YAŞAR UNIVERSITY

GRADUATE SCHOOL OF SOCIAL SCIENCES

MASTER'S IN BUSINESS ADMINISTRATION PROGRAMME

MASTER THESIS

HOW SHOULD SMALL OPEN ECONOMIES RESPOND TO THE CHALLENGES OF GLOBALIZATION?: A CASE STUDY OF THE FOOD INDUSTRY OF THE CARIBBEAN

WILMINE CELIGNY

THESIS ADVISOR: ASSIST. PROF. DR. RUHAN ASKIN UZEL

2019 IZMIR

I certify that I have read this thesis and that in my opinion it is fully adequate, in scope and in quality, as a thesis for the Master Proficiency in Art degree.

....

23/5/2019

Assist. Prof. Dr. Ruhan Askin Uzel
(Supervisor)

I certify that I have read this thesis and that in my opinion it is fully adequate, in scope and in quality, as a thesis for the Master Proficiency in Art degree.

....

23/5/2019

Prof. Dr. Evrim Gürsoy Turgutlu
(Jury Member)

I certify that I have read this thesis and that in my opinion it is fully adequate, in scope and in quality, as a thesis for the Master Proficiency in Art degree.

....

23/5/2019

Assist. Prof. Dr. Işıl Kellevezir
(Jury Member)

Assoc. Prof. Dr. Cagri BULUT

Director of the Graduate School

ABSTRACT

HOW SHOULD SMALL OPEN ECONOMIES RESPOND TO THE CHALLENGES OF GLOBALIZATION?: A CASE STUDY OF THE FOOD INDUSTRY OF THE CARIBBEAN

Wilmine CELIGNY

Master's in Business Administration

Advisor: Dr. Ruhan Askin Uzel

2019

The world we live in today is more integrated than ever before. From crucial matters such as economy to more trivial like the type of music to which we listen, everything is globalized. Full isolationism policies is outdated. Whether its wanted or not, globalization is here. Finding a way to deal with it so as to ensure economic development is an essential accomplishment for all nations. The Small States in the Caribbean sub-continent faces many challenges such as, political instability, extreme weather conditions and natural disasters. But most urgently, the obstacles brought forth by globalization need to be addressed. The food industry more pressingly is threatened. In order to stay relevant in today global market, the small island economies of the Caribbean are driven to evaluate new potential solutions, such as whether a more deregulated market or more bilateral treaties can be used to remedy the current situation. From this point, within the concept of this study, the economy was inspected and different parameters were evaluated to define the economical situation of some selected countries in the Caribbean. As a result of the economical situation analysis, some potential solutions were provided.

Key words: isolationism, globalization, small sates, small island economies, global market, Caribbean.

ÖZET

HOW SHOULD SMALL OPEN ECONOMIES RESPOND TO THE CHALLENGES OF GLOBALIZATION?: A CASE STUDY OF THE FOOD INDUSTRY OF THE CARIBBEAN

Wilmine CELIGNY

Masters in business administration

Dr. Ruhan Askin Uzel

2019

Günümüz dünyası, daha önce hiç olmadığı kadar bütünleşik bir durumdadır. Ekonomi gibi kritik önemi olan konulardan, dinlediğimiz müzik türü gibi daha önemsiz şeylere kadar her şey gittikçe küreselleşmektedir. Tam izolasyon politikaları geride kalmıştır. Her ne koşulda olursa olsun, burada önemli olan küreselleşme olgusudur. Ekonomik kalkınmayı sağlamak için bunu yönetebilmenin yolunu bulmak bütün uluslar için önemli bir başarıdır. Karayipler kıtasındaki küçük ülkeler siyasi istikrarsızlık, sıradışı hava koşulları ve doğal afetler gibi birçok zorlukla karşı karşıya kalmaktadır. Ancak, en acil olarak küreselleşmenin getirdiği engellerin ele alınması gerekmektedir. Gıda endüstrisi daha çok baskı ve tehdit altındadır. Buradan hareketle, günümüz küresel pazarında ilgili kalabilmek adına Karayip adalarında bulunan küçük ada ekonomileri, mevcut durumu düzeltmek için daha düzenli bir pazarın veya daha fazla ikili anlaşmaların kullanılıp kullanılamayacağı gibi yeni potansiyel çözümleri değerlendirmek amacıyla yönlendirilmektedir. Bu noktadan hareketle, yapılan tez çalışması kapsamında Karayiplerde bulunan bazı ülkelern ekonomik durumları farklı parametreler göz önünde bulundurularak değerlendirilmiştir. Yapılan ekonomik durum analizi sonucunda da potansiyel çözüm önerileri oluşturulmuştur.

Anahtar kelimeler: küreselleşme, küçük ülkeler, küçük ada ekonomisi, küresel pazarı, Karayipler

ACKNOWLEDGEMENTS

I would like to thank my supervisor Assist. Prof. Dr. Ruhan Askin Uzel for her guidance and patience during this study.

Wilmine CELIGNY

İzmir, 2019

TEXT OF OATH

I declare and honestly confirm that my study, titled “How Should Small Open Economies Respond to the Challenges of Globalization?: A case study of the food Industry of the Caribbean” and presented as a Master’s Thesis, has been written without applying to any assistance inconsistent with scientific ethics and traditions. I declare, to the best of my knowledge and belief, that all content and ideas drawn directly or indirectly from external sources are indicated in the text and listed in the list of references.

Wilmine CELIGNY

Signature

Wilmine Celigny

May 23, 2019

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABREVIATIONS AND ACRONYMS

CACCI-GWA:	The Caribbean-American Chamber of Commerce & Industry – Greater Washington Area Network
CAFHSA:	Caribbean Agricultural Health and Food Safety Agency
CAFTA-DR:	Dominican Republic-Central America Free Trade Agreement
CARICOM:	Caribbean Community Common Market
CARIFTA:	Caribbean Free Trade Association
CSME:	CARICOM ‘s Single Market and Economy
DR:	Dominican Republic
ECLAC:	Economic Commission for Latin America and the Caribbean
FAO:	Food and Agriculture Organization of the United Nations
FDI:	Foreign Direct Investment
GATT	General Agreement on Tariffs and Trade
GDP:	Gross Domestic Product
HRI:	Hotel and Restaurant Industry
IBRD:	International Bank for Reconstruction and Development
IMF:	International Monetary Fund
LAC:	Latin American and the Caribbean
OECD:	Organization for Economic Co-operation and Development
OECS:	Organization of Eastern Caribbean States

SDE:	Small Developing Economies
SIDS:	Small Island Developing States
TPI:	Tropical Productions, Inc.
UNEP:	United Nations Environment Program
UNFCC:	United Nations Framework Convention on Climate Change
US:	United States
USA:	United States of America
USDA:	United States Department of Agriculture
USGS:	United States Geological Survey
WTO:	World Trade Organization

INTRODUCTION

The world food industry is an all-time profitable market. As a necessity, people will always need food. Besides that, since food items are made mostly of perishable goods, this situation is one of the reasons why it is a relatively stable industry, contrary to other industry like music or textile. Due to the fact that the population of the world is increasing considerably, and we are living in a world where consumerism is a big part of who we are, globalization has created some challenges to the industry, more specifically to the small countries' food industry.

Particularly, the Caribbean food industry faces many challenges, namely food safety. Besides all efforts, the industry still suffers and other obstacles like how to use free trade to grow their economy, their political and geographical issues, and how the Caribbean countries can use globalization to their advantage to grow economically are some of the concerns this paper chooses to address.

This thesis deals with *How Should Small Open Economies Respond to The Challenges of Globalization? A Case Study of The Food Industry of the Caribbean?* I choose to narrow down to the Caribbean food industry because there are many small economies in the region and because of my close tie to the area. I have always been puzzled about globalization and how it has affected the Caribbean. Products from stronger economies have invaded the market while the nations are not sure how to respond. The thesis addresses this issue.

The food industry was chosen to be investigated because the Caribbean export is agriculturally based. The highest level of export come from the food industry; this does not imply that the food industry is strong but rather that the other industries are weak. However, there is still room for growth. The industry has immense potential.

Globalization is an undeniable fact as well as the challenges it brings. Countries need to be able profit from it, not suffer because of it. This paper provides an explanation of the effects of globalization on developing economies and how they should deal with it. It is an analysis of the Caribbean's food market and how these small economies can use globalization to their advantage to grow stronger.

The issues that are analyzed are: the factors that seem to help countries to take advantage of financial globalization, the impact of globalization on the economy of the Caribbean countries and finally, whether protected economy or further trade deregulation is the answer for the Caribbean's economies growth.

I have lived in a Caribbean country for almost all my life; I see all the issues in the food industry caused by globalization. Therefore, I choose it because I believe my background will help me to provide a unique perspective in oppose to an outsider. I wish this thesis would help these small countries to better structured their trade and domestic markets policies.

LITTERATURE REVIEW

The effects of globalization on the world economy is a subject that has interested many. In particular, globalization has impact on the food industry in the Caribbean countries. However, most studies on the subject mostly focus on specific sub-sectors of the Industry namely the sugar, banana or coffee and on just a few countries but, not the Caribbean as a whole.

The sectors of the agricultural and food industries, and intermediate goods predominate in countries like Guadeloupe. The agricultural and food industries' sector accounted for 24 percent of establishments 33 percent of employees and 25 percent of the value added produced by industry for the year 2007. It is especially present in the activities of bakeries and pastry shops, and in the activities that involve producing rum and sugar. (Ali Benhaddouche, et al 2010). In 2009, Guadeloupean exports were composed of agri-food products (39.2 percent) With nearly 57 million euros, agri-food contributes more than a quarter of the region's exports. (Ali Benhaddouche, et al 2010).

The banana sector is one of the strongest in the food industry, as early as before the second world war the Caribbean countries accounted for 71 percent of the world export. The number further increase in 1947 to 76 percent, with the main destinations being the United States and Europe. (World Bank, 1948). In 1996, two-thirds of world exports of banana were still being produced by Latin America and the Caribbean (M. Jean-Louis Rastoin, Denis Loeillet 1996). Martinique and Guadeloupe accounts for 8 percent of the European global supply over the period of 1995-2004 (Denis Loeillet, 2006). Banana production plays a central role in the development of the islands' economies.

In his study of *The Impact of Globalization on the Caribbean Sugar and Banana Industries* in 2001, Belal Ahmed stated that the two industries Banana and Sugar, were suffering mainly because of globalization. Due to a proposal by the WTO the sugar price was affected in a negative way (Belal Ahmed 2001). Based on foreign exchange and output the production of sugar has been slowing down every year (Richardson-Ngwenya, Pamela 2010). The Caribbean produced 20 percent of the world s' sugar in 1961 currently, this number was below 4 per cent in 2004 (Robert B. Potter et al. 2004). At the present time the Caribbean banana and sugar trades are sustained by Fairtrade which consist of a few multilateral trading arrangements (Kevon Rhiney 2016)

Moreover, The Caribbean relies extensively on import to meet its need. Countries like Haiti and Trinidad and Tobago's food import more than doubled between 2000 and 2011 (FAOS, 2013). The wheat import rose during the same period by 137 percent (FAOS, 2013). Besides, Ccocoa and chocolate production are vital commodities for the Caribbean as well, the sector supports tens of thousands of farmers in the region (Lorraine Waldropt 20016).

Farming is one of the many steps involved in food production and supply, but still a crucial one. However, in 2008 an asymmetrical distribution of the distribution of production on farms was discovered. From the census data conducted, it was found that small farms with less than 5 (five) hectare (ha) account for 83 percent of farms in Guadeloupe and 76 percent in Martinique, which mean 80 percent of farms on both islands contribute roughly to 20 percent of exported tonnages. (Ludovic Temple, Philippe Marie and Frédéric Bakry 2008)

Nevertheless, the picture is not all negative. In Trinidad and Tobago, the fabricating of products like food, beverages and tobacco increased to 5.6 percent in 2018, a considerable improvement compared to an overwhelming 12 percent compression in 2017 (ECLAC, 2019). Besides that, twelve of the most effective food and beverage firms in Haiti were studied in 2015. The investigation uncovered a large portion of those businesses' products are created from within the nation whereas half of those firms work solely with Haitian merchandise. Different neighboring nations offers relatively low import from five to 30 percent of raw materials. (Peace Dividend Trust, 2002). This outcome implies that local firms are doing their parts in protecting the domestic producers.

Overall, as globalization continue to expand, the small economies of the Caribbean have to devise new ways to stay economically relevant. More challenges are brought forth by this phenomenon, how to overcome them to ensure the region does not enter a perpetual economic crisis is the most important question that need to be addressed. As can be understood form the literatures, this question is as relevant today as it was many decades ago.

1 CHAPTER: GLOBALIZATION

1.1 Definitions

The definition of the term “Globalization” is highly disputed; different scholars have different definition for the term. Nobody knows for sure who invented the word, but many believe it may have been in 1983 by marketing professor Theodore Levitt of the Harvard Business School, in his review *The Globalization of Market*. The Oxford dictionary point that the world globalization may have been first used in 1930 and it became very popular in the 1960s. Another term that has also been uttered in a similar fashion is “global village” which was coined by Canadian analyst Marshall McLuhan in 1962 referring to the countries’ border significance disappearance day by day.

The world was not always so connected. There were times when countries only cared and were only affected by what was happening to them. However, in the last centuries we have become interlinked, which brings the oxford dictionary to define globalization as “*The process by which businesses or other organizations develop international influence or start operating on an international scale”* (The Oxford Dictionary)

With the rapid development of information technology and transportation, it has become much easier for people around the world to communicate with each other. No longer do we need to send letters via post and wait impatiently not knowing if the message was delivered or whether a response is on the way or not. Today in communication, everything happens in an instant, which is why I agree strongly with the definition provided by Thomas Larson where he defines globalization as:

> *“the process of world shrinkage, of distances getting shorter, things moving closer. It pertains to the increasing ease with which somebody on one side of the world can interact, to mutual benefit, with somebody on the other side of the world.” (Thomas Larson, 2001).”*

People are all connected through the world wide web. Communication has never been easier nor simpler. Transportation has also help with this fast connection. With everyday introduction of faster vehicle, like high-speed train and jet aircraft, the world seems to become smaller and smaller and everything is getting closer.

People are not the only thing that are connected but the world market as well. It is often referred to as the global market as since, products that are produced in one country can be distributed to the\ world in a very short time. Countries can now produce output depends on their comparative advantage in other words; each part of the world can now produce what they can do best. Therefore, the product we use every day are inclusions of parts from different countries. Therefore, the global market is as cited by R. Brinkman and J. Brinkman to be

"*. . . understood as phenomenon by which markets and production in different countries are becoming increasingly interdependent due to the dynamics of trade in goods and services and the flows of capital and technology*" (OECD, 1993, p. 7).

Furthermore, globalization is the world transforming into a homogenous village day by day. The relationship between countries are intensified, culture is becoming more flexible and similar in countless ways, to put it differently, it is "…*the intensification of economic, political, social and cultural relations across borders.* (Holm and Sorensen, 1995 page 1).

Considering the above-mentioned definitions, many see globalization as a force for good. However not everyone would agree. Some see it as an extension of colonialism where the stronger economies take advantage of the weaker one to further grow their own economy, in the word of Matin Khor it is "…*what we in the Third World have for several centuries called colonization…*". (Martin Khor, 1995). It has been argued that that economic events that happened in the third world countries have almost no effect on the world on a global scale whereas the decisions taken by the G8 or the G20 on financial or economic matters, affect everyone. Which brings the question to: who does this global connectedness benefit? On the outside, it looks like everyone should profit from it, but the third world countries' economies are not improving as fast.

The dispersion of globalization is asymmetrical. Which allows it to work in favor of a few elite's groups in C. Walck and D. Bilimoria, words:

> *"Globalization…is not an output of the 'real' forces of markets and technologies but is rather an input in the form of rhetorical and discursive constructs, practices and ideologies which some groups are*

imposing on others for political and economic gain."(C. Walck and D. Bilimoria 1999)

1.2 History: The Process of Globalization

It would be difficult if not impossible to pinpoint the exact starting point of globalization. Instead, three different eras, usually referred to as wave, are generally used to examine globalization. The first era of globalization is spanned between 1870 and 1914, the second era between 1945-1980 and finally, we are currently living in the third era which started in the 1980s.

The first era was marked by some very important events. During this era, there were some considerable advances on transportation technology. We have come a long way from the time our ancestors learned to domesticate horses for travelling on land and using canoe for water transportation. After the boom in technology caused by the industrial revolution, transportation technology saw an immense leap. The steam turbine was introduced in 1884 by Sir Charles Algernon Parsons, which further improved ships and locomotives' power conversion. Furthermore, by 1908 we had started to drive gas engine automobile that made commuting a lot easier. We set in motion in 1911 diesel engine driven ships so we could then travel much faster and transport goods to almost every part of the world in shorter times. It made the world feel small and everywhere closer to each other. Whether domestically or internationally, travel time significantly diminished.

Another crucial factor of the first wave of globalization is the gold standard. It was monetary system under which gold was served as the basis for currency. The value of a currency unit was established in relation to a declared quantity of Gold. During this period, many countries' currencies were fixed to gold, to facilitate international trade. Because of the unevenness between gold and silver supply and too much credit being given with bank note, England had to halt the conversion of paper money to gold. The gold standard was needed.

The first country to formally ratified the gold standard was England in 1821 by 1900 the gold standard had spread to most countries. The United States of America was among the last ones, due to interference from the silver lobby. The gold standard was flourishing during 1871 to 1914 when similar political ideology existed. The authorities worked together to make the system work. That was until the onset of the First World War.

In addition, this period also brought about an increase in migration. The part of the world that mostly see the effects were Europe and North America. About 60 million people left Europe to go to America as well as other parts of the world. In total 10 percent of the world population migrated. Not only more people were moving but also the flow of goods accelerated. To some extent compare to today, financial integration was more pronounced. However, it fell back due to new protectionism law.

In the course of the interval of 1914-1945, countries retread toward more nationalism policies. The First World War divided the world and the depression of 1929 worsen the situation. While transportation cost did not hinder due to continued development in technology. On the other hand, international trade went on the other direction. In response to the depression, the countries responded with protection laws. These new policies did not have the intended consequences. The USA import and export decreased by 30 percent and 40 percent respectively during 1929-1933. The USA was not the single one affected, but the world income fell by 5 percent by 1950. All the magnificent work and effort done previously were all ruined by the protectionism measures that were taken.

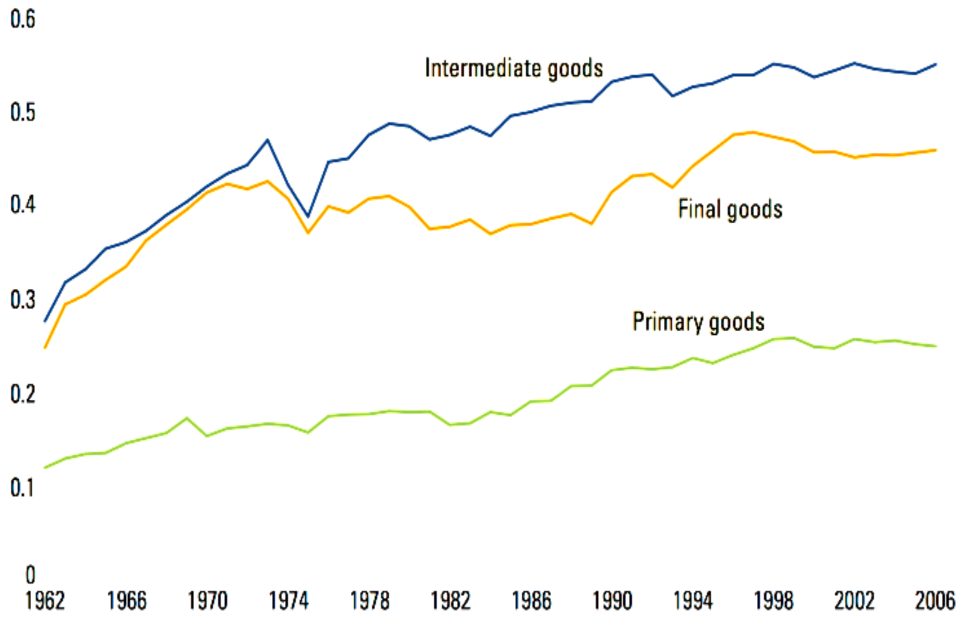


Figure 1- The Caribbean's share of intra trade by type of good

(Source: UN development report -2009)

The second era was between 1945 and 1980. After all the damages done to free trade market by the nationalism policies, the governments needed a solution to improve their economies. This situation lead to the creation of the United Nations. The organization convinced the countries to lower their trade barriers. All countries were not treated the same, since not all countries were selected and the good being traded were also carefully chosen. The Caribbean's intra trade for intermediate and final good trade continue to increase during this period. Intermediate goods were more prominent than primary and final goods(F*igure 1*)

During this period, the Bretton woods system, which include the World Bank (IBRD) and the International Monetary Fund (IMF), was established as well as the General Agreement on Tariffs and Trade (GATT).

These Multilateral agreements were created to support the governments control on international capital and economic integration. Contrarily to the first wave where the gold standard was the norm for trade, during this period the US dollars became the monetary basis for international trade, with the US Dollars fixed to the gold standard and the other currencies fixed to the US Dollar. It was more reliable that way because the USA was the leading economy in the world at that time.

As mentioned previously, the trade agreements were not equal for all countries. The industrialized countries enjoy all the benefit brought about by this era; the openness to trade meant they could control their export and import. On the other hand, it was not to the advantage of the developing economies. The deregulation of the trade market brought back the original arrangement between the north and the south. The trades did not remedy the capital and labor flow but instead it was based mainly on land-intensive primary commodities.

We are currently living in the third wave of globalization, which started back in 1980. We have seen a paradigm shift in the world governance, before this period the United State was considered the single greatest economy but today, we have a multi-polar system. However, the USA is still powerful; its economic power is shared with china and the EU. More countries have also adopted free trade policies. Many developing countries have entered the international market in force like the BRICS countries (Brazil, Russia, India, China and South Africa), Turkey and so forth. While declining income and rising poverty is the norm for some other developing countries.

Technology development have paved the way for some spectacular improvement in communication like the microprocessor, Personal Computer, mobile phones, internet and so on. It has become easy to share information all over the globe at record speed. It has also opened the door to outsourcing. Whether its product manufacturing or service, companies can settle their business in places that are more favorable to them. Overall, the world has seen many changes during the 3 periods discussed above, some economically, politically and in many other ways.

2 CHAPTER: BENEFITS AND DRAWBACKS OF GLOBALIZATION TO THE CARIBBEAN

2.1.1 Economic

With the third wave of globalization, developing countries have been able to take further advantage of the international market. Outsourcing have been a major player in this area. The global companies outsourced their business and information technology to other countries in order to lower total cost, to gain access to resources that are not available at home, to accelerate company-reorganization-transformation, to accelerate project, and to gain access to management expertise unavailable internally.

Outsourcing is a viable source of income to the Caribbean, due to their proximity to North America and the availability of different language spoken at the region. English and Spanish have been cited as some of the Caribbean's many resources they can put to use in order to attract companies that are more international. companies like Acquire, Teleperformance and Xerox, just to name a few, have already shift most of their production process to the Caribbean. Outsourcing has helped to create more employment opportunities, which would not be available if the countries had fully closed their trade barrier.

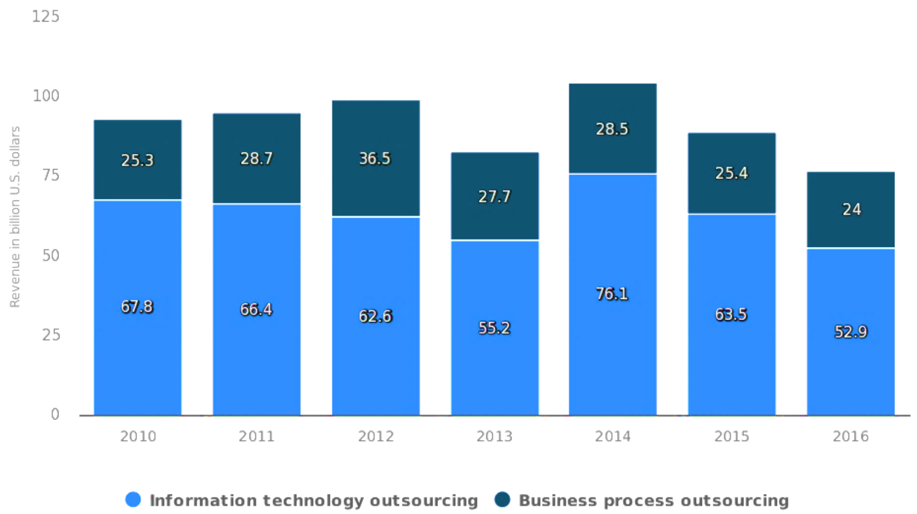


Figure 2 - Global outsourcing industry revenue from 2010 to 2016, by service type (in billion of dollars) (Source: TPI, The information services group - Statista 2017)

A glance at the previous figure (figure 2)reveals that from 2010 to 2016 the amount of capital involved in outsourcing have fluctuated barely. The year with the highest revenue or information technology was 2012, when the revenue was valued at 36.5 billion US Dollars. As for Business process, the highest growth was in 2014 with a total revenue of 76.1 billion US Dollars. In 2016, a revenue of 24 billion US Dollars was earned from the outsourcing of business process and 52.9 billion US Dollars from Information Technology.

Outsourcing is a viable source of income to the Caribbean, due to their proximity to North America and the availability of different language spoken at the region. English and Spanish have been cited as some of the Caribbean's many resources they can put to use in order to attract companies that are more international. Companies like Acquire, Tele performance and Xerox, just to name a few, have already shift most of their production process to the Caribbean. Outsourcing has helped to create more employment opportunities, which would not be available if the countries had fully closed their trade barrier.

Furthermore, capital flow has also increased in the developing countries. The Caribbean countries are now able to tap into the financial pool of the international market. They can now borrow fund available from outside of their own countries. External debt makes 41 percent of total public debt in the Caribbean market as of 2013 based on IMF report in February 2013.

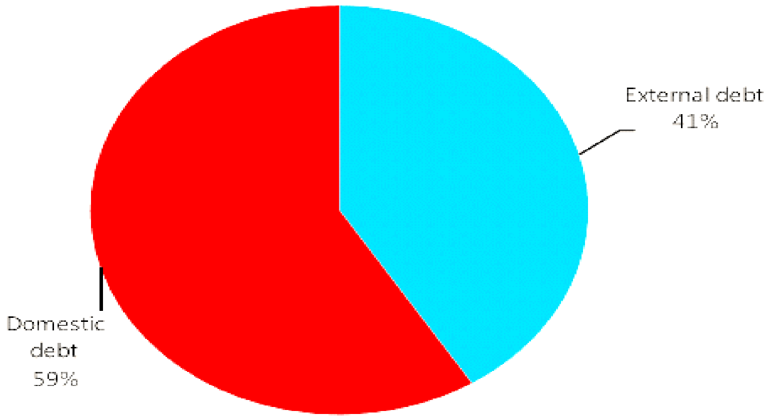


Figure 3 - Caribbean: Public Debt Composition in percentage in 2010

(Source: IMF ,February 2013)

This phenomenon has paved the way to better living standards for the population of these developing countries. International companies bring jobs even though, sometimes there are not high paid job, but it gives the people more opportunities to employment.

On top of that, globalization has allowed the developing countries to access to new markets. The Caribbean has a small population; the most populated country is Cuba with a population of only 11.2 million people. Because of free trade, Caribbean countries can export their goods and services to other countries and import from countries that have already reached economies of scale, so their product can be purchased a lower price.

Globalization did not bring only good things, but it has also caused some harm to the developing countries' economy. The first one being widening disparity in incomes. According to Ignacio Ramonet:

*"The gap in incomes between the 20 percent of the world's population in the richest and poorest countries has grown from 30 to 1 in 1960 to 82 to 1 in 1995, and Third World conditions have in many respects worsened. Per capita incomes have fallen in more than 70 countries over the past 20 years; some 3 billion people--half the world's population live on under two dollars a day; and 800 million suffer from malnutrition. In the Third World, unemployment and underemployment are rampant, massive poverty exists side-by-side with growing elite affluence, and 75 million people a year or more seeking asylum or employment in the North, as Third World governments allow virtually unrestricted capital flight and seek no options but to attract foreign investment."(*Ignacio Ramonet, 1998*).*

Even with all the promise of globalization, a large majority of the Caribbean's countries are experiencing poverty. A look at the Caribbean Development Bank reports as Cited by Dr. Bourne reveals that, from 1993 to 2006, out of the 16 countries, ten of them have the at least 20 percent of the population living below the poverty line. Countries like Jamaica got better from 24.4 to 12.7 however, Belize, Saint Kitts and Nevis and St. Lucia actually worsened during this period. (Compton Bourne, 2006)

Another negative economic impact of globalization on the Caribbean is the food dumping. This situation is a threat to local industries. In time of crisis, countries might need help but under normal circumstances food aid can actually have a destructive impact on the countries' economy. Whether it is for free, subsidized or below market value, dumping food on the poorer countries negatively affect local industries, for they are not able to compete with these products thus this situation drives them out of business and into poverty. According to J.W. Smith in *The World's Wasted Wealth 2*, when the industrialized countries subsidize their product in the name of protectionism, it gives them the opportunity to dump on the developing countries because it allows more product to be produced so these product invade the poor countries' market whose trade barriers have been lowered due to structural adjustment and free trade agreements.

Furthermore, subsidizing farm product can also add to the dumping. This happens when subsidized European and US farmers produced surplus of product, are dumped on the poor countries. For instance, between 35 to 40 billion US dollars is spent every year in Europe on subsidies and in the US, it amounts to 190 billion US dollars. This policy actually hurt the Caribbean, if we look a bit closer at Jamaica, we will see that about 3000 poor dairy farms are closing their door because they are not able to compete with the cheaper European milk that is being massively subsidized by their governments.

Another example is the rice industry. In 1986, Haiti was importing 7000 tons or rice. Rice is one of the main staples in Haiti, so the majority of product was being produced in the country but with the compliance of free trade in the 1980s, the country lifted tariffs on the rice industry, which cause the market to be flooded by cheaper subsidized rice exported for United State. By 1996 the country's rice export skyrocketed to 196 000 tons at the cost of $1000 million a year. So, the production of rice in the county became trivial because, people could purchase the exported product at a cheaper price compared to the one produced in the countries. In short, the population of the poor countries especially the urban's population is being impoverished by globalization.

2.1.2 Cultural and Political

When looking at the cultural effect of globalization. The positive effects are more obvious to some. Globalization has provided the opportunity to be exposed to diverse cultures and customs. Instead of living in our own little bubble and not being affected by other parts of the world, we now have unprecedented access to other cultures. Countries has a chance to avoid misrepresentation since they are able to share information on their own and represent themselves. We all have access to mass media. If the countries are responsible for portraying their own image, it further decreases the chance of them being misinterpreted and misunderstood. *"Instead of destroying some cultures, as others predicted, mass media assists in the revitalizing and restoring of cultural preservation of nations"* (Ginsburg, 2002), because we can use technology to perpetuate language, customs and the like.

Additionally, global technology has given the opportunity to redefine collective identity along with identifying a place for distinctive cultures. "*Global social, political and economic networks, combined with common goals, will no doubt enable the emerging empowerment among cultural peoples*" (Smith, 2000).

Since people can access information about almost every part of the world, they can make comparison. When a country is being oppressed if it does not know how the rest of the world is functioning, they may never question their situation, thinking it is the norm. However, if they have access to a lot of information about the rest of the world, they will be aware of their situation and demand change, owing to the popularity of social media. A very recent example can be seen of this situation with the Egyptian revolution of 2011, where the people mobilized using the mass media to demand change.

Culturally speaking globalization has also facilitate tourist life. Because wherever they travel, they can have access to the food they like, the music they enjoy and so forth. We are connected through culture.

Beside the benefits, there are also some shortcomings too, such as the fact that the multi-conglomerates are encouraging a life of consumer culture and influencing societal values. As it was put by Smith; *"Globalization began in the West, and* *therefore it is their ideas, ideologies, values, and lifestyles that are promoted and evangelized throughout the rest of the world" (*Smith 2000).

Therefore, some countries are against globalization because western culture is invading and replacing their own culture little by little.

Globalization have also affected indigenous culture. In many countries in Africa, South America and the Caribbean. The ingenious groups are being exploited in the name of tourism, since it became easy to get access to these cultures. The interaction is not always equal. Many western tourists see these people as past relics, something to be observed a report back to their friend, which is very unfair to these cultures. The tourists often see themselves as superior. Many indigenous groups had to be relocated to allow western tourist greater experience such as safaris.

As this paper is focused, more on the economic impact of globalization the political impart will be mentioned briefly. The political impact of globalization on the Caribbean countries can be traced back to the very beginning, colonialism. Started with the Spanish conquest in 1492 followed by France, Portugal and England, it would take the region a few centuries to start freeing itself. However, it is important to note that some territories still stay dependent to this day, twelve to be exact. Out of the sixteen sovereign countries, thirteen of them have only regained their independence in the last 40 years, while some others still keep very tight relationship with their former colonial power.

The political decisions of the Caribbean's government are rarely their owns but, rather influenced by the more developed countries that they depend on for many things like food, job and so forth.

According to the underdevelopment theory, the western countries were able to finance their industrial revolution by exploiting the poor counties in the 16th century by the use of colonialism and neocolonialism. An unequal economic relation was established between the countries of the core and the periphery.

3 CHAPTER: THE CARIBBEAN COMMUNITY: BACKGROUND AND DEVELOPMENT

It would be ill considered to write a paper about the Caribbean country's economy without mentioning the Caribbean committee Common Market or CARICOM for short. The organization counts around 20 member countries and dependencies. 15 are full members while the other 5 are regarded as associate members; the community also count 8 observers. The geography of the community is well expanded from the Bahamas islands in the North to Guyana in the South Belize in the West and stretch all the way to Surinam in the east. Most of the Caribbean community countries a classified as developing economies or developing countries. Relatively to the rest of the world, they are rather small both in size and in population.

The CARICOM was established in 1973. The main goal of the community is to further economic integration and cooperation between the members of the organization. The CARICOM other objectives are: "

a) *(a) improved standards of living and work;*
b) *(b) full employment of labor and other factors of production;*
c) *(c) accelerated, coordinated and sustained economic development and convergence;*
d) *(d) expansion of trade and economic relations with third States;*
e) *(e) enhanced levels of international competitiveness;*
f) *(f) organization for increased production and productivity;*
g) *(g) the achievement of a greater measure of economic leverage and effectiveness of Member States in dealing with third States, groups of States and entities of any description;*
h) *(h) enhanced co-ordination of Member States' foreign and [foreign] economic policies; and*
i) *enhanced functional co-operation, including -*
    - *(i) more efficient operation of common services and activities for the benefit of its peoples;*
    - *(ii) accelerated promotion of greater understanding among its peoples and the advancement of their social, cultural and technological development;*

(iii) *Intensified activities in areas such as health, education, transportation, and telecommunications*." (CARICOM's Website)

The CARICOM has several institutions by which the food sector is affected directly. These institutions deal with agriculture research, nutrition health and food safety as well as regional fisheries mechanism.

One the most ambitious project of the CARICOM is the Caribbean Single Market and Economy (CSME) initiative. The enquiry was put into place with the ends of integrating all the member states of the community into one single economic unit. This venture is anticipated to help solving the problems that arise when the small developing CARICOM economies have to compete with larger international competitors and global market. This is aimed to make them more competitive.

The initiative is a response to the increase in globalization. The heads of government of the Caribbean countries have concurred that for the region to be fully developed economically, integration is the only way. The process for the implementation of the CSME started in 2006 although, the economic crisis of 2008 caused it to be put hold. However, since then the countries have been working nonstop to bring this project to fruition.

At the point when the CSME is completely actualized, CARICOM will take into account free intra-territorial development of capital and work among member states. Moreover, member states will share policies related to money financial arrangements, and organizations working in the monetary association will have access to a bigger market. This will boost the beneficial limit of the countries of the Caribbean and help to enhance the scope of the business sectors in which goods and services will be exchanged.

4 CHAPTER: AN ANALYSIS OF THE CARIBBEAN COUNTRIES' ECONOMY – COUNTRIES' OUTLINE

In the context of this paper, the Caribbean will imply the fully independent autonomous countries of the Caribbean including the OECS group - Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Vincent and the Grenadines, and St. Lucia, as well as The Bahamas, Belize, Barbados, Dominican Republic, Guyana, Haiti, Jamaica, Suriname, Trinidad and Tobago, Cuba and the Dominican Republic[1].

In this part of the paper we take a brief look at the Caribbean' economy as a whole. Although the list constitutes of around 17 countries, only a handful were selected. These countries are Trinidad and Tobago, The Bahamas, Barbados, The Dominican Republics, Jamaica, Cuba, Belize, and Haiti due their economic significance and availability of data. The strongest and the weakest economies were analyzed to give a broader picture. However, this decision does not affect the analysis in its integrity.

- **Trinidad and Tobago**

Firstly, the economy of the Caribbean is dominated by four countries: Trinidad and Tobago, Jamaica, The Caymans Islands[2] and The Dominican Republic. The strongest economy in the Caribbean is the twin island Trinidad and Tobago. Their economy has developed so well that in 2011, they were no longer considered a developing economy. It was made official by the Economic Co-operation and Development (OECD). In contrast to most other economies in the region, Trinidad and Tobago's main income does not come from the tourism industry but due to their natural reserve of oil, it comes from the export of Petro-Chemical and liquefied natural gas.

A more general overview of the main economic indicators of the islands reveals that the country's GDP was 15,982 million US dollars in 2005; it increased in the next

---

[1] Definition of the Caribbean that is applied is based on the World Bank and Organization of American States 2009

[2] The Caymans Islands is not part of the Study

five years to 22,123 million. In 2015 however, there was a decline. 2005, 2010 and 2018 corresponds to a growth rate of 6.2, 3.3, and negative 2.3 percent. Analyzing the agriculture part of the economy shows that Gross Value Added by agriculture was at 0.5 percent in 2005, it slightly increased to 0.4 percent in 2010, nevertheless for 2018 the figure was the same as it was in 2010. The country‘s total export experienced very little fluctuation for the 3 period analyzed, from 9,611 million US dollars in 2005 to 8,863 million in 2018. Besides, data for total import follow a similar trend 5,694 million in 2005, 6,480 million in 2010 and 6,425 million in 2018. Balance of payment decreased as export fell slightly between 2005 and 2018. (Table 1)

Table 1. Economic indicators: Trinidad and Tobago for 2005, 2010 and 2018

Indicators	**2005**	**2010**	**2018**
GDP: Gross domestic product (million current US$)	15 982	22 123	24 086[f]
GDP growth rate (annual percent, const. 2010 prices)	6.2	3.3	-2.3[f]
GDP per capita (current US$)	12 323.0	16 658.0	17 646.0[f]
Economy: Agriculture (percent of Gross Value Added)	0.5	0.4	0.4[f]
International trade: exports (million current US$)	9 611	10 982	8 863[g,e]
International trade: imports (million current US$)	5 694	6 480	6 425[g,e]
International trade: balance (million current US$)	3 918	4 502	2 439[g,e]
Balance of payments, current account (million US$)	3 881	4 172	2 325[e]

Source: UN data- Trinidad and Tobago

e/2017

f/2016

g/Estimate.

In spite of inflation the country’s food industry still manage to remain strong. As it was reported by ECLAC in 2019 in a report on Trinidad and Tobago’ economic situation for food, tobacco products and beverages, production grew in 2018 by 5.6 percent contrary to a reduction of 12 percent in 2017. 2018 was particularly a good year for the country when it comes to food inflation, which experienced a decline that year. Because of the upsurge for land being leased for agricultural purposes and satisfactory weather conditions, food inflation was cut down from 2.6 percent in January of 2018 to 0.0 percent by September.

In 2010, the food and beverage industry with a total labor force 10,000 people, was amongst all manufacturing not involved in energy, the largest industry. The decrease of the food import bill was hugely influenced by this particular industry. Trinidad and Tobago's Food and beverage industry is largely based on rum flavored chocolate cakes, Caribbean fruitcakes, sauces and spices, soft drinks and exotic fruit juices, specialty rums and bottled water.

On top of expanding more and more every year, the industry also has several competitive advantages. It operates with low expenses in both export and production, the country is at an ideal location for trade, as they are very close to the South and North America, long-term partnership with various multinational companies such as Carib-Breweries and Nestle. Moreover, Turnkey service is highly integrated in packaging starting with inception.

- **The Bahamas**

The Bahamas is among the wealthiest countries in the Caribbean region, and Bahamas' gross national product (GNP) per capita is one of the highest in the American Continent. In 2016 the GDP per capita was 28 785.0 US Dollars. The economy of the country relied heavily on tourism and international financial services and not so much on agriculture as opposed to many other countries in the region. Due to their land and soil being depthless, only a small portion is cultivable. That is one of the reasons why the majority of the country's foodstuff are imported mainly from the United States. on the other hand, the tropical climates support the cultivation of a large number of fruits such as mango, pineapple, banana and so on.

The GDP have increased slightly since 2005. In 2005, the GDP was 9,836 million US dollars it rose in 2010 to 10,096 million and continue to expand in 2018 at 11,260 million, which correspond to an increase of 1.5 percent from 2005 to 2010 and 0.2 in 2018. The Bahamas also have one of the highest GDP per capita in the whole region. In 2018, the GDP per capita was 28,785 US dollars a slight decrease from the previous year that was 27,979 million.

As previously stated, the country depends a great deal on imports, which in turn cause the balance of payment to be quite high. In 2005, export was valued at 271 million US dollars while imports were almost 10 times that value at 2,567 million. The following years follow similar patterns. In 2018, the balance of payment fell to negative 1,106 million. (Table 2)

Table 2.Economic indicators: Bahamas for 2005, 2010 and 2018

Indicators	2005	2010	2018
GDP: Gross domestic product (million current US$)	9 836	10 096	11 262[d]
GDP growth rate (annual percent, const. 2010 prices)	3.4	1.5	0.2[d]
GDP per capita (current US$)	29 875.0	27 979.0	28 785.0[d]
Economy: Agriculturere[f] (percent of Gross Value Added)	1.1	1.2	1[d]
International trade: exports[i] (million current US$)	271	620	280[g,c]
International trade: imports[i] (million current US$)	2 567	2 862	2 660[g,c]
International trade: balance[i] (million current US$)	- 2 296	- 2 242	- 2 380[g,c]
Balance of payments, current account (million US$)	-701	-814	- 1 106[d]

Source: UN data- Bahamas

c/2017

d/2016

e/Data classified according to ISIC Rev. 4.

i/Trade statistics exclude certain oil and chemical products.

Projection for 2019 is minimally optimistic. The ECLAC report of 2019 estimated that:

‘‘the economy is projected to grow marginally more slowly, at 2.2 percent, in 2019. Growth will continue to be driven by tourism and related construction financed by foreign direction investment (FDI). This is expected to lead to a pick-up in employment, while inflation will remain above trend, owing to relatively high fuel prices and the price pressures from the increase in value added tax (VAT).’’ (ECLAC 2019)

Taking a closer look at the food industry, it can be observed that The Bahamas import over 80 percent of its food requirement to satisfy not only the needs of its population but also the high demand generated by tourists. Around 6 million tourists visit the Bahamas every year, most of which comes from the United States. The Bahamas biggest importer is the United States of America. The products imported from the US consist of mostly eggs, beef and beef products, snack foods, fruit and vegetable juice, dairy products, wine and beer, fresh vegetables and nonalcoholic beverages.

In 2017, the food export of the country reaches a record high at approximately $255 million US dollars of food product from the United States; half of this amount went directly to the service sector.

The local food producers have minimal impact on the industry. Out of all major food and beverage processors, only twenty of them are locals. Half of these local producers mostly focus on the manufacturing of mineral water and soft drinks. The remaining specializes mostly in fish and fish products, poultry, fruit and vegetable products and sugar products. The country has no domestic production of beef and pork. However, the country's companies are able to meet some seafood requirements.

Owing to their adjacency to the US, most of the food imported to the Bahamas are from the United States. These products are transported at a lower cost. In addition, many other countries importing to the Bahamas choose to trans-ship their merchandise through the United as well.

To support local companies the government have implement some licensing system on the particular food products such as poultry.

- **Barbados**

At the beginning after the establishment of the nation, their economy was highly dependent on sugar production but today, the main economic drivers of the country are direct investment, tourism and the international business sector.

Tourism is one of the major contributors to the economy today. Even though the economy used to rely upon sugar, today due to a lack of sugar production in the country, Sugar cane companies have been bankrupted. The tourism industry has exceeded the income used to be provided by the sugar industry. With the goal of maintaining its foreign exchange returns, Barbados have continued to nurture the sugar industry in spite of all its shortcomings.

Glancing at the economic indicators of Barbados for the years 2005, 2010 and 2018. We can clearly see that the economic development has been sluggish. The GDP was valued at 3,897 million US dollars in 2005 and it barely increased in the next 13 years this value was at just 4,553 million in 2018. From 2010 to 2018 the GDP growth rate was a merely 1.7 percent. As mentioned previously, agriculture do not play a great role in the economy as a whole. In 2018, only 1.6 percent of gross value added came from the agriculture sector.

Concerning international trade, the balance of payment of the country has not ameliorated over the last years. Total exports of 2005 were 361 million while import was valued as 1,672 million US dollars. This figure slightly decreases in 2010 at 314 million for export and 1,196 million for import. However, for 2018 the data sharply increase export was slightly higher at 485 million while import was lower than 2005 at 1,600 million. (Table 3)

Table 3.Economic indicators: Barbados for 2005, 2010 and 2018

Indicators	**2005**	**2010**	**2018**
GDP: Gross domestic product (million current US$)	3 897	4 365	4 553 [d]
GDP growth rate (annual percent, const. 2010 prices)	4	0.3	1.7 [d]
GDP per capita (current US$)	14 223.0	15 613.0	15 975.0 [d]
Economy: Agriculture (percent of Gross Value Added)	1.8	1.5	1.6 [d]
International trade: exports (million current US$)	361	314	485 [c]
International trade: imports (million current US$)	1 672	1 196	1 600 [c]
International trade: balance (million current US$)	- 1 311	-883	- 1 114 [c]
Balance of payments, current account (million US$)	-466	-218	…

Source: UN data- Barbados

c/2017

d/2016

Barbados' economy is yet to recover from the recession of the 1980s. A large number of the population works in manufacturing. A sector that was badly hurt by the recession. The local industries mostly focus on the production of drinks, cigarettes and tinned food. These products are targeted to the local market not the international one because of the high production costs. Their food is relatively expensive compared to the other Latin and Caribbean countries. The local industries suffer because of the liberalization of the market, which means more international products are invading the market with cheaper and higher quality products.

- **Dominican Republic**

The Dominican Republic, aside from being the ninth largest economy in Latin America, is among the best-performed economy is the Caribbean area. In addition to the country's largest revenues source, ''Remittance Payment[3]''. It is only second in the export of sugarcane. Other export products include bananas and refined petroleum.

The Dominican Republic's economic indicators designate a drastic expansion in the GDP of the countries. From 2005 to 2015, the GDP double from 35,510 million US dollars in 2005 to 71,584 in 2018. The Gross Value Added by agriculture data is 7.7 percent in 2005, 6.4 percent in 2010 and 6.1 percent in 2018. Even though the import has risen by a large margin from 6,804 million in 2005 to 19,524 in 2018, balance of payment has been favorable due to the fact that export has expanded as well from 6,183 in 2005 to 8,856 million in 2018. (Table 4)

Table 4.Economic indicators: Dominican Republic for 2005, 2010 and 2018

Indicator	**2005**	**2010,**	**2018**
GDP: Gross domestic product (million current US$)	35 510	53 132	71 584[e]
GDP growth rate (annual percent, const. 2010 prices)	9.3	8.3	6.6[e]
GDP per capita (current US$)	3 844.0	5 368.0	6 722.0[e]
Economy: Agriculture[f] (percent of Gross Value Added)	7.7	6.4	6.1[e]
International trade: exports[k,l] (million current US$)	6 183	4 767	8 856[d]
International trade: imports[k,l] (million current US$)	6 804	15 138	19 524[d]
International trade: balance[k,l] (million current US$)	-621	- 10 371	- 10 669[d]
Balance of payments, current account (million US$)	-473	- 4 024[m]	-165[d]

Source: UN data - Dominican Republic

d/2017

e/2016

h/Calculated by the Statistics Division of the United Nations from national indices.

k/Imports FOB[4].

l/Export and import values exclude trade in the processing zone.

---

[3] A remittance is funding that is sent or transferred to another party usually abroad. *(Source: Investopedia Inc.)*

[4] FOB - Free on Board

A major part of the food industry revenue is generated by the food-processing sector. The food processed mainly include meat, oil and vegetables-origin fats, dairy products and sugar confectionary. In 2016, it was valued at 2,6 billion US dollars. The Central Bank reported that this was just local agricultural product. A substantial amount of income was gained from the process of tobacco and tobacco product, and processed beverages at 723 million US dollars. These two make 48 percent of the total value added for all manufacturing in the Dominican Republic as described by the USDA.

The industry has many competitive advantages. The CAFTA-DR was signed with United States in 2004. Duties on approximately 80 percent of products that can serve as ingredients have been cut down or eliminated fully in some cases. Geographical location is also an advantage, namely the proximity to the United States. It has facilitated the establishment of a profitable bilateral trade relationship. Besides, the industry has grown by 5.4 percent for the past 25 years. However, there are still some stumbling blocks. For instance, the country is in dire need of qualified technician for the sector. In addition, owing to the ineffectiveness of the electricity services production, cost of many products is high relatively to other CAFTA members.

Furthermore, there have been some changes in the dairy product market. For the past years, the dairy sector of the Dominican Republic has grown by a lot. They have been focusing on shelf stable milk, yogurt and cheese. The products that are processed in the country are not equal to the US products, because of variance in sanitary factors and quality. To support the production, powdered milk and milk processors are imported from the European Union, and a small amount comes from the United States.

The ingredient used in the processed food sector are mainly imported. The majority of them from the USA. Besides Canada, Mexico, Chile and Colombia, with a processed food export value 488.7 million US dollars, in 2017 The DR was considered to be the fifth largest market for the U.S. in Consumer-Oriented Products in the Western Hemisphere. Ingredients includes are commodities such as fats and oils, Food preparations, Processed and prepared dairy products, non-alcoholic beverages, Prepared/preserved meats, Snack food, Beer and wine, Chocolate and confectionery pork and beef trimmings, chicken mechanically deboned meat, turkey, soy protein, and packaging materials for processed products.

- **Jamaica**

Jamaica income source heavily relies upon the export of agricultural product and its mining industry. In 2014, Jamaica had the 5th largest Bauxite reserve in the world and was the 8th largest producer. (USGS, 2019). Besides all the challenged faced by the country such as slow DGP growth and extreme conditions, the nation continues to develop with its exports of alcoholic preps for beverages, cassava, raw sugar, and raw coffee beans which is one of the world most popular coffee bean.

The biggest threat to development is debt. It is estimated to be 94.3 percent of GDP in for the fiscal year of 2018 and 2019. However, it's not as much as the previous fiscal years. The amount was evaluated to be at 121.2 percent for 2016 and 2017. The international community at 61.20 percent provides a large amount of this debt, which is considerably higher compare to domestic debt at 38.8 percent.

Table 5.Economic indicators: Jamaica for 2005, 2010 and 2018

Indicator	**2005**	**2010**	**2018**
GDP: Gross domestic product (million current US$)	11 244	13 219	14 057[d]
GDP growth rate (annual percent, const. 2010 prices)	0.9	-1.5	1.4[d]
GDP per capita (current US$)	4 097.0	4 692.0	4 879.0[d]
Economy: Agriculture (percent of Gross Value Added)	5.7	5.9	7.6[d]
International trade: exports (million current US$)	1 514	1 328	1 310[c]
International trade: imports (million current US$)	4 885	5 225	5 818[c]
International trade: balance (million current US$)	- 3 370	- 3 898	- 4 508[c]
Balance of payments, current account (million US$)	- 1 071	-934	-103[d]

Source: UN data- Jamaica

b/2015

c/2017

d/2016

e/Estimate.

The country's GDP continue to grow despite all challenges. In 2015 total GDP was assessed at 11.244 million US dollars, it expanded to 13,219 million in 2010 and kept on rising to reach 14,057 in 2018, which is a total of 0.5 percent growth from

2005 to 2018. Gross value added of agriculture rose fairly from 5.7 percent in 2005 to 7.6 percent in 2018. Besides debt, Jamaica's balance of payment is still in the negative as the country import continue to grow and export continue to shrink. To illustrate, balance of payments current account was negative 1,071 million US dollars in 2005 and negative 934 in 2010 but it was boosted to negative 103 in 2018. (Table 5)

Now, looking at the food industry specifically, the picture is much more positive. The retail division of the food sector was evaluated at 591.6 million US dollars in 2016. This figure is also projected to rise sharply to 857 million by 2021 with items like processed meat, seafood and dairies being at the top of the list. Meanwhile, the consumer food service in 2015 in sales alone generated 680 million US dollar worth of product and services. The tourism industry plays a big role in the expansion of the food industry. As more tourist visit the country, demand for food items such as snacks, Sauce, wine, cheese and other dairies, beef and veal, and fruits and vegetables, continue to rise. 600 million US dollars is the estimated value of the food consumption only by the Hotel Restaurant Institutional Sector.

The country's import of food and beverages is also a considerable market. As mentioned above a large amount of the food industry products goes to the Hotel sector, Restaurant Institutional Sector. To illustrate 60 percent of all the industries' import in 2015 was directed to that particular sector.

The United States of America is one of the major food exporters to Jamaica. It is estimated that almost 40 percent of the food and beverages imported for independent restaurant are of US origins. This number is even higher for the fast food, which is approximately 50 percent. However, the local producers are still able to dominate certain markets including source beef, chicken, pork, fruits and vegetables that is because the government has restricted the importation of this product. Therefore, most hotels are obliged to purchase domestically despite low quality of the products.

Besides the above-mentioned product, The US have also found it difficult to penetrate the hotel subsector of wine and other alcoholic beverages due to mostly their price which is quite high relatively.

- **Cuba**

Cuba is one of the best performing economies in the Caribbean, even though Cuba is not among to the richest, the country has exploded in the last 10 years. From 2005 to 2018 the GDP doubled from 42,644 million US dollars to 8,9689 million. Cuba is also among the few countries in the region that exports more than imports. In 2018, the exportation value was 2, 2329 million, which is around 5 times the import value. This provides Cuba with an international trade balance of payment of 1,8025 million. The country's reliance on agriculture have also fallen from 4.4 percent in 2005 to 3.9 percent in 2018. (Table 6)

Table 6.Economic indicators: Cuba for 2005, 2010 and 2018

Indicators	**2005**	**2010**	**2018**
GDP: Gross domestic product (million current US$)	42 644	64 328	89 689[f]
GDP growth rate (annual percent, const. 2010 prices)	11.2	2.4	-0.9 [f]
GDP per capita (current US$)	3 779.0	5 676.0	7 815.0 [f]
Economy: Agriculture (percent of Gross Value Added)	4.4	3.7	3.9 [f]
International trade: exports (million current US$)	2 319	4 945 [g]	22 329[g,e]
International trade: imports (million current US$)	8 084	10 913 [g]	4 304 [g,e]
International trade: balance (million current US$)	- 5 766	- 5 968 [g]	18 025 [g,e]
Balance of payments, current account (million US$)	…	…	…

Source: UN data- Cuba
f/2016
g/Estimate

Because of Cuba's economic system, only a small portion of their land is cultivated privately. Another portion is cultivated in corporation. With the new regime of Raul Castro, a few private farmers have been given permission to cultivate some land that are not being used by the government in order to boost food production.

From the beginning of the 18th century, the economy of the country was based on sugarcane crop. This dependence has led to large areas being leveled and irrigated. With the usage of fertilizers, sugar output increased. However, from the early 2000 many of the country’s sugar mills were closed and sugar production declined. Besides, sugar, another top crop of the country is rice; other products include citrus fruits, potatoes, plantains and bananas, cassava, tomatoes and corn. Cuba cultivates coffee mainly in the East and in Guantanamo city, which is also known as the coffee capital of Cuba. Imports includes large amount of rice and other foodstuffs, oilseeds, and cotton.

The main life stocks are cattle, chicken. Fishing resources are also considerable.

"... Among the types of fish caught locally are tuna, hake, and needlefish. The overall volume of fish, crustaceans, by the early 21st century, Cuba had diversified its fishing activities to include aquaculture (sea bream, sea bass, tilapia, and carp). It also increased the number of processing plants, especially for shrimp and lobster, with foreign investment from Canada and European Union countries."

*(*Encyclopedia Britannica)

Cuba imports between 60 percent and 70 percent of the food that are consumed in the country. This transaction is valued at around 2 Billion US dollars. The products are mostly rice, corn, soy and beans. A large amount of powdered milk and chicken are imported as well. About 80 percent of the food distributed by the government are imported.

The distribution of cultivating land in Cuba is quite different from other countries. The government owns 80 percent. These lands are leased directly to farmers or to cooperatives. The other 20 percent is managed by farmers.

- **Belize**

Compared to the last decade the gross domestic product GDP of Belize have increased considerably from 1,114 million US dollars in 2005 to 1,741 million in 2018. But export has not increased by much. It's value is still more positive relatively to other countries in the region. It rose by 70 million from 2005 and 2018 from 208 million and 278 million. Import figures for the country follows the same pattern from 2010 at 700 million import to 213 million in 2018. (Table 7)

The two pillars of Belize's economy are agri-business and agriculture. They are what the production sector relies on for a large number of people to make a living and as an income source. It also helps with the security of food as a whole, since large amounts of products that are produced domestically are also consumed domestically.

Table 7.Economic indicators: Belize for 2005, 2010 and 2018

Indicators	2005	2010	2018
GDP: Gross domestic product (million current US$)	1 114	1 397	1 741[d]
GDP growth rate (annual percent, const. 2010 prices)	3	3.3	-0.6 [d]
GDP per capita (current US$)	3 933.0	4 344.0	4 745.0 [d]
Economy: Agriculture (percent of Gross Value Added)	14.7	12.6	10.9 [d]
International trade: exports (million current US$)	208	282	278[c]
International trade: imports (million current US$)	439	700	913 [c]
International trade: balance (million current US$)	-231	-418	-636 [c]
Balance of payments, current account (million US$)	-151	-46	-131 [c]

Source: UN data- Belize

c/2017

d/2016

Save for some agricultural products such as bananas and sugar that grows all year round, other agricultural products are more seasonal. Because of its geographical location, the subtropical climate of the country and sufficient rainfall allows the agri-business sector to be very consistent in producing what the country needs. In 2016, 10.9 percent of the GDP came for the agriculture sector alone.

Due to Belize's well-balanced climate, the country has the possibility to enter the organic food market. As for now, only a few organic products are being harvested in Belize, namely cocoa products that has been certified organic. The sugar production has also been certified as fair trade by international organizations. Although there are not many genetically modified products in the market, there is still no regulation regarding this issue. However, there is a prohibition on planting genetically modified crops in the countryside.

Moreover, there is a need for developing domestic laboratory to test for nutritional content of packaged food such as fruits and vegetables, sauce and other by-product for labels. Meanwhile, the products manufactured in the country are transported to other countries in the Caribbean and Central America to be tested for nutritional value and content. This situation in turn rise the production price of these products and has put a limit on the number of producers that can afford this kind of service.

As previously mentioned, the government of Belize considers the agriculture and the food sector as one of the main engines for economic development. Though, tourism have been developing more and more and contributing even more to the economy of the country, the agriculture and the food sector still play an important role in the economy growth of the country due to its contribution to the GDP, foreign exchange earnings and employment. This advancement has been caused by how the link between the manufacturing health and the tourism sectors have been expanding recently.

Additionally, the economy of the country is mainly based on export more particularly on traditional commodities such as sugar, banana and citrus. The sector makes 65 percent of all export for the country. The main exported food products include fish products, bananas and sugar other non-traditional commodities include grains and papayas. The livestock industry and dairy farming have also been growing lately.

Other sensitive and cultural products such as potatoes, beans, rice, pork, poultry, eggs and onions despite being produced with the intention of being consumed domestically, have findound their way into the export market as well.

- **Haiti**

The economic indicators of the Haiti reveal that, in 2005 the country exported around 470 million US dollar worth of products, while the imports value for the same year was almost 4 times over, at 1,449 million. For the next 5 years, this situation did not improve at all. In 2010, the imports were about approximately 6 time the exports value at 3,147 million and 579 million respectively. The figures slightly improved for the year 2018. Exports increased to 41 million however, import still exceed that amount by a large margin at 3,470 million. The gross domestic product GDP growth has also been very slow in 2018 it has only grown by 1.4 percent but still better than negative 5.5 percent in 2010 the year of a major earthquake that ravaged the country. (Table 8). The country is expecting a GDP growth rate of 2.8 percent in 2019. This estimation is expected to be possible due to hope of better socio-political stability and social support programs.

Table 8.Economic indicators: Haiti for 2005, 2010 and 2018

Indicators	2005	2010	2018
GDP: Gross domestic product (million current US$)	4 154	6 708	7 647c
GDP growth rate (annual percent, const. 2010 prices)	1.8	-5.5	1.4c
GDP per capita (current US$)	448	671	705c
Economy: Agriculture (percent of Gross Value Added)	22.4	21	16.7c
International trade: exports (million current US$)	470	579	941e
International trade: imports (million current US$)	1 449	3 147	3 470e
International trade: balanced (million current US$)	-979	- 2 568	- 2 530e
Balance of payments, current account (million US$)	7	-102	-72c

Source: UN data- Haiti
c/2016
e/2017

Now turning to the food industry in particular, agriculture is considered to be a very important sector in Haiti, because this industry has the capacity to increase food security as well as diminish rural poverty. Closely two thirds of the country's population depend on agriculture. The sector provided around 17 percent of the country's GDP in 2017.

Peace Dividend Trust (PDT), a non-profit organization, carried out a survey in 2015 at a food and beverage Expo. A dozen of the top food and beverage companies[5] were surveyed. The research revealed that, many of these businesses' products are manufactured within the country while 6 of these companies work exclusively with Haitian goods. Other neighboring countries provides a very low margin. These import values range from 5 percent to 30 percent of raw materials. These imported products usually come from the Dominican Republic, the United States, Canada and Brazil. Only 2 of these companies import food from far away countries such as Taiwan and China for items that are specialized in farming equipment and alcohol bottles.

[5] The 12 companies include: Aspvefs (Association des Producteurs et Vendeurs de Fruits du Sud), Berling S.A., Café Selecto, Confiserie Piddy, FACN8 (Federation Association Coffee Native), Ivresse de Tropiques, Ranch le Montcel, Odemar (Organisation pour le Developpement des Masses Rurales), Rebo S.A., Séjourné, SPIA (Société de Production Industrielle et Alimentaire), Sohaderk10 (Solidarité Haïtienne pour le Developpement de Kenscoff).

Out of these 12 companies, 10 of them process the raw ingredients in the country while adding value to their final product. These products include production of flour, roasting coffee beans and making jam. This implied that the money that is spent in the business also remains in the country.

A deeper look at the industry reveals that the country's fishing zones and soils are all under threat. Despite the fact that only one fifth of the country's land is adequate for agriculture, more than two fifth are used for cultivation. Farming is concentrated on products such as corn, yams, sweet potatoes, rice, plantains, bananas and cassava. The main cash crop of the country is coffee, followed by sugarcane. The livestock sector's that contain common animals such as goats and cattle, pigs and horses make only a small portion of the overall economic activities. The major threats include recurrent drought, lack of proper irrigation and soil erosion. Lodging have also been a serious hazard. Charcoal is still used as fuel source for processing sugarcane. It is used in Port-au-Prince, the capital city of the country, and other urban areas.

Because of African swine fever in the late 1970s, the entire pig population which was called the *Creole Pig* was exterminated by 1982. This incident put a strain on the sector. The Gap was rapidly filled with other imported pig breeds; however, the sector never truly recovers.

The fishing industry is an industry with a lot of potential. Haitians relied on agriculture while the fishing industry remain unexploited. There are some fisheries however the fishing boats are highly inadequate, and there are only very few and really small fishing canals. Nevertheless, due to the North flowing current of the coast of Haiti and substantial migration of deep-sea fish such as bonitos, sardines and tuna, the fishing industry still carries immense potential.

After the deregulation and abolishment of trade barriers in the late 20th century, many domestic industries were left to compete with international products coming from the United States and the Dominican Republic. Most manufacturing products are processed food beverages, textiles and footwear. As for the food sector, a large amount of the country sugar cane is processed in rural distilleries. The country's alcoholic beverages processed from sugarcane include a traditional rum called clairin and a high-class rum: Barbancourt, one of the world's finest brand.

Agricultural export has also been a favorite of farmers, because it provides a source for foreign exchange and cash; however, the export of coffee has been rather sluggish in the last few decades. Haiti's major exports partners includes United States, which is the destination of two thirds of total export followed by the Dominican Republic and Canada.

1 CHAPTER: PROFILE OF THE CARIBBEAN FOOD MARKET

1.1 Foreign Direct Investment

The inflow of FDI to the Caribbean have decreased by 37 percent since 2008. Despite representing a very high percentage of total of Gross Domestic Product (GDP). In comparison to other region, it has been decreasing considerably for the last years. From 2008 to 2011, a total of 6 countries' FDI saw a decrease. The worst case was Jamaica which started with an FDI value of 1,361 million US dollars in 2008 and fell to 480,144 in 2011. Trinidad from 2,101 million in 2008 to 156 million in 2011. However, countries like Belize had a small rise of 1 million dollars from 2009 to 2010 and Guyana saw an increase of 59 million from 2010 to 2011 as well.

The total flows of Foreign Direct Investment (FDI) into the Caribbean sub-region shrank by 4.7 percent in 2014 and the average FDI inflows for the Caribbean fell from 8.2 percent of GDP in 2015 to 6.8 percent in 2016.

2012 was a good year for the countries since all FDI uproar, but still lower than that of 2008. For instance, Antigua and Barbuda increased from 81 million to 97 million but still lower than 159 million in 2008, the only countries that did not improve during this year are Bahamas and Grenada. Between 2012 and 2013, the foreign direct investments plunge once more with the exception of six countries (Grenada. Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname). The market continued to fall in 2014, with a just a few countries seeing an improvement.

The Dominican Republic receives more FDI than any other country in the region. The Investments are divided between the flows that go to natural resources, 21 percent, manufacturing 26 percent and tourism 23 percent. 2.209 billion US dollars came directly for this branch in 2013, which is still low compare to the 3 billion of 2012.

The FDI figures for 2013 and 2014 reveals the following:

- Trinidad and Tobago inflow of FDI was valued at 1.394 billion dollars in 2014 with a decrease of 30 percent from 2013.

- For the same year (2014) Jamaica claimed and increase of 7 percent in its FDI, 699 million US dollars
- The Bahamas FDI actually decrease by 9 percent in 2014 at 374 million US dollars
- For Barbados, FDI drastically increase from 5 million US dollars in 2013 to 275 million in 2014
- Guyana jumped as well by 19 percent from 214 million US dollars to 255 million in 2019
- Antigua and Barbuda received 167 million US dollars (up 66 percent from 2013)
- Belize was the recipient of 141 million US dollars in 2014 (48 percent more than 2013)
- Saint Vincent and the Grenadines decreased to 139 million US dollars, which is decline of 13 percent compared to the previous year.
- Saint Kitts and Nevis follows the same trend, with a loss of 13 percent of FDI valued at 120 million US dollars.
- Countries like Haiti, Grenada Dominica and Surinam all receives FDI valued at less 100 million US dollars in 2014.

FDI in the regions as whole continue to shrink. Saint Lucia saw a small growth from 2012 to 2016. a few more countries rose from 2014 to 2015.Overall Foreign Direct investment have been declining in the regions and show no sign of improvement. (Appendix 1)

Taking a closer look at the food and beverage industry, according to the food and agriculture organization of the United Nations Between 2009 and 2014, all Caribbean States combined received an average annual 73.8 million US dollar worth of FBT-FDI[6] compared to only 1.1 million US dollars from 2003 to 2008. Trinidad

[6] FBT-FDI - Foreign direct investment in food, beverages and tobacco

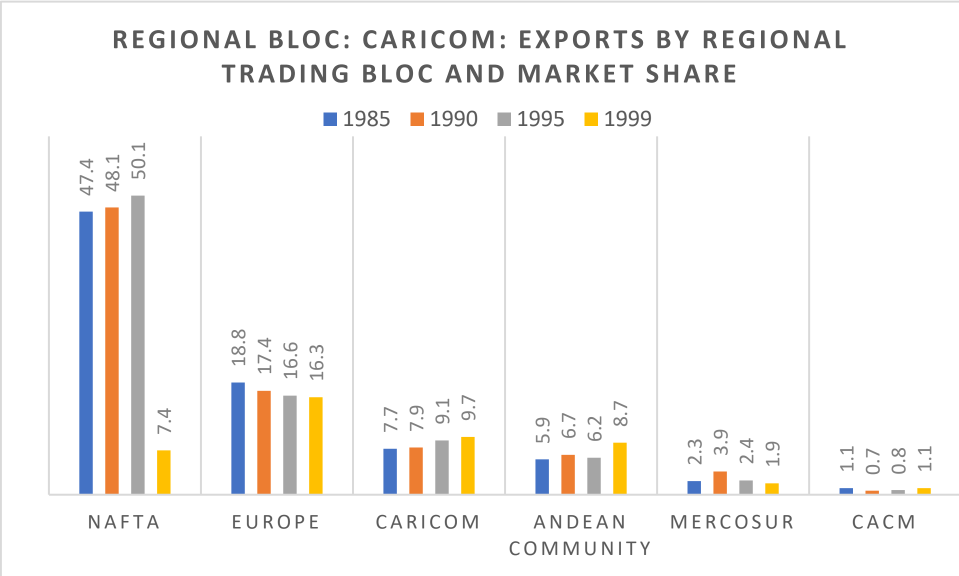
and Tobago, 115.3 million and Haiti, 104.9 million were the only economies that received more than a cumulative 100 million US dollars in FBT-FDI between 2003 and 2014. Almost 91 percent of the FBT-FDI targeting the Caribbean was intra-continental, mainly Northern American at 48.1 percent.

Compare to the other regions of the Americas, namely Central America, North America and South America, the Caribbean is the lowest receiver of FDI inflows in food, beverages and tobacco. From 2003 to 2014 had been rather stable with a slight surge in 2011 and 2012. Combined with Latin America the Caribbean outward FBT-FDI grew from an average annual 371.1 million US dollar per year from 2003 to 2008 to 942.9 million from 2009 2014, reaching 1.5 billion in 2014 alone. Most LAC countries invest principally in other LAC and Northern American countries.

5.2 Export

The Caribbean's trade is both intra-regional and outside of the region as well. There was not a lot of change in the export of the region in the last few decades of the least century. From 1985 to 1999, they were not great change in the CARICOM export by regional trading bloc. The export to NAFTA went from 46.4 in 1985 to 47.4 of market shares in 1999. CARICOM to CARICOM and to Andean Community did improved a slightly from 7.7 to 9.7, and from 5.9 to 8.7 respectively. The CARICOM market share did not do any better from 1985 until 1999 their market share decrease almost in the entire region except CACM from 0.20 to 0.66. In the NAFTA region, it went from 0.71 to 0.26. (Figure 4)

Statistic for the last two years' (2017 and 2018) export of the regions unveils the following. In 2017, the overall exports of the Caribbean region increase was 18 percent. Many countries in the region had an increase in export. Looking at the individual countries, the data reveals that, export in the Bahamas rose significantly by 29 percent in particular, foreign sales to the United States increased by a whole 23 percent and to the European Union 66 percent. Due to a rise in sales to the Caribbean countries and the European Union (20 percent each) exports in Belize grew overall by 10 percent in 2017.This growth was possible even with a decrease in foreign sales to the United States at 17 percent.



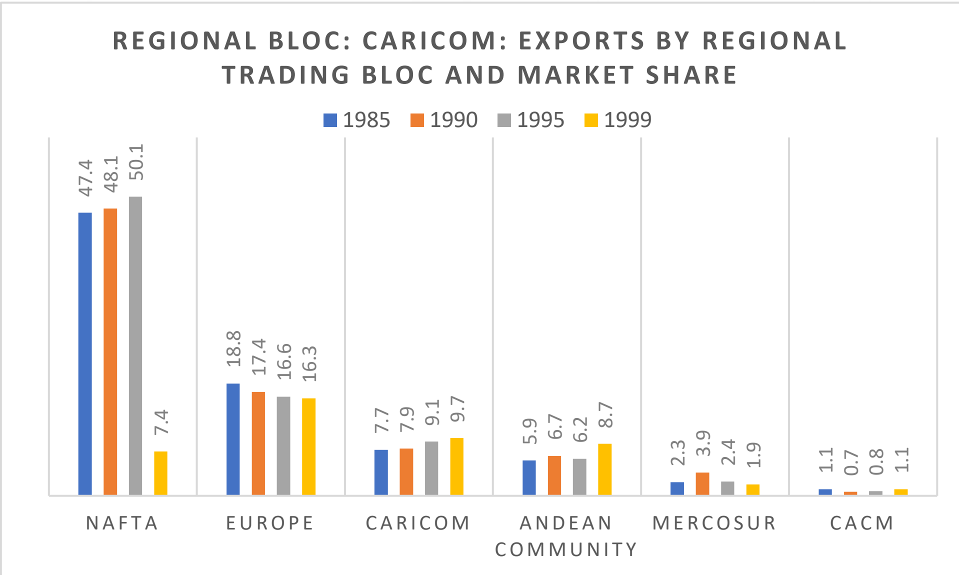


Figure 4 - CARICOM: Exports and Market Share, 1985-1999

Source: Data retrieved from ECLAC and J. A. Ocampo report of 2001

Foreign sales of countries such as Guyana, Jamaica, Surinam and Trinidad and Tobago all exceeded 10 percent. The outstanding one of the lists was Surinam of which export grew by an overall 15 percent for the year 2017.

However, the Dominican Republic export decreased by 1 percent because of sales contractions to various countries and regions. Even with an export increase of 9 percent to the United States, Barbados' general foreign sales decreased by 7 percent in 2017. This was due to declines in sales to all the other regions such as China and the rest of Asia, where the value of export was a significant negative 39 percent and negative 80 percent respectively.

For the following year, 2018. International sales were estimated to sharply rose to 22.4 percent, which is a noteworthy growth, compared to the year prior. The growth is not evenly distributed; while some countries considerably increase their exports, others see their foreign sales stagnate or worsen, shrink. Trinidad and Tobago continued to grow in 2018 export was recorded to have increased by 32.7 percent this was mainly due to higher price of energy sales. Jamaica also expanded its international foothold. Export elevated to 28.5 percent. Haiti's exports grew 8.8 percent the same year, painting a more favorable picture in comparison to the previous year. As in the case of Surinam and Barbados, both countries' growth rate was 4.6 percent.

On the other hand, Exports from the Bahamas declined in 2018. The decrease in sales, to the United States at negative 5.5 percent and the EU negative 44.1 percent, had a huge impact on the overall sector, even with an extensive increase in exports to Latin America and Caribbean 325.5 percent. Because of trifle sales of Guyana's main export, raw gold, the external sales of the country fell by 4.1 percent. In Belize, since the sugar production have been slow, the export of the product has been affected negatively. As a result, Total export drop to 14.2 percent, in 2018.

One of the many challenges faces the Caribbean from globalization is the fact that they cannot fully take advantage of economies of scale due to their restricted land size. This cause their products to have higher production cost which result in higher selling price. Product like coffee, rice Spices. Sugar, banana, citrus and other fruit are all more expensive coming from the Caribbean compare to the world market.

A glance at the sugar industry reveals that, it is one the largest earners for foreign exchange with banana production. They cost three times more than the world market price. The effect of globalization was delayed due to the Sugar Protocol of Lomé Convention and the US Sugar Quota but after June 2008 with the introduction of the Cotonou Accord in June 2000, the sugar industry started to face the full effect with a high increase in production cost.

As reported by the Sugar Association of the Caribbean in 1999, even back in 1998 it cost on average 31 US cents/lb., this is important because for some countries like Belize sugar is 29 percent of domestic export and 7 percent of total GDP, for

Guyana is less but still considerable 24 percent of total domestic export but make a total of 16 percent of total GDP.

The export of the Caribbean is mostly concentrated in North America and Europe, which make up 70 percent of total export. The export is based on mainly food product (20 percent of total merchandise exports). Four of the Caribbean countries has sugar as a principal export merchandise. In 2004, Cuba exported 2.501 tons, which was the highest for this year. The lowest were Guyana and the Dominican Republic both exported about 208 tons of sugar. (FAO, 2004).

Another export product that is also being challenged by globalization is Banana. As mentioned before, banana is one of the Caribbean main exports. The export for this product has decreased considerably. One threat to this sector is the high price. Between 1995 and 1997, while it cost Belize and Jamaica between 525 and 550 to produce a ton of banana, the world market price average was still 472.3 US dollars per metric/ton. Export decreased for banana because of high price and natural disasters. Jamaica's banana export decrease from 8,5000 tons in 1995 to 5,2000 in 1999, Grenada from 4,500 to only 600 this was the situation during this period for the Caribbean.

Almost 90 percent of the region banana is exported by the Dominican Republic. Because of the damages caused by hurricane Irma in 2017, the overall performance of the region is affected. The country export fell from 380,000 tons in 2016 to 125,000 tons in 2017. In addition, deterioration in the environment caused by deforestation is the reason for multiple other obstruction to cultivation by hindering water supply. On top of that, weather events are even more challenging for countries like Dominica that has not yet found a way to protect its crops from natural disasters.

The Argo-Processing sector, which handle large-scale production, processing, and packaging of food using modern equipment and methods, in 2013 had a value of 2.2 billion US dollars, only 7 percent of the global export. The CARIFORUM[7]

[7] CARIFORUM refers to the Body comprising Caribbean ACP States which are signatories of the Georgetown Agreement. This Agreement was signed in 1975, and it created the African, Caribbean and Pacific Group of States (ACP). The grouping is composed of 79 African, Caribbean and Pacific states.

countries are not taking full advantage of the agro-processing sector to respond to the world's need. The product available at the Caribbean that the global market is demanding are not capitalized to illustrate, non-alcoholic and alcoholic beverages, juices, cocoa and chocolates, hot sauces, and biscuits to enumerate just a few.

There was some improvement in the sector however; the sector grew 6 percent between 2009 and 2013 on average. The exports are mainly concentrated on fruits and nuts, food preparations, sugar and confectionery and beverages and spirits, these products were exported largely intra-regionally, Europe and North America. On the other and the sector can still be better off. 10 of the most demanded products by African countries are produced in the CARIFORUM, product like tobacco products, alcoholic beverages, cigars, preserved fruits, food preparations, prepared fish, and animal feeds and the likes. In 2103, the CARIFORUM exported only 3.7 percent of tobacco and 0.01 percent of cereals and alcoholic beverages to Africa.

The Caribbean countries do export their agro-processing products to the US, but they are still lacking behind. Take the hot pepper sauce product for example, this product has an annual worth of 1 billion US dollar globally. Furthermore, the demand has also been surging at a rate of 9.3 percent annually over the past decade. However, despite having hot sauce producers in almost every CARIFORUM country, the region is not benefitting significantly from the growth in the hot sauce market in the US.

Moving on the cocoa and chocolate sector, it can be observed that these two other products have huge opportunities for CARIFORUM to supply given the significant demand worldwide, especially to some selected European markets. Economically, cocoa is considered as a crucial commodity, in the Caribbean Export Outlook of 2016 by Lorraine Waldropt, it was mentioned that

> *"Today, the world cocoa industry is an almost US $100 billion industry, poised to grow by another 20 percent over the next decade. According to the World Cocoa Foundation, 40-50 million people depend on cocoa for their livelihood. In CARIFORUM cocoa-producing countries, tens of thousands of rural, low-income farmers and workers engage in the cocoa industry that serves hundreds of thousands of dependents." (Lorraine Waldropt, 2016)*

Due to its capacity and ability to produce fine cocoa as opposed to bulk cocoa, the Caribbean is highly regarded in that sector. The production of fine of cocoa, which is 5 percent of the world production, is concentrated in a just a few countries. As stated in the International Cocoa Agreement of 1993, only 17 countries produce fine cocoa, and of those, only eight are recognized as exclusive producers. Of these eight exclusive producers, seven of them are of the Caribbean. They are Dominica, Grenada, Jamaica, St. Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago.

5.3 Import

Fletcher Paul stated that the Caribbean Community has an annual food import bill in excess of US$ 4 billion. With a large, growing market of 16 million people in 15-member states, food imports nearly double over the last ten years, he stressed that the region needed to find alternatives to reduce the food bill.

For the Caribbean countries, the liberalization of free trade commenced in the beginning of the 1900s. This policy took two forms. First, famers no longer received subsidies for food crop from the governments, which caused the local product to become more expensive. Second, with low tariff on almost every food product, the outcome was an increase in imported food product. Farmers were not prepared to face this situation.

The local food industry, mainly the agriculture sector has faced many challenges in the last decades, such as dependence on foreign food, inadequate help to small farmers, use of inappropriate technology, high level of imported inputs, paucity of local technical skills, and the impact of regional and international organizations.

One disadvantage brought forth by globalization to the Caribbean is that their product is more expensive compare to the word market. Due their limited size, they cannot fully take advantage of economies of scale. This result in their main production like sugar, citrus, bananas to be at a high price.

In 2011 most of the Caribbean import was based on Food Preparation Nes, Wheat, Rice − total (Rice milled equivalent), Chicken, Nonalcoholic Beverages, Maize, soybean oil, Sugar refined, Sugar Raw Centrifugal, Oil, palm and others. These product counts for almost half of the total import of this year.

Conforming to the CARICOM Food Import Bill, Food Security and Nutrition. Issue Brief 5 in 2013, the combined food import bill (FIB) for the 14 Caribbean Community member states sky-rocketed from 2.08 billion US dollar in 2000 to 4 billion in 2001, it further grew to 4.25 billion in 2011. Four countries account for over two-thirds by value of the food import bill. In 2011, this translates to Jamaica, 21 percent (913 million), Trinidad and Tobago 20 percent (833 million), Haiti 19 percent (802 million) and the Bahamas 9 percent (393 million).

From 2000 to 2011 import food for countries like Haiti, Jamaica and the twin island Trinidad and Tobago more than doubled. None of the countries import decreased during this period. Even countries like the Bahamas, which normally have higher food production, in 2007 export more than 450 million US dollars value of food product. This amount decreases slightly in 2011 but not enough to make an impact. It can be clearly seen that the import value is proportionate to the countries ‘size in other words, the population not to their production capacity affect the import.

Moving on to 2014, several Caribbean states continue to import more than export, which put their balance of payment in shamble. Considering the following countries, this situation needs to be remedied. Starting with Cuba, it was the number one importer of food for the region. In 2014, Cuba import was valued at 1.8 billion US dollars. Following Cuba is the Dominican Republic. The nation might be exporting more (793 million in food, in 2014) compare to the other countries of the regions; however, their import of food is still significant. It is second highest after Cuba with their import of food in 2014 being estimated to be 1.4 billion.

In 2014 the food imports of the Bahamas were valued at 1.1 billion US dollars, besides between 60 to 70 percent of this amount was of the retail sector, the residual 30 to 40 percent was focused on the hotel and restaurant industry and the institutional (HRI) food service sector.

Haiti which has a population of just 10.2 million people imported a monetary worth of 911 million US dollars of food, contrarily its export was only valued at 18 million in 2014. Another Country with a relatively small amount of inhabitant with a high level of import is Jamaica (2,7 million in population) its import was USD 824 million, and its food export was far less, at just US $234 million 2014. The twin-island Republic of Trinidad and Tobago's foods import was USD 756 million in 2014 alone for its population of 1.3 million while it exported only a fraction of that amount – only a meager USD 114 million.

The last two countries with the highest food import in the Caribbean are Barbados and Guyana. Barbados' food imports in 2012 were put at 242 million compared to its food export total of US 47 million. Guyana, a country of 83,000 square miles of Agri-rich farmland that was once positioned as the breadbasket of the Caribbean, today imports 202 million of food according to the FAO. By contrast, the country's food exports were put at 387 million, which is not as bad as many other neighboring islands and definitely more than its imports.

Between 2000 and 2011, the prices of key imports - wheat, maize, rice and soybean oil - increased by 137 percent, 274 percent, 92 percent and 159 percent, respectively. The wheat flour market is one of the main imports of the Caribbean. Even back in 2004 the country with the lowest import value was St Vincent with 14,809 tons. Most of the countries range between 400,000 and 100,000 tons (figure 5)

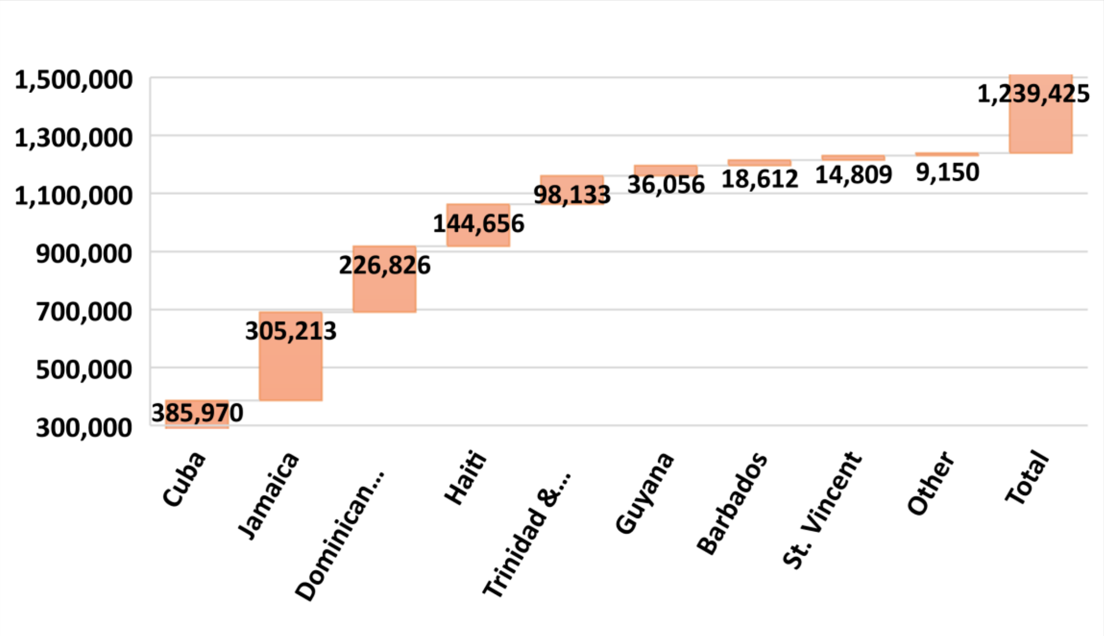


Figure 5 - Caribbean Countries with Greatest Wheat Flour Market Imports 2004

Source: data retrieved from Latin America and Caribbean Region Food Industry Assessment, 2017

Based on a Micro Nutrient Report in 2007, there is no production of wheat in the region. Wheat and wheat flour are imported. With the exception of Guyana, Suriname and Haiti where rice consumption is highest, wheat flour and wheat products are the principal foodstuffs in the Caribbean. Wheat and wheat flour are primarily imported from the United States, Canada, Australia and the EU.

The wheat flour industry includes countries that:

- Import, process and export: Barbados, St. Vincent, and Trinidad & Tobago
- Import and process: The Dominican Republic Cuba, Grenada, Guyana, Haiti, Jamaica and Suriname.
- Import: Antigua, the Bahamas, Dominica, St. Kitts & Nevis and St. Lucia.

According to an FAO brief on cassava, the product is a viable substitute to the importation of wheat and corn as a contributor to the high import bill. Some 900,000 Megaton (MT) of wheat for flour, valued at 248.77 million US dollars, and 420,000 MT of corn, valued at 145.46 million, mainly for poultry feeding, is imported by CARICOM countries annually. Additionally, the regional beer industry imports nearly 100,000 tons of malt annually and uses high fructose corn syrup as another ingredient in beer.

Due to the high demand according to Fletcher Paul, a company called *Red Stripe* is now using cassava in its beer production. The product expanded to coffee shops and hotels, to provide suppliers for livestock feeding and breweries for beer.

In accordance with a CARICOM report in 2013, the region’s wheat import bill rose by 137 percent between 2000 and 2011, from 105 million US dollars in 2000 to 249 million in 2011, down 12.6 percent from the peak in 2008. In 2011, around 84 percent of total import was carried out by 4 countries alone. 29 percent Jamaica, 25 percent Haiti, 20 percent Trinidad and Tobago, and Guyana at10 percent, with wheat import bills worth of approximately 73 million, 62 million, 49 million, and 24 million, for each country respectively.

The same report also stated that the flours mills located in the Caribbean are importing wheat and producing flour as well as importing wheat flour for domestic and regional demand. Those countries that do not have milling facilities must import all of their wheat flour requirements.

Moreover, the production of vegetable oils in the Caribbean is limited due to the availability of locally produced raw materials – mainly palm and coconut. There is production in several countries from imported oilseeds – namely canola and soybean. In general, other than limited local production, the Caribbean region is a net importer of oils for consumption and industry. In addition to the oils identified above, it should be noted that canola oil is also being imported into the region and in large quantities in several countries. Mainly from the North and South America as well as from the EU.

Edible oil like maize, soybean, palm oil, sunflower and vegetable are very important when it comes to import value. In 2004, the highest import from edible oil was Soybean. The Caribbean imported a total of 273,355 tons. The Dominican Republic and Cuba lead in this department 150,529 and 65,811 tons respectively.

The second highest import of edible oil was palm oil with a total import of 103,715. Haiti was the first in this category 74,347 tons followed by Dominican Republic 14,069 tons, based FAO Trade Statistics. Moreover, the import of soybean increased by 159 percent from 200 to 2011.

In the Dominican Republic, domestic vegetable oil production consists of crude palm oil plus a small volume of palm kernel oil. Local production of oil represents less than 10 percent of the total supply. During the 1980s, oilseeds were imported and crushed domestically to produce oil, however, since the crushing facility was closed, vegetable oils are imported to satisfy local market requirements. The largest processor MERCASID, controls approximately 71 percent of the market; LA FABRIL in Santiago has over 20 percent of the market and "Cesar Iglesias" the remaining eight percent. The estimated overall oil processing capacity exceeds 175,000 metric tons. Exports of Dominican edible oils to nearby islands are almost non-existent; however, small quantities of soybean oil are exported to Haiti.

There is no indigenous oilseed production in Cuba, which leads to dependency on imports of vegetable oil. There is also no modern processing plant in Cuba, which limits potential for whole oilseed imports. As the Cuban economy begins to show growth, the demand for oilseeds and products (mainly soybean oil) is expected to increase. Soybean oil represents more than half of total vegetable oil consumed. Sunflower oil historically is the preferred oil in the country however, soybean oil has captured market share in response to high prices for sunflower oil.

In Trinidad and Tobago, the Edible Oil Complex of National Flour Mills Ltd (NFM) purchases and processes soybeans to produce oil in their extraction plant as well as purchasing crude soybean oil for refining. Other than supplying the local market, NFMs products can be found in Jamaica, Barbados, Dominica, St. Lucia, Antigua, Grenada, St. Vincent, St. Kitts, Guyana and Suriname.

In Barbados, the Roberts Manufacturing Co. Ltd, imports soybean oil for bottling and further processing into margarine for both the local and regional market. The have distributors located in several countries throughout the Caribbean including Antigua, Dominica, Grenada, St. Kitts & Nevis, St. Lucia and St. Vincent.

The Caribbean's import is also rice based. Their rice production can barely satisfy the demands. The Caribbean states have a lot of potential when it comes to producing rice, but this potentiality is not being taken full advantage of. As a result of heir rich soil and proximity to water, high rice production is feasible. However, looking at the data from 2004, the country with the highest production of rice was the Dominican Republic with 576,621 tons of patty rice and 392,102 tons of milled rice, this production ca not sustain the population. The same year the Dominican Republic imported a total of 275,563 tons of rice. The next in line was Guyana. Guyana, which contrarily to the Dominican Republic produced 842,520 tons of rice for the population however there is no data available on import.

Rice, despite being a daily staple, is primarily produced in four countries (with Guyana and Suriname the only rice-exporting countries in CARIFORUM): Belize, Guyana, Haiti, and Suriname.

Inspecting the table below (table 9), we can clearly see that the selected countries production of rice does not have many fluctuations; they stay more or less the same. The total production hardly shifts from 2010 to 2014, from 946,743 tons to

1,415, 328 tons. The country with the highest production in 2010 was Guyana and it remained at the top through the whole period until 2014, 556,200 tons in 2010 and expanded to 977,000 tons in 2014. Belize and Trinidad and Tobago are the lowest in this category with a total production of less than 25,000 tons for every year, from 2010 to 2014.

Table 9. CARICOM Rice Production - Paddy (Tons)

Year	**2010**	**2011**	**2012**	**2013**	**2014**
Belize	20,523	19,081	12,318	20,505	15,825
Guyana	556,200	618,300	649,300	823,800	977,000
Haiti	141,075	144,063	147,599	169,300	143,650
Suriname	226,686	235,298	224,127	262,029	275,851
Trinidad and Tobago	2,259	2,663	2,122	2,859	2,912
TOTAL	946,743	1,019,405	1,035,466	1,278,493	1,415,238

Source: FAO Trade Statistics- retrieved from Caribbean agribusiness website

Regarding imports, the value of CARICOM rice imports increased by 92 percent in a little over a decade, from 125 million US dollars in 2000 to 240 million in 2011. Haiti (49 percent) and Jamaica (29 percent) were the largest importers of milled rice equivalent in 2011, accounting for 78 percent of the total CARICOM rice import bill in 2011, 117 million and 69 million, respectively.

Overall the Caribbean still have many challenges to overcome in order to be able to compete in the international market.

6 CHAPTER: SWOT ANALYSIS OF THE CARIBBEAN'S FOOD INDUSTRY

Before moving on to the swot analysis of the food Industry of the Caribbean, defining why the countries of the Caribbean are considered *Small economies* is essential. There is currently no definition by the WTO on what a *small economy* is. In Economic Growth of Small Nations Simon Kuznets, define them as "*Nation with an upper limit of 10 million people*." Nevertheless, population are not the only factors to be considered, the size of territory and GDP are crucial elements in this case.

Therefore, in the context of this paper small economies can also be referred to as *Small Island Developing States* or SIDS since some of the Caribbean's states are being analyzed. SIDS are small islands and low-lying coastal countries that represent a diverse group in a number of respects. What is so different about these small economies is that while their strengths, weaknesses, opportunities and threat may be very proper to their situations, they have a lot in common.

6.1 Strengths

The Caribbean countries are producing 30 primary agricultural products commercially. One privilege of the food industry is the fact that the Caribbean cuisine is one of the fastest growing ethnic cuisine in the world. The tropical fruit both fresh and processed, their spices and their sauce are highly demanded by North America and Europe. The cuisine has a lot of potential when we consider how the tourism industry is growing. With the development of the tourism industry, the Caribbean cuisine can expand its reach and take their place in the global market by capitalizing on it.

Similarly, the Caribbean is amongst the world's favorite cruise destination. Take for example the cruise ship operator Oasis of the Seas, for a seven-day cruise to the Caribbean; it needs to be loaded with everything from 1,899 pounds of coffee to 330 cases of pineapples. Other food includes lobster tails: 5,400 lb., tomatoes: 8,800 lb., lettuce: 9,000 lb., bananas: 5,400 lb., and fish: 7,070 lb. A large amount of these can be provided by the Caribbean islands. Whish prove that the Caribbean still have untapped markets.

Furthermore, multiple Caribbean food companies are operating internationally, bringing their food to the other parts of the world. For instance, one of Grace Kennedy's, a Jamaican public company, major operation involves food processing, and it has a varied network of some 60 subsidiaries and associated companies located across the Caribbean and in North and Central America and the United Kingdom.

In a seminar on agriculture and rural development by the Caribbean Development Bank. It was reported that:

''Caribbean owned overseas agri-businesses and institutions. There are several Caribbean owned importer/distributor companies located in Miami, New York and Toronto, and several retail companies and restaurants in these and other cities in North America and Europe. ... Two Jamaican owned distribution companies based in Miami which supply all the major retail chains in Florida, including Wal-Mart''. (Vassel Stewart, 2004)

The same paper has also pointed out that to Europe the Caribbean have direct shipping both air and sea, owing to the banana and tourism industry. Lastly, the food industry might have some strengths however, the regions is still not capitalizing on all the opportunities available.

6.2 Weaknesses

In consonance with a report by the commonwealth secretariat in April 2010, some of the weaknesses of the food industry result in the fact that small economies like the Caribbean countries are especially vulnerable to external events, including natural disasters, that cause high volatility in national incomes. Many of them are currently facing uncertain and difficult economic transition to a changing world trade regime, and finally, they suffer from limited capacity in the public and private sectors.

Besides all these hardships, the Caribbean countries just like other small sates faces challenges such as, small domestic market, high degree of openness to agricultural trade, vulnerability to changes in world markets and environmental vulnerability. The small economies also face specific challenges in participating in world trade due to lack of economy of scale and limited natural resources.

Much of the pressure on the region's finances can be linked to natural or financial disasters. Relatively speaking the Caribbean is one of the most disaster-prone regions in the world. In 2006, Rasmussen stated that the six ECCU (Eastern Caribbean Currency Union)[8] countries rank in the top 10 most disaster-prone countries in the world when considering disasters per land area or population. The other Caribbean countries are not far behind, with all the countries among the top 50 hot spots. In the article ‘‘Man versus Mother Nature’’ the authors observed that: More than 400 disasters afflicted the region between 1950 and 2012, including 267 tropical cyclones (usually hurricanes) and 113 floods. On average, there is a 14 percent probability that a Caribbean country will be hit by a tropical storm in any given year, and in most countries, the probability exceeds 10 percent.

These disasters do not only affect the region geographically with the destruction of fertile land and residential building but also economically. Roughly, the Caribbean was losing 1 percent of GDP each year since 1960 because of natural disasters. However, this deficiency keeps on rising in the 1980s and 1990s it rose from 0.9 percent of GDP per year to 1.3 percent of GDP in the 2000s.

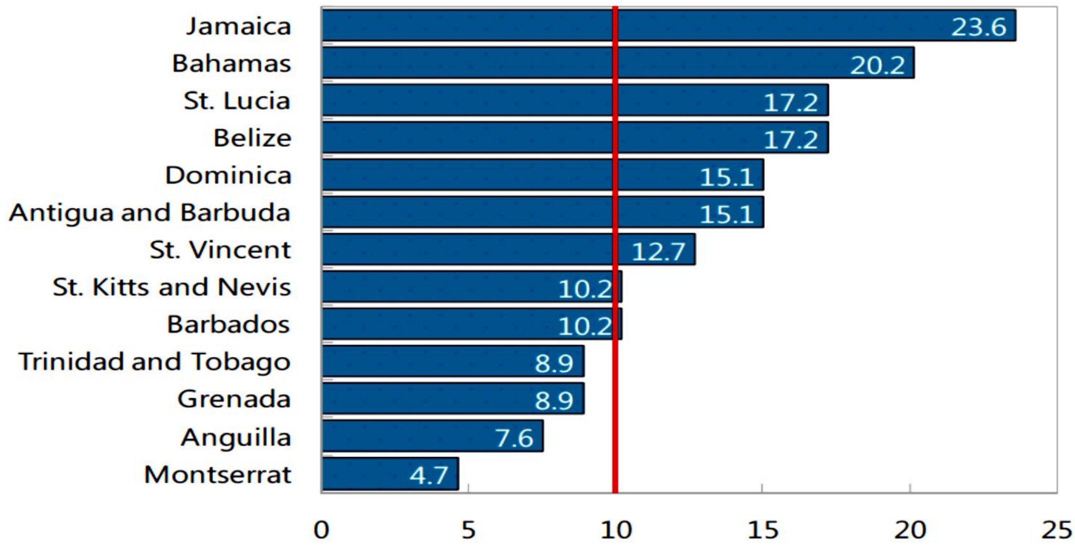


Figure 6 - Probability of a Hurricane striking on a given year (in percentage)

Sources: EM-DAT; and IMF calculations by Isolina Boto and Ronalee Biasca

---

[8] The organization is composed of St. Lucia, Anguilla, Antigua and Barbuda, Montserrat, Dominica, Grenada, St. Kitts and Nevis, and St. Vincent and the Grenadines.

In accordance with calculations done by Isolina Boto and Ronalee Biasca on the Probability of a Hurricane striking on a given year, in 2001 it can be understood that, out of the 13 countries selected for this study, more than half of them have a probability of a hurricane higher than 10 percent. The two highest countries are Jamaica and The Bahamas with 23,6 and 20,2 percent respectively. Furthermore St Lucia and Belize are tied with 17,2 percent. (Figure 6)

The authors Nicole Laframboise and Sebastian Acevedo in ‘‘*Man versus Mother Nature’’* reported that the effect of natural disasters in the Caribbean on growth and debt are sizable. The average hurricane reduces a country’s output by nearly 1 percent. Growth typically follows a standard recovery path: activity rebounds shortly after a disaster due to rehabilitation and reconstruction. But this rebound is usually short lived and smaller than the initial impact, with a negative cumulative effect on GDP. So even when the countries’ economy starts to grow natural disasters are just around the corner to bring them down all over again.

Based on the 12th brief of FAO in 2015 every year the Caribbean suffer on average from six natural disasters. The Dominican Republic and Haiti are the highest on the probability scale. In 2004 the damages caused by the hurricane season was amounted to 3.1 billion US dollars, while seriously affecting the domestic product of the countries.

From 1998 to 2013, three major type of disasters have affected the Caribbean food Industry, drought, hurricane and earthquake. In 2010, Dominica suffer a 43 percent reduction in banana exports in the first 11 weeks. St. Vincent and The Grenadines suffer a 20 percent reduction in agricultural production and 155 percent increase in price of tomatoes (February– March) Additionally 38 small farms in northern and eastern districts of Grenada lost a total of 64,500 US dollar, all because of drought.

In 2004, Grenada loss was estimated to be 889 million US dollar and the loss to the economy was a total of 200 percent due to the hurricane season, this all happened because the whole banana production was altered because the industry was destroyed 100 percent, and 90 percent of nutmeg trees were toppled.

Belize was also at a disadvantage in 2007 when the agriculture sector loss was valued at 54 million US dollar and 90.6 percent of the cropping sector was destroyed. The next country to keep in mind is Jamaica. In 2007 alone, the agriculture sector effect by the hurricane season was seriously damaging. The country lost 43 million US dollar. In St Lucia, the banana Sector suffered the most, with 67 percent of banana industry destroyed and 10 million worth of loss in the Agriculture sector. (Appendix 2)

Another factor to be considered is the territorial range. There are many disadvantages that derive from having small land area, which are magnified by the fact that many island states are not only small but, are themselves made up of a number of smaller islands. For the food industry, these disadvantages are prominent because, due their size, these countries have limited natural resources, which make them dependent on more developed countries. This situation has made them more vulnerable to global development.

The small Island countries are also forced to undue specialization due their limited resources. The agricultural sector has very limited resources. That is why the region is highly dependent on import. The region imports most of their needed food due to production constraints. This condition is worsened by the high population density, which intensify the burden on resources available due to overusing and premature depletion.

Infrastructure is yet another issue the Caribbean has to overcome. Because of high communication and transportation cost, the countries find it difficult to achieve economies of scale. Many of these countries suffer from the fact that many of their product agricultural product are being harvested in remote location. Sometimes during peak seasons, the remote village farmers harvest might be fruitful, but they are unable to transport it to the city where the export industry is centralized. While the crops yielding might be more than enough to sell both domestically and internationally, many farmers are unable to make a considerable profit because transportation cost is too high, or in extreme cases non-existent. Under these conditions, farmers are discouraged to do more farming. Which in turn further decrease domestic production.

Additional vulnerabilities faced by the Caribbean food industry include ‘‘

- *Productive sectors heavily dependent on their limited natural resource base (e.g., agriculture, forestry, fishing, tourism)*
- *Susceptibility to the vagaries of international trade.*
- *Limited extent to which domestic competition policy can be applied.*
- *Dependence on a narrow range of export products.*
- *Inability to influence international prices.*
- *Uncertainties of supply due to remoteness or insularity.’’* (UNEP 2005, UNFCC 2007)

6.3 Opportunities

Globalization have generated a global demand for ethnic food. People are now more than ever willing to try and even demand ethnic food. The Caribbean has a good position in this situation as one of the most diverse cuisine. Demand is high in countries like USA and Canada.

Moreover, a large amount of the Caribbean’s agricultural product is organically grown and the demand for these types of product is rising. In 2011 the Caribbean Central and South America supplied two third of the organic import commodities to the USA. While South America supplied 35 percent and Central America 18 percent the Caribbean supplied less than 1 percent according to ECLAC.

Lastly, other product demands especially snacks that are also increasing are juices, cheese, fish and desserts, particularly in the EU.

6.4 Threats

The region is facing major threats from international companies mostly in Foreign Direct Investment. Every year involves the arrival of various foreign restaurants that brings with them foreign food product that in turn, decreases the demand for local products. The Caribbean is a respected and demanded cuisine but still, their restaurant do not have a lot of international presence. This result in their food being under represented.

As stated previously, one the major problems with the Caribbean's import is their high production cost. The region's agricultural product and processing are all being produced at a higher cos than the other part of the worlds such as North America, Europe even the neighboring South America. Thus, their products relatively cost more to produce hence, their high price at the international market. This situation also leaves a gab in the local market to be filled by foreign product. Since the exported items are cheaper, in such a manner, the local producers have to struggle to be price competitive with these international suppliers.

Another threat to the Industry is climate change. The Caribbean has always been vulnerable to weather related disasters. With climate change, more and more extreme weather conditions are present, and the regions is not equipped enough to protect itself against the devastation of each hurricane, cyclone and flood. Political instability, limited resources and natural disasters are all threats to the industry.

7 CHAPTER: THE CARIBBEAN'S FOOD INDUSTRY AND FREE TRADE

Before the establishment of the Caribbean Community or CARICOM, there was the CARIFTA, The Caribbean Free Trade Association. For both institutions, the aim has been to foster trade activities between the Caribbean countries and to eliminate quotas and tariff on products that are produced within the area. Today the intra-regional trade issues are mostly handled through CARICOM. There are also several other trade agreements that the Caribbean's countries are involved in.

As globalization increases, countries are increasingly opening their borders to free trade, although these policies bring some benefits there are also a few shortcomings worth considering. In this section of the paper, the benefits and the drawbacks of free trade for the Caribbean's food industry are examined.

7.1.1 Benefit

World food trade is a complex and diverse process that most countries are trying to join. Governments recognize that a strong national food industry is an important food supplier for the population and contributes significantly to food security. They also see food exports as a source of foreign exchange. The expansion and diversification of food trade can be viewed as the result of many factors. First, the disciplines of food chemistry, food technology and food microbiology continually offer a wider range of foods by developing new, and more sophisticated protection, processing and packaging techniques that provides safety to the food, makes the food less perishable and more attractive to the consumer.

Rapid transport and improved handling methods have reduced the length and difficulty of transport of food over long distances, giving investors access to new and remote markets. Consumer tastes and eating habits are becoming more diverse, and purchasing power is increasing. The request for conventional and modern food from other locales are invigorated.

The amount of food that a country imports or exports can be determined by factors such as local conditions of agricultural production, food production, local and other sources of income. An increasing number of countries are becoming more involved in both import and import of food products. It is traditional for countries that are self-sufficient in food or the ones that have an excess of foods to export a part of their products, particularly when these foods are much looked for after somewhere else and bring premium prices. (FAO 1998)

With the emergence of multilateral trade agreements, the Caribbean have benefited highly of international trade. Globalization has given multiple small countries of the Caribbean the opportunity to import their goods to bigger markets. Together with the opportunity to make use of their competitive advantage by focusing more on the products they can produce more efficiently and exporting the other necessities.

Further rewards incorporate increased revenues. The many trade agreements allow the countries of the region to not only developed their intra-regional trade but also trade with other regions as well, like Europe, North America to cite only a few. Every new agreement in turns broaden the number of new potential clients. This Process provide the countries with a bigger market to sell their goods.

Competition is lessened as well, while some companies might have stiff competition at home because there are many producers of the same products, international trade give them the opportunity to sell to other countries. In addition, manufactures have better way of managing risk. International trade offers a chance to diversify the market. Being less reliant on one market can help reduce potential risks in the core market. Risk associated with political events, environmental factors, and economic situation and so on. Companies and countries, which are engaging in international trade, benefit from unloading their surplus products. They can sell the ones that otherwise, they would not able to sell domestically.

To illustrate more than 15 countries of the Caribbean have signed the CARIFORUM-EU, an Economic Partnership Agreement with the European Union. The participants include countries like Antigua and Barbuda, Saint Vincent and the Grenadines, Barbados, Belize, Dominica and some more. This agreement has opened a whole new door for Caribbean products to the EU. After the US, the EU is the second largest export destination of Caribbean's goods. The CARIFORUM export's products consist of mostly petroleum gas and oils, minerals, fertilizers, fuel and mining products as well as some food products such as bananas sugar and rum. The import side includes items such as cars, ships, boats and other vehicles and some food products such as milk and cream, and spirit drinks.

Within the period of 2014 and 2017 both import and export of food and live animals, and beverage and tobacco expanded between the 2 partners. Import figures were reported to be from 932 million Euro in 2014 to 1,005 million in 2017 for Food and live animals, from 233 million in 2014 to 306 million for beverage and tobacco. With reference to export, the same trend was present, from 792 million Euro in 2014 to 973 million in 2017 food and live animals ,and 181 million in 2014 to 252 million in 2017 for beverage and tobacco.

As can been observed, the facilitation of trade is crucial for trade-dependent countries like the Caribbean's. Because natural resources are limited and the presence of poor economy of scale, the countries in the region (except Trinidad and Tobago) hugely depends on imported foods, fuels and medicines. Whereas, They have a limited number of exports and exported goods. They participate inadequately in the value chain globally.

7.1.2 Drawbacks

The best way to fully take advantage of trade is by maximizing exports. Countries facilitate export by making trade easier, which means reducing tariffs and other blocks to import. These policies generally results in reduction of jobs in the local industries that are not strong enough to compete on a global scale. Countries in the region with a more traditional economy are at a disadvantage from the loss of farming and agriculture, the base of their economy. It also induces pressure to compete with products that are available at a cheaper price. The reason for these is, that the main importer of the Caribbean are the EU and the US's companies. In those countries the government generally provides agriculture subsidies.

A large majority of the Caribbean small economies find it very difficult to replace the loss of revenue from import tariffs and fees when those are decreased to ease the entry of international products

The majority of SDEs of the region are island economies with low population of less than a million. The country examined in this paper with the highest population is Cuba, 11.4 Million inhabitants as of the beginning of 2019. Due to their restricted size, it has been difficult to take full advantage of specialization in a variety of products. This situation has largely restrained international companies to invest on a large scale. With a small-scale production that limit the amount of goods to be exported, a heavy dependence on import goods and the openness of their economy the Caribbean find itself at a disadvantage when it comes to how price of export fluctuates and other turmoil in the global market. These disturbances may have a negative impact on demand for Caribbean products. Revenue volatility is a natural consequence of exports.

By opening their economy and relying a great deal on import for products such as machinery and equipment, intermediate goods and raw materials, these countries are put in a situation where they are forced to agree with unfavorable prices that are charged for import. This can significantly increase production costs and will affect the international competitiveness of goods and services.

7.1.3 Prospective Comments of the Caribbean Market

Overall prospect for the Caribbean markets is rather positive in general. The economy is expected to continue to grow, inflation well probably stay low or medium due you too more investment in the tourism industry and energy as well as better performance in agriculture, more economic growth is estimated. Though slow development is anticipated for the Dominican Republic for 2019 and 2020. As a whole, it is projected that economic activity in the Caribbean will pick up in for the fiscal year of 2019 and 2020.

As regards to the food industry in particular, during the last few decades demand for Caribbean food in the United States have boosted. There might be several reasons for this. One could be the fact that Americans are more exposed to Caribbean food doing their travel including cruise trips, so, when they come back home, they are more likely to request it. It might also be because of the high migration of Caribbean immigrants to the United States. They bring with them their own culture, which could also explain the high number of Caribbean restaurants opening in the United States.

Evidently, the Caribbean food market will continue to grow in the USA. Based on information collected by the CACCI-GWA, on the location of large Caribbean-Americans residence in the Washington Metropolitan Area, it was showed that: In the Baltimore Washington area there are around 300 Caribbean food business. These businesses are focused primarily on marketing Caribbean foods. These includes restaurants, market and caterers. All the grocery stores have also seen an increase in the amount of Caribbean for their provide to their customers. The “Caribbean” has been used as a brand four different type of foods that pound from the various islands of the Caribbean. In addition, due to growing demand, Caribbean food retailers are operating as chains (redefining the fast food model) and with the help of franchises.

Figures for the difference metropolitan areas, which have large number of Caribbean immigrants, for instance New York, Miami and so forth, are very similar to the ones mentioned above.

This situation is similar in Canada as well. From a 2015 survey done on the ethnic foods’ consumers are interested in trying in Canada, it was revealed that 35 percent of the people confirmed that they were interested in trying Caribbean food.

Overall, despites all challenges such as weather, land size, political instability and all other drawbacks, the food industry of the region is projected to continue to grow. However, if the Caribbean expect to continue to take full advantage of the international market, further trade agreement will continue to play a bid role and the governments will have to develop better strategies to protect the domestic producers.

CONCLUSION AND DISCUSSION

To put it concisely, this paper looks very broadly at the Caribbean food market. The idea is to have an analysis of the market as a whole and figure out what the best course of action for the individual selected countries or the region in its entirety would be able to do, to respond to the threat poses by globalization and international trade. Also, what could be done to take advantage of it to develop the economy of the countries. While many other researches and studies have been done on the subject. As we have seen, they mostly focus either on a specific sub-sector of the industry such as sugar or banana or on the whole economy as whole without focusing on the food industry particularly. Besides, the majority of this research were carried out many years ago. Thus, there existed a gap in the literature. No distinct survey was executed for this paper though, instead different reports and other studies were put to use, including report on the different sub-sectors of the industry for the designated countries.

This paper is unique in the way it looks at the overall view. Almost all aspects of the industry were analyzed, the export, import, and foreign direct investment. A SWOT analysis of the industry was also performed, and many other aspects were looked into. Instead of reporting the situation in each country, comparison was made between the countries for various periods, this way it is easier to understand the state of industry. Every single countries of the Caribbean was not selected just the OECS group : Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines, and also The Bahamas, Belize, Barbados, Dominican Republic, Guyana, Haiti, Jamaica, Suriname, Trinidad and Tobago, Cuba and the Dominican Republic.

Based on the data collected it can be said that the current situation is not caused by a single problem but by many intricate issues. For once, their geographic position is both a strength and weakness. Due their close proximity to North and Central America, the chosen Caribbean countries have the capacity to sell to and buy from these countries at a lower cost; this is because transportation cost is lessened. This situation has further increased the amount of companies that outsource their production to the region. On the other hand, the aforementioned countries remain vulnerable to political unrest and natural disasters. The former highly discourage foreign direct investment as it causes economic instability. Companies are usually skeptical of the profit they can make by investing directly in the country. To illustrate since January 2019 there have been multiple protest all over Haiti as a response to corruption in the government. These protests have resulted not only in multiple injured and dead but also in a devaluation of the local currency against the US dollars; furthermore, it has also been the result of the destruction of both private buildings and private companies. Under these conditions, the country is undesirable to investors whether for the food industry or otherwise.

As mentioned above the Caribbean food industry is fairly susceptible to natural disasters essentially hurricane, earthquake and flood just to name a few. Every year, the industry damage cost from these events are valued in billions of dollars.

In addition, the industry face other obstacles that are put forward by globalization. For instance, many of the food products, which are produced in the countries, face fierce competition from international goods. The case study reveals that a great number of the countries are not equipped to successfully compete with these foreign commodities. As a result, the domestic market ends up suffering significantly. This circumstance weakens the national productions, which is why domestic production for many sub-sectors of the food industry have almost disappeared, sugar is a perfect example. This would explain why the majority of these countries eventually become strongly reliant on export to satisfy the need of their citizens.

Therefore, working toward political stability and building better structure to be protect from natural disasters is one way to make the countries attractive to investors and to assure the food industry is profitable enough to survive in the globalized world. Political instability does not only affect the food industry but the whole economy. However, since this industry is our focus, what can be done to further improve it, is the objective.

The Caribbean have been rather unsuccessful when it comes to strongly implementing multilateral integration. The British West Indies Federation lasted only from 1958 to 1962. The Caribbean Free Trade Association (CARIFTA) lasted only six years (1965 to 1971) and the regional economic integration carried by the Caribbean

Community and Common Market (CARICOM), which was created in the early 1970s, remains unfinished. More recently, the creation of the Association of Caribbean States (ACS) in 1994 could not oppose the cooperation of its twenty-five members against the hegemonic will of the United States identified in the project of the Free Zone - Exchange of the Americas (FTAA). Thus, I strongly agree with Jean Crusol in his book *South America, Central America and the Caribbean*, that maybe bilateralism would be more profitable to the region than multilateralism.

Since, the North American market remains a sizeable destination for Caribbean exports, generally superior to the intra-Caribbean market. The countries should concentrate on the establishing bilateral economic agreements for the food industry. Moreover, the fact that the Caribbean islands have almost the same agricultural products prevents them from trading with each other. In fact, they have the same productive legacy: the plantations which for a long time constituted the bulk of economic activities. So, Bilateral agreements would benefit them because, they would allow the contracting countries to sign those accord on idea of the unique characteristics of the two parties involved, they would no longer be generalized precepts, but rather situational differentiation would be the norm. That way, States can thus obtain agreements more fitted to their situations.

Because this study was to evaluate the current situation of the market, it has been found out that, many countries still have a lot to do in so to have a fully economically independent food industry that can provide the necessary amount of food to the domestic market and as well as participating in the global market.

Because the study is concentrated on a small part of world, it does not reflect a perfect picture of globalization for the entire world, but I believe other small economies will be able to use the information we find and use it according to their needs.

Within the scope of the study different cases studies are used. Several reports of CARICOM, ECLAC, CAHFSA are also utilized. No survey was conducted on the Caribbean's Economy as a whole, but rather the ones that are already available are used. This paper is prepared by employing the data already available about the Caribbean's country. Its result should not be accepted as a universal answer for all economies. Moreover, Since the thesis analyzed several countries no specific survey of a singular country was carried out.

Further research on individual countries is recommended. Multiple detailed surveys should be implemented. The research should be on individual countries and be combined at the end. The survey should cover every other industry that has the potentiality to affect the food industry, such as process, hotel and tourism, agriculture, packaging, fisheries, poultry and so forth.

As we have observed the Caribbean is very diverse when it comes to economy, some countries are so developed that they are not even on the developing countries list anymore namely Trinidad and Tobago while countries such as Haiti are still considered underdeveloped. A one-size fit all strategy will most likely not worked for them. What is needed is a strategy tailored to each countries' exact needs.

REFERENCES

Ahmed, B. (2001, July 2nd-4th). The Impact of Globalization on the Caribbean Sugar and Banana Industries. *The Society for Caribbean Studies Annual Conference.* Kingston.

Alleyne, Dillon et. al. (2018). *Economic Survey of the Caribbean 2017.* Santiago: (ECLAC), Subregional Headquarters for the Caribbean.

Al-Rodhan, D. N. (2006, June 19). Definitions of Globalization - A Comprehensive Overview and a Proposed Definition. Geneva.

Applewhaite, L. (2010). *Annual Report of the Secretary-General.* Greater Georgetown: Caribbean Community Secretariat.

Aristide, J.-B. (2000). *Eyes of the Heart; Seeking a Path for the Poor in the Age of Globalization.* Common Courage Press.

Bank, W. (1948). *The banana industry of the Caribbean area* . Washington D.C.: World Bank.

Benhaddouche, Ali , et al. (2010). *l'industrie en Guadeloupe un secteur face à ses défis.* Pointe-à-Pitre: Institut national de la statistique et des études économiques (France). Direction interrégionale Antilles-Guyane.

Bishop, M. D., & Chandler, S. J. (2003). Opportunities and Challenges: The Caribbean Involvement in the Free Trade Area of the Americas. *Chandler Fordham International Law Journal, 27*(4), 3-23.

Brown, D. (2013, June 15). *Caribbean Looks at Financial Approach to Combat Climate Change.* Retrieved from Inter Press Service, News Agency Website: http://www.ipsnews.net/2013/06/caribbean-looks-at-financial-approach-to-combat-climate-change/

Caribbean Agribusiness. (n.d.). *Rice.* Retrieved November 28, 2018, from Caribbean Agribusiness Website: https://www.agricarib.org/products/rice

CARIFORUM-The-Context. (n.d.). Retrieved January 12, 2019, from CARICOM-Caribban Community Website: https://caricom.org/cariforum-the-context

Collymore, J. (2004). Disaster Impacts on the Caribbean. In J. &.-C. Lidstone, *International Perspectives on Natural Disasters: Occurrence, Mitigation, and Consequences* (pp. 303-322). Springer Netherlands.

Crusol, J. (2003). *Regional Survey of the World: South America, Central America and the Caribbean 11th Edition.* London ; New York City: Europa Publications.

Dr. Compton Bourne. (2008). Economic Growth, poverty and income inequality-Caribbean. *Sir Arthur Lewis Memorial Conference.* Saint Augustine: CARIBANK.

Dr. Demartini, John. (2014, June 30). *The Evolution of Transportation.* Retrieved from Jetset Magazine Website: http://www.jetsetmag.com/travel/aviation/evolution-of-transportation/

Economic Commission for Latin America and the Caribbean (ECLAC). (2001). *Competitive Analysis of Nations, estimated on the basis of purchases of importing countries.* Santiago: UNECLAC.

Economic Commission for Latin America and the Caribbean (ECLAC). (2002). The effects of globalization on CARICOM Caribbean economies. In J. Ocampo, & ECLAC (Eds.), *Globalization and development* (pp. 331-354). UNECLAC.

Economic Commission for Latin America and the Caribbean (ECLAC). (2015). *Foreign Direct Investment in Latin America and the Caribbean (2014 Version).* Santiago: UNECLAC.

Economic Commission for Latin America and the Caribbean (ECLAC). (2019). *Bahamas - Preliminary Overview of the Economies of Latin America and the Caribbean (2018 version).* Santiago, Chili: CEPAL, UN.

Economic Commission for Latin America and the Caribbean (ECLAC). (2019). *Belize - Preliminary Overview of the Economies of Latin America and the Caribbean (2018 version).* Santiago: UNECLAC.

Economic Commission for Latin America and the Caribbean (ECLAC). (2019). *Haiti - Preliminary Overview of the Economies of Latin America and the Caribbean (2018 version).* Santiago: UNECLAC.

Economic Commission for Latin America and the Caribbean (ECLAC). (2019). *The Dominican Republic - Preliminary Overview of the Economies of Latin America and the Caribbean (2018 version).* Santiago: UNECLAC.

Economic Commission for Latin America and the Caribbean (ECLAC). (2019). *Trinidad and Tobago - Preliminary Overview of the Economies of Latin America and the Caribbean (2018 version).* Santiango: UNECLAC.

Economic Commission for Latin America and the Caribbean, (ECLAC). (2019). *Barbados - Preliminary Overview of the Economies of Latin America and the Caribbean (2018 version).* Santiago: UNECLAC.

Economic Commission for Latin America and the Caribbean, (ECLAC). (2019). *Jamaica - Preliminary Overview of the Economies of Latin America and the Caribbean (2018 version).* Santiago: UNECLAC.

Economic Commission for Latin America and the Caribben (ECLAC). (2013). *Foreign Direct Investment in Latin America And the Caribbean (2012 version).* Santiago: UNECLAC.

Esteban Ortiz-Ospina, D. B. (2018, October). *Trade and Globalization.* Retrieved from Our World in Data Website: https://ourworldindata.org/trade-and-globalization

European Commission. (2018). *European Union, Trade in goods with ACP - Caribbean Countries.* Brussels: European Commission Directorate-General for Trade.

FAO Regional Office for Latin America and the Caribbean. (2016, October 27). *Some Caribbean countries transitioning to Cassava flour.* Retrieved from Food and Agriculture Organisation of the United Nation (FAO) Website: http://www.fao.org/americas/noticias/ver/en/c/449698/

FAO SUB-REGIONAL OFFICE FOR THE CARIBBEAN. (2015, February). Addressing Disaster Risk Management in Caribbean Agriculture. *(Brief #12)*. Christ Church,Barbados: Food and Agriculture Organization of the United Nations (FAO).

Ferguson, James A. et al. (2019, April 14). *Haiti– Agriculture, forestry and fishing.* Retrieved from Encyclopedia Britannica inc. Website: https://www.britannica.com/place/Haiti/Agriculture-forestry-and-fishing

Frank, M. (2017, October 17). *Cuban food output stagnates, may decline in 2017.* Retrieved from Reuters Website: https://www.reuters.com/article/us-cuba-agriculture/cuban-food-output-stagnates-may-decline-in-2017-idUSKBN1CM1Z5

Franklin W. Knight, et al. (2018, june 14). *Cuba – Agriculture, forestry and fishing.* Retrieved from Encyclopedia Britanica inc. Website: https://www.britannica.com/place/Cuba/Agriculture-forestry-and-fishing

Giordano, P., Michalczewsky, K., & De Angelis, J. (2019). *Trade Trend Estimates Latin America and the Caribbean - 2019 Edition.* Wahsington D. C. : Inter-American Development Bank (IDB).

Giordano, P., Michalczewsky, K., & Ramos Martínez, A. (2018). *Trade Trend Estimates Latin America and the Caribbean - 2018 Edition.* Washington D.C.: Inter-American Development Bank (IDB).

Hamdi, F. M. (2013). The Impact of Globalization in the Developing Countries. *The International Institute for Science (IISTE), 3*(11), 142 - 145.

Holm, H.-h. (1995). *Whose World Order?: Uneven Globalization And The End Of The Cold War* (1 ed.). (G. Sorensen, Ed.) Westview Press.

Isolina Boto, R. B. (2012). *Small Island Economies: from Vulnerabilities to Opportunities.* Brussels: The Technical Centre for Agricultural and Rural Coorporation (CTA).

Itam, Samuel et al. (2001). *Developments and challenges in the Caribbean region.* Washington D.C.: International Monetary Fund (IMF).

JR., W. C. (2016, January 2016). *The Top 4 Economies of the Caribbean.* Retrieved from Investopedia inc. Website: https://www.investopedia.com/articles/investing/011916/profits-paradise-top-4-economies-caribbean.asp

J.W. Smith. (1994). *The World's Wasted Wealth 2: Save Our Wealth, Save Our Environment.* Institute for Economic Democracy (IED).

Kenny, M. (1998). International food trade: food quality and safety considerations. In J. Albert, *Food, Nutrition and Agriculture* (Vol. 21, pp. 4-8). Rome: FAO: Food and Nutrition Division.

Kenton, W. (2018, June 14). *Caribbean Single Market and Economy (CSME).* Retrieved from Investopedia, Inc. Website: https://www.investopedia.com/terms/c/caribbean-single-market-and-economy-csme.asp

Kuznets, S. (1960). Economic Growth of Small Nations. In E. Robinson, *Economic Consequences of The Size of Nations: Proceedings of a Conference held by the International Economic Association* (pp. 14-32). London: Macmillan & Co Ltd.

Larsson., T. (2001). *The Race to the Top: The Real Story of Globalization* (1 ed.). Washington, D.C., United States: Cato Institute.

Levitt, T. (1983, May). The Globalization of Markets. *Harvard Business Review*.

Lewis, N. (2016, January 3). *The 1870-1914 Gold Standard: The Most Perfect One Ever Created.* Retrieved from Forbes Website:

https://www.forbes.com/sites/nathanlewis/2013/01/03/the-1870-1914-gold-standard-the-most-perfect-one-ever-created/#aba87cb4a6a9

MacDonald, S. B. (2018). *Caribbean Economies and the Year Ahead 2018,.* Washington, D.C.: CSIS - Center for Strategies and International Studies.

MARAS, E. (2015, August 14). *How Globalization Challenges Safety In The Food Supply Chain : Safety technologies emerge to close safety gaps.* Retrieved from Food Logistics Website: https://www.foodlogistics.com/safety/article/12095450/how-globalization-challenges-safety-in-the-food-supply-chain

McLuhan, M. (1962). *The Gutenberg Galaxy: The Making of Typographic Man.* Toronto: University of Toronto Pr.

Ministry of Agriculture of Belize. (2015). *National Agriculture and Food : Policy of Belize 2015 to 2030.* Belmopan: Ministry of Agriculture of Belize.

Moreira, E. P., Hamilton, P. C., & Tsikata, a. Y. (2009). *Accelerating Trade and Integration in the Caribbean: Policy Options for Sustained Growth, Job Creation, and Poverty Reduction.* Washington, D.C.: World Bank.

Nearshore Technology. (n.d.). *outsourcing by the numbers.* Retrieved November 20, 2018, from Nearshore Technology. Website: https://www.nearshoretechnology.com/outsourcing/outsourcing-stats

NEWS DESK. (2017, November 5). *Staphylococcus toxin concerns prompt recall of chicken strips in Canada.* Retrieved from Outbreak News Today Website: http://outbreaknewstoday.com/staphylococcus-toxin-concerns-prompt-recall-chicken-strips-canada-73534/

NewsAmerica. (2016, September 22). *8 Caribbean Nations That Import A lot Of Food.* Retrieved from News America Website: https://www.newsamericasnow.com/8-caribbean-nations-that-import-alot-of-food/

Nicholls, A. (2015, November 21). *The WTO Trade Facilitation Agreement and Caribbean Small Island Developing States: Challenges and Opportunities.* Retrieved from Caribbean Trade Law Website: https://caribbeantradelaw.com/2015/11/21/the-wto-trade-facilitation-agreement-and-caribbean-small-island-developing-states-challenges-and-opportunities/

Nicole Laframboise, S. A. (2014, March 27). Man Versus Mother Nature - Finance & Development. *INTERNATIONAL MONETARY FUND (IMF), 51*(1), pp. 44-47.

Palmer, M. C. (2016). An Empirical Evaluation of Caribbean Interconnectedness in the Post North America Free Trade Agreement Years. *Social Science Research Network (SSRN)*.

Paul Collier, D. D. (2002). *Globalization Growth and Poverty Building an Inclusive Economy.* Washington, D.C.: A World Bank Policy Research Report and Oxford University Press.

Paul, B. (2013). La Caraïbe : des opportunités économiques institutionnellement limitées. In Cruse, & Rhiney (Eds.), *Caribbean Atlas,*. Retrieved from Caribbean Atlas: http://www.caribbean-atlas.com/fr/thematiques/qu-est-ce-que-la-caraibe/la-caraibe-des-opportunites-economiques-institutionnellement-limitees.html

Peace Dividend Trust (PDT). (2012). *Doing business in Haiti's food and beverage sector: Twelve local agribusinesses share their perspectives.* Port-au-Prince: Building Markets.

Potter, Robert B. et al. (2014). *The Contemporary Caribbean.* London: Taylor & Francis Ltd.

Press Release. (2017, May 14). *Burrito recall: Green Chile Food Company brand may be Listeria contaminated.* Retrieved from Outbreak News Today Website: http://outbreaknewstoday.com/burrito-recall-green-chile-food-company-brand-may-be-listeria-contaminated-15275/

Press Release. (2017, October 21). *E. coli prompts recall of spinach, kale and basil sold in Illinois and Wisconsin.* Retrieved from Outbreal News Today Website: http://outbreaknewstoday.com/e-coli-prompts-recall-spinach-kale-basil-sold-illinois-wisconsin-25722/

Ramonet, I. (1998, November). *The politics of hunger.* Retrieved from Le Monde diplomatique Website: https://mondediplo.com/1998/11/01leader

Rastoin Jean-Louis, L. D. (1996). Le marché mondial de la banane: entre globalisation et fragmentation, Économie Rurale. In M. G. Albert Chominot, *Globalisation des économies agricoles et alimentaireSituation et prospective* (Économie rurale. N°234-235 ed., pp. 46-53).

Rhiney, K. (2018). From Plantations to Services: A Historical and Theoretical Assessment of the Transition from Agrarian to Service-Based Industries in the Caribbean. In J. Gebelein, & C. L. Rhiney (Ed.), *Globalization, Agriculture and Food in the Caribbean: Climate Change, Gender and Geography* (pp. 23-50). Basingstoke: Macmillan Publishers Ltd.

Richardson-Ngwenya, P. (2010). The EU Sugar Reform and the Responses of Caribbean Sugar Producers. *Geography, 95*, 70-79.

Roger Hosein, J. K. (2011). Exploring the Potential Benefits of the Proposed CARICOM-Canada Free Trade Arrangement (FTA) . *Journal of International and Global Economic Studies*, 74-87.

Saunders, Gail et al. (2019, January 18). *The Bahamas.* Retrieved from Encyclopedia Britanica inc. Website: https://www.britannica.com/place/The-Bahamas/Economy

Sebastian Acevedo, A. C.-J. (2013, February 20). *Caribbean Small States. Challenges of High Debt and Low Growth* . International Monetary Fund (IMF).

Shah, A. (2014, September 28). *Foreign Aid for Development Assistance.* Retrieved from Global Issues Website: http://www.globalissues.org/article/35/foreign-aid-development-assistance

Shah, K. (2016, February 29). *Cruise Ships Go Through More Food and Drink in One Week Than You Will in Your Life, Probably*. Retrieved from First We Feast Website: https://firstwefeast.com/eat/2016/02/cruise-ships-food-drink

Skilling, D. (2012, September 3). *Why do so many small economies perform better?* Retrieved from World Economic Forum Website: https://www.weforum.org/agenda/2012/09/thinking-small-for-growth/

Statista. (2019). *Ethnic-inspired foods consumers are interested in trying in Canada as of November 2015*. Retrieved from StatistaWebsite: https://www.statista.com/statistics/554055/ethnic-foods-to-try-canada/

Stewart, V. (2004). Transforming Agriculture Through the Development of The Agribusiness Sector. *34th Annual Meeting of The Board of Governors Seminar on Agriculture and Rural Development.* Tobago: Caribbean Development Bank.

Temple, L., Marie, P. & Bakry, F. (2008). Les déterminants de la compétitivité des filières bananes de Martinique et de Guadeloupe. *Économie rurale*(308), pp. 36-54.

The ACP-EU Technical Centre for Agricultural and Rural Cooperation (CTA). (2014). Brussels Policy Briefing no.37: Small island economies: from vulnerabilities to opportunities. *UN Conference on Small Island Developing States*, (pp. 1-5). Brussels.

The Economic Commission for Latin America and the Caribbean (ECLAC). (2015). *Foreign Direct Investment in Latin America and the Caribbean 2015.* Santiago: UNECLAC.

The Gleaner Jamaica. (2014, August 6). *10 Important Companies.* Retrieved from The Gleaner Jamaica Website: http://jamaica-gleaner.com/article/news/20140806/10-important-companies

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD). (2017). *World Investment Report 2017: Investment and Digital Economy*. Geneva: UNITED NATIONS PUBLICATION.

US Embassy. (2018, May 5). *Belize - Agricultural Sector*. Retrieved from Export.gov Website: https://www.export.gov/article?id=Belize-Agricultural-Sector

Waldropt, L. (2015). Our Competitive Advantage. Caribbean Fine Flavoured Cocoa: A Global Niche? In *Caribbean Export Outlook 2016* (pp. 59-61). St. Michel: Tout Bagai Publishing.

world Bank. (2000). *Small Sates Meeting Challenge in the Global Economy. Report of the Commonwealth Secretariat/World Bank Joint Task Force on Small Sate.* Washington D.C.: World Bank.

APPENDICES

APPENDIX 1

The Caribbean: net foreign direct investment (Millions of dollars)

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016[a]
The Caribbean	5 972	3 129	2 918	2 557	2 242	836	2 749	1 045	…
Antigua and Barbuda	159	81	97	65	133	95	149	148	…
Bahamas	860	664	872	667	526	382	251	76	74
Barbados	468	352	329	83	565	-62	…	…	…
Belize	167	108	95	95	193	92	138	59	…
Dominica	57	42	43	35	59	23	14	23	32
Grenada	135	103	60	43	31	113	58	89	91
Guyana	178	164	198	247	278	201	238	117	…
Jamaica	1 361	480	169	144	411	631	584	921	564
Saint Kitts and Nevis	178	131	116	110	108	136	158	132	89
Saint Lucia	161	146	121	81	74	92	19	75	116
Saint Vincent and the Grenadines	159	110	97	86	115	160	108	48	-90
Suriname	-231	-93	-248	73	173	188	163	276	…
Trinidad and Tobago	2 101	709	549	156	772	-66	1 214	583	…

Source: ECLAC), on the basis of official figures.

[a] *Preliminary figures. (Table retrieved from UNECLAC report of 2017)*

APPENDIX 2

Summary of Impacts of natural hazards on the Agriculture Sector of the CARICOM Countries during the period 1998 – 2013

Country	Year	Impact
DROUGHT		
Guyana	1998	35 percent of rice fields in Guyana left uncultivated because of insufficient water. Water rationing, cessation of logging and river transport in some places, loss of livestock> 1500 Amerindian families who rely on agriculture affected.
Dominica	2010	43 percent reduction in banana exports in first 11 weeks of 2010
St Vincent and the Grenadines	2010	20 percent reduction in agricultural production 155 percent increase in price of tomatoes (Feb – Mar)
Trinidad and Tobago	2010	20.1 percent increase in price of fruits compared to prior month (Feb) Bush fires destroyed large acreages of citrus farms Increase in cost of citrus importation from US$ 6.3 to 8.3 million by the end of the year
Antigua and Barbuda	2010	Pot works Reservoir all but dry 25 percent decrease in onion production 30 percent decrease in tomato production
Grenada	2010	38 small farmers in northern and eastern districts affected USD64,500 in loss
HURRICANE		
Grenada (Ivan)	2004	USD 889 million in damages and losses to the economy (200 percent of GDP) USD 37 million in losses to the Agriculture sector 100 percent of banana industry destroyed 40 percent of mature cocoa trees destroyed 90 percent of nutmeg trees toppled Total average annual revenue available to farmers decreased by 90 percent
Bahamas (Francis and Jeanne)	2004	USD 550 million in damage and losses (10 percent of GDP)
Jamaica (Ivan)	2004	USD 75 million in damages (8 percent of GDP)
Belize (Dean)	2007	USD 89.1 million in losses to the economy USD 54 million in losses in the agriculture sector 90.6 percent of cropping sector destroyed
Jamaica (Dean)	2007	USD 329.34 million in losses to the economy USD43 million in losses in the Agriculture sector 56,537 crop farmers and 7 170 livestock farmers seriously affected
St. Lucia (Dean)	2007	14 percent of population affected including 47 percent of the vulnerable community USD 10 million in losses in the Agriculture sector 67 percent of banana industry destroyed USD 5.7 million in losses in banana exports

APPENDIX 2 Cont'd.

St Vincent and the Grenadines (Low level trough)	2013	Total impact on the agriculture sector - EC $32,398,175 (USD 11,999,324), of which total damage is estimated at EC$29.454 (USD 10.9) million and total loss at EC$2.943 (USD 1.09) million Forestry sub-sector accounted for 74.1 percent, while total effect on the 'other crops', plantains and infrastructure were 6.9 percent, 5.8 percent and 5.3 percent, respectively.

Source: FAO SUB-REGIONAL OFFICE FOR THE CARIBBEAN (Table retrieved from Issue brief #12 of 2015)

BRIEF CURRICULUM VITAE

Wilmine CELIGNY

Address: Izmir, Turkey

Telephone: (+90)554 695 1142,

E-mail: wilmine.c@gmail.com

EDUCATION

- Faculty of Business Administration and Economics, Department of Business Administration, Bachelor, Melikşah University, Graduated June 2015

- Faculty of International Relation and Political Science, Double Major in International in Relations and Political Science, Bachelor, Melikşah University, Graduated June 2015

- Faculty of Social Sciences Department of Business Administration, MBA, Yaşar University, Expected June 2019

SKILLS AND ABILITIES:

Languages:

Fluent English, French, Haitian Creole and Intermediate level in Turkish

Computer Skills:

MICROSOFT OFFICE: WORD, EXCEL, OUTLOOK and POWER POINT

Additional Skills:

- Excellent communication and presentation skills
- Strong organizational skills
- Leadership and team building skills

EXPERIENCE

June 2014 – August 2014) Internship: Export Manager’s Assistant	Form Sünger Ve Yatak Sanayi Ve Ticaret A.Ş.	Kayseri/ Turkey
June 2015- August 2016 Internship: Sales representative	Voltar Group	Izmir/ Turkey

<u>HONORS/ ACTIVITIES</u>

- Certificate of contribution in the ‘’11^{th} International Logistics and Supply Chain Congress ‘’ , November 2013 Kayseri , Turkey
- Graduated with First Class Honors and a GPA of 3.86/4 of the Faculty of Economics and Social Sciences in Meliksah University, June 2015
- Participation in MODEL UNITED NATION (an extra-curricular activity in which students typically role-play delegates to the United Nations and simulate UN committees), 2010-2015