minority investors," where it ranked 62nd. The latter score most likely reflects the country's status as a regional financial center, an industry that has been built on Trinidad and Tobago's large energy export earnings.²⁴⁴

According to the U.S. Department of State, an ineffective judiciary system, theft, and other crimes are among the most serious problems in doing business in Trinidad and Tobago.²⁴⁵ Trinidad and Tobago ranked worse than most other countries with respect to enforcing contracts (180th) and registering property (159th).²⁴⁶ According to the U.S. Department of State, due to the country's relatively inefficient judiciary system, the process of deciding on and awarding contracts can at times turn opaque without warning, despite a proposing company's best efforts to comply with all requirements.²⁴⁷ Resolution of legal conflicts also tends to be time consuming, deterring international investment and the establishment of new firms.²⁴⁸

²³⁹ USDOS, "2014 Investment Climate Statement—Trinidad and Tobago," June 2014.

²⁴⁰ Trinidad and Tobago's petroleum and gas extractive industry attracted more than 70 percent of total FDI inflows to the country in 2001–2011. UNCTAD, *World Investment Report 2014*, 2014, 62.

²⁴¹ USDOS, "2014 Investment Climate Statement—Trinidad and Tobago," June 2014.

²⁴² All rankings are benchmarked to June 2014. World Bank, "Economy Rankings" (accessed June 28, 2015).

²⁴³ World Bank, "Ease of Doing Business in Trinidad and Tobago," n.d. (accessed June 28, 2015).

²⁴⁴ World Bank, "Ease of Doing Business in Trinidad and Tobago," n.d. (accessed June 28, 2015); USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers and on Beneficiary Countries, 2011–2012*, 2013, 4-21.

²⁴⁵ USDOS, "2014 Investment Climate Statement—Trinidad and Tobago," June 2014.

²⁴⁶ World Bank, "Ease of Doing Business in Trinidad and Tobago," n.d. (accessed June 28, 2015).

²⁴⁷ USDOS, "2014 Investment Climate Statement—Trinidad and Tobago," June 2014.

²⁴⁸ Ibid.

Trinidad and Tobago Energy Initiatives

The Organization of American States, with U.S. Department of State funding, is assisting Trinidad and Tobago in the Closed Loop Cycle Production project to promote cleaner energy production methods among small businesses.²⁴⁹ Meanwhile, the U.S. Department of Energy is providing technical support to the Trinidad and Tobago Ministry of Energy and Energy Affairs to design and carry out a Caribbean-wide Regional Energy Research Center.²⁵⁰ According to a statement issued by the Office of the Prime Minister of Trinidad and Tobago, partnerships between the two countries on this research center could “allow for capacity building, and will promote local entrepreneurship in renewable energy.” It also states that “the incorporation of renewables into the local energy mix [of Trinidad and Tobago] will lead to reduced local dependence on hydrocarbons, which means that more locally produced hydrocarbons will be available for exports.”²⁵¹

Impact of CBERA

Trinidad and Tobago registered the sixth-highest CBERA utilization rate in 2014. This rate has declined from 33.6 percent in 2010 to 25.8 percent in 2013 and to 21.7 percent in 2014 (table 4.1). Whereas total U.S. imports from Trinidad and Tobago fell from \$6.4 billion in 2013 to \$5.7 in 2014 (table 2.2 and E.1)—the result, as noted earlier, of a decrease in U.S. imports of energy products more broadly—Trinidad and Tobago’s energy sector and certain downstream products continued to benefit from the CBERA program (figure 4.2).²⁵² Trinidad and Tobago remained the leading source of U.S. imports under CBERA, valued at \$1.2 billion in 2014.

These energy products included methanol (HTS 2905.11.20) and crude petroleum (HTS 2709.00.20). Together they made up 96.3 percent of U.S. energy imports under CBERA, and 60.3 percent by value of all U.S. imports from CBERA beneficiary countries in 2014 (table 2.9 and E.5). Trinidad and Tobago supplied 100 percent of the methanol and the vast majority (85.8 percent) of crude petroleum imported into the United States under CBERA during 2014. Its third-largest export under CBERA was melamine (HTS 2933.61.00) —a resin used to make kitchenware and tableware, flooring laminates, wall adhesives, and a variety of other

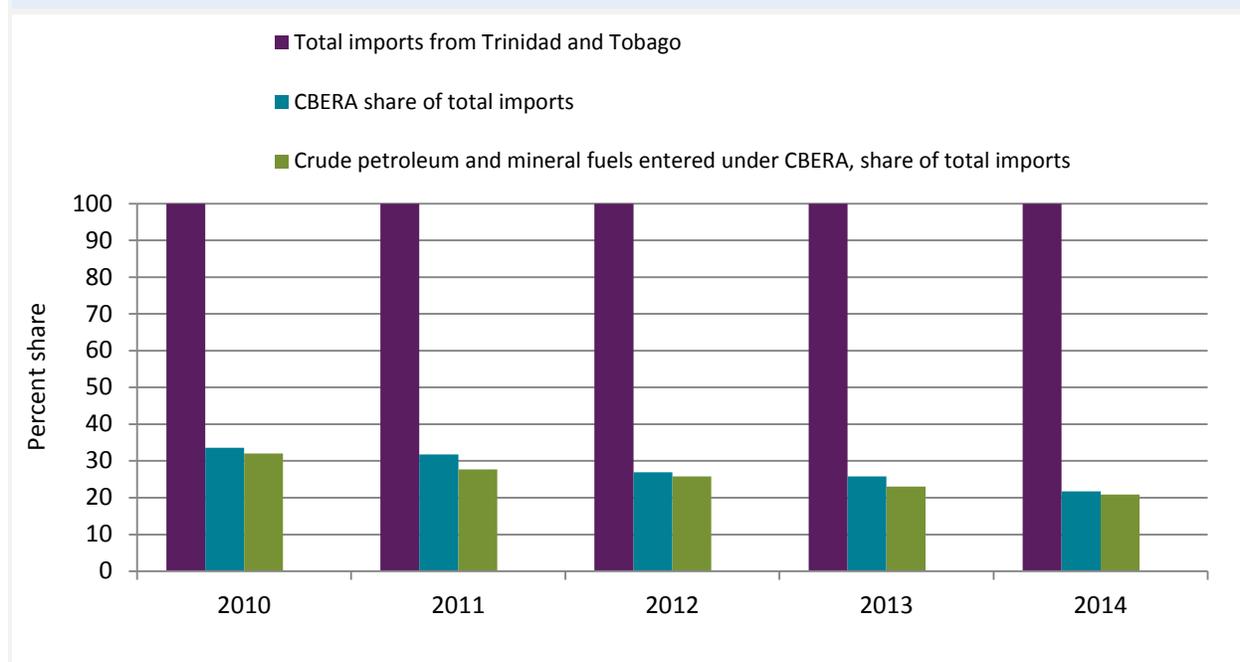
²⁴⁹ USDOS, “Caribbean Energy Security Initiative (CESI)” (accessed June 29, 2015).

²⁵⁰ Ibid.

²⁵¹ *Daily Express*, “T&T, US Sign Deal on ‘Clean’ Energy,” May 28, 2013. A hydrocarbon is an organic compound consisting entirely of hydrogen and carbon. Sample hydrocarbons include methane, ethane, and so forth. The downstream products that Trinidad and Tobago produces, such as methanol and ethanol, are alcohol derivatives of methane and ethane, respectively.

²⁵² Trinidad and Tobago graduated from the U.S. Generalized System of Preferences (GSP) beginning January 1, 2010, meaning that products previously eligible for duty-free entry into the United States under either GSP or CBERA became eligible only under the CBERA program. USDOS, Embassy of the United States, Trinidad and Tobago, “Trinidad and Tobago GSP Graduation,” July 2, 2008.

Figure 4.2 Trinidad and Tobago: Total U.S. imports and imports under CBERA, 2010–14



Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: In this figure, crude petroleum and mineral fuels include crude petroleum (HTS 2709.00.20) and methanol (HTS 2905.11.20).

applications. Produced as a downstream product of Trinidad and Tobago's methanol and ammonia industries since May 2010,²⁵³ U.S. melamine imports under CBERA from this country increased from \$6.1 million in 2010 to \$16.9 million in 2014.

Haiti: Economic Profile

Overview

With a per capita GDP of \$819 in 2014 (table 4.4), Haiti is the poorest CBERA country and remains one of the poorest countries in the world. Haiti ranked 168th of 187 on the 2013 United Nations' Human Development Index, a composite index combining life expectancy, educational attainment, and income.²⁵⁴ With an estimated 10.5 million people in 2014, Haiti also has the highest population of any CBERA country. Haiti's growth slowed to 2.7 percent in 2014, due partly to a drought that decreased farm output and partly to slow implementation of government projects.²⁵⁵

²⁵³ Methanol Holdings (Trinidad) Limited, "First Melamine Production in Trinidad and Tobago" (accessed June 22, 2015).

²⁵⁴ UNDP, *Haiti Human Development Report 2014*, 2014.

²⁵⁵ EIU, "Haiti: Country Report Second Quarter," May 2015.

Table 4.4 Haiti: Selected economic indicators, 2010–14

	2010	2011	2012	2013	2014
GDP (nominal, billion \$)	6.7	7.5	7.8	8.4	8.6
Real GDP growth (percent)	-5.5	5.5	2.9	4.3	2.7
Population (million)	9.9	10.0	10.2	10.3	10.5
GDP per capita (\$)	677	750	765	816	819
Inflation (percent)	5.7	8.4	6.3	5.9	4.6
Goods exports (million \$)	563.4	768.1	778.8	883.7	917.7
Goods imports (million \$)	3,010.1	3,314.5	3,079.3	3,329.2	3,391.6
Trade balance (million \$)	-2,446.7	-2,546.4	-2,300.5	-2,445.5	-2,473.9
Current account balance (million \$)	-1,941.8	-1,769.6	-1,418.7	-1,293.4	-1,105.8
Foreign-exchange reserves (million \$)	1,891.3	1,880.1	2,163.5	2,448.0	1,916.4
Total external debt (billion \$)	1.0	0.8	1.1	1.3	1.4
Debt-service ratio, paid (percent of GDP)	16.0	0.2	0.1	0.3	1.7

Source: EIU, Haiti: Country Report, July 21, 2015.

Since the devastating earthquake in 2010, the Haitian government, as well as the private sector and the international community, have worked to move the Haitian economy from the recovery phase to a longer-term development strategy.²⁵⁶ Some of these effects have focused on increasing the school-age participation rate from 78 to 90 percent, reducing poverty with social safety initiatives, and controlling inflation.²⁵⁷ However, according to the Economist Intelligence Unit, instability in political institutions has slowed the effectiveness of government projects and hindered growth.²⁵⁸ Although \$7.5 billion had been pledged in post-earthquake aid by the end of 2013, much of this money has gone unspent.²⁵⁹ According to the United Nations, Haiti's governance system was also weakened by the 2010 earthquake, in which about 30 percent of its civil servants were killed.²⁶⁰ Political tensions were exacerbated when parliamentary and municipal elections were delayed in 2012, which eventually led to the resignation of the prime minister in 2014 and the dissolution of parliament in January 2015.²⁶¹ Haiti announced that presidential, legislative, and municipal elections would take place by the end of 2015.²⁶²

Haiti remains highly dependent on international donations, loans, and nongovernmental organizations to finance its development and import needs.²⁶³ In 2014, the United States provided about \$13 million to aid more than 200,000 Haitians impacted by the drought, as well as about \$57 million in loan guarantees to the banking system to increase lending to small and

²⁵⁶ World Bank, "Haiti Overview" (accessed May 25, 2015).

²⁵⁷ Ibid.

²⁵⁸ EIU, "Haiti: Country Report Second Quarter," May 2015.

²⁵⁹ Ibid.

²⁶⁰ UNDP, "Haiti: From Recovery to Sustainable Development" (accessed May 25, 2015).

²⁶¹ World Bank, "Haiti: Overview" (accessed May 25, 2015).

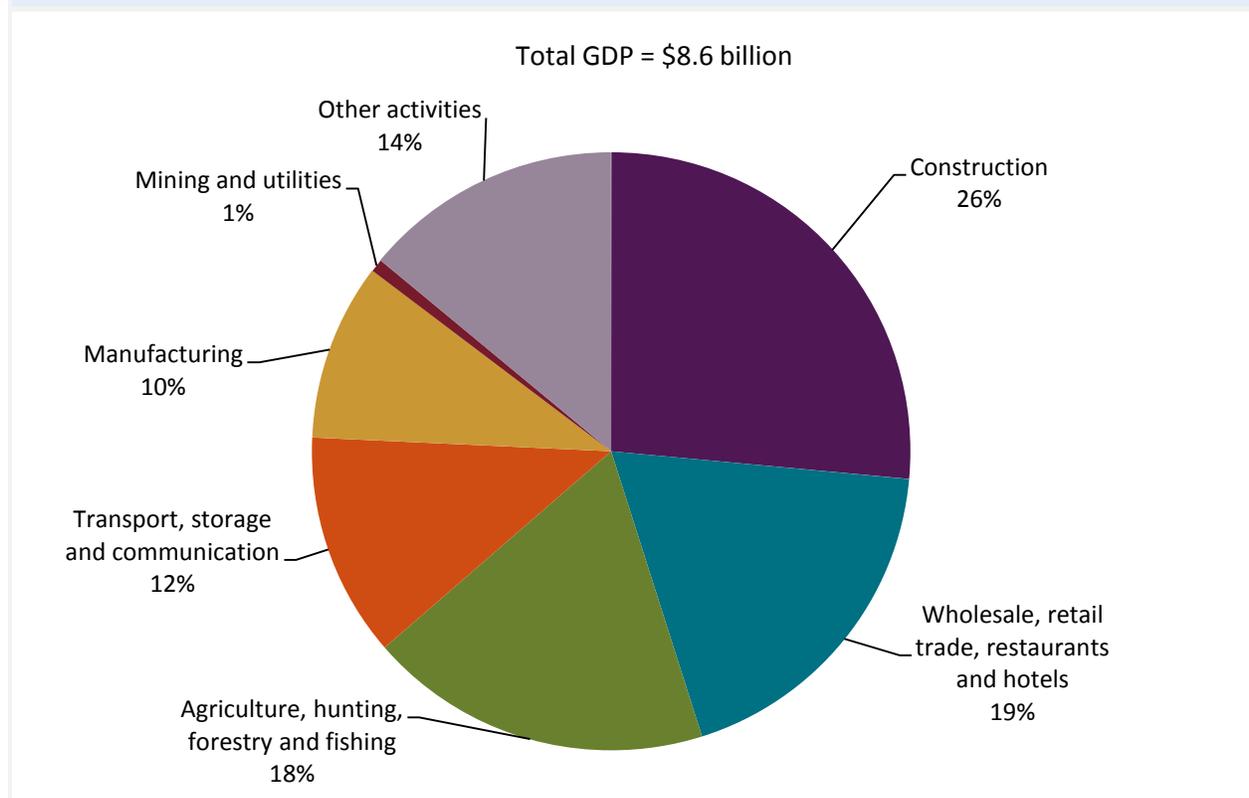
²⁶² Reuters, "Haiti Announces Dates for Presidential, Legislative Elections," March 12, 2015.

²⁶³ EIU, "Haiti: Country Report, Second Quarter," May 2015.

medium-sized enterprises. Since the 2010 earthquake the United States has made a total of \$4 billion available in funding for Haiti, of which \$3.1 billion has been disbursed.²⁶⁴

Construction accounted for 26.5 percent of the Haitian economy in 2013 as the country continued to rebuild its infrastructure from the earthquake (figure 4.3). This was followed by wholesale/retail trade and agriculture, each accounting for 18.6 percent of GDP. Transport, storage, and communication accounted for 12.1 percent of GDP, followed by manufacturing, which accounted for 9.6 percent. Mining and utilities continue to be a small part of the Haitian economy, representing less than 1 percent of GDP.

Figure 4.3 Haiti: Composition of GDP, 2013



Source: UN Statistics Division, National Accounts database (accessed May 25, 2015).
Note: Most recent data available.

²⁶⁴ USDOS, “U.S. Assistance to Haiti: Overview, 2010–2015” (December 2014).

Trade Profile

Haiti's estimated exports to the world increased from \$863 million in 2012 to \$987 million in 2014, largely due to higher exports of textiles and apparel to the United States.²⁶⁵ Mining and manufacturing exports to the United States grew by about 42 percent from 2012 to 2014 but remained under \$30 million total. Agriculture exports to the United States were relatively stable during 2012–14, remaining in the range of \$20 to \$25 million annually.²⁶⁶

In 2014, the United States was Haiti's largest export market (table 4.5), accounting for 83.7 percent of Haiti's exports. Articles of apparel and clothing accessories made up the majority of these exports. Other leading exports to the United States included edible fruits and nuts, cocoa, and prepared feathers and down. The Dominican Republic was Haiti's largest source of imports in 2014, accounting for about 33 percent of the total, while the United States, at 27 percent, was Haiti's second-largest source. Leading U.S. exports to Haiti in 2014 included cereals, mineral fuels, meat, and electrical machinery and equipment.²⁶⁷

Table 4.5 Haiti: Main trade partners, 2014 (percent)

Leading markets for exports and share		Leading sources of imports and share	
United States	83.7	Dominican Republic	33.2
Canada	3.7	United States	27.0
Mexico	2.2	Former Netherlands Antilles	8.9
China	1.4	China	8.3

Source: IMF, Direction of Trade Statistics database (accessed May 25, 2015).

Investment Profile

According to the U.S. Department of State, Haiti's laws encourage FDI, import and export policies are nondiscriminatory, and there is no significant public opposition to foreign investment in Haiti.²⁶⁸ Since 2011 the Haitian government has enacted legislation to strengthen its anti-money-laundering and anti-corruption laws.²⁶⁹ Haiti is also considering changes in its mining, insurance, and labor legislation that may improve the investment environment.²⁷⁰ Private investment in Haiti reached a 10-year high in 2013 and significantly outpaced foreign assistance.²⁷¹ Nonetheless, in 2014, according to the World Bank, Haiti ranked 181st of 189

²⁶⁵ IMF, Direction of Trade Statistics database (accessed May 25, 2015).

²⁶⁶ Compiled from official statistics of the U.S. Department of Commerce (accessed May 25, 2015).

²⁶⁷ Compiled from tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission (accessed May 25, 2015).

²⁶⁸ USDOS, "2014 Investment Climate Statement—Haiti," 2014.

²⁶⁹ Ibid.

²⁷⁰ USDOS, "2014 Haiti Investment Climate Statement," June 2014.

²⁷¹ Ibid.

countries in ease of doing business—far below the next CBERA country of Grenada, which ranked 125th.²⁷²

Investment in Haiti’s apparel assembly sector is encouraged under CBERA, particularly by the additions of CBTPA and the HOPE and HELP Acts.²⁷³ Haiti imports petroleum for 85 percent of its electricity, but investments in renewable energy could produce as much as \$5.8 billion in savings by 2030 and create up to 1,870 new jobs.²⁷⁴

Impact of CBERA

Haiti has been the second-largest source of U.S. imports under the CBERA program in recent years.²⁷⁵ In 2014, the value of U.S. imports for consumption from Haiti receiving CBERA preferences was \$405.5 million out of a total of \$897.1 million.²⁷⁶ As a consequence, Haiti had the second-highest CBERA utilization rate of 45.2 percent in 2014 (table 4.1). This high utilization reflects in large part Haiti’s longstanding reliance on apparel exports to the United States, where apparel assembly—sewing clothing and other articles made of imported yarn and fabric—provides Haiti’s leading manufacturing activity and largest export industry. Cotton T-shirts (HTS 6109.10.00) and knitted cotton tops (HTS 6110.20.20), the top two export products, together accounted for over 90 percent of all imports from Haiti under CBERA (figure 4.4).²⁷⁷

U.S. imports from Haiti increased steadily, rising from \$550.8 million in 2010 to \$897.1 million in 2014, as Haiti has continued to recover from the earthquake. Haiti’s CBERA utilization rate, however, has declined fairly steadily since 2010, a reflection of the shift in the legal framework chosen for Haiti’s apparel exports to the United States, from CBERA to the HOPE and HELP Acts. These acts provide more liberal rules of origin for textile and apparel exports as a way to assist in Haiti’s earthquake recovery.²⁷⁸ The value of U.S. imports under the HOPE and HELP Acts have increased by 183 percent (\$291.7 million) since 2010.²⁷⁹ HOPE allows duty-free imports of

²⁷² World Bank, *Ease of Doing Business Index* (accessed May 25, 2015).

²⁷³ See section on U.S. imports classified by import program in chapter 2 and section on the HOPE and HELP Acts in chapter 1.

²⁷⁴ Worldwatch Institute, *Haiti Sustainable Energy Roadmap*, 2014, 16.

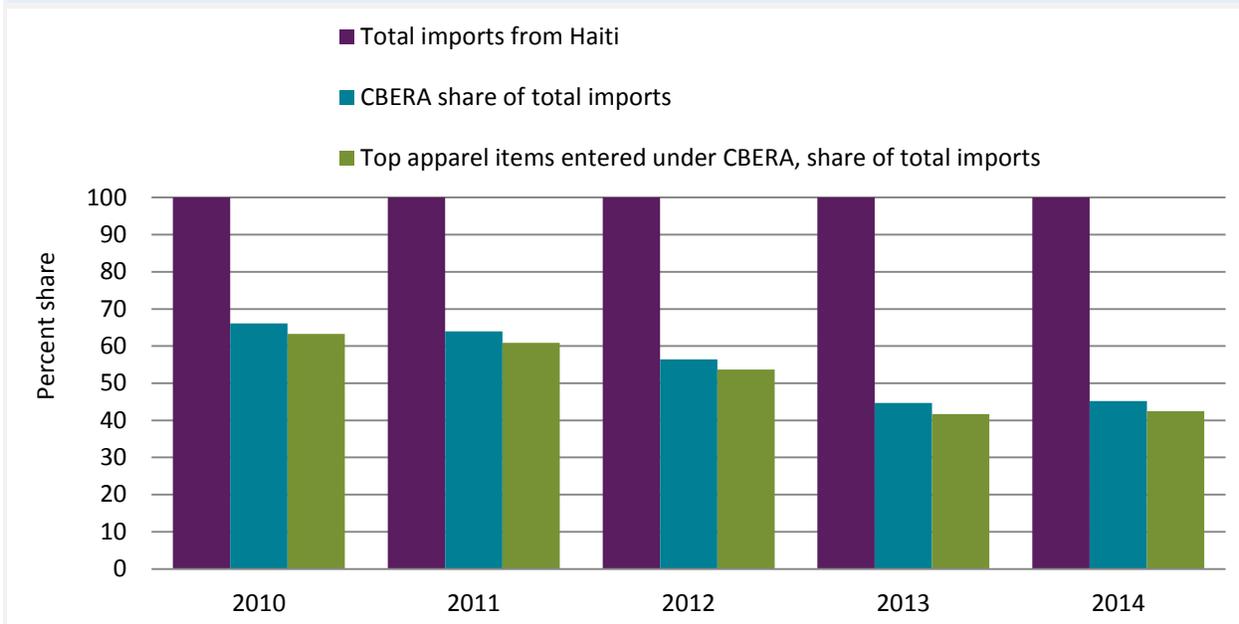
²⁷⁵ The HOPE and HELP Acts are discussed separately in chapter 2.

²⁷⁶ Includes CBTPA but does not include HOPE/HELP.

²⁷⁷ Products that benefited exclusively from CBERA are discussed in chapter 3 of this report.

²⁷⁸ The HOPE and HELP Acts are further described in chapter 1 of this report. The expansion of Haiti’s textile and apparel exports to the United States is discussed in greater detail in chapter 2. The HOPE and HELP Acts are considered critical to Haiti’s economic recovery and support for a sustainable economy in Haiti. USFCS and USDOS, *Doing Business in Haiti: 2013*, chapter 6 (accessed June 10, 2015). The HOPE and HELP Acts have been key in the recovery of Haiti’s apparel industry, which accounted for some 90 percent of national export earnings and provided about 30,000 jobs in 2013, according to the U.S. State Department. USDOS, Bureau of Western Hemisphere Affairs, “Fact Sheet: U.S. Relations With Haiti,” May 11, 2015.

²⁷⁹ USITC DataWeb/USDOC (accessed May 25, 2015).

Figure 4.4 Haiti: Total U.S. imports and imports under CBERA, 2010–14

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: In this figure, top apparel items include only the three leading apparel imports from Haiti under CBERA in 2010–14: knitted cotton t-shirts (HTS 6109.10.00), knitted cotton tops (HTS 6110.20.20), and t-shirts of manmade fibers (HTS 6109.90.10). Data include CBTPA but does not include HOPE/HELP.

certain apparel using yarns and fabrics from any country, whereas CBTPA requires use of yarns and fabrics from the United States for duty-free treatment. HELP expands preferences for apparel goods and creates new preferences for certain non-apparel textile goods, in addition to extending CBTPA and HOPE preferences through September 2025.²⁸⁰

The Bahamas: Economic Profile

Overview

The Bahamas has experienced small real GDP growth since 2013 (table 4.6). GDP per capita rose from \$19,750 in 2010 to \$21,250 in 2014, a 7.6 percent increase during this time period, while the trade deficit fell from \$3.4 billion in 2012 to \$3.1 billion in 2014. Population has remained steady at approximately 400,000 people. The World Bank classifies The Bahamas as a high-income economy.²⁸¹ Leading industries in The Bahamas include tourism, banking, oil

²⁸⁰ USDOC, ITA, OTEXA, “Trade Preferences for Haitian Textiles and Apparel” (accessed May 25, 2015).

²⁸¹ White House, Office of the Vice President, “Promoting Energy Security in the Caribbean,” U.S. market share, tariff rates, and the ES between beneficiary imports and competing U.S. production are the main factors that affect the estimated displacement of U.S. domestic shipments. June 19, 2014; World Bank, “Country and Lending Groups” (accessed June 25, 2015).

Table 4.6 The Bahamas: Selected economic indicators, 2010–14

	2010	2011	2012	2013	2014
GDP (nominal, billion \$)	7.9	7.9	8.2	8.4	8.5
Real GDP growth (percent)	1.5	0.6	2.2	0.0	1.0
Population (million)	0.4	0.4	0.4	0.4	0.4
GDP per capita (\$)	19,750	19,750	20,500	21,000	21,250
Goods exports (million \$)	702.4	833.5	984.0	954.9	960.0
Goods imports (million \$)	-2,592	-2,966	-3,386	-3,166	-3,050
Trade balance (million \$)	-1,889	-2,132	-2,402	-2,211	-2,090
Current account balance (million \$)	-814	-1,203	-1,505	-1,613	-1,640
Foreign-exchange reserves (million \$)	1,044.2	1,070.2	846.9	807.4	874.3

Source: EIU, The Bahamas: Country Report, May 26, 2015.

bunkering,²⁸² maritime, and transshipment.²⁸³ In 2013, the estimated labor force was 196,900, of which tourism employed 49 percent.²⁸⁴

The most important contributor to The Bahamas' GDP is wholesale/retail trade, restaurants, and hotels, which accounted for 20.7 percent of GDP in 2013 (figure 4.5). Other significant sectors are construction (10 percent of GDP); transport, storage, and communication (8.1 percent); manufacturing (4 percent); mining and utilities (2.9 percent); and agriculture (1.8 percent).

Trade Profile

The value of exports from The Bahamas rose from \$702.4 million in 2010 to \$960.0 million in 2014, with nearly 25 percent of this increase attributable to exports of polystyrene (HTS 3903.11.00) to the United States under CBERA (tables 4.6 and 2.12). Other leading export commodities included crawfish, aragonite, and crude salt. At the same time, imports to The Bahamas declined, slipping from \$3.4 billion in 2012 to \$3.1 billion in 2014. Leading import commodities included machinery and transport equipment, manufactures, chemicals, mineral fuels, and food and live animals.²⁸⁵

The United States is the largest source of imports for The Bahamas (table 4.7), supplying 29.2 percent of the total in 2014. Leading U.S. exports to The Bahamas included mineral fuels, machinery and mechanical appliance parts, organic chemicals, and electrical machinery and

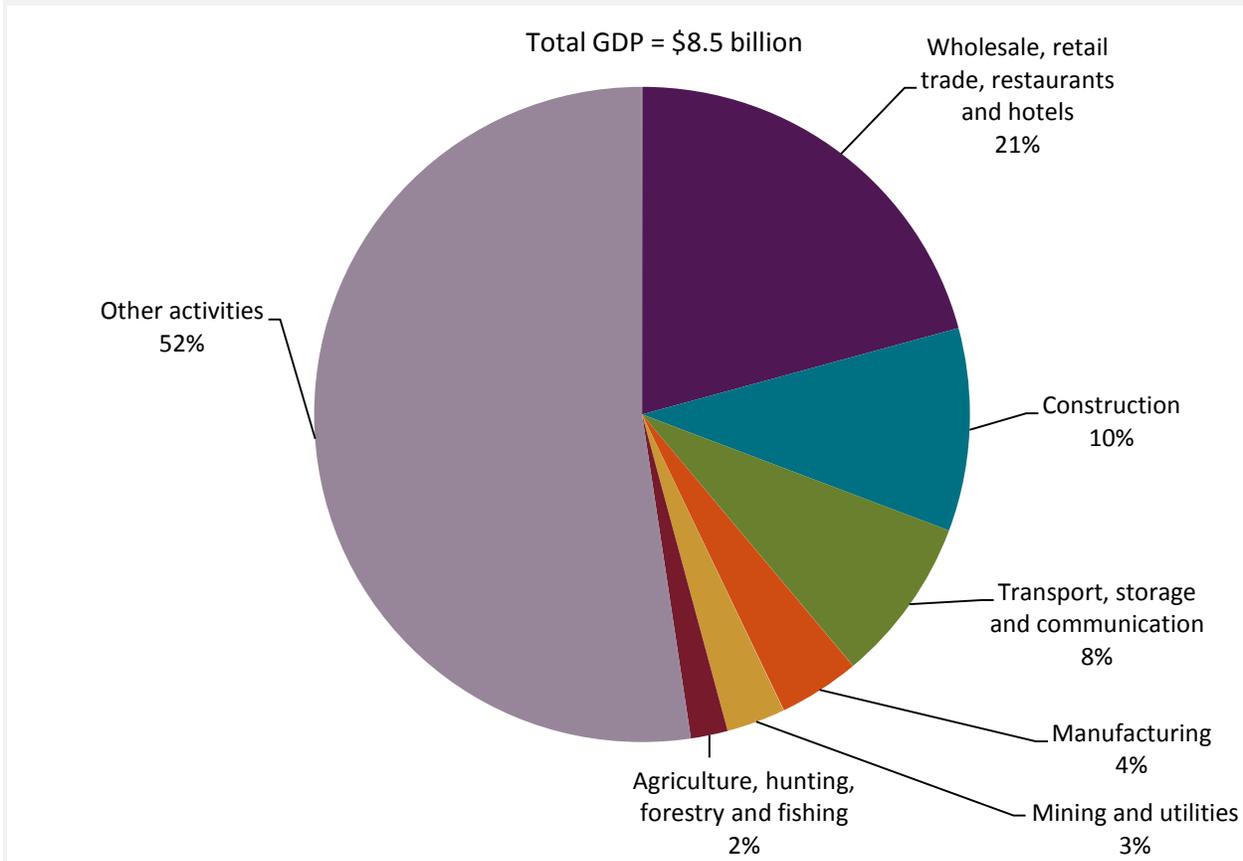
²⁸² Oil bunkering refers to oil storage. Multinational petroleum corporations such as Shell store a large amount of crude petroleum in big storage containers in The Bahamas when there is not enough space at these companies' refinery sites.

²⁸³ CIA, "The Bahamas" (accessed May 25, 2015).

²⁸⁴ Ibid.

²⁸⁵ Ibid.

Figure 4.5 The Bahamas: Composition of GDP, 2013



Source: UN Statistics Division, National Accounts database (accessed May 25, 2015).
 Note: Most recent data available.

Table 4.7 The Bahamas: Main trade partners, 2014 (percent)

Leading markets for exports and share		Leading sources of imports and share	
Cote d'Ivoire	17.9	United States	29.2
Poland	13.7	Japan	10.8
United States	12.8	Singapore	8.9
India	11.7	Korea	7.3

Source: IMF, Direction of Trade Statistics database (accessed July 20, 2015).

equipment. Côte d'Ivoire was the largest export market for The Bahamas, accounting for 17.9 percent of exports.

The United States was the third-largest export market and accounted for 12.8 percent of exports. Leading U.S. imports from The Bahamas included plastics, mineral fuels, salt, fish, and crustaceans.

Investment Profile

Steady foreign investment has improved the conditions of the tourism industry, and new resort and marina developments will likely provide sustained economic growth.²⁸⁶ According to the World Bank, The Bahamas ranks 97th of 189 countries in overall ease of doing business. This places the country below some other CBERA countries such as Antigua and Barbuda (89th), Trinidad and Tobago (79th), and Jamaica (58th), but above others such as St. Lucia (100th), St. Vincent and the Grenadines (103rd), and Barbados (106th). Due in part to a lengthy, bureaucratic approval process, The Bahamas' competitive edge in attracting investment has slipped in recent years relative to other CBERA countries, particularly in 2013, when The Bahamas attracted half of the FDI it did in 2011 and dipped in several international investment rankings.²⁸⁷

The Bahamas continues to struggle with high unemployment (15.4 percent), slow implementation of economic reforms, and a growing public debt.²⁸⁸ In 2012 Standard & Poor's revised The Bahamas' long-term outlook to negative, and in 2014 Moody's concluded that growth prospects for The Bahamas were limited. Despite these challenges, the International Monetary Fund (IMF) predicted 2.3 percent growth for The Bahamas in 2014,²⁸⁹ and the government believes that long-awaited benefits from FDI in tourism and construction will soon be realized.²⁹⁰

Impact of CBERA

The Bahamas had the fourth-highest CBERA utilization rate at 29.1 percent, and was the third-largest source of U.S. imports under CBERA, which reached \$157.2 million in 2014. U.S. imports under CBERA from The Bahamas are almost entirely made up of polystyrene (HTS 3903.11.00), a plastic product used in many forms of packaging and other consumer uses (figure 4.6). Other U.S. imports from The Bahamas include frozen and unfrozen crabmeat (HTS 0306.14.20 and HTS 0306.24.20), prepared crabmeat (HTS 1605.10.40), natural sponges (HTS 0511.99.36), and cigars (HTS 2402.10.80). Polystyrene enters duty free exclusively under CBERA, as The Bahamas is not a GSP beneficiary country.

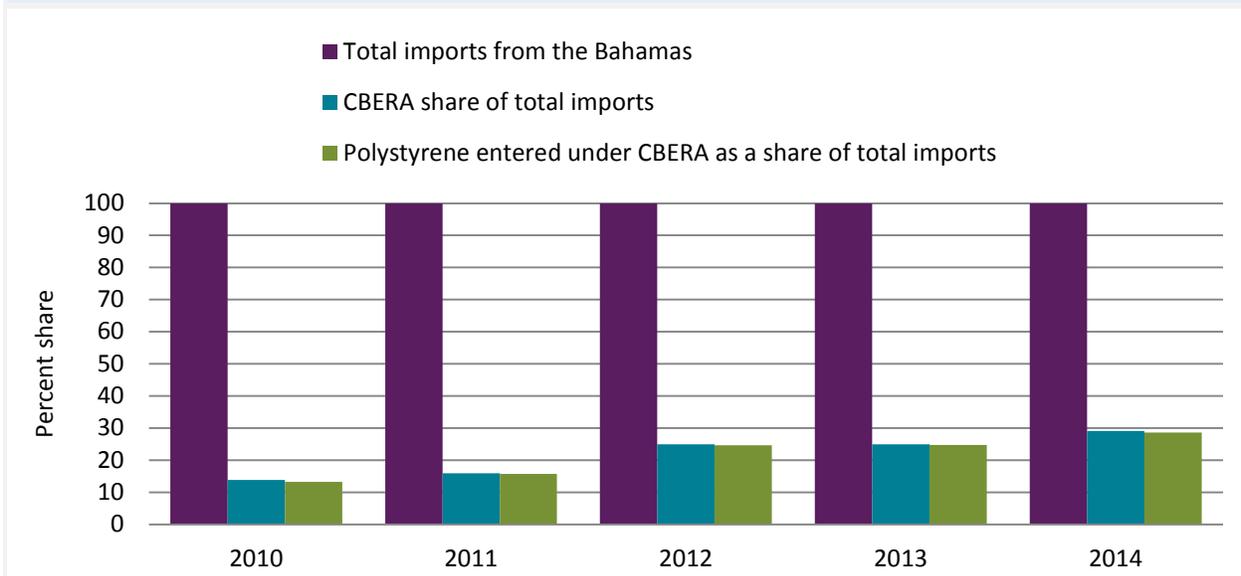
²⁸⁶ CIA, "The Bahamas" (accessed May 25, 2015).

²⁸⁷ USDOS, "2014 Investment Climate Statement—The Bahamas," June 2014.

²⁸⁸ Ibid.

²⁸⁹ Actual real GDP growth for The Bahamas in 2014 was estimated to be 1.0 percent, see table 4.6.

²⁹⁰ USDOS, "2014 Investment Climate Statement—The Bahamas," June 2014.

Figure 4.6 The Bahamas: Total U.S. imports and imports under CBERA, 2010–14

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Polystyrene is classified in HTS 3909.11.00.

U.S. imports of polystyrene under CBERA fell substantially during the 2008–09 economic recession, but have grown annually since 2010, from \$95.4 million in 2010 to \$154.7 million in 2014—a 62 percent increase. Polystyrene accounted for 98.5 percent of U.S. imports from the Bahamas under CBERA in 2014. Overall, total U.S. imports from The Bahamas fell roughly 33 percent from 2011 to 2012 and remained at about this level for the next two years, being valued at \$540.5 million in 2014. This decline was accounted for primarily by the lack of distillate and residual fuel oil (HTS 2710.19.05) imports from the Bahamas after 2011.

Jamaica: Economic Profile

Overview

Jamaica's GDP of \$14.0 billion (table 4.8) made it the second-largest CBERA economy in 2014, behind Trinidad and Tobago. Jamaica's population has remained steady at 2.8 million people since 2011, making it the second most populous CBERA country after Haiti. The World Bank classifies Jamaica as an upper-middle-income economy with an estimated GDP per capita of \$5,006 in 2014.²⁹¹ In 2014, Jamaica's labor force was estimated to be 1.3 million people, with

²⁹¹ The World Bank classifies countries as "upper-middle-income economies" if they have per capita gross national income of \$4,125–\$12,746 annually on a purchasing power parity (PPP) basis.

Table 4.8 Jamaica: Selected economic indicators, 2010–14

	2010	2011	2012	2013	2014
GDP (nominal, billion \$)	13.234	14.449	14.825	14.27	14.018
Real GDP growth (percent)	-1.5	1.4	-0.5	0.2	0.4
Population (million)	2.7	2.8	2.8	2.8	2.8
GDP per capita (\$)	4,901	5,160	5,295	5,096	5,006
Inflation (percent)	11.8	6	8	9.5	6.4
Goods exports (million \$)	1,370	1,666	1,729	1,581	1,453
Goods imports (million \$)	-4,629	-5,881	-5,632	-5,462	-5,184
Trade balance (million \$)	-3,259	-4,215	-3,904	-3,882	-3,731
Current account balance (million \$)	-934	-2,063	-1,379	-1,320	-1,160

Source: EIU, Jamaica: Country Report, May 26, 2015.

an estimated unemployment rate of 13.6 percent.²⁹² Jamaica's growth rate has remained stagnant for over 20 years, averaging less than 1 percent growth over that time period and under 0.5 percent during the years 2012 to 2014.²⁹³

The most significant share of Jamaica's GDP is contributed by wholesale/retail trade, restaurants, and hotels, which accounted for 22.7 percent of GDP in 2013 (figure 4.7). Other leading sectors are manufacturing (9 percent of GDP); transport, storage, and communication (8.4 percent); construction (7 percent); agriculture (6.8 percent); and mining and utilities (4.4 percent).

Trade Profile

Jamaica's total goods exports declined from \$1.7 billion in 2012 to \$1.5 billion in 2014 (table 4.8). Leading exports from Jamaica included alumina, bauxite, sugar, rum, coffee, yams, beverages, chemicals, apparel, and mineral fuels. Jamaica's imports also declined from \$5.6 billion in 2012 to \$5.2 billion in 2014. Leading import commodities included food and consumer goods, industrial supplies, fuel, machinery and transport equipment, and construction materials.²⁹⁴

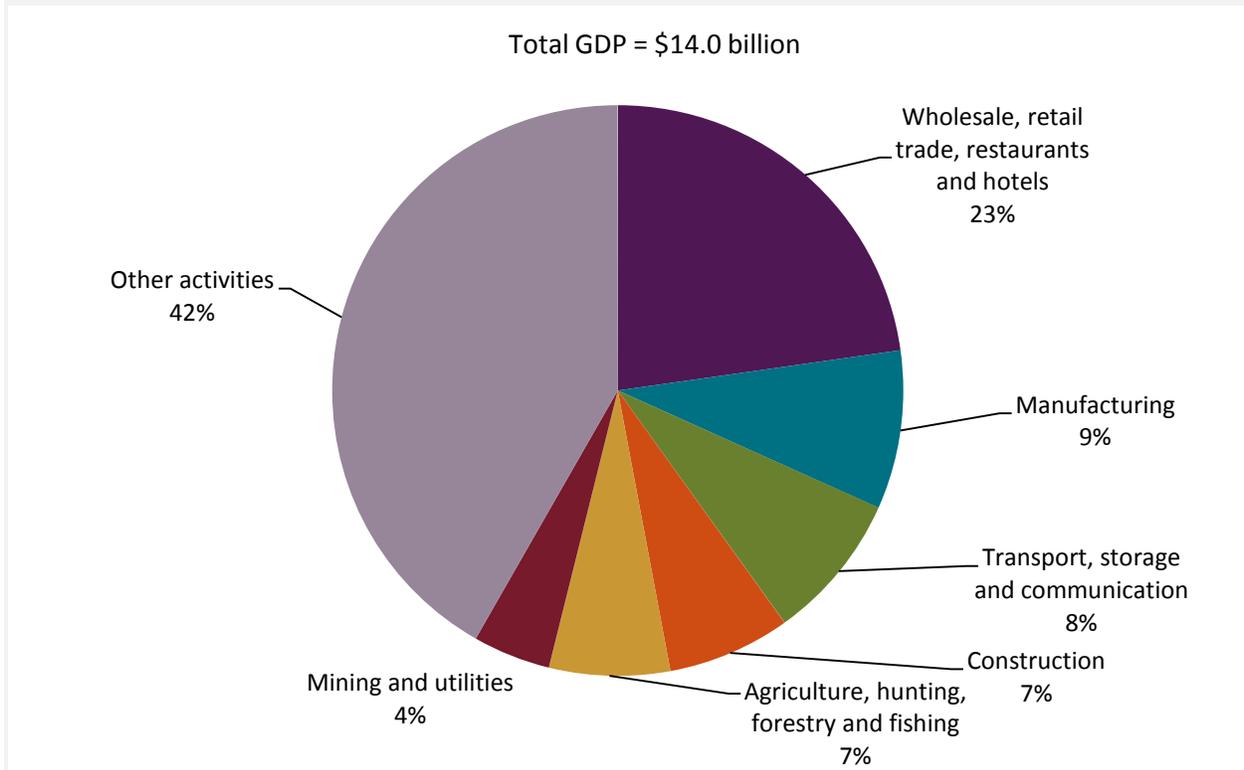
The United States is Jamaica's single largest trade partner. In 2014, U.S. exports to Jamaica represented 39.3 percent of Jamaica's imports (table 4.9). Leading U.S. exports to Jamaica included mineral fuels, machinery and mechanical appliance parts, cereals, and electrical machinery. The United States was also the leading market for Jamaica's exports in 2014,

²⁹² CIA, "Jamaica" (accessed June 2, 2015).

²⁹³ EIU, *Haiti Economy: Annual Indicators* (accessed May 25, 2015); CIA, "Jamaica" (accessed May 25, 2015).

²⁹⁴ CIA, "Jamaica" (accessed May 25, 2015).

Figure 4.7 Jamaica: Composition of GDP, 2013



Source: UN Statistics Division, National Accounts database (accessed May 25, 2015).
 Note: Most recent data available are for 2013.

Table 4.9 Jamaica: Main trade partners, 2014 (percent)

Leading markets for exports and share		Leading sources of imports of share	
United States	39.5	United States	39.3
Canada	15.3	Venezuela	11.5
Netherlands	5.7	Trinidad and Tobago	10.2
United Kingdom	5.2	China	6.8

Source: IMF, Direction of Trade Statistics database (accessed July 20, 2015).

accounting for 39.5 percent of total Jamaican exports (table 4.9). Leading U.S. imports from Jamaica included ores, edible vegetables, beverages, spirits, and vinegar.²⁹⁵

Investment Profile

According to the U.S. Department of State, Jamaica is committed to increasing economic growth by attracting FDI. In recent years, the Jamaican government removed discretionary tax exemptions, codified tax benefits, simplified the income tax code, and broadened the tax base. Jamaica has no restrictions on holding or transferring funds associated with investments and

²⁹⁵ USITC DataWeb/USDOC (accessed May 25, 2015).

protects property rights under its constitution.²⁹⁶ Jamaica thus realized a significant improvement in the World Bank's Ease of Doing Business Index, rising from 85th of 189 countries in 2013 to 58th in 2014 and making Jamaica the CBERA country highest on the index. FDI inflows have increased from \$218 million in 2011 to \$551 million in 2014.²⁹⁷

However, Jamaica's high level of debt, which is about 150 percent of GDP and among the highest in the world, restricts investment by undermining confidence in the economy. In May 2013 the IMF approved a 48-month, \$932 million Extended Arrangement for Jamaica.²⁹⁸

Jamaican Energy Initiatives

Jamaica imports fossil fuels to fulfill approximately 90 percent of its energy needs.²⁹⁹ The world's largest wind-solar array was installed in Jamaica's capital in 2014 and is expected to generate over 106,000 kWh per year.³⁰⁰ In 2015, Wigton Wind Farm is planning to complete a 24 MW capacity wind farm, and WRB Enterprises is planning to complete a 20 MW solar energy plant. Under the CESI, the U.S. Overseas Private Investment Corporation has agreed to provide \$90 million for wind projects in Jamaica.³⁰¹ The International Finance Corporation, with the support of the Canadian government and the Overseas Private Investment Corporation, has agreed to help Blue Mountain Renewables Jamaica Wind Ltd build and operate a 36.3 MW capacity wind farm near Kingston.³⁰² Several sites have also been analyzed for feasibility in creating hydroelectric power plants.³⁰³

Impact of CBERA

Jamaica had the fifth-highest CBERA utilization rate in 2014—registering 26.9 percent in 2014, after Belize, Haiti, St. Kitts and Nevis, and The Bahamas—while being the fourth-largest supplier of imports under CBERA at \$71.8 million. CBERA-eligible exports make up a small part of Jamaica's economy, which is largely based on services (chiefly tourism), remittances from citizens living abroad, and bauxite and alumina exports.³⁰⁴ Total U.S. imports from Jamaica have fallen at an increasing rate: since peaking at \$506.2 million in 2011, they dropped to \$393.6 million in 2013 and finally to \$266.8 million in 2014, down 32.2 percent from the year before. U.S. imports from Jamaica under CBERA have declined sharply as well, falling from

²⁹⁶ USDOS, "2014 Investment Climate Statement—The Bahamas," June 2014.

²⁹⁷ UNCTAD, World Investment Report, 2015, June 2015, annex table 1.

²⁹⁸ IMF, "IMF Loan to Help Jamaica Cope with Growth and Debt Challenges," May 1, 2015.

²⁹⁹ Barrett-Edwards, "Renewable Energy and Development in Jamaica," n.d. (accessed June 23, 2015).

³⁰⁰ Science Alert, "World's Largest Wind-Solar Array Has Been Installed," July 20, 2014.

³⁰¹ Oleaga, "Caribbean Energy Summit 2015," January 27, 2015.

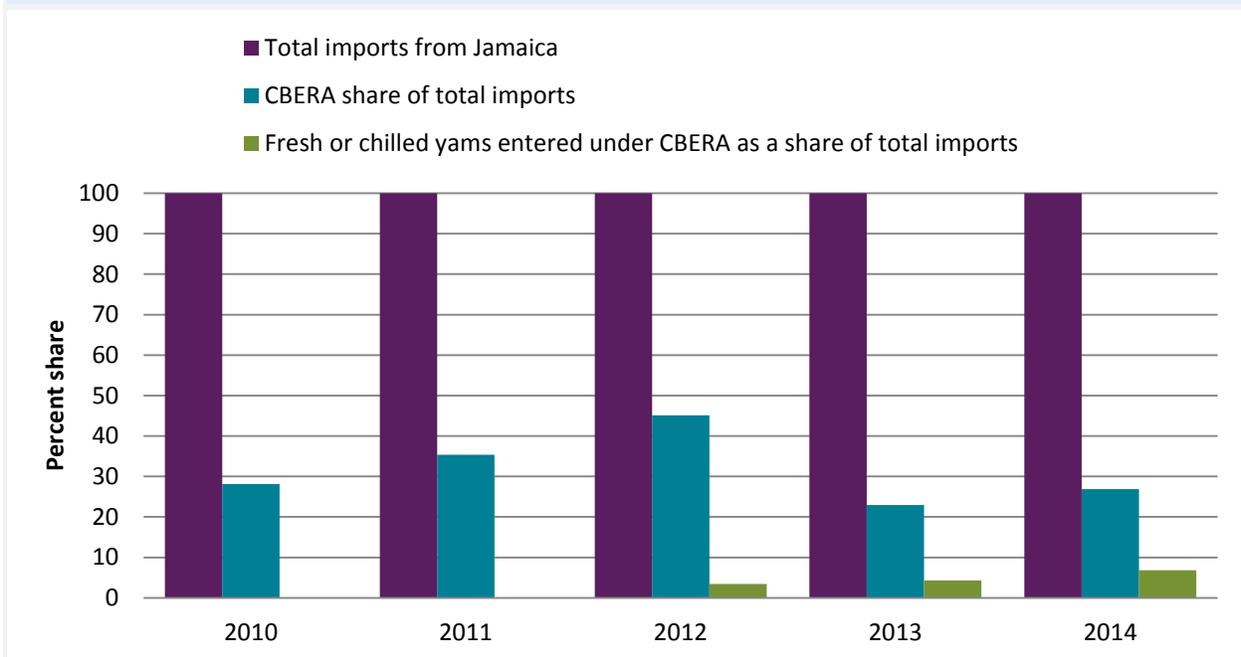
³⁰² OPIC, "IFC, OPIC, Canada Provide \$62.7 Million," January 26, 2015.

³⁰³ Barrett-Edwards, "Renewable Energy and Development in Jamaica," n.d. (accessed June 23, 2015).

³⁰⁴ CIA, "Jamaica" (accessed June 2, 2015).

\$206 million in 2012 to \$90 million in 2013 (figure 4.8). Previously, U.S. imports of fuel ethanol (HTS 2207.10.60) from Jamaica predominated under CBERA, reaching a peak of nearly \$150 million in 2012. But these shipments dwindled to \$19.3 million in 2013 and fell to zero in 2014.³⁰⁵ As a consequence, fresh produce and vegetable preparations replaced fuel ethanol as the most significant products imported from Jamaica under CBERA. For example, imports of fresh/chilled yams (HTS 0714.30.10) grew from \$15.8 million in 2012 to \$18.2 million in 2014; of raw cane sugar (HTS 1701.14.10), from no imports in 2013 to \$5.9 million in 2014. Imports of mixed condiments and seasonings (HTS 2103.90.80) grew nearly 40 percent to \$5.6 million between 2013 and 2014, and imports of sauces and related preparations (HTS 2103.90.90) increased 11.1 percent to \$4.8 million in the same period.

Figure 4.8 Jamaica: Total U.S. imports and imports under CBERA, 2010–14



Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Fresh or chilled yams are classified in HTS 0714.30.10.

³⁰⁵ See chapter 2 for details explaining why the United States imported no fuel ethanol from Jamaica in 2014.

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Appendix A

Federal Register Notice

500 E Street SW., Washington, DC 20436, telephone (202) 205-2000. The public version of the complaint can be accessed on the Commission's Electronic Document Information System (EDIS) at EDIS,¹ and will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436, telephone (202) 205-2000.

General information concerning the Commission may also be obtained by accessing its Internet server at United States International Trade Commission (USITC) at USITC.² The public record for this investigation may be viewed on the Commission's Electronic Document Information System (EDIS) at EDIS.³ Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission has received a complaint and a submission pursuant to section 210.8(b) of the Commission's Rules of Practice and Procedure filed on behalf of Synaptics Incorporated on April 21, 2015. The complaint alleges violations of section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain touchscreen controllers and products containing the same. The complaint names as respondents Shenzhen Huiding Technology Co., Ltd. a/k/a Shenzhen Goodix Technology Co., Ltd of China; Goodix Technology Inc. of San Diego, CA; and BLU Products, Inc. of Doral, FL. The complainant requests that the Commission issue a limited exclusion order, cease and desist orders, and a bond upon respondents' alleged infringing articles during the 60-day Presidential review period pursuant to 19 U.S.C. § 1337(j).

Proposed respondents, other interested parties, and members of the public are invited to file comments, not to exceed five (5) pages in length, inclusive of attachments, on any public interest issues raised by the complaint or section 210.8(b) filing. Comments should address whether issuance of the relief specifically requested by the complainant in this investigation would affect the public health and welfare in

the United States, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, or United States consumers.

In particular, the Commission is interested in comments that:

- (i) Explain how the articles potentially subject to the requested remedial orders are used in the United States;
- (ii) identify any public health, safety, or welfare concerns in the United States relating to the requested remedial orders;
- (iii) identify like or directly competitive articles that complainant, its licensees, or third parties make in the United States which could replace the subject articles if they were to be excluded;
- (iv) indicate whether complainant, complainant's licensees, and/or third party suppliers have the capacity to replace the volume of articles potentially subject to the requested exclusion order and/or a cease and desist order within a commercially reasonable time; and
- (v) explain how the requested remedial orders would impact United States consumers.

Written submissions must be filed no later than by close of business, eight calendar days after the date of publication of this notice in the **Federal Register**. There will be further opportunities for comment on the public interest after the issuance of any final initial determination in this investigation.

Persons filing written submissions must file the original document electronically on or before the deadlines stated above and submit 8 true paper copies to the Office of the Secretary by noon the next day pursuant to section 210.4(f) of the Commission's Rules of Practice and Procedure (19 CFR 210.4(f)). Submissions should refer to the docket number ("Docket No. 3066") in a prominent place on the cover page and/or the first page. (See Handbook for Electronic Filing Procedures, *Electronic Filing Procedures*⁴). Persons with questions regarding filing should contact the Secretary (202-205-2000).

Any person desiring to submit a document to the Commission in confidence must request confidential treatment. All such requests should be directed to the Secretary to the Commission and must include a full statement of the reasons why the

Commission should grant such treatment. See 19 CFR 201.6. Documents for which confidential treatment by the Commission is properly sought will be treated accordingly. All nonconfidential written submissions will be available for public inspection at the Office of the Secretary and on EDIS.⁵

This action is taken under the authority of section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and of sections 201.10 and 210.8(c) of the Commission's Rules of Practice and Procedure (19 CFR 201.10, 210.8(c)).

By order of the Commission.

Issued: April 21, 2015.

Lisa R. Barton,

Secretary to the Commission.

[FR Doc. 2015-09666 Filed 4-24-15; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 332-227]

Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers and on Beneficiary Countries, 22nd Report

AGENCY: United States International Trade Commission.

ACTION: Notice of opportunity to submit information in connection with the 22nd report.

SUMMARY: The Commission is inviting the public to submit information in writing in connection with the preparation of its 22nd report under section 215 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2704), which requires the Commission to report biennially to the Congress and the President by September 30 of each reporting year on the economic impact of the Act on U.S. industries and U.S. consumers and on the economy of the beneficiary countries. The report is being prepared under Commission investigation No. 332-227, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers and on Beneficiary Countries*. The report will cover trade during calendar years 2013 and 2014, and will be transmitted to the Congress and the President by September 30, 2015.

DATES: June 1, 2015: Deadline for filing written submissions.

September 30, 2015: Transmittal of Commission report to Congress and the President.

¹ Electronic Document Information System (EDIS): <http://edis.usitc.gov>.

² United States International Trade Commission (USITC): <http://edis.usitc.gov>.

³ Electronic Document Information System (EDIS): <http://edis.usitc.gov>.

⁴ Handbook for Electronic Filing Procedures: http://www.usitc.gov/secretary/fed_reg_notices/rules/handbook_on_electronic_filing.pdf.

⁵ Electronic Document Information System (EDIS): <http://edis.usitc.gov>.

ADDRESSES: All Commission offices, including the Commission's hearing rooms, are located in the United States International Trade Commission Building, 500 E Street SW., Washington, DC. All written submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW., Washington, DC 20436. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://www.usitc.gov/secretary/edis.htm>.

FOR FURTHER INFORMATION CONTACT:

Justino De La Cruz (202–205–3252 or justino.delacruz@usitc.gov) or Wen Jin Yuan (202–205–2383 or Wen.Yuan@usitc.gov) Country and Regional Analysis Division, Office of Economics, U.S. International Trade Commission, Washington, DC 20436. For information on the legal aspects of this investigation, contact William Gearhart of the Commission's Office of the General Counsel (202–205–3091 or william.gearhart@usitc.gov). The media should contact Peg O'Laughlin, Public Affairs Officer (202–205–1819 or margaret.olaughlin@usitc.gov). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202–205–1810. General information concerning the Commission may also be obtained by accessing its Web site at <http://www.usitc.gov>. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000.

SUPPLEMENTARY INFORMATION:

Background: Section 215(a)(1) of the Caribbean Basin Economic Recovery Act (CBERA) (19 U.S.C. 2704(a)(1)) requires that the Commission submit biennial reports to the Congress and the President regarding the economic impact of the Act on U.S. industries and consumers, and on the economy of the beneficiary countries. Section 215(b)(1) requires that the reports include, but not be limited to, an assessment regarding:

(A) The actual effect, during the period covered by the report, of [CBERA] on the United States economy generally, as well as on those specific domestic industries which produce articles that are like, or directly competitive with, articles being imported into the United States from beneficiary countries; and

(B) the probable future effect which this Act will have on the United States economy generally, as well as on such domestic industries, before the provisions of this Act terminate.

The report will cover trade with Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, British Virgin Islands, Curaçao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago. The President designated Curaçao as a beneficiary country for purposes of CBERA and CBTPA on December 31, 2013.

Notice of institution of the investigation was published in the **Federal Register** of May 14, 1986 (51 FR 17678). The Commission plans to transmit the 22nd report, covering calendar years 2013 and 2014, by September 30, 2015.

Written Submissions: Interested parties are invited to submit information in writing concerning this report. All written submissions should be addressed to the Secretary, and should be received not later than 5:15 p.m., June 1, 2015. All written submissions must conform to the provisions of section 201.8 of the Commission's *Rules of Practice and Procedure* (19 CFR 201.8). Section 201.8 and the Commission's Handbook on Filing Procedures require that interested parties file documents electronically on or before the filing deadline and submit eight (8) true paper copies by 12:00 p.m. eastern time on the next business day. In the event that confidential treatment of a document is requested, interested parties must file, at the same time as the eight paper copies, at least four (4) additional true paper copies in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). Persons with questions regarding electronic filing should contact the Secretary (202–205–2000).

Any submissions that contain confidential business information (CBI) must also conform with the requirements of section 201.6 of the *Commission's Rules of Practice and Procedure* (19 CFR 201.6). Section 201.6 of the rules requires that the cover of the document and the individual pages be clearly marked as to whether they are the "confidential" or "non-confidential" version, and that the confidential business information be clearly identified by means of brackets. All written submissions, except for confidential business information, will be made available for inspection by interested parties.

The Commission intends to publish only a public report in this investigation. Accordingly, any CBI received by the Commission in this investigation will not be published in a

manner that would reveal the operations of the firm supplying the information. The report will be made available to the public on the Commission's Web site.

Summaries of Written Submissions: The Commission intends to publish, in an appendix to the report, summaries of positions provided by interested persons in their written submissions. Persons wishing to have a summary of their position included in the appendix should include a summary with their written submission. The summary may not exceed 500 words, should be in MSWord format or a format that can be easily converted to MSWord, and should not include any confidential business information. The summary will be published as provided if it meets these requirements and is germane to the subject matter of the investigation. In the appendix the Commission will identify the name of the organization furnishing the summary, and will include a link to the Commission's Electronic Document Information System (EDIS) where the full written submission can be found.

Issued: April 21, 2015.

By order of the Commission.

Lisa R. Barton,

Secretary to the Commission.

[FR Doc. 2015–09640 Filed 4–24–15; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

[OMB Number 1105–0091]

Agency Information Collection Activities; Proposed eCollection eComments Requested; Extension Without Change, of a Previously Approved Collection; Assumption of Concurrent Federal Criminal Jurisdiction in Certain Areas of Indian Country

AGENCY: Office of Tribal Justice, Department of Justice.

ACTION: 60-day notice.

SUMMARY: The Department of Justice, Office of Tribal Justice, will be submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995.

DATES: Comments are encouraged and will be accepted for 60 days until June 26, 2015.

FOR FURTHER INFORMATION CONTACT: If you have additional comments especially on the estimated public burden or associated response time, suggestions, or need a copy of the

Appendix B

Technical Notes to Chapter 3

Chapter 3 reports estimates of the effects of CBERA imports on U.S. consumer welfare, tariff revenues, and the value of domestic shipments for 20 HTS 8-digit products. The estimates are based on the partial equilibrium model described in this appendix.

Theory

The partial equilibrium model for each of the products assumes that the product is differentiated by whether it is a CBERA import (subscript C), a non-CBERA import (subscript N), or a U.S. domestic product (subscript D). The model also assumes that the supply of each of these types of the product is perfectly elastic, at prices, \overline{p}_C , \overline{p}_N , and \overline{p}_D .

In the market equilibrium that prevailed in 2014, the landed duty-paid prices of a given product in the United States were:

$$p_C = \overline{p}_C + f_C \quad (1)$$

$$p_N = \overline{p}_N (1 + a_N) + s_N + f_N \quad (2)$$

$$p_D = \overline{p}_D \quad (3)$$

The variables f_i , a_i , and s_i are the international freight cost, ad valorem import duty, and specific import duty on type i imports.

In the absence of the CBERA preferences, the alternative market equilibrium price of the CBERA imports, delivered to the United States, would be:

$$p_C' = \overline{p}_C (1 + a_C) + s_C + f_C \quad (4)$$

The ratio of the price of CBERA imports in the two equilibria is:

$$\frac{p_C'}{p_C} = \frac{\overline{p}_C (1 + a_C) + s_C + f_C}{\overline{p}_C + f_C} \quad (5)$$

The alternative equilibrium prices of the non-CBERA imports and the domestic product would remain unchanged (i.e., $p_N' = p_N$ and $p_D' = p_D$.)

The model assumes that U.S. consumers have constant elasticity of substitution (CES) preferences. The constant elasticity of substitution among the three types of the HTS 8-digit

product (CBERA imports, non-CBERA imports, and the domestic product) is equal to σ . The constant elasticity of substitution between the HTS 8-digit product and other consumer products is equal to one. In other words, there are Cobb-Douglas preferences in this higher, inter-product tier, a common assumption in multisector quantitative models of trade.

Given the CES preferences, the share of expenditures on the CBERA imports in the market equilibrium that prevailed in 2014 was:

$$\theta_C = \frac{\beta_C p_C^{1-\sigma}}{\beta_C p_C^{1-\sigma} + \beta_N p_N^{1-\sigma} + \beta_D p_D^{1-\sigma}} \quad (6)$$

The preference parameters, β_C , β_N , and β_D , assign weights to each of the types of the product. The corresponding CES price index was:

$$P = [\beta_C p_C^{1-\sigma} + \beta_N p_N^{1-\sigma} + \beta_D p_D^{1-\sigma}]^{\frac{1}{1-\sigma}} = \left[\beta_C p_C^{1-\sigma} + \left(\frac{1-\theta_C}{\theta_C} \right) \beta_C p_C^{1-\sigma} \right]^{\frac{1}{1-\sigma}} \quad (7)$$

The second equality in equation (7) can be derived from the definition of θ_C in equation (6). The alternative equilibrium CES price index, absent the CBERA preferences, would be:

$$P' = [\beta_C (p_C')^{1-\sigma} + \beta_N (p_N)^{1-\sigma} + \beta_D (p_D)^{1-\sigma}]^{\frac{1}{1-\sigma}} = \left[\beta_C (p_C')^{1-\sigma} + \left(\frac{1-\theta_C}{\theta_C} \right) \beta_C p_C^{1-\sigma} \right]^{\frac{1}{1-\sigma}} \quad (8)$$

Therefore, the ratio of the CES price indices in the two equilibria would be:

$$\frac{P'}{P} = \left[\theta_C \left(\frac{p_C'}{p_C} \right)^{1-\sigma} + (1 - \theta_C) \right]^{\frac{1}{1-\sigma}} \quad (9)$$

This index shows the change in the price of the composite bundle, allowing for changes in shares due to the relative price changes.

The effect on consumer welfare of moving from one equilibrium set of prices to the other is represented by the following equivalent variation:

$$EV = E \left(\frac{p'}{p} - 1 \right) \quad (10)$$

The variable E in equation (10) is total U.S. expenditure on all three types of the product. This is the effect on consumer welfare from the price change alone; it does not take into account any change in the disposable income of consumers due to the decrease in tariff revenues. The benefit to consumers could be offset if consumer incomes were reduced by the fiscal consequences of the decrease in tariff revenues—for example, if the lost revenues were offset by increased taxes rather than an increased fiscal deficit. Since the fiscal consequences are unknown, the model does not try to calculate these potential income effects.

However, it is straightforward to calculate the total change in U.S. tariff revenues, without drawing conclusions about its impact on the consumers' disposable income. Absent the CBERA preferences, the tariff revenues on non-CBERA imports would be:

$$TR_N' = TR_N \left(\frac{p'}{p} \right)^{\sigma-1} \quad (11)$$

The variable TR_N is the tariff revenues on non-CBERA imports that prevailed in 2014. The tariff revenues on CBERA imports would be:

$$TR_C' = \left(\frac{p'}{p} \right)^{\sigma-1} \left(\frac{p_C'}{p_C} \right)^{-\sigma} [V_C a_C + Q_C s_C] \quad (12)$$

The variable V_C is the customs value of CBERA imports of the product in 2014. The variable Q_C is the quantity of CBERA imports of the product in 2014. Therefore, the loss of tariff revenues (LOTR) due to the CBERA preferences would be:

$$LOTR = TR_N' + TR_C' - TR_N = TR_N \left[\left(\frac{p'}{p} \right)^{\sigma-1} - 1 \right] + \left(\frac{p'}{p} \right)^{\sigma-1} \left(\frac{p_C'}{p_C} \right)^{-\sigma} [V_C a_C + Q_C s_C] \quad (13)$$

Finally, the effect on the dollar value of domestic shipments would be:

$$V_D' - V_D = V_D \left[\left(\frac{p'}{p} \right)^{\sigma-1} - 1 \right] \quad (14)$$

The variable V_D is the value of domestic shipments of the product.

There may be some mitigating positive effects on the value of domestic shipments, including an increase in U.S. exports of intermediate goods to CBERA countries or an increase in domestic exports of final goods to third countries. Prior CBERA reports have tried to quantify the former to a limited extent. However, these effects are not calculated in the partial equilibrium model used in this report, nor are the complex set of general equilibrium effects that result from the CBERA preferences.

Data Inputs

The tables in chapter 3 report the estimated dollar value and percentage change in U.S. consumer welfare, tariff revenues, and domestic shipments due to the CBERA preferences for an assumed value of the elasticity of substitution: $\sigma = 5$. The following three tables report additional inputs into the partial equilibrium models.

Table B.1: Trade data for the 20 CBERA-exclusive products, 2014

HTS number	Description	Customs value of CBERA imports	C.i.f. value of CBERA imports	Landed duty-paid value of CBERA imports	Quantity of CBERA imports	Units of quantity measure
		Thousand \$			Volume	
2905.11.20	Methanol (methyl alcohol), other than imported only for use in producing synthetic natural gas (SNG) or for direct use as fuel	1,023,570	1,095,511	1,095,511	3,908,433,326	Liters
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	247,009	251,052	251,052	15,694,815	Dozens
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees a.p.i. or more	165,104	168,428	168,428	1,528,566	Barrels
3903.11.00	Polystyrene, expandable, in primary forms	154,746	158,437	158,437	63,784,028	Kilograms
6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i..	121,130	123,006	123,006	6,940,083	Dozens
2933.61.00	Melamine	16,917	17,772	17,772	12,020,000	Kilograms
6109.90.10	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of manmade fibers	13,483	13,788	13,788	665,505	Dozens
8525.50.30	Transmission apparatus for television, n.e.s.o.i..	9,828	10,252	10,252		– Not available
2009.11.00	Orange juice, frozen, unfermented and not containing added spirit	9,126	9,570	9,570	23,915,724	Liters
2106.90.99	Food preparations not elsewhere specified or included, not canned or frozen	7,285	7,456	7,456	781,907	Kilograms
2009.19.00	Orange juice, not frozen, of a brix value exceeding 20, unfermented	6,681	6,849	6,849	18,060,836	Liters
2710.19.16	Kerosene-type jet fuel from petroleum oils and oils of bitumin minerals (other than crude) or preps. 70%+ by wt. from petrooils	5,247	5,285	5,285	37,894	Barrels
2202.10.00	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	3,894	4,404	4,404	6,643,911	Liters
1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. U.S. note 5 to ch. 17	3,347	3,732	3,732	7,062,000	Kilograms
6110.30.30	Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, n.e.s.o.i.	3,130	3,210	3,210	118,759	Dozens

Appendix B

HTS number	Description	Customs value of CBERA imports	C.i.f. value of CBERA imports	Landed duty-paid value of CBERA imports	Quantity of CBERA imports	Units of quantity measure
0406.30.24	Cheddar cheese, processed, not grated or powdered, subject to add. U.S. note 18 to ch. 4	2,848	2,927	2,927	284,716	Kilograms
2308.00.98	Vegetable materials and vegetable waste, vegetable residues and byproducts, of a kind used in animal feeding, n.e.s.o.i.	1,904	2,469	2,469	13,621	Not available
9405.10.80	Chandeliers and other electric ceiling or wall lighting fixtures (other than used for public spaces), not of base metal	2,231	2,442	2,442	351,078	Number
3909.10.00	Urea resins; thiourea resins	1,877	2,194	2,194	1,466,238	Kilograms
9405.99.40	Parts of lamps, lighting fixtures, illuminated signs and the like, not of glass, plastics or brass	1,955	2,139	2,139	–	Not available

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: The abbreviation c.i.f. stands for “cost, insurance, and freight”; n.e.s.o.i. and n.e.s.i. stand for “not elsewhere specified or included.”

Table B.2: U.S. tariff rates for the 20 CBERA-exclusive products, 2014

HTS number	Description	Ad valorem rate (percentage)	Specific rate (\$ per unit of volume)	Estimated ad valorem rate (percentage) ^a
2905.11.20	Methanol (methyl alcohol), other than imported only for use in producing synthetic natural gas (SNG) or for direct use as fuel	5.5		
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	16.5		
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees a.p.i. or more		0.1050	0.1
3903.11.00	Polystyrene, expandable, in primary forms	6.5		
6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	16.5		
2933.61.00	Melamine	3.5		
6109.90.10	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of manmade fibers	32.0		
8525.50.30	Transmission apparatus for television, n.e.s.o.i.	1.8		
2009.11.00	Orange juice, frozen, unfermented and not containing added spirit		0.0785	19.6
2106.90.99	Food preparations not elsewhere specified or included, not canned or frozen	6.4		
2009.19.00	Orange juice, not frozen, of a brix value exceeding 20, unfermented		0.0785	20.7
2710.19.16	Kerosene-type jet fuel from petroleum oils and oils of bitumin minerals (other than crude) or preps. 70%+ by wt. from petroleum oils		0.5250	0.4
2202.10.00	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored		0.0200	3.0
1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. U.S. note 5 to ch. 17		0.0146	2.8
6110.30.30	Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, n.e.s.o.i.	32.0		
0406.30.24	Cheddar cheese, processed, not grated or powdered, subject to add. U.S. note 18 to ch. 4	16.0		
2308.00.98	Vegetable materials and vegetable waste, vegetable residues and byproducts, of a kind used in animal feeding, n.e.s.o.i.	1.4		
9405.10.80	Chandeliers and other electric ceiling or wall lighting fixtures (other than used for public spaces), not of base metal	3.9		
3909.10.00	Urea resins; thiourea resins	6.5		
9405.99.40	Parts of lamps, lighting fixtures, illuminated signs and the like, not of glass, plastics or brass	6.0		

Source: U.S. Harmonized Tariff Schedule, 2015.

Note: The abbreviation n.e.s.o.i. and n.e.s.i. stand for "not elsewhere specified or included."

^a These rates are reported for comparison purposes only.

Table B.3: Domestic production and exports for the 20 CBERA-exclusive products, 2014 (thousand \$)

HTS number	Description	Domestic production	Domestic exports
2905.11.20	Methanol (methyl alcohol), other than imported only for use in producing synthetic natural gas (SNG) or for direct use as fuel	775,000	70,027
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	598,607	179,582
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees a.p.i. or more	220,134,728	12,066,231
3903.11.00	Polystyrene, expandable, in primary forms	637,392	192,790
6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	207,042	72,465
2933.61.00	Melamine	85,000	43,205
6109.90.10	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of manmade fibers	320,580	96,174
8525.50.30	Transmission apparatus for television, n.e.s.o.i.	5,000,500	647,484
2009.11.00	Orange juice, frozen, unfermented and not containing added spirit	1,200,000	157,100
2106.90.99	Food preparations not elsewhere specified or included, not canned or frozen	10,000,000	3,210,066
2009.19.00	Orange juice, not frozen, of a brix value exceeding 20, unfermented	600,000	27,600
2710.19.16	Kerosene-type jet fuel from petroleum oils and oils of bituminous minerals (other than crude) or preps. 70%+ by wt. from petroleum oils	63,639,139	675,743
2202.10.00	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	12,000,000	467,800
1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. U.S. note 5 to ch. 17	910,337	1,108
6110.30.30	Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, n.e.s.o.i.	283,610	99,263
0406.30.24	Cheddar cheese, processed, not grated or powdered, subject to add. U.S. note 18 to ch. 4	1,000,000	88,681
2308.00.98	Vegetable materials and vegetable waste, vegetable residues and byproducts, of a kind used in animal feeding, n.e.s.o.i.	350,000	33,800
9405.10.80	Chandeliers and other electric ceiling or wall lighting fixtures (other than used for public spaces), not of base metal	488,000	73,000
3909.10.00	Urea resins; thiourea resins	973,560	29,661
9405.99.40	Parts of lamps, lighting fixtures, illuminated signs and the like, not of glass, plastics or brass	1,325,000	198,000

Source: USITC estimates from industry sources.

Note: The abbreviation n.e.s.o.i. and n.e.s.i. stand for "not elsewhere specified or included."

Appendix C

Statistical Tables

Table C.1: U.S. imports for consumption from CBERA countries, by source, 2010–14

Source	2010	2011	2012	2013	2014	Change, 2013–14
	Million \$					Percent
Current CBERA beneficiaries						
Trinidad and Tobago	6,569.8	8,152.3	8,076.5	6,366.3	5,690.3	-10.6
Haiti	550.8	741.7	774.1	809.1	897.1	10.9
Bahamas	717.5	778.9	524.5	572.6	540.5	-5.6
Guyana	297.9	423.5	515.2	460.2	491.8	6.9
Sint Maarten	0.0	0.0	0.0	0.0	293.2	^(a)
Jamaica	298.3	506.2	456.7	393.6	266.8	-32.2
Belize	120.4	177.0	160.4	134.2	96.9	-27.8
Aruba	18.5	3,169.7	746.6	43.0	70.3	63.6
St. Kitts and Nevis	50.6	54.7	56.9	54.2	56.0	3.3
Barbados	42.5	58.2	53.9	55.0	49.7	-9.6
Curacao	0.0	0.0	0.0	0.0	49.6	^(a)
St. Lucia	17.8	18.0	15.2	16.5	15.3	-7.4
British Virgin Islands	19.0	6.3	13.4	6.3	10.7	70.0
Grenada	7.6	6.7	8.3	9.5	9.7	2.7
Antigua and Barbuda	5.5	6.6	9.6	8.5	7.9	-7.1
Dominica	1.6	1.8	1.7	2.6	1.5	-43.7
St. Vincent and Grenadines	1.8	1.9	2.3	2.9	1.4	-52.3
Montserrat	0.5	0.6	1.8	2.7	0.7	-74.6
Former CBERA beneficiaries						
Panama	378.0	388.2	539.8	0.0	0.0	^(a)
Netherlands Antilles	1,030.0	0.0	0.0	0.0	0.0	^(a)
Total	1,408.0	388.2	539.8	0.0	0.0	0.0
Grand total	10,128.1	14,492.3	11,956.9	8,937.2	8,549.4	-4.3

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012.

^a Not applicable.

Table C.2: U.S. imports for consumption under CBERA, by source, 2010–14

Source	2010	2011	2012	2013	2014	Change, 2013–14
	Million \$					Percent
Current CBERA beneficiaries						
Trinidad and Tobago	2,207.8	2,589.4	2,171.2	1,640.7	1,234.5	-24.8
Haiti	364.1	474.6	436.8	361.8	405.5	12.1
Bahamas	99.0	123.9	130.5	142.7	157.2	10.2
Jamaica	83.9	179.2	206.2	90.2	71.8	-20.5
Belize	61.7	146.0	131.9	104.8	60.6	-42.2
St. Kitts and Nevis	20.5	27.3	22.3	18.9	18.3	-3.1
Guyana	10.6	11.2	5.3	4.5	11.8	161.2
Sint Maarten	0.0	0.0	0.0	0.0	5.4	^(a)
Barbados	7.2	4.5	3.8	2.1	5.3	154.5
St. Lucia	9.2	1.9	1.8	3.2	1.1	-64.4
Grenada	0.1	0.3	0.3	0.3	0.4	50.0
St. Vincent and Grenadines	0.1	0.1	0.1	0.1	0.2	28.9
Aruba	0.6	0.2	^(b)	^(b)	0.1	^(a)
Dominica	0.1	0.1	0.1	0.2	0.1	-69.0
British Virgin Islands	0.1	0.1	0.5	0.1	0.1	-51.5
Antigua and Barbuda	^(b)	^(b)	^(b)	^(b)	^(b)	^(a)
Montserrat	0.0	0.0	^(b)	0.0	0.0	^(a)
Former CBERA beneficiaries						
Netherlands Antilles	1.2	0.0	0.0	0.0	0.0	^(a)
Panama	28.9	54.7	26.3	0.0	0.0	^(a)
Total	30.1	54.7	26.3	0.0	0.0	^(a)
Grand total	2,895.2	3,613.6	3,137.4	2,369.7	1,972.3	-16.8

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012.

^a Not applicable.

^b Less than \$50,000.

Table C.3: Leading U.S. imports for consumption under CBERA, by HTS chapter, 2010–14

HTS chapter	Description	2010	2011	2012	2013	2014
Million \$						
29	Organic chemicals	898.2	1,115.6	1,043.9	1,188.3	1,040.5
61	Articles of apparel and clothing accessories, knitted or crocheted	356.0	460.8	425.2	343.6	387.8
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; waxes	1,309.1	1,411.5	1,204.2	504.1	199.5
39	Plastics and articles thereof	97.8	125.0	132.1	144.5	157.2
21	Miscellaneous edible preparations	16.5	16.8	19.1	22.9	26.4
20	Preparations of vegetables, fruit, nuts, or other parts of plants	19.7	21.2	26.7	22.2	25.6
08	Edible fruit and nuts; peel of citrus fruit or melons	29.1	32.9	29.0	28.0	24.0
17	Sugars and sugar confectionery	28.5	70.7	14.2	1.6	23.6
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television recorders and reproducers, parts and accessories	31.2	29.8	24.6	23.4	22.1
07	Edible vegetables and certain roots and tubers	18.7	22.7	19.6	20.9	21.9
22	Beverages, spirits and vinegar	33.4	258.5	164.5	33.1	14.1
	All other	57.1	48.0	34.4	37.2	29.6
	Total	2,895.2	3,613.6	3,137.4	2,369.7	1,972.3
Percent of total						
29	Organic chemicals	31.0	30.9	33.3	50.1	52.8
61	Articles of apparel and clothing accessories, knitted or crocheted	12.3	12.8	13.6	14.5	19.7
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; waxes	45.2	39.1	38.4	21.3	10.1
39	Plastics and articles thereof	3.4	3.5	4.2	6.1	8.0
21	Miscellaneous edible preparations	0.6	0.5	0.6	1.0	1.3
20	Preparations of vegetables, fruit, nuts, or other parts of plants	0.7	0.6	0.9	0.9	1.3
08	Edible fruit and nuts; peel of citrus fruit or melons	1.0	0.9	0.9	1.2	1.2
17	Sugars and sugar confectionery	1.0	2.0	0.5	0.1	1.2
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television recorders and reproducers, parts and accessories	1.1	0.8	0.8	1.0	1.1
07	Edible vegetables and certain roots and tubers	0.6	0.6	0.6	0.9	1.1
22	Beverages, spirits and vinegar	1.2	7.2	5.2	1.4	0.7
	All other	2.0	1.3	1.1	1.6	1.5
	Total	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012.

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Table C.4: Leading U.S. imports for consumption under CBERA, 2010–14

HTS chapter	Description	2010	2011	2012	2013	2014
Million \$						
2905.11.20	Methanol (methyl alcohol), other than imported only for use in producing synthetic natural gas (SNG) or for direct use as fuel	891.8	1,091.7	1,022.3	1,171.5	1,023.6
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	203.6	213.1	224.6	208.7	247.0
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees a.p.i. or more	1,249.5	1,273.9	1,163.7	371.2	192.4
3903.11.00	Polystyrene, expandable, in primary forms	95.4	122.2	129.4	141.5	154.7
6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, nesoi	125.1	220.7	176.1	118.2	121.1
1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. U.S. note 5 to ch. 17	0.0	0.0	12.7	0.0	19.5
0714.30.10	Fresh or chilled yams (dioscorea spp.), whether or not sliced or in the form of pellets	0.0	0.0	15.8	17.0	18.2
2933.61.00	Melamine	6.1	23.7	21.5	16.8	16.9
6109.90.10	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of manmade fibers	19.8	18.0	15.6	10.6	13.5
8525.50.30	Transmission apparatus for television, nesoi	11.0	15.7	12.2	10.6	9.8
2106.90.99	Food preparations not elsewhere specified or included, not canned or frozen	5.5	3.8	6.0	8.3	9.8
2009.11.00	Orange juice, frozen, unfermented and not containing added spirit	6.7	6.5	7.9	7.0	9.1
0804.50.40	Guavas, mangoes, and mangosteens, fresh, if entered during the period september 1 through may 31, inclusive	1.3	7.1	6.1	8.4	8.6
0807.20.00	Papayas (papaws), fresh	12.1	12.7	11.1	12.1	7.9
2103.90.90	Sauces and preparations therefor, neosi	3.8	4.7	4.8	5.4	7.2
2009.19.00	Orange juice, not frozen, of a brix value exceeding 20, unfermented	5.6	4.6	8.1	5.1	6.7
2103.90.80	Mixed condiments and mixed seasonings, not described in add.U.S. note 3 to ch. 21	4.8	5.7	5.8	5.8	6.6
2710.19.16	Kerosene-type jet fuel from petroleum oils and oils of bitumin minerals (other than crude) or preps. 70%+ by wt. from petroleum oils	0.0	0.0	4.8	0.0	5.2
2202.10.00	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	5.8	6.5	5.3	4.7	4.8
8504.90.95	Parts (other than printed circuit assemblies) of electrical transformers, static converters and inductors	2.6	4.3	3.6	3.0	4.5
	All other	244.8	578.7	279.9	243.6	84.9
	Total	2,895.2	3,613.6	3,137.4	2,369.7	1,972.3

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012.

Table C.5: Leading U.S. imports for consumption under CBERA, by source, 2010–14

Source	HTS number	Description	2010	2011	2012	2013	2014
			Thousand \$				
Antigua and Barbuda	2103.90.90	Sauces and preparations therefor, nesoi	13.2	4.7	7.5	24.4	9.0
	7113.11.50	Silver articles of jewelry and parts thereof, nesoi, valued over \$18 per dozen pieces or parts	0.0	0.0	0.0	0.0	5.3
	7117.19.90	Imitation jewelry (other than toy jewelry and rope, curb, cable, chain, etc.), of base metal (wheth. or n/plated w/prec.metal), nesoi	0.0	0.0	0.0	0.0	4.2
	6404.20.60	Footwear w/outer soles of leather/comp. leather and uppers of textile, nesoi	0.0	0.0	0.0	0.0	0.5
		All other	7.6	18.4	22.1	0.0	0.0
	Total	20.9	23.1	29.6	24.4	19.0	
Aruba	1518.00.40	Animal or vegetable fats and oils, nesi, oxidized, dehydrated or otherwise chemically modified; inedible mixtures of fats and oils nesi	0.0	136.3	0.0	0.0	29.0
	7113.19.50	Precious metal (other than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, nesoi	285.8	47.8	0.0	0.0	24.5
	3307.20.00	Personal deodorants and antiperspirants	0.0	0.0	0.0	0.0	10.8
	7613.00.00	Aluminum, containers for compressed or liquefied gas	0.0	0.0	0.0	0.0	10.2
		All other	279.9	64.7	26.7	18.1	0.0
	Total	565.7	248.8	26.7	18.1	74.6	
Bahamas	3903.11.00	Polystyrene, expandable, in primary forms	95,377.9	122,169.0	129,357.6	141,502.6	154,745.8
	0306.14.20	Crabmeat, frozen	0.0	0.0	35.7	310.7	976.8
	0306.24.20	Crabmeat, not frozen	429.3	512.8	82.5	36.3	932.8
	1605.10.40	Crabmeat, prepared or preserved, other than in airtight containers	16.5	19.7	93.0	114.8	218.0
	0511.99.36	Natural sponges of animal origin	27.5	46.1	38.2	77.6	144.7
		All other	3,124.1	1,106.8	932.0	625.6	132.8
	Total	98,975.3	123,854.4	130,539.1	142,667.5	157,150.8	
Barbados	1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. U.S. note 5 to ch. 17	0.0	0.0	0.0	0.0	3,347.4
	2208.40.60	Rum and tafia, in containers each holding over 4 liters, valued not over \$0.69/proof liter	935.8	430.3	521.8	421.5	939.6
	9030.33.00	Instruments and apparatus, nesi, for measuring or checking electrical voltage, current, resistance or power, without a recording device	362.9	387.4	402.6	407.5	412.8
	2207.10.30	Undenatured ethyl alcohol of 80 percent vol. alcohol or higher, for beverage purposes	5,518.8	3,227.6	2,228.0	154.5	341.3

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Source	HTS number	Description	2010	2011	2012	2013	2014
	1702.30.22	Glucose and glucose syrup nt containing or containing in dry state less than 20% fructose; blended, see gen. note 15 of the schedule and prov.	0.0	26.3	0.0	80.1	72.0
		All other	415.4	421.2	660.9	1,017.0	181.7
		Total	7,233.0	4,492.9	3,813.3	2,080.5	5,294.8
Belize	2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees a.p.i. or more	37,837.9	109,727.6	101,621.5	78,149.7	27,275.6
	2009.11.00	Orange juice, frozen, unfermented and not containing added spirit	6,187.9	6,480.7	7,937.7	7,010.9	9,126.3
	2009.19.00	Orange juice, not frozen, of a brix value exceeding 20, unfermented	5,555.8	4,524.0	8,038.9	5,070.6	6,681.3
	0807.20.00	Papayas (papaws), fresh	10,422.8	11,067.0	9,245.6	10,618.3	6,444.1
	1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. U.S. note 5 to ch. 17	0.0	0.0	0.0	0.0	3,983.5
		All other	1,739.7	14,245.4	5,099.0	3,927.3	7,064.7
		Total	61,744.2	146,044.7	131,942.7	104,776.8	60,575.4
British Virgin Islands	7326.90.85	Iron or steel, articles, nesoi	0.0	0.0	0.0	0.0	49.1
	3926.90.99	Other articles of plastic, nesoi	0.0	0.0	0.0	0.0	1.0
		All other	86.1	135.9	451.0	103.3	0.0
		Total	86.1	135.9	451.0	103.3	50.1
Dominica	0714.90.10	Fresh or chilled dasheens, whether or not sliced or in the form of pellets	3.5	76.6	75.4	146.6	40.0
	3307.10.20	Pre-shave, shaving or after-shave preparations, containing alcohol	28.8	40.7	36.9	23.4	7.8
	2202.90.90	Nonalcoholic beverages, nesi, not including fruit or vegetable juices of heading 2009	0.0	5.2	0.0	0.0	2.6
	0709.99.05	Jicamas and breadfruit, fresh or chilled	0.0	0.0	4.8	0.0	2.3
		All other	20.7	26.6	0.0	0.0	0.0
		Total	53.1	149.1	117.0	170.0	52.8
Grenada	0811.90.25	Cashew apples, mameyes colorados, sapodillas, soursops and sweetsops, frozen, in water or containing added sweetening	70.5	124.6	185.8	145.1	221.2
	0810.90.46	Fruit, not elsewhere specified or included, fresh	0.0	0.0	0.0	6.8	101.0
	1806.20.50	Chocolate, ov 2kg, cont. milk solids, not in blocks 4.5 kg or more, no milk solids, not gn15	0.0	0.0	0.0	0.0	57.8
	0714.90.10	Fresh or chilled dasheens, whether or not sliced or in the form of pellets	0.0	80.8	35.8	4.3	56.3
	0709.93.10	Pumpkins, fresh or chilled	0.0	0.0	0.0	0.0	6.2
		All other	79.3	111.5	119.3	138.9	0.0
		Total	149.7	316.9	341.0	295.0	442.6

Source	HTS number	Description	2010	2011	2012	2013	2014
Guyana	1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. U.S. note 5 to ch. 17	0.0	0.0	0.0	0.0	6,296.8
	6114.30.20	Bodysuits and bodyshirts, knitted or crocheted, of manmade fibers	915.5	1,201.2	1,418.0	1,316.5	1,202.5
	1006.30.10	Rice semi-milled or wholly milled, whether or not polished or glazed, parboiled	0.0	0.0	0.0	0.0	1,042.7
	6114.30.30	Garments nesoi, knitted or crocheted, of manmade fibers	967.7	1,069.1	982.4	724.1	847.6
	6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	0.0	0.0	10.1	0.0	415.4
		All other	8,749.1	8,901.2	2,904.4	2,491.2	2,031.9
		Total	10,632.3	11,171.6	5,314.9	4,531.8	11,836.9
Haiti	6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	203,559.8	213,052.3	224,583.3	208,699.5	246,593.4
	6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, nesoi	125,052.5	220,445.5	175,477.1	117,846.5	120,775.3
	6109.90.10	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of manmade fibers	19,702.8	17,887.2	15,569.4	10,618.8	13,483.5
	0804.50.40	Guavas, mangoes, and mangosteens, fresh, if entered during the period september 1 through May 31, inclusive	1,286.7	7,113.3	6,079.3	8,386.1	8,476.6
	0804.50.60	Guavas, mangoes, and mangosteens, fresh, if entered during the period june 1 through august 31, inclusive	5,379.4	3,336.6	2,895.1	3,953.8	4,284.4
		All other	9,076.9	12,767.0	12,178.9	12,334.4	11,882.3
		Total	364,058.1	474,602.0	436,783.1	361,839.2	405,495.5
Jamaica	0714.30.10	Fresh or chilled yams (dioscorea spp.), whether or not sliced or in the form of pellets	0.0	0.0	15,809.7	17,016.9	18,244.0
	1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. U.S. note 5 to ch. 17	0.0	0.0	0.0	0.0	5,883.0
	2103.90.80	Mixed condiments and mixed seasonings, not described in add.U.S. note 3 to ch. 21	4,080.6	4,932.3	5,241.3	5,079.9	5,596.5
	2103.90.90	Sauces and preparations therefor, neosi	2,407.2	2,994.5	3,130.1	3,470.9	4,823.4
	2005.99.97	Vegetables nesoi, and mixtures of vegetables, prepared or preserved otherwise than by vinegar or acetic acid, not frozen, not preserved by sugar	1,572.2	2,677.4	2,919.8	3,538.5	3,929.7
		All other	75,849.9	168,582.0	179,100.6	61,124.5	33,283.8
		Total	83,909.9	179,186.3	206,201.5	90,230.5	71,760.4
Montserrat	8525.50.30	Transmission apparatus for television, nesoi	0.0	0.0	23.7	0.0	0.0
		All other	0.0	0.0	0.0	0.0	0.0
		Total	0.0	0.0	23.7	0.0	0.0

Appendix C

Source	HTS number	Description	2010	2011	2012	2013	2014
Sint Maarten	2710.19.16	Kerosene-type jet fuel from petroleum oils and oils of bitumin minerals (other than crude) or preps. 70%+ by wt. from petroleum oils	0.0	0.0	0.0	0.0	5,246.7
	7108.13.70	Gold (including gold plated with platinum), nonmonetary, in semimanufactured forms (except gold leaf), nesoi	0.0	0.0	0.0	0.0	90.0
	6914.90.80	Ceramic (other than porcelain or china) arts. (other than tableware/kitchenware/household and ornament. arts), nesoi	0.0	0.0	0.0	0.0	20.2
	2208.40.20	Rum and tafia, in containers each holding not over 4 liters, valued not over \$3/proof liter	0.0	0.0	0.0	0.0	5.9
	8544.42.90	Insulated electric conductors nesi, for a voltage not exceeding 1,000 v, fitted with connectors, nesoi	0.0	0.0	0.0	0.0	2.7
		All other	0.0	0.0	0.0	0.0	0.0
	Total	0.0	0.0	0.0	0.0	5,365.4	
St. Kitts and Nevis	8525.50.30	Transmission apparatus for television, nesoi	10,952.2	15,748.3	12,176.6	10,643.0	9,820.1
	8504.90.95	Parts (other than printed circuit assemblies) of electrical transformers, static converters and inductors	2,576.7	4,206.2	3,464.4	3,035.2	4,522.7
	8503.00.65	Stators and rotors for electric motors and generators of heading 8501, nesi	414.3	272.6	606.0	1,377.0	1,606.7
	8537.10.90	Boards, panels, consoles, desks, cabinets, etc., equipped with apparatus for electric control, for a voltage not exceeding 1,000, nesi	69.3	1,227.2	1,500.4	434.6	932.7
	8503.00.95	Other parts, nesi, suitable for use solely or principally with the machines in heading 8501 or 8502	3,089.0	3,558.9	3,281.0	2,380.9	734.0
		All other	3,364.8	2,260.4	1,321.6	1,062.5	721.9
	Total	20,466.3	27,273.5	22,349.9	18,933.3	18,338.0	
St. Lucia	8529.10.20	Television antennas and antenna reflectors, and parts suitable for use therewith	7,944.7	822.2	1,096.0	2,794.1	516.0
	8536.90.80	Electrical apparatus nesi, for switching or making connections to or in electrical circuits, for a voltage not exceeding 1,000 v, nesoi	685.0	485.9	260.3	58.7	296.4
	2103.90.90	Sauces and preparations therefor, neosi	197.4	313.4	237.8	324.4	294.8
	2103.90.80	Mixed condiments and mixed seasonings, not described in add.U.S. note 3 to ch. 21	0.0	11.2	9.4	11.8	11.5
	2106.90.99	Food preparations not elsewhere specified or included, not canned or frozen	0.0	9.6	8.0	9.0	8.6
		All other	371.5	246.9	224.3	12.2	14.4
	Total	9,198.5	1,889.2	1,835.8	3,210.3	1,141.5	

Source	HTS number	Description	2010	2011	2012	2013	2014
St. Vincent and Grenadines	0714.90.10	Fresh or chilled dasheens, whether or not sliced or in the form of pellets	42.9	70.6	88.1	107.9	182.3
	2202.10.00	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	0.0	0.0	10.0	4.7	0.0
	0811.90.80	Fruit, nesi, frozen, whether or not previously steamed or boiled	0.0	0.0	0.0	9.9	0.0
	0710.80.70	Vegetables nesi, uncooked or cooked by steaming or boiling in water, frozen, not reduced in size	0.0	0.0	0.0	12.3	0.0
		All other	81.1	17.7	40.2	6.6	0.0
	Total	124.0	88.4	138.4	141.5	182.3	
Trinidad and Tobago	2905.11.20	Methanol (methyl alcohol), other than imported only for use in producing synthetic natural gas (SNG) or for direct use as fuel	891,842.8	1,091,722.7	1,022,303.2	1,170,752.7	1,023,570.1
	2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees a.p.i. or more	1,211,635.4	1,164,161.9	1,062,071.1	293,035.3	165,104.5
	2933.61.00	Melamine	6,119.3	23,663.3	21,544.1	16,798.4	16,917.5
	2106.90.99	Food preparations not elsewhere specified or included, not canned or frozen	4,729.8	2,540.0	4,744.0	6,325.8	7,284.9
	2202.10.00	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	4,711.0	4,261.7	4,363.2	4,090.4	3,894.0
		All other	88,804.0	303,010.2	56,171.2	149,706.1	17,718.8
	Total	2,207,842.4	2,589,359.8	2,171,196.8	1,640,708.7	1,234,489.8	

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Appendix D

Data Tables Corresponding to Figures in the Report

Table D.1: U.S. imports from CBERA beneficiary countries, by import program, 2014 (billion \$)

Import program	2014
Duty-free	5,420.1
Dutiable	1,155.7
CBERA exclusive	1,829.4
CBERA/GSP	142.8
GSP	1.3
Total	8,549.4

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Corresponds to figure ES.1.

Table D.2: U.S. imports under CBERA, by major product categories,^a 2010–14

	2010	2011	2012	2013	2014
Agriculture	156.6	203.2	136.2	119.0	149.2
Energy	2,211.2	2,742.7	2,376.2	1,696.5	1,223.1
Mining and manufacturing	167.4	201.6	196.2	208.4	210.2
Textiles and Apparel	360.0	466.1	428.8	345.8	389.8
Total	2,895.2	3,613.6	3,137.4	2,369.7	1,972.3

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015).

Note: Corresponds to figure ES.2 and figure 2.2. Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012. N.e.s.o.i. stands for “not elsewhere specified or included.”

^a Agricultural imports are defined as imports under HTS chapters 01 through 24 (inclusive), excluding fuel ethanol from chapter 22, which is classified as an energy import. Energy imports are defined as all of chapter 27 imports, as well as methanol (HTS 2905.11.20) and the fuel ethanol reported in chapter 22. Textile and apparel imports are defined as imports in chapters 50 through 63 (inclusive). Mining and manufacturing imports are defined as everything not categorized as agricultural, energy, or textile and apparel imports, with the exception of imports classified in HTS chapters 98 and 99, which are excluded from the data.

Table D.3: U.S. imports from CBERA countries, by major product categories,^a 2010–14

	2010	2011	2012	2013	2014
Agriculture	532.3	539.3	535.3	365.9	389.2
Energy	5,493.8	8,767.9	5,802.1	3,747.6	3,221.4
Mining and manufacturing	3,577.5	4,475.1	4,880.8	4,052.0	4,090.7
Textiles and Apparel	524.5	710.0	738.7	771.8	848.1
Total	10,128.1	14,492.3	11,956.9	8,937.2	8,549.4

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Corresponds to figure figure 2.1. Data on U.S. imports from CBERA countries include U.S. imports from the Netherlands Antilles through October 2010 and U.S. imports from Panama through October 2012.

^a Agricultural imports are defined as imports under HTS chapters 01 through 24 (inclusive), excluding fuel ethanol from chapter 22, which is classified as an energy import. Energy imports are defined as all chapter 27 imports, as well as methanol (HTS subheading 2905.11.20) and the fuel ethanol reported in chapter 22. Textile and apparel imports are defined as imports in chapters 50 through 63 (inclusive). Mining and manufacturing imports are defined as everything not categorized as agricultural, energy, or textile and apparel imports, with the exception of imports classified in HTS chapters 98 and 99, which are excluded from the data.

Table D.4: World and U.S. economic growth, 2010–14

	2010	2011	2012	2013	2014
United States	2.5	1.6	2.3	2.2	2.4
World	5.4	4.2	3.4	3.4	3.4

Source: IMF, World Economic Outlook, 2015, April 2015, table A1, 170.

Note: Corresponds to figure 3.1.

Table D.5: Foreign direct investment flows into CBERA countries versus the Latin America/Caribbean region, 2010–2013 (index, 100 = 2010)

	2010	2011	2012	2013	2014
CBERA	100	154	149	144	180
Latin America/Caribbean region	100	124	135	141	121

Source: UN ECLAC, Economic Survey of Latin America and the Caribbean, 2014, table A.14, August 6, 2014, 186; UNCTAD, World Investment Report, 2014, annex table 1, June 24, 2014, 205–208.

Note: Corresponds to figure 3.2. Data presented are from UN ECLAC, Economic Survey of Latin America and the Caribbean, 2014, table A.14, 186, except for Aruba, British Virgin Islands, Curaçao, and Montserrat. Data for Aruba, Curaçao, and Montserrat are from UNCTAD, World Investment Report, 2014, annex table 1, 2014, 205–208. Data for the British Virgin Islands are not reported due to its role as an international financial center and resulting distortions in foreign direct investment flows. Aggregated data for CBERA countries are the sum of the country data available. More comprehensive UN ECLAC (2014) presented in this figure, rather than most recent UN ECLAC (2015) data, as presented in table 3.6.

Table D.6: Trinidad and Tobago: Composition of GDP, 2013

Sector	Percent
Petroleum	42.1
Distribution	15.7
Finance, insurance, real estate	11.2
Government	8.2
Manufacturing	5.6
Transport, storage and communication	4.5
Construction	5.8
Electricity and water	1.2
Agriculture	0.5
Other	5.2

Source: Central Bank of Trinidad and Tobago, Annual Economic Survey 2014, 2014, 64, table A.3.

Note: Corresponds to figure 4.1.

Table D.7: Trinidad and Tobago: Total U.S. imports and imports under CBERA, 2010–14, percent

	2010	2011	2012	2013	2014
CBERA share of total imports	33.6	31.8	26.9	25.8	21.7
Crude petroleum and mineral fuels entered under CBERA, share of total imports	32.0	27.7	25.8	23.0	20.9

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Corresponds to figure 4.2. In this figure, crude petroleum and mineral fuels include crude petroleum (HTS 2709.00.20) and methanol (HTS 2905.11.20).

Table D.8: Haiti: Composition of GDP, 2013

Sector	Percent
Construction	26.5
Wholesale, retail trade, restaurants and hotels	18.6
Agriculture, hunting, forestry and fishing	18.6
Transport, storage and communication	12.1
Manufacturing	9.6
Mining and utilities	0.7
Other activities	14.0

Source: UN Statistics Division, National Accounts database (accessed May 25, 2015).

Note: Corresponds to figure 4.3.

Table D.9: Haiti: Total U.S. imports and imports under CBERA, 2010–14, percent

	2010	2011	2012	2013	2014
CBERA share of total imports	66.1	64.0	56.4	44.7	45.2
Top apparel items entered under CBERA, share of total imports	63.2	60.9	53.7	41.7	42.5

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Corresponds to figure 4.4. In this figure, top apparel items include only the three leading apparel imports from Haiti under CBERA in 2010–14: knitted cotton t-shirts (HTS 6109.10.00), knitted cotton tops (HTS 6110.20.20), and t-shirts of manmade fibers (HTS 6109.90.10).

Table D.10: The Bahamas: Composition of GDP, 2013

Sector	Percent
Wholesale, retail trade, restaurants and hotels	20.7
Construction	10.0
Transport, storage and communication	8.1
Manufacturing	4.0
Mining, and utilities	2.9
Agriculture, hunting, forestry and fishing	1.8
Other activities	52.4

Source: UN Statistics Division, National Accounts database (accessed May 25, 2015).

Note: Corresponds to figure 4.5.

Table D.11: The Bahamas: Total U.S. imports and imports under CBERA, 2010–14, percent

	2010	2011	2012	2013	2014
CBERA share of total imports	13.8	15.9	24.9	24.9	29.1
Polystyrene entered under CBERA as a share of total imports	13.3	15.7	24.7	24.7	28.6

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Corresponds to figure 4.6. In this figure, polystyrene is classified under HTS 3909.11.00.

Appendix D

Table D.12: Jamaica: Composition of GDP, 2013

Sector	Percent
Wholesale, retail trade, restaurants and hotels	22.7
Manufacturing	9.0
Transport, storage and communication	8.4
Construction	7.0
Agriculture, hunting, forestry and fishing	6.8
Mining and utilities	4.4
Other activities	41.7

Source: UN Statistics Division, National Accounts database (accessed May 25, 2015).

Note: Corresponds to figure 4.7.

Table D.13: Jamaica total U.S. imports and imports under CBERA, 2010–14, percent

	2010	2011	2012	2013	2014
CBERA share of total imports	28.1	35.4	45.2	22.9	26.9
Fresh or chilled yams entered under CBERA as a share of total imports	0.0	0.0	3.5	4.3	6.8

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2015). Data reflect all official USDOC revisions for 2010–14 as of this date.

Note: Corresponds to figure 4.8. In this figure, Fresh or chilled yams are classified under HTS 0714.30.10.