Ninth Report to Congress on the Operation of the Caribbean Basin Economic Recovery Act

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EXECUTIVE SUMMARY

- The U.S. trade preferences programs for the Central American and Caribbean region, known collectively as the Caribbean Basin Initiative (CBI), continue to generate important benefits for the beneficiary countries. Expansion of CBI benefits through enactment of the Caribbean Basin Trade Partnership Act (CBTPA) in 2000, the provisions included in the Trade Act of 2002, the HOPE Act of 2006, the HOPE II Act of 2008, and the HELP Act of 2010, represents an important affirmation of the ongoing U.S. commitment to economic development in the Caribbean Basin, by expanding duty-free access to the U.S. market for CBI goods.

- Combined with economic reform and other actions taken by beneficiary countries to liberalize their trade regimes, the trade benefits of CBI have helped countries and certain dependent territories in the region diversify their exports and contributed to their economic growth.

- On August 5, 2004, the United States signed the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) with five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua) and the Dominican Republic. The CAFTA-DR entered into force for El Salvador on March 1, 2006; for Honduras on April 1, 2006; for Nicaragua on April 1, 2006; for Guatemala on July 1, 2006; for the Dominican Republic on March 1, 2007; and for Costa Rica on January 1, 2009. When the CAFTA-DR entered into force for each of these countries, the country ceased to be designated as a CBERA and CBTPA beneficiary country.

- On October 12, 2011, the Congress passed legislation approving the United States-Panama Trade Promotion Agreement and President Obama signed the legislation on October 21, 2011. When this agreement enters into force, Panama will cease to be designated as a CBERA and CBTPA beneficiary country.

- As a result of the decrease in the number of beneficiary countries, total trade with CBI countries has decreased, both in absolute terms and as a percentage of total U.S. trade, since 2006.

- The total value of U.S. imports from CBI countries in 2010 was $10.1 billion, an increase of $700 million from 2009, but a drop from $19.5 billion in 2008.[1] Costa Rica's loss of beneficiary-country status in 2009 accounted for $3.9 billion of the $10.1 billion decline in CBI trade from 2008 to 2009. The CBI's share of total U.S. imports was 0.5 percent in 2010, a slight decrease from 0.6 percent in the previous year.

- The total value of U.S. exports to CBI beneficiary countries in 2010 was $18.5 billion, an increase from $14.5 billion in 2009, but a decline from $23.5 billion in

[1] Imports for consumption, customs value.

2008.[2] The CBI's share of total U.S. exports was 1.6 percent in 2010, a slight increase from 1.5 percent in the previous year. The CBI region as a whole ranked as the 18th largest market for U.S. exports.

- The CBTPA provisions are being used extensively by CBI exporters and U.S. importers. The Administration will continue to work with Congress, the private sector, beneficiary countries, and other interested parties to ensure a faithful and effective implementation of this important expansion of the CBERA program.

- The eligibility criteria contained in the CBI statutes, including the revised factors outlined in the CBTPA, have continued to provide opportunities to advance important U.S. policy objectives.

- U.S. engagement with the Caribbean Basin through the CBI offers an important opportunity to foster the active participation of countries and dependent territories in the region in various initiatives to promote trade liberalization and to help CBI beneficiary countries and dependent territories make the structural changes necessary for them to take full advantage of trade liberalization in the Western Hemisphere.

[2] Domestic exports, free alongside ship (F.A.S.) value.

INTRODUCTION

The programs known collectively as the Caribbean Basin Initiative (CBI) are a vital element in U.S. economic relations with its neighbors in Central America and the Caribbean. Initially launched in 1983 by the Caribbean Basin Economic Recovery Act (CBERA) and substantially expanded in 2000 with the U.S.-Caribbean Basin Trade Partnership Act (CBTPA), the CBI was further expanded in the Trade Act of 2002. The Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 ("HOPE Act"), the HOPE II Act of 2008, and the Haiti Economic Lift Program (HELP) Act of 2010 provided additional benefits for textile and apparel products from Haiti. The CBI currently provides 17 countries and dependent territories with duty-free access to the U.S. market for most goods.

The CBI was initially envisioned as a program to facilitate the economic development and export diversification of the Caribbean Basin economies. However, after more than two decades, it is clear that the CBI provides important benefits to the United States, as well as beneficiary countries. U.S. exports to the CBI beneficiary countries[*] reached $18.5 billion in 2010. The value of U.S. exports to CBERA countries grew 27.6 percent in 2010, exceeding the growth rate for total global U.S. exports, which grew 19.8 percent.

CBI beneficiary countries are subject to certain eligibility criteria set out in the various statutes. These criteria, and the performance of CBI beneficiary countries and dependent territories in addressing them, are discussed in detail in Chapter 3. The Administration conducted an extensive review of all 24 CBI beneficiary countries in mid-2000, in connection with the implementation of the CBTPA, which reflected a revised set of eligibility criteria for receiving enhanced trade benefits. This review process provided an important opportunity to engage with CBI trading partners to advance the U.S. policy objectives.

In the CBTPA, Congress highlighted the commitment of the United States to promoting economic growth in the Caribbean Basin, and noted that it is the policy of the United States to seek a free trade agreement with willing countries in the region at the earliest possible date.

Enactment of the Trade Act of 2002 represented a strong reinforcement of the U.S. commitment to economic engagement with its Caribbean Basin neighbors. In addition to harmonizing apparel eligibility criteria among the Andean Trade Preferences Act, the African Growth and Opportunity Act, and the CBTPA, the Trade Act of 2002 increased the upper limits for knit apparel articles and t-shirts from the Caribbean Basin.

The HOPE Act further amended the CBERA program by establishing special new rules of origin that make Haiti eligible for new trade benefits for apparel imports and that enhance sourcing flexibility for apparel producers in Haiti. The HOPE II Act modified the existing trade preference programs under HOPE and added other new programs that allow for duty-free treatment for qualifying Haitian produced apparel. In 2010, the HELP Act extended the CBTPA and the HOPE Acts through September 30, 2020. The HELP Act also provided duty-free treatment for additional textile and apparel products from Haiti.

[*] This report uses the terms "beneficiary countries" to refer to the sovereign countries and dependent territories that receive preferential access to the U.S. market in accordance with the provisions of the CBERA and/or the CBTPA.

This report provides an important opportunity to evaluate the effects of these expansions of CBI trade preferences. It is clear that the preference provisions are being actively used by beneficiary countries and U.S. industries. The Administration will continue to work with Congress, the private sector, CBI beneficiary countries, and other interested parties to ensure a faithful and effective implementation of this important expansion of trade benefits.

Chapter 1

DESCRIPTION OF THE CARIBBEAN BASIN INITIATIVE

Key Product Eligibility Provisions

CBERA Preferences

The Caribbean Basin Economic Recovery Act of 1983 allows the President to grant unilateral duty-free treatment for imports of certain eligible articles from CBI beneficiary countries. In order to receive benefits, products generally must: a) be imported directly from a CBI beneficiary country into the U.S. customs territory; b) be wholly the growth, product or manufacture of a CBI beneficiary country or be substantially transformed into a new or different article in the CBI beneficiary country; and c) contain a minimum of 35 percent local content of one or more CBI beneficiary countries (15 percent of the minimum content may be from the United States).

In 1990, the CBERA was made permanent and at the same time was amended to provide a modest increase in market access to the United States. These amendments expanded certain trade and tax benefits of the original statute, including: a 20 percent tariff reduction on certain leather products; duty-free treatment for products produced in Puerto Rico and further processed and imported from CBI beneficiary countries; and duty-free treatment from CBI beneficiary countries for products made from 100 percent U.S. components. Textile and apparel articles, and petroleum and certain products derived from petroleum, however, were excluded from duty-free treatment.

In addition, as part of the ongoing efforts to make the program more effective through administrative enhancements, the list of products eligible for duty-free treatment was expanded through two proclamations intended to make the scope of CBERA parallel the language of the Generalized System of Preferences (GSP). Effective September 28, 1991, 94 tariff categories, affecting $47 million in 1991 imports, were provided new or expanded duty-free treatment. A second expansion, effective July 17, 1992, provided 28 tariff categories new or expanded status as goods eligible for preferential tariff treatment under CBI.

CBTPA Preferences

In May 2000, the United States enacted a further enhancement of the CBI through the U.S.-Caribbean Basin Trade Partnership Act. The new legislation was implemented on October 2, 2000. The CBTPA recognizes the importance of apparel as a component of CBI exports to the United States, and expands the degree of preferential treatment applied to U.S. imports of apparel made in the Caribbean Basin region.

Under the CBTPA, duty- and quota-free treatment is provided for apparel assembled in CBI countries from U.S. fabrics formed from U.S. yarns and cut in the United States. If the U.S. fabrics used in the production of such apparel are cut into parts in the CBTPA beneficiary countries rather than in the United States, the apparel must also be sewn together with U.S.

thread in order to qualify for preferential treatment. Duty- and quota-free treatment is also available for certain knit apparel made in CBTPA beneficiary countries from fabrics formed in the Caribbean Basin region, provided that the fabric is formed from U.S. yarns. This "regional fabric" benefit for knit apparel is subject to an annual quantitative limit, with a separate limit provided for t-shirts. The limits were subject to annual growth rates of 16 percent through September 30, 2004. (These limits were later amended by the Trade Act of 2002 ("the Act"), discussed below.) Duty- and quota-free treatment is also available for certain brassieres, certain textile luggage, apparel made in CBI countries from fabrics determined not to be available in commercial quantities in the United States, and designated "hand-loomed, handmade, or folklore" articles.

In addition to these apparel preferences, the CBTPA provides tariff treatment equivalent to that extended to Mexican products under the NAFTA for certain items previously excluded from duty-free treatment under the CBI program. These products are: footwear, canned tuna, petroleum products, certain watches and watch parts, certain handbags, luggage, flat goods, work gloves and leather wearing apparel.

In contrast to CBERA, which is permanent, the CBTPA benefits expire on September 30, 2020, or upon entry into force of the Free Trade Area of the Americas (FTAA) or another free trade agreement between the United States and a beneficiary country, whichever occurs first.

Trade Act of 2002 Preferences

The Trade Act of 2002 amended the CBERA to grant additional benefits to Caribbean Basin apparel products. Specifically, these changes permitted the use of U.S. and regional knit-to-shape components in eligible apparel articles. The Act also grants preferences to "hybrid articles," which are articles that contain U.S. and regional components, and specified that both fabric and knit-to-shape components may be used in eligible articles. In addition, the Act substantially increased the annual quantitative limit for eligible knit apparel articles and nearly doubled the separate limits for t-shirts. The Act also added a requirement, effective September 1, 2002, that for apparel assembled in the region from U.S. knit or woven fabrics, all dyeing, printing, and finishing of the fabric must be done in the United States.

HOPE Act of 2006

The Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE Act) makes Haiti eligible for new trade benefits, in addition to those it currently receives under CBI. Under CBTPA, apparel imports from Haiti qualified for duty-free treatment only if they were made from U.S. or Haitian fabric. However, the HOPE Act also allows apparel imports from Haiti to enter the United States duty free if at least 50 percent of the value of inputs and/or costs of processing are from any combination of U.S., FTA partner countries, and regional preference program partner countries. The quantity of apparel eligible for duty-free treatment under this provision is subject to a limit in the first year equivalent to one percent of overall U.S. apparel imports. This limit will expand gradually over five years, reaching two percent in the fifth year.

The HOPE Act also removes duties for three years on a specified quantity of woven apparel imports from Haiti made from fabric produced anywhere in the world. Finally, the HOPE Act will allow automotive wire harnesses imported from Haiti that contain at least 50 percent by value of materials produced in Haiti, U.S., FTA partner countries, or regional preference program countries to qualify for duty-free treatment.

The HOPE Act benefits did not go into effect until Haiti established or demonstrated that it was "making continual progress toward establishing" 1) a market-based economy, 2) the rule of law, political pluralism, and due process, 3) the elimination of barriers to U.S. trade and investment, 4) economic policies to reduced poverty, increase the availability of health care and education and promote private enterprise, 5) a system to combat corruption, and 6) protection of internationally recognized worker rights. Preferential access is not given if Haiti undermined United States foreign policy interests or engaged in gross violations of human rights or provided support for acts of international terrorism.

HOPE II Act

The Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II Act) was enacted in 2008 as a continuation and expansion of the original HOPE Act of 2006. HOPE II provides for duty-free access for up to 70 million square meter equivalents (SME) of knit apparel (with some t-shirt and sweatshirt exclusions) and 70 million SMEs of woven apparel without regard to the country of origin of the fabric or components, as long as the apparel is wholly assembled or knit-to-shape in Haiti. HOPE II provides for duty-free treatment of knit or woven apparel under a "three for one" earned import allowance program: for every three SMEs of qualifying fabric (sourced from the United States or certain trade partner countries) shipped to Haiti for production of apparel, qualifying apparel producers may export duty-free from Haiti or the Dominican Republic to the United States one SME of apparel wholly-formed or knit-to-shape in Haiti regardless of the source of the fabric. HOPE II also provides for duty-free treatment for certain brassieres, luggage, headgear, and certain sleepwear. HOPE II allows these Haitian goods to enter the United States duty-free if shipped either directly from Haiti or through the Dominican Republic.

On October 16, 2009, President Obama certified to Congress that Haiti had met the requirements necessary to continue the duty-free treatment provided under HOPE II. Since enactment of HOPE II, Haiti issued a decree establishing an independent labor ombudsman's office, and the President of Haiti selected a labor ombudsman following consultation with unions and industry representatives. In addition, Haiti, in cooperation with the International Labor Organization, established a Technical Assistance Improvement and Compliance Needs Assessment and Remediation (TAICNAR). Haiti has also implemented an electronic visa system that acts as a registry of Haitian producers of articles eligible for duty-free treatment and has made participation in the TAICNAR Program a condition of using this visa system.

Under HOPE II, the President must identify producers who have failed to comply with core labor standards and with the labor laws of Haiti that directly relate to and are consistent with such standards, and to seek to assist such producers in coming into compliance with core labor standards and Haiti's laws. The President has delegated his authority to the Department of Labor, in consultation with USTR, to identify the producers and provide remediation assistance to them.

The HOPE II Act also requires an annual report to the House Ways and Means Committee and Senate Finance Committee on implementation of the Act's requirements on the Labor Ombudsman and the TAICNAR. Specifically, the report must include (i) the efforts of Haiti, the President and the ILO to carry out the provisions in the Act relating to labor, (ii) a summary of the biannual TAICNAR reports, and (iii) any identification of producers who have failed to comply with core labor standards and Haitian labor laws and any reinstatement of preferential treatment if it has been previously suspended. The President has delegated authority to the United States Trade Representative to submit this report. The most recent report was submitted to Congress on June 6, 2011.

HELP Act

In May 2010, the President signed the "Haiti Economic Lift Program Act" (HELP Act). The HELP Act further expanded existing preferences for apparel and established new preferences for certain non-apparel textile goods. With the exception of the Value-Added TRQ (which expires in December 2018), HELP extended all of CBTPA's and HOPE/HOPE II/HELP's preference programs through September 2020.

HELP expanded and extended current preference programs under the HOPE Act (as modified by HOPE II), and established new preferences providing unlimited duty-free treatment for certain knit apparel and certain non-apparel textiles wholly assembled or knit-to-shape in Haiti, using fabric or components from any source.

Beneficiary Countries

Currently 17 countries and dependent territories receive CBI benefits. Chapter 3 discusses the eligibility criteria related to the designation of countries and dependent territories as CBERA and CBTPA beneficiary countries and provides a summary of current compliance with these criteria on the part of CBI countries. The President is authorized to limit, suspend or withdraw CBI benefits if conditions change with regard to performance in connection with the statutory eligibility criteria.

Twenty countries and dependent territories were designated to receive benefits on January 1, 1984: Antigua and Barbuda, Barbados, Belize, British Virgin Islands, Costa Rica, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Haiti, Honduras, Jamaica, Montserrat, Netherlands Antilles, Panama, St. Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and Trinidad and Tobago. The Bahamas was designated on March 14, 1985. On April 11, 1986, Aruba was designated as a beneficiary country effective January 1, 1986, upon becoming independent of the Netherlands Antilles. Guyana was designated effective November 24, 1988, and Nicaragua was designated effective November 13, 1990. This brought the total number of beneficiary countries to 24.

Anguilla, Cayman Islands, Suriname, and Turks and Caicos Islands have also been identified by Congress as potentially eligible for benefits. Anguilla, Cayman Islands, and Turks and Caicos Islands, however, have not requested beneficiary status. Suriname requested beneficiary status in 2009, and the United States is consulting with the Government of Suriname regarding its request.

Based on the criteria described in Chapter 3 of this report, on October 2, 2000, President Clinton designated all 24 of the then-existing CBERA beneficiary countries as eligible beneficiaries under the CBTPA. The CBTPA requires an additional determination that countries and dependent territories have implemented or are making substantial progress toward implementing certain customs procedures based on those contained in the NAFTA. (See discussion below.) As of late 2011, the following eight countries have satisfied this requirement and have been designated as fully eligible to receive the enhanced benefits of the CBTPA: Barbados, Belize, Guyana, Haiti, Jamaica, Panama, Saint Lucia, and Trinidad and Tobago. Additional CBTPA beneficiary counties may be designated in the future as fully eligible for CBTPA benefits, provided that the customs-related requirements are satisfied.

On August 5, 2004, the United States signed the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR). The CAFTA-DR entered into force for El Salvador on March 1, 2006; for Honduras on April 1, 2006; for Nicaragua on April 1, 2006; for Guatemala on July 1, 2006; for the Dominican Republic on March 1, 2007; and for Costa Rica on January 1, 2009. When the CAFTA-DR entered into force for each of these countries, the country ceased to be designated as a CBERA and CBTPA beneficiary.

On October 12, 2011, the Congress passed legislation approving the United States-Panama Trade Promotion Agreement and President Obama signed the legislation on October 21, 2011. When this agreement enters into force, Panama will cease to be designated as a CBERA and CBTPA beneficiary country.

The Netherlands Antilles, a semi-autonomous territory of the Netherlands comprising the islands of Curaçao, Sint Maartin (the Dutch part of the island of St. Martin), Bonaire, Saba, and Sint Eustatius, was dissolved on October 10, 2010. As of that date, Curaçao and Sint Maarten became autonomous territories of the Netherlands, and Bonaire, Saba, and St. Eustatius were placed under the direct administration of the Netherlands. These entities have requested eligibility to receive CBI benefits. The United States is reviewing these requests.

Anti-Transshipment Provisions

In extending preferential treatment to certain kinds of apparel manufactured in CBI beneficiary countries, the CBTPA includes provisions intended to guard against the illegal transshipment of non-qualifying goods through CBI countries. In order to take advantage of this trade benefit, CBTPA beneficiaries are required to implement and follow, or make substantial progress toward implementing and following, certain customs procedures based on those contained in Chapter 5 of the NAFTA. To meet these statutory requirements, beneficiary countries were requested to provide the USTR with commitments regarding, *inter alia*: use of appropriate certificate of origin documents; cooperation with U.S. Customs and Border Protection in conducting origin verification visits under certain conditions; implementation of legislation and/or regulations to ensure the enforcement of these customs procedures; imposition of appropriate penalties in cases of non-compliance; and regular updates on progress in implementing the customs requirements established under the CBTPA.

The CBTPA also provides that, if a CBI exporter is determined to have engaged in illegal shipment of textile or apparel products, the President shall deny all benefits under the CBTPA to that exporter for two years. In addition, where a beneficiary country has been requested by the United States to take action to prevent transshipment and the country has failed to do so, the President shall reduce the quantities of textile and apparel articles that may be imported into the United States from that beneficiary country by three times the quantity of articles transshipped.

In a September 2001 report to Congress, the USTR concluded that the implementation of the CBTPA appears to have resulted in no systemic transshipment activity in the Caribbean Basin region and that the level and degree of cooperation on anti-circumvention matters on the part of CBTPA beneficiary countries are positive.

Safeguard Provisions

The President may suspend duty-free treatment under the CBI programs if temporary import relief is determined to be necessary due to serious injury to domestic producers. The CBI provides special rules governing emergency relief from imports of perishable agricultural products from beneficiary countries.

Rum Provisions

An excise tax of $13.50 per proof gallon is imposed under section 5001(a)(1) of the Internal Revenue Code of 1986 (the Code) on distilled spirits, including rum, produced in or imported into the United States. The CBERA requires that excise taxes (minus the estimated amount necessary for payment of refunds and drawbacks) on all rum imported into the United States, including rum from the CBERA countries, be transferred (covered over) to the Treasuries of Puerto Rico and the Virgin Islands (section 7562(e)(2) of the Code). Rum brought into the United States from Puerto Rico and the Virgin Islands is subject to the same rate of tax and the amounts collected are also covered over to those insular Treasuries (section 7652(a)(3) and (b)(3), respectively, of the Code) minus certain amounts necessary for refunds, duty drawback or administrative expenses. For distilled spirits imported or brought into the United States after June 30, 1999 and before January 1, 2012, the rate at which the amounts transferred are calculated is $13.25 per proof gallon (section 7652(f) of the Code).

The CBERA provides that if the amounts transferred to Puerto Rico or the Virgin Islands are lower than the amount that would have been transferred if the imported rum had been produced in Puerto Rico or the Virgin Islands, the President shall consider compensation measures and may withdraw the duty-free treatment of rum produced in CBI countries. This provision—intended to provide a remedy should the amounts carried over to Puerto Rico and the Virgin Islands fall below such amounts transferred under prior law—has never been invoked.

Tax Provisions

U.S. taxpayers can deduct legitimate business expenses incurred in attending a business meeting or convention in a qualifying CBERA beneficiary country, or Bermuda, without regard to the more stringent requirements usually applied to foreign convention expenses. To qualify, a CBERA beneficiary country must have a tax information exchange agreement in effect with the United States, and the tax laws in the CBERA beneficiary country may not discriminate against conventions held in the United States.

As of November 2011, the following countries have satisfied all of the requirements for benefiting from this provision: Antigua and Barbuda, Aruba, Bahamas, Barbados, Bermuda, Costa Rica, Dominica, Dominican Republic, Grenada, Guyana, Honduras, Jamaica, and Trinidad and Tobago.

Reports

In addition to this biennial USTR report on the general operation of the CBERA and compliance with eligibility criteria, the CBERA requires the following reports.

***USITC Economic Effects Report*:** Section 215 of the CBERA requires the U.S. International Trade Commission (ITC) to report biennially to the Congress with an assessment of the actual and probable future effects of the CBERA on the U.S. economy generally, on U.S. consumers, and on U.S. industries. Effective in 2001, the ITC report is also required to address the economic impact of the CBI programs on beneficiary countries. The ITC submitted its 20th report on the impact of the CBERA to the President and Congress in September 2011 (USITC Publication 4271). The ITC concluded that the CBERA continued to have a negligible effect on the U.S. economy during 2009 and 2010. The ITC concluded that the probable future effect of CBERA on the United States is also expected to be minimal, as CBERA countries generally are small suppliers to the U.S. market. The reduction in the number of CBERA beneficiary countries was a key factor driving changes in CBERA's impact on the U.S. economy during 2009–10 as well as the probable future effect of CBERA.

***Worst Forms of Child Labor Report*:** The Trade and Development Act of 2000 requires the Secretary of Labor to prepare a report on each "beneficiary country's implementation of its international commitments to eliminate the worst forms of child labor." The most recent report was published October 2011. The complete report is available at w*ww.dol.gov/ilab.*

All CBERA beneficiary countries have ratified ILO Convention No. 182 on the Worst Forms of Child Labor. Also, many of the beneficiary countries studied in the 2011 report showed both ongoing efforts and new efforts in governmental policies and programs to eliminate the worst forms of child labor. These efforts are described in the individual country reports in Chapter 3. The U.S. Department of Labor and other donors have also funded child labor elimination projects implemented by a variety of organizations, including the International Labor Organization-International Program on the Elimination of Child Labor (ILO-IPEC) in the Caribbean, Central America, the Dominican Republic and Haiti to combat child labor in hazardous sectors such as commercial agriculture, garbage collecting and fireworks manufacturing, as well as to prevent the commercial sexual exploitation of children.

Meetings of Caribbean Basin Trade Ministers and USTR

The CBTPA directs the President to convene a meeting with the trade ministers of Caribbean Basin countries in order to establish a schedule of regular meetings of the region's trade ministers and the USTR. As indicated in the CBTPA, the purpose of the meetings is to advance consultations between the United States and CBI countries concerning the possible initiation of advantageous trade agreements with the United States.

In April 2010, the United States Trade Representative met with a group of officials from CARICOM Member States and the CARICOM Secretariat to discuss a wide range of issues related to trade and investment in the region. U.S. officials met with officials from CARICOM and its Member States several times during the reporting period.

Other Provisions

Under U.S. antidumping and countervailing duty laws, imports from two or more countries subject to investigation may be aggregated, or "cumulated," for the purpose of determining whether the unfair trade practice causes material injury to a U.S. industry. The 1990 amendments to the CBERA created an exception to this general cumulation rule for imports from CBI beneficiary countries. If imports from a CBI country are under investigation in an anti-dumping or countervailing duty case, imports from that country may not be aggregated with imports from non-CBI countries under investigation for purposes of determining whether the imports from the CBI country are causing, or threatening to cause, material injury to a U.S. industry. They may, however, be aggregated with imports from other CBI countries under investigation.

Chapter 2

U.S. TRADE WITH THE CARIBBEAN BASIN INITIATIVE COUNTRIES

U.S. IMPORTS

Detailed information on U.S. imports from CBI countries is presented in Appendix 2 of this report.

Prior to the eighth report on the operation of the CBERA, six countries became party to the CAFTA-DR and ceased to be CBERA beneficiary countries, four of them during 2006, one in 2007, and one in 2009, as noted in chapter 1. U.S. imports from CBI countries in 2009 reflect the exit of the last of these countries (Costa Rica) from the CBERA program, with imports falling 51.7 percent in 2009, but rising 7.5 percent in 2010. U.S. imports from CBI countries fell $10.1 billion from 2008 to 2009. (See Table 1.) The exit of Costa Rica from CBERA accounted for $3.9 billion of the decrease, while imports from the current CBI beneficiaries fell $6.1 billion, a decrease of nearly 40 percent. The value of total U.S. imports from all CBI beneficiary countries was $9.4 billion in 2009 and $10.1 billion in 2010.

At $32.0 billion in 2005, the peak year for U.S. imports from CBI countries, CBI countries combined constituted the 12th-largest supplier of U.S. imports ahead of Italy and just behind Malaysia. In 2010, CBI countries combined supplied $10.1 billion of U.S. imports, ranking 31st among U.S. import suppliers, ahead of Costa Rica and behind Sweden. The CBI countries supplied just under 2 percent of U.S. imports in 2005, but the share was much lower in 2010 at 0.5 percent, following the exit of the CAFTA-DR countries from the program. (See Table 1.)

Table 1: U.S. Trade with CBI beneficiary Countries, 2006-2010 and Jan-Aug of 2010 and 2011[1]

Year	U.S. Total Exports to World [2]	U.S. Exports to CBI Countries		U.S. Total Imports from World [3]	U.S. Imports from CBI Countries	
	Million $	Million $	Percent of U.S. Total	Million $	Million $	Percent of U.S. Total
2006	929,486.0	24,292.9	2.7	1,845,053.2	25,755.2	1.4
2007	1,046,357.6	19,724.4	1.9	1,942,862.9	19,058.2	1.0
2008	1,169,821.3	23,496.7	2.0	2,090,482.8	19,485.5	0.9
2009	936,745.0	14,482.9	1.6	1,549,163.5	9,414.0	0.6
2010	1,122,130.8	18,482.9	1.7	1,898,610.2	10,120.9	0.5
Jan-Aug 2010	723,656.9	11,948.3	1.7	1,231,134.6	6,782.6	0.6
Jan-Aug 2011	850,838.5	13,111.8	1.5	1,435,572.2	10,309.1	0.7

[1] CAFTA-DR entered into force for El Salvador on March 1, 2006; for Honduras and Nicaragua on April 1, 2006; for Guatemala on July 1, 2006; for the Dominican Republic on March 1, 2007; and for Costa Rica on January 1, 2009. Figures for U.S. trade with CBERA countries include trade with El Salvador, Costa Rica, Dominican Republic, Guatemala, Honduras, and Nicaragua only for the part of the period 2006–11 during which those countries were eligible for CBERA benefits.
[2] Domestic exports, free alongside ship (F.A.S.) value.
[3] Imports for consumption, customs value.

Source: Compiled from official statistics of the U.S. Department of Commerce

U.S. imports entering under CBI tariff preferences decreased 50.1 percent in 2009 to $2.2 billion and rose 22.6 percent to $2.9 billion in 2010. (See Table 2.) When the six CAFTA-DR countries are excluded, U.S. imports under CBI tariff preferences decreased 32.1 percent in 2009. The exit of the six CAFTA-DR countries has also shifted the product composition of U.S. imports under the CBERA program. Apparel imports, which had come mainly from the CAFTA-DR countries, have become less important, while petroleum and natural gas-related imports originating in non-CAFTA-DR countries (nearly all from Trinidad and Tobago) have become more important, accounting for 76 percent of U.S. imports under CBERA from the non-CAFTA-DR countries in 2010.

Table 2: U.S. Imports from CBI Countries by Program, 2008-2010 and Jan-Aug of 2010 and 2011[1]

Import Program	2008	2009	2010	2010 Jan-Aug	2011 Jan-Aug	Change 2008-2009	Change 2009-2010	Change Jan-Aug
	Million $					Percent		
Former CBI beneficiaries[2]								
CBI	1,252.8	0.0	0.0	0.0	0.0	-100.0	NA	NA
CBERA	1,057.5	0.0	0.0	0.0	0.0	-100.0	NA	NA
CBTPA	195.3	0.0	0.0	0.0	0.0	-100.0	NA	NA
GSP	99.0	0.0	0.0	0.0	0.0	-100.0	NA	NA
NTR free	2,344.1	0.0	0.0	0.0	0.0	-100.0	NA	NA
Total	3,926.4	0.0	0.0	0.0	0.0	-100.0	NA	NA
2010 CBI beneficiaries								
CBI	3,473.0	2,358.6	2,892.7	1,956.4	2,175.7	-32.1	22.6	11.2
CBERA	1,966.7	1,077.9	1,221.4	824.8	1,073.0	-45.2	13.2	30.1
CBTPA	1,506.3	1,280.7	1,671.4	1,131.6	1,102.7	-15.0	30.5	-2.6
HOPE Acts[3]	13.5	134.9	159.8	90.2	313.6	897.7	18.4	247.7
GSP	30.1	45.3	35.9	22.9	4.6	50.5	-20.8	-79.9
NTR free	7,153.5	3,992.9	5,026.9	3,285.4	3,940.3	-44.2	25.9	19.9
Total	15,559.1	9,414.0	10,120.9	6,782.6	10,309.1	-39.5	7.5	52.0
All CBI beneficiaries								
CBI	4,725.8	2,358.6	2,892.7	1,956.4	2,175.7	-50.1	22.6	11.2
CBERA	3,024.2	1,077.9	1,221.4	824.8	1,073.0	-45.2	13.2	30.1
CBTPA	1,701.6	1,280.7	1,671.4	1,131.6	1,102.7	-24.7	30.5	-2.6
HOPE Acts[3]	13.5	134.9	159.8	90.2	313.6	897.7	18.4	247.7
GSP	129.1	45.3	35.9	22.9	4.6	-64.9	-20.8	-79.9
NTR free	9,497.6	3,992.9	5,026.9	3,285.4	3,940.3	-58.0	25.9	19.9
Grand Total	19,485.5	9,414.0	10,120.9	6,782.6	10,309.1	-51.7	7.5	52.0

[1] Imports for consumption, customs value.
[2] CAFTA-DR entered into force for El Salvador on March 1, 2006; for Honduras and Nicaragua on April 1, 2006; for Guatemala on July 1, 2006; for the Dominican Republic on March 1, 2007; and for Costa Rica on January 1, 2009. Figures for U.S. trade with CBERA countries include trade with El Salvador, Costa Rica, Dominican Republic, Guatemala, Honduras, and Nicaragua only for the part of the period 2008–11 during which those countries were eligible for CBERA benefits.
[3] There have been no imports under the HELP Act through August 2011.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Imports by Country

Trinidad and Tobago became the leading source of U.S. imports entering under CBI tariff preferences in 2006, displacing the Dominican Republic, the long-time leader. The United States imported $2.2 billion under CBI tariff preferences from Trinidad and Tobago in 2010, an increase of 43.8 percent from 2009. Imports under CBI tariff preferences from Trinidad and Tobago are dominated by petroleum and methanol and 75 percent of imports of these two goods entered under CBI provisions in 2010. U.S. imports of petroleum under CBI tariff preferences increased in value in 2010 because of both higher volume and higher prices. U.S. imports of methanol increased in value mainly because of higher prices.

Haiti became the second leading source of U.S. imports entering under CBI tariff preferences in 2009 after Costa Rica left CBI. Apparel accounts for over 90 percent of U.S. imports from Haiti and almost all imports of apparel from Haiti enter under CBTPA or the two HOPE Acts. Imports of apparel from Haiti at preferential tariff rates increased nearly 26 percent in 2009, as utilization of preferences under the HOPE Acts became established. The January 2010 earthquake in Haiti slowed the growth of imports of apparel under preferential tariffs to 0.7 percent in 2010, but such imports surged 46 percent in January–August 2011 compared to same period in 2010. Since Costa Rica left the CBI in 2009, Haiti has become the source of virtually all imports of apparel from CBI countries.

The Bahamas replaced Jamaica as the third leading source of U.S. imports entering under CBI tariff preferences in 2010 as imports of fuel ethanol from Jamaica plummeted and imports of apparel from Jamaica declined. Jamaica had been the major U.S. source of fuel ethanol in past years, but market conditions in 2009 and 2010 radically changed the profitability of fuel ethanol production in Jamaica, and there were no imports of fuel ethanol from Jamaica from March 2010 to June 2011. After several years of decline, there were no U.S. imports of apparel from Jamaica under CBI tariff preferences in 2010.

The United States continues to have a small amount of bilateral trade with many of the Caribbean economies. While the overall value of imports is small, imports under CBI tariff preferences account for relatively significant proportions of total U.S. imports from these countries. Cane sugar, non-monetary gold, orange juice, papayas, and electrical machinery were some of the leading categories of CBI- imports from the smaller Caribbean economies.

U.S. EXPORTS

Although the CBI was initially envisioned as a program to facilitate the economic development and export diversification of the Caribbean Basin economies, U.S. export growth to the region has been a welcome corollary benefit. The value of total U.S. exports to CBI countries fell 38.4 percent in 2009, but rose 27.6 percent in 2010. When only 2010 beneficiaries are considered, U.S. exports decreased 21.5 percent in 2010. (See Table 3.) Collectively, at $18.5 billion, the CBI region ranked 16th among U.S. export destinations in 2010 and absorbed 1.7 percent of total U.S. exports to the world. Panama, The Bahamas, the Netherlands Antilles, and Trinidad and Tobago were the principal markets for U.S. products in 2010, accounting for 72 percent of U.S. exports to the CBI region in 2010. The United States exports a broad range of products to the

CBI region. In 2010, the leading categories included refined petroleum products, aircraft, jewelry and jewelry parts, rice, and corn.

Table 3: U.S. Exports to CBI Countries, 2006-2010 and January-August of 2010 and 2011, Million $[1]

Country	2006	2007	2008	2009	2010	2010 Jan.-Aug.	2011 Jan.-Aug.
Former beneficiaries[2]							
Costa Rica	3,877.1	4,224.3	5,047.8	0.0	0.0	0.0	0.0
Dominican Republic	5,033.1	874.1	0.0	0.0	0.0	0.0	0.0
El Salvador	1,627.3	0.0	0.0	0.0	0.0	0.0	0.0
Guatemala	831.5	0.0	0.0	0.0	0.0	0.0	0.0
Honduras	308.6	0.0	0.0	0.0	0.0	0.0	0.0
Nicaragua	169.4	0.0	0.0	0.0	0.0	0.0	0.0
Total	11,847.1	5,098.3	5,047.8	0.0	0.0	0.0	0.0
2010 beneficiaries							
Antigua and Barbuda	180.4	230.8	170.0	144.7	134.3	82.2	75.8
Aruba	481.9	492.5	629.2	404.5	497.1	324.7	444.3
Bahamas	2,224.5	2,422.8	2,697.0	2,403.3	3,160.3	2,202.9	2,220.0
Barbados	402.2	418.3	454.6	367.4	353.9	225.9	246.8
Belize	230.0	227.9	342.6	247.2	280.3	186.7	260.3
British Virgin Islands	206.9	161.6	287.4	218.6	132.7	84.9	87.1
Dominica	65.2	81.6	99.8	74.3	68.2	43.4	46.5
Grenada	72.5	80.5	81.0	55.3	65.7	40.8	51.3
Guyana	171.6	178.9	281.1	255.2	280.3	188.2	226.4
Haiti	772.9	696.2	921.7	774.2	1,183.0	841.0	673.4
Jamaica	1,944.4	2,236.7	2,557.4	1,366.6	1,552.5	978.1	1,149.9
Montserrat	13.6	4.0	8.0	5.5	4.3	2.7	4.1
Netherlands Antilles	1,324.4	1,897.0	2,728.6	1,927.1	2,678.0	1,599.0	1,125.8
Panama	2,523.6	3,492.4	4,614.6	4,063.2	5,708.1	3,664.1	4,927.3
St. Kitts-Nevis	121.7	103.4	116.7	101.7	121.8	65.0	65.6
St. Lucia	142.9	155.3	232.2	125.3	388.9	226.7	171.3
St. Vincent and the Grenadines	55.6	66.8	81.0	74.0	81.8	50.7	49.2
Trinidad and Tobago	1,511.6	1,679.1	2,146.0	1,874.8	1,791.7	1,141.2	1,286.5
Total	12,445.8	14,626.0	18,448.9	14,482.9	18,482.9	11,948.3	13,111.8
Grand total	24,292.9	19,724.4	23,496.7	14,482.9	18,482.9	11,948.3	13,111.8

[1] Domestic exports, free alongside ship (F.A.S.) value.

[2] CAFTA-DR entered into force for El Salvador on March 1, 2006; for Honduras and Nicaragua on April 1, 2006; for Guatemala on July 1, 2006; for the Dominican Republic on March 1, 2007; and for Costa Rica on January 1, 2009. Figures for U.S. trade with CBERA countries include trade with El Salvador, Costa Rica, Dominican Republic, Guatemala, Honduras, and Nicaragua only for the part of the period 2006–11 during which those countries were eligible for CBERA benefits.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Chapter 3

ELIGIBILITY CRITERA AND ADVANCEMENT OF TRADE POLICY GOALS

The trade preferences made available under the Caribbean Basin Initiative represent a unilateral, non-reciprocal grant of benefits to U.S. trading partners in Central America and the Caribbean. In enacting the CBERA and CBTPA, the Congress established eligibility criteria for the receipt of these trade preferences. This chapter reviews these eligibility criteria, as well as the recent performance of CBI beneficiary countries in meeting these criteria.

The eligibility criteria for the CBI programs fall within three broad categories:

- "mandatory" factors defined in the CBERA as precluding the President from initially designating a country or dependent territory as a CBERA beneficiary;

- additional, discretionary factors which the President is required to take into account in determining whether to designate countries or dependent territories as beneficiaries under the CBERA; and

- further criteria which the President is required to take into account in designating beneficiary countries or dependent territories for purposes of receiving the enhanced trade preferences of the CBTPA.

CBERA "Mandatory" Criteria

Communist Country: A country or dependent territory cannot be designated as a CBERA beneficiary country "if such country is a Communist country." No Communist country requested designation, and none of the current CBI countries is a Communist country.

Nationalization/Expropriation: The CBERA stipulates that countries that have expropriated or nationalized property of U.S. citizens are ineligible for CBI benefits, unless the President determines that the country is taking steps to resolve the citizen's claim. Questions about expropriation have arisen in this context, and the United States is currently exploring this issue, as reflected in the country reports that follow.

Arbitral Awards: If a country or dependent territory fails to act in good faith in recognizing as binding or enforcing arbitral awards in favor of U.S. citizens or corporations owned by U.S. citizens, such country or dependent territory cannot be designated as a CBERA beneficiary. Questions about recognizing and enforcing arbitral awards have arisen in this context, and the United States is currently exploring this issue, as reflected in the country reports that follow.

Reverse Preferences: If a country affords preferential treatment to the products of a developed country other than the United States, that has or is likely to have a significant adverse effect on U.S. commerce, it is ineligible for designation as a CBERA beneficiary.

On December 16, 2007, the European Commission initialed an Economic Partnership Agreement (EPA) with Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, the Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Saint Kitts and Nevis, Suriname, and Trinidad and Tobago (the CARIFORUM countries). The EPA was signed on October 15, 2008, with Guyana signing on October 20, 2008, and Haiti signing on December 11, 2009.

In 2010, total U.S. trade (exports plus imports) with CBERA countries was about one percent of total U.S. trade with the world. CBERA countries accounted for 1.7 percent of total U.S. exports and 0.5 percent of total U.S. imports in 2010. Although the CBERA countries account for a relatively small share of U.S. exports, the Administration will continue to monitor trade flows and evaluate the effects of the EPA on U.S. commerce.

Intellectual Property/Broadcast Copyright Violations: The CBERA excludes from designation countries in which government-owned entities have engaged in the unauthorized broadcast of copyrighted material (such as films and television programs) belonging to U.S. copyright owners. The President is also authorized to give discretionary weight, in designating CBI beneficiaries, to the extent to which a country provides adequate and effective legal means for foreign nationals to secure, exercise, and enforce intellectual property rights and the extent to which a country prohibits its nationals from broadcasting U.S. copyrighted materials without permission. At the time the CBERA was enacted in 1983, the problem of copyright violations by broadcasters in CBI countries was a significant concern of the U.S. private sector and government. In the intervening years, particularly with the entry into force of the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), U.S. objectives with respect to intellectual property protection have broadened. This is reflected in the new intellectual property-related criteria encompassed in the CBTPA (see below). However, unauthorized broadcasting of U.S.-owned copyrighted material remains an issue that is being addressed with a number of CBTPA beneficiary countries.

Extradition: The CBERA requires that a country be a signatory to a treaty, convention, protocol, or other agreement regarding the extradition of U.S. citizens.

Worker Rights: The CBERA excludes from designation any country which "has not or is not taking steps to afford internationally recognized worker rights…to workers in the country." The President is also authorized to give discretionary weight, in designating CBI beneficiaries, to the question of whether or not a country has taken or is taking steps to afford workers internationally recognized worker rights. These factors were modified and broadened in the context of country designation criteria under the CBTPA (see below).

CBERA "Discretionary" Factors

Desire to Be Designated: Twenty-eight countries and dependent territories are potentially eligible to receive benefits under the CBERA (and, by extension, the CBTPA). However, the CBERA requires that the President, in designating beneficiary countries, take into account an expression of a country's desire to be so designated.

Economic Conditions: As part of the initial designation of CBERA beneficiaries, the President is authorized to consider economic conditions and living standards in potential CBI countries. Nearly 30 years since the enactment of CBERA, the United States maintains a strong interest in conditions of economic development in the Caribbean and Central American countries. The country reports contained in this chapter briefly review current conditions in CBI beneficiary countries.

Market Access/WTO Rules: The CBERA authorizes the President to consider the extent to which a country has assured the United States that it will provide equitable and reasonable access to the markets and basic commodity resources of the country and the degree to which the country follows the international trade rules of the WTO. The eligibility criteria of the CBTPA elaborate on these factors, with a focus on implementation of WTO commitments and participation in negotiations to create a Free Trade Area of the Americas. These factors are examined in the country reports which follow.

Use of Export Subsidies: CBERA requires consideration of "the degree to which a [beneficiary country] uses export subsidies or imposes export performance requirements or local content requirements which distort international trade."

Contribution to Regional Revitalization: CBERA's discretionary factors include consideration of the degree to which the trade policies of an individual CBI country contribute to the revitalization of the region as a whole. Countries in the Caribbean Basin have continued, for the most part, to implement policies that have advanced regional economic development and growth. With few exceptions, countries have continued to reform their economies and liberalize trade and investment regimes.

Self-Help Measures: This criterion seeks assurances that countries in the region are taking steps to advance their own economic development. With varying degrees of success, all current CBI countries appear to be pursuing policies intended to improve the economic prospects of their citizens.

Cooperation in Administration of the CBERA: CBERA beneficiaries have continued to cooperate in the administration of CBI preferences when requested by the U.S. government.

CBTPA Eligibility Criteria

In considering the eligibility of the 24 CBI countries and dependent territories that have expressed an interest in receiving the enhanced preferences of the CBTPA, the President is required to take into account the existing eligibility criteria of the CBERA, as well as several additional or revised criteria elaborated in the CBTPA. These additional criteria are:

- whether the beneficiary country has demonstrated a commitment to undertake its obligations to the WTO on or ahead of schedule and participate in the negotiations toward the completion of the FTAA or another free trade agreement;

- the extent to which the country provides protection of intellectual property rights consistent with or greater than the protection afforded under the TRIPS Agreement;

- the extent to which the country provides internationally recognized worker rights, including:

    - the right of association;
    - the right to organize and bargain collectively;
    - a prohibition on the use of any form of forced or compulsory labor;
    - a minimum age for the employment of children; and
    - acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

- whether the country has implemented its commitments to eliminate the worst forms of child labor;

- the extent to which the country has met U.S. counternarcotics certification criteria under the Foreign Assistance Act of 1961;[3]

- the extent to which the country has taken steps to become a party to and implement the Inter-American Convention Against Corruption (IACAC); and

- the extent to which the country applies transparent, nondiscriminatory and competitive procedures in government procurement and contributes to efforts in international fora to develop and implement rules on transparency in government procurement.

[3] The Narcotics Certification Process was modified as a result of the Foreign Relations Authorization Act, FY 2003 (FRAA), signed into law on September 30, 2002. As a result, the President has the option of submitting a consolidated report identifying all major illicit drug producing and drug-transit countries and designating those countries that have failed to comply with specified criteria. The President also retains the option to use the previous system involving an affirmative certification of cooperation.

Country Reports: Compliance with Eligibility Criteria

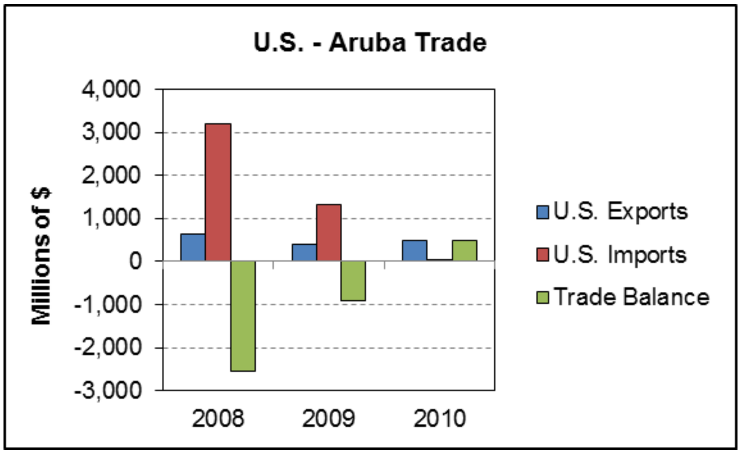
The country reports contained in this section focus particular attention on current performance of CBI beneficiary countries with respect to the eligibility criteria reflected in the CBTPA, as the most recent expression of U.S. policy objectives linked to the extension of CBI benefits. The pre-existing eligibility criteria of the CBERA are also reflected in the country reports, where relevant. Population figures are drawn from *The World Factbook* (Central Intelligence Agency, 2011) ("CIA World Factbook"). Unless otherwise noted, the per capita GDP figures refer to the most recent data available in the CIA World Factbook. GDP per capita is GDP on a purchasing power parity basis divided by population as of July 1 of the reported year. Trade data are cited in U.S. dollars (customs basis) and are compiled from official statistics of the U.S. Department of Commerce.

Aruba

Population: 106,113
Per Capita GDP: $24,573 (2009 est., source: IMF)

Department of Commerce 2010 Trade Statistics

U.S. Exports	$497,112,142
U.S. Imports	$18,488,859
U.S. Trade Balance	$478,623,283



Economic Review: Between 2003 and 2007, real GDP growth in Aruba averaged approximately three percent per year. Since 2008, however, Aruba's economy has suffered. According to the IMF, between two-thirds and three-fourths of the Aruban economy depends on tourism, which fell sharply during the economic downturn. In addition, Aruba's oil refinery shut down operations in July 2009. Overall, real GDP fell by 7.7 percent in 2009, making Aruba's slump one of the most severe in the Caribbean. Unemployment rose from 6.9 percent in 2008 to 11.3 percent in 2009. An IMF report forecasted that GDP in 2011 will surge temporarily by seven percent, following the resumption of operations at the oil refinery in December 2010.

Deficit spending has been a staple in Aruba's history, and inflation has averaged 3.24 percent per year since 2000. Tourism and oil processing have been the dominant industries in Aruba, while offshore banking is also important. The rapid growth of the tourism sector over the last two decades has resulted in a substantial expansion of other activities. Some 1.5 million tourists per year visit Aruba, with approximately 65 percent (2010) of those from the United States. The sizes of the agriculture and manufacturing industries remain minimal.

Commitment to undertake WTO obligations and participate in negotiations toward the FTAA or another FTA: Aruba is an autonomous member of the Kingdom of the Netherlands. While external affairs are handled by the Kingdom, Aruba handles its own trade and economic affairs and is a member of the WTO through the Kingdom of the Netherlands. The Kingdom's membership in the WTO enables Aruba to participate in WTO deliberations, but not to exercise independent voting rights.

Provision of Internationally Recognized Worker Rights: Unemployment in Aruba is approximately 10.3 percent (2009). Labor unions are strong in most sectors of the economy. Laws protecting children and workers' rights are actively enforced.

Protection of Intellectual Property: The law governing intellectual property in Aruba is based on Dutch law, but is not as far-reaching as that in the Netherlands. Trademarks, patents and copyrights are currently provided for under the law of Aruba – the Telecommunications Act, for example, provides that all entities that retransmit signals must be licensed. The work of registering all intellectual property rights in Aruba is carried out by the Bureau of Intellectual Property. Aruba does not, however, extend legal protection to design, and video and music piracy does occur. Moreover, the government does not rigorously enforce its copyright laws, leaving it necessary for affected parties to bring suit against offenders.

Counternarcotics Cooperation: The President has not identified Aruba as a major drug transit or major illicit drug producing country under the provisions of the Foreign Relations Authorization Act, Fiscal Year 2003 (FRAA). In 2010, there were several instances where Aruba authorities cooperated with U.S. authorities to realize U.S. prosecutions of American citizens arrested in Aruba while attempting to return to the United States with drugs in multi-kilogram quantities. Aruba also devotes substantial time and effort to the identification of the persons responsible for the importation of drugs to Aruba. The Government of Aruba hosts personnel of the Department of Homeland Security's (DHS) Bureau of Customs and Border Protection pre-inspection and pre-clearance at Reina Beatrix Airport. These officers occupy facilities financed and built by the Government of Aruba. DHS reported several seizures of cocaine in 2010. Drug smugglers arrested are either prosecuted in Aruba or returned to the U.S. for prosecution. Aruban officials regularly explore ways to capitalize on the presence of the DHS personnel, seeking to use this resident U.S. law enforcement expertise to improve local law enforcement capabilities. The joint Coast Guard of the Netherlands Antilles and Aruba (CGNAA) is also an important partner in the regional counternarcotics effort.

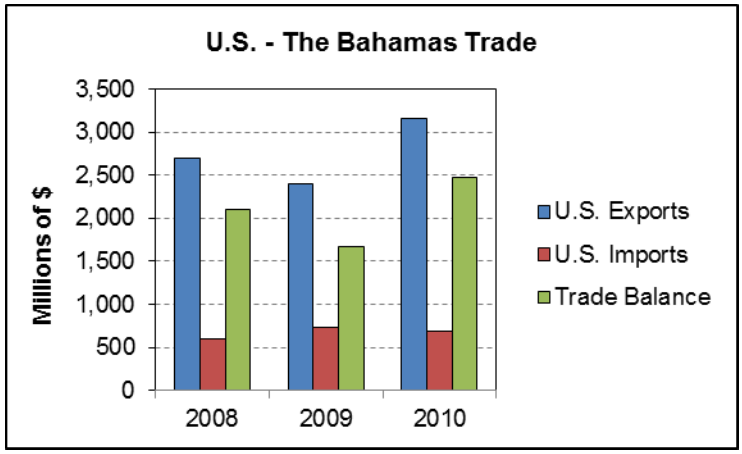
Implementation of the Inter-American Convention Against Corruption (IACAC): As it is not a sovereign state, Aruba is not a member of the OAS.

The Bahamas

Population: 313,312
Per Capita GDP: $28,700 (2010 est.)

Department of Commerce 2010 Trade Statistics

U.S. Exports	$3,160,330,746
U.S. Imports	$691,309,893
U.S. Trade Balance	$2,469,020,853



Economic Review: The Bahamas is an import and services-based economy. Tourism, financial services and construction collectively contribute 75 percent of the country's GDP. During 2009, tourist arrivals dropped by 10 percent, and FDI fell by over 30 percent. The economy contracted by 4.3 percent in 2009, but grew by about one percent in 2010. Unemployment rose from 8.7 percent in 2008 to 14.2 percent in 2009.

The Bahamas imports nearly all of its food and manufactured goods, most of which originate in the United States. The trade benefits of the CBI have substantially assisted with the export of crawfish, plastic products, salt, fruits and vegetables.

Commitment to undertake WTO obligations and participate in negotiations toward the FTAA or another FTA: The Bahamas has made some progress in the WTO accession process since the Working Party was established in 2001. In April 2009, The Bahamas' Memorandum on the Foreign Trade Regime (MFTR) was circulated, and WTO members were asked to review it and submit questions and comments on The Bahamas trade regime. The first accession Working Party meeting was held in September 2010.

Protection of Intellectual Property: Prior to October 2009, The Bahamas maintained a compulsory licensing system for television broadcasting that allowed Bahamian cable operators to retransmit any copyrighted television programming, including for-pay programming, whether or not transmitted from The Bahamas or outside of The Bahamas and whether or not encrypted. That system provided the legal basis for Cable Bahamas to extract and distribute encrypted copyrighted content from the U.S. satellite providers without having entered into agreements with the content providers. In September 2009, following consultations with U.S. officials and industry representatives, The Bahamas implemented the Copyright Amendment Act - 2004. The Bahamas had not previously allowed the 2004 amendment to enter into force. This amendment narrowed the scope of the compulsory licensing regime for the reception and transmission of copyright works broadcast free over the air. The amendment took effect on October 1, 2009. The United States will continue to monitor the implementation of the amendment.

The government of The Bahamas passed legislation on July 7, 2011, to strengthen its ability to protect intellectual property rights. Parliament approved the Customs Management Bill which contains measures allowing Customs to confiscate counterfeit goods at the border or to detain and dispose of them in the country. In September 2011, Bahamian government officials visited the Straw Market (an open-air forum for vendors to sell handicrafts and tourist items) to stress the importance of intellectual property rights and discourage the sale of counterfeit items. Nevertheless, enforcement is lax and anecdotal evidence suggests that the police are complicit in the buying and selling of pirated movies, songs and fabricated high-end purses to residents and tourists. The Bahamian government has taken some steps to strengthen IPR protection as part of its WTO accession process and in response to requests from the United States. The Bahamas has also participated in several IPR protection and enforcement training programs and exercises with U.S. Department of Justice and UK officials.

Provision of Internationally Recognized Workers Rights: The Bahamas' Constitution protects the right of workers to organize and join unions and this right is widely exercised. However, members of the police force, defense force, firemen and prison guards may not join or organize a union. About one-quarter of the workforce as a whole is unionized, although 80 percent of the workforce in the hotel industry is unionized. The Bahamian Constitution and the Industrial Relations Act requires employers to recognize trade unions and prohibits discrimination or reprisals against workers for engaging in union activities. The government enforces labor laws and regulation uniformly throughout the country, though there have been reports of union suppression and union busting.

Employees are compensated for work-related injuries by the national insurance program. According to the Fair Labor Standards Act, victims of industrial accidents are entitled to keep their job in a suitable alternative capacity if they are able to work. Conversely, workers have no legal right to remove themselves from hazardous work situations without penalty. Labor laws stipulate that children under the age of 14 may not engage in industrial work and only those over 16 are allowed to work at night. There are no other requirements, and some children work part time in light industry and service jobs. The Bahamian Constitution protects against any form of forced labor.

The 2001 Minimum Wage Act decreased the work-week from 48 to 40 hours and requires a 24 hour rest period between work weeks. Additional hours are compensated at time and a half. The minimum wage was B$4 per hour for hourly workers, B$30 ($30) per day for daily workers and B$150 ($150) per week for weekly-paid workers. According to the 2010 State Department Human Rights Report, the minimum wage did not provide a decent standard of living for a worker and family.

Commitments to Eliminate the Worst Forms of Child Labor: The Bahamas ratified ILO Convention 182, addressing the worst forms of child labor, on June 14, 2001. However, the Optional Protocol to the Convention on the Sale of Children, Child Prostitution and Child Pornography has not been ratified. Though a high level of child labor continues to be a concern, The Bahamas' National Child Protection Council has an action plan and has developed a national protocol with regard to the public policies related to the commercial sexual exploitation of children.

Currently, the laws of The Bahamas allow for minors to be employed. According to labor provisions governing children, a child should not work while school is in session and children under the age of 16 may not work at night. However, children between the ages of 14 and 17 are allowed to work up to three hours per day on school days and not more than 24 hours per week during the academic year. When school is not in session, children are not allowed to work more than eight hours per day and 40 hours per week.

The Ministry of Maritime Affairs and Labor has a program in place to investigate and address complaints relating to allegations of abuse of child labor. Additionally, labor officers are periodically sent to food stores and various places to ensure that there are no abuses of children or violations of the regulations governing their employment.

A number of civic organizations and churches have programs in place to provide meaningful activities to protect children from abusive labor situations. However, these programs are somewhat limited. Some Bahamian children become victims of child labor, particularly among the undocumented migrant communities in The Bahamas.

Counternarcotics Cooperation: The President has identified The Bahamas as a major drug-transit country in accordance with the FRAA. The Bahamas was not, however, designated as having "failed demonstrably" to make substantial efforts during the previous 12 months to adhere to international counternarcotics agreements and to take measures specified in U.S. law.

The Bahamas is a major transit point for cocaine from South America and marijuana from Jamaica bound for both the U.S. and Europe. The Bahamas cooperates closely with the United States, including participating in Operation Bahamas, Turks and Caicos Island (OPBAT), to stop the flow of illegal drugs through its territory. The government also targets Bahamian drug trafficking organizations, in order to reduce the local demand. The Bahamas is a party to the 1988 United Nations Drug Convention.

The Bahamas is partnering with the other nations of the Caribbean and the United States to combat the drug trade and other transnational crime that threatens security. This shared security partnership has received new attention and commitment under the auspices of the Caribbean Basin Security Initiative (CBSI), a multi-year U.S. assistance program that focuses on supporting citizen safety programs and regional security institutions. The goals of CBSI relative to The Bahamas are to: stem the flow of illegal drugs through The Bahamas and into the United States; dismantle drug trafficking organizations; and strengthen Bahamian law enforcement and judicial institutions to make them more effective and self-sufficient in combating drug trafficking and money laundering activities.

Implementation of the Inter-American Convention Against Corruption (IACAC): The Bahamas is a party to the IACAC. Bribery of government officials is a criminal act, and credible reports of major corruption in The Bahamas are rare, although allegations of improper conduct on the part of government officials surface from time to time.

Transparency in Government Procurement: Other than occasional anecdotal evidence to the contrary, the government appears to apply transparent, nondiscriminatory and competitive government procurement procedures. Since The Bahamas is not a member of the WTO, it is not a signatory of the WTO Agreement on Government Procurement.

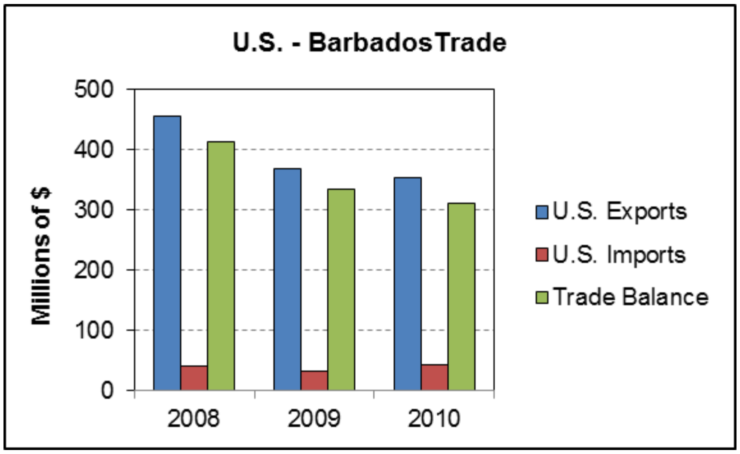
Extradition: The Government of the Bahamas has ratified the 1987 Treaty on Mutual Legal Assistance in Criminal Matters and the 1990 Extradition Treaty with the United States. The Bahamas and the United States cooperate closely on extradition matters.

Barbados

Population: 286,705
Per Capita GDP: $21,800 (2010 est.)

Department of Commerce 2010 Trade Statistics

U.S. Exports	$353,872,742
U.S. Imports	$42,492,228
U.S. Trade Balance	$311,380,514



Economic Review: The global economic crisis affected all of the key economic sectors in Barbados, including tourism, financial services, and real estate investment. Real GDP in Barbados fell by 0.2 percent in 2008, and by 4.7 percent in 2009. The economy grew by a modest 0.3 percent in 2010. According to the IMF, growth will be approximately one percent in 2011, despite an increase in tourist arrivals. The weak economy has led to a steady increase in the unemployment rate, which reached 10.7 percent in the second quarter of 2010, up from 7.4 percent in 2007. Energy costs, debt service, and high levels of government spending have produced stubbornly high fiscal deficits, and as a result Barbados is facing difficult measures, such as public wage freezes and tax hikes.

Since the onset of the global slowdown in late 2007, Barbados's tourism sector has suffered. From 2007 to 2009, the number of tourist arrivals fell by 9.5 percent. Because of the important role that tourism plays in the economy, the contraction affected many several other sectors, including transportation, wholesale and retail, telecommunications, financial services, and construction. Investment in high-end tourist properties has dried up, leading to a sharp drop in construction activity.

Commitment to undertake WTO obligations and participate in negotiations toward the FTAA or another FTA: Barbados, as is the case with many other Caribbean countries, has its tariffs bound at high levels. In WTO negotiations, Barbados is a vocal advocate of special and differential treatment for small-island developing states.

Protection of Intellectual Property: Barbados' IPR-related legislation was amended in 2006 to make it more compatible with the provisions of the TRIPS Agreement. Enforcement, however, is problematic. There is anecdotal evidence that Barbadian shops openly sell and rent pirated CDs, videos, and DVDs.

Provision of Internationally Recognized Worker Rights: Barbados has ratified all eight of the ILO core labor conventions. These eight are Conventions 87 and 98 on freedom of association and collective bargaining, Conventions 29 and 105 on the elimination of forced and compulsory labor, Conventions 138 and 182 on the abolition of child labor, and Conventions 100 and 111 on the elimination of discrimination in respect of employment and occupation.

In Barbados, workers exercised the legal right to form and belong to trade unions, as well as to organize and bargain collectively. Negotiated protocols contained provisions for increases in basic wages and increases based on productivity. Government, private sector, and labor representatives signed a sixth such protocol on May 11, 2011. The Social Partnership Agreement provides for monthly meetings of labor, management, and government and is chaired by the prime minister or the minister responsible for labor affairs. The Trade Union Act governs trade union activities. Under the act, companies are not obligated to recognize unions or to accept collective bargaining. Although employers were under no legal obligation to recognize unions, most did so when a significant percentage of their employees expressed a desire to be represented by a registered union.

The Shop Keepers Act provides for, and the authorities established, minimum wage rates for specified categories of workers. The categories of workers with a formally regulated minimum wage are household domestics and shop assistants. The minimum wage for these employees was BDS5 (approximately $2.50) per hour, which was only marginally sufficient to provide a decent standard of living for a worker and family. The Ministry of Labor recommended companies use this as the de facto minimum wage, and the prevailing wage on the island was higher than the legal minimum wage.

Commitments to Eliminate the Worst Forms of Child Labor: The Employment (Miscellaneous Provisions) Act sets the minimum employment age at 16 for certain sectors including mines, quarries, manufacturing, construction and demolition work. Other sectors, particularly agriculture, are not covered. The Employment (Miscellaneous Provisions) Act also prohibits children under age 18 from engaging in any work likely to harm their safety, health or morals. However, the Act does not specify the types of work this prohibition refers to and research found no indication of such a list elsewhere in the country's laws or regulations.

The National Committee on Child Labor is responsible for coordinating efforts to abolish child labor in the country. Child labor subcommittees exist to support interagency cooperation to harmonize legislation, develop a child-labor survey instrument and implement educational and mass media program on child labor. The Ministry of Labor is responsible for enforcing child labor laws. It has 22 inspectors to investigate possible violations of the Employment Act. No cases of child labor violations were reported within the past year. The Royal Barbados Police Force has taken the lead in investigating trafficking complaints.

According to the Department of Labor's *2010 Findings on the Worst Forms of Child Labor,* while the worst forms of child labor do not appear to be a significant problem in Barbados, the Government does not have a policy framework to combat commercial sexual exploitation of children.

Counternarcotics Cooperation: The President has not identified Barbados as a major drug transit or major illicit drug producing country under the provision of the FRAA.

The Royal Barbados Police Force (RBPF) has a Drug Squad which is guided by the Barbados National Anti-Drug Plan. The National Plan outlines the policies, goals, strategies and legislation to combat narcotics trafficking. The Drug Squad management focuses on major traffickers, although it does monitor street "mules" and low level drug traffickers as well. The Drug Squad has a priority mandate to cooperate and share information and intelligence with regional and international counterparts, with the main intelligence focus on major traffickers and organizations. It works closely with the Regional Security Systems (RSS) Air Wing, the RBPF Marine Unit, and the Barbados Coast Guard.

Recent trends in cocaine smuggling suggest that the Venezuelan drug trafficking rings have fostered relationships with local Barbados-based organizations to facilitate trafficking. Meetings between these organizations have involved arranging for drops of cocaine by foreign vessels at predestined global positioning system coordinates for retrieval by local vessels at sea.

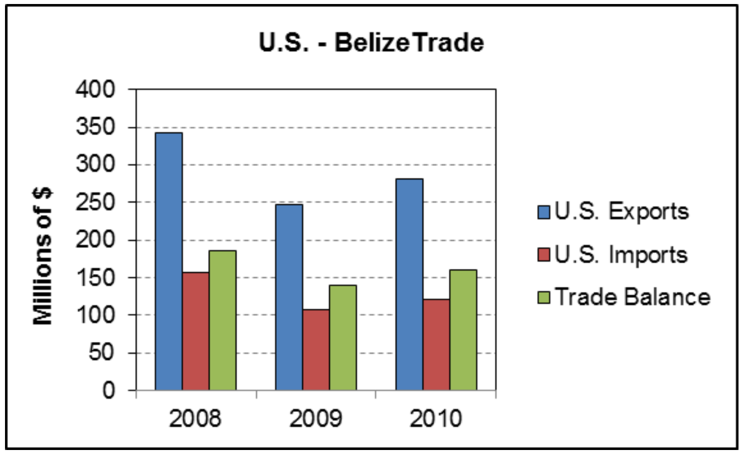
Implementation of the Inter-American Convention Against Corruption (IACAC): Barbados signed the IACAC in April 2001 but has not yet ratified it.

Transparency in Government Procurement: The government, through the Ministry of Finance's Special Tenders Committee, follows competitive bidding standards for most contracts and acquisitions. The procurement function as performed by statutory bodies and public companies is governed by the statutes enabling the establishment and operation of statutory bodies and the Companies Act, respectively. A centralized Tenders Committee (TC), established under the Financial Administration and Audit (Financial Rules) 1971, oversees the procurement process in respect of goods and services above specified limits. Within these specified limits, and with the exception of the procurement of drugs and pharmaceuticals, the Cabinet is the sole approving authority for procurement outside the ambit of the TC.

In 2009, the Inter-American Development Bank granted a $5 million loan to Barbados to modernize the Barbados National Procurement System, which project is still in the implementation phase. The project is being managed by the Ministry of Finance, and includes four components: (i) strengthening the public procurement legal framework to support the preparation of a public procurement policy; (ii) improving procurement operations, including the establishment of the Procurement Policy Unit, a normative, regulatory body; (iii) strengthening institutional capacity by implementing a career stream in public procurement and establishing a training program for entities involved in public procurement; and (iv) modernizing and updating procurement technological infrastructure, focusing on the establishment of an electronic tendering system to disseminate procurement opportunities and the results of tenders and procurement processes.

Barbados is not a signatory of the WTO Agreement on Government Procurement.

Belize



Population: 321,115
Per Capita GDP: $8,400 (2010 est.)

Department of Commerce 2010 Trade Statistics

U.S. Exports	$280,291,578
U.S. Imports	$120,394,107
U.S. Trade Balance	$159,897,471

Economic Review: According to a recent IMF report, Belize's macroeconomic outlook for 2011 remains moderately positive. GDP is projected to grow overall at 2.5 percent, reflecting a strong first quarter performance, which was supported by an expansion in the manufacturing and electricity sectors, in addition to a modest recovery in overnight tourist arrivals. Foreign reserves are healthy but the high deficit is projected to remain at about three percent of GDP annually. Overall public debt, accrued by the government has increased slightly from 82 to 83 percent of GDP for 2010.

Recent nationalizations, high national debt, and a worsening crime situation have negatively affected the investment climate. The current economic situation has also sparked concern about the rising poverty rate, which a recent assessment placed at 40 percent. Higher food and fuel prices are expected to push inflation slightly upward. Low foreign currency reserves in absolute terms have made it difficult to access U.S. dollars when conducting purchases for international trade. Belize's five major domestic banks have concerns about the percentage of non-performing loans in the banking system. Compensations for recent nationalizations would severely strain the government's finances

Commitment to undertake WTO obligations and participate in negotiations toward the FTAA or another FTA: Although Belize has been a WTO member since January 1, 1995, the country rarely participates in WTO deliberations. This is primarily due to the fact that Belize remains one of the few Caribbean countries with non-resident diplomatic representation to the WTO, through its mission in Belgium. Belize also faces difficulties in implementing WTO agreements due to limited staff in the government's trade directorate.

Belize's current legal framework allows for three export subsidy programs: export processing zones, fiscal incentives, and commercial free zones. Belize is working to modify these programs by the end of 2015 so that subsidies are no longer contingent on export performance. The

Government of Belize has begun a country-wide consultative process with stakeholders (including the beneficiaries of all three programs) to inform them of changes to the programs.

Protection of Intellectual Property: In 2007, USTR lowered Belize from the Special 301 Priority Watch List to the Watch List, then removed Belize from the Watch List in 2008. Enforcement of IPR laws, however, remains a problem. Government-owned entities generally do not broadcast copyrighted material belonging to U.S. copyright-holders without consent. However, music and video stores in Belize continue to carry copied CDs and DVDs for sale or rent. Local importers, particularly those operating in the commercial free zone in Northern Belize, continue to bring in counterfeit merchandise bearing U.S. trademarks. Many of these goods originate in China or Panama and pass through Belize's Corozal Free Zone onward to the Mexican market. In cases where goods are seized and confiscated, the volumes are generally too small to warrant legal pursuit through the courts, therefore most U.S. firms opt to destroy seized the products, or donate them to needy charities. Private television stations frequently broadcast copyrighted materials without permission. Local cable television providers broadcast U.S. based channels without permission.

The Belize Intellectual Property Office (BELIPO), established in 2001, is the regulatory agency that administers Belize's intellectual property laws. This office is mandated, among other things, to process IPR-related applications and registrations, to undertake educational campaigns that target the general public as well as government agencies, and to provide specialized legal advice to government authorities.

Provision of Internationally Recognized Worker Rights: Belize has ratified all eight of the ILO core labor conventions. These eight are Conventions 87 and 98 on freedom of association and collective bargaining, Conventions 29 and 105 on the elimination of forced and compulsory labor, Conventions 138 and 182 on the abolition of child labor, and Conventions 100 and 111 on the elimination of discrimination in respect of employment and occupation.

The Constitution of Belize provides for freedom of assembly and association. The Trade Union and Employee's Organizations Act of 2000 allows for the registration and establishment of trade unions and employer organizations, and encourages orderly and effective collective bargaining. The Ministry of Labor recognizes unions and employee associations after they are registered. Both law and practice effectively protect unions against dissolution or suspension by administrative authority. The law prohibits antiunion discrimination, but in practice some employers have obstructed union organization by terminating the employment of a union member for reasons unrelated to union activities.

The Constitution of Belize prohibits slavery and forced labor. The Labor Act of Belize states that no person shall impose forced or compulsory labor as a means of political coercion, punishment, ethnicity, or religion. The Labor Act also prohibits the employment of children under age 14. Persons ages 14 to 18 may only be employed in an occupation that a labor officer has determined is "not injurious to the moral or physical development of non-adults." Children under age 16 are excluded from work in factories and those under age 18 are excluded from working at night or in certain kinds of employment deemed dangerous. The Belize National Child Labor Policy has an indicative list of hazardous occupations for young workers.

The Ministry of Labor is responsible for enforcing the minimum wage, and in August 2010, the national minimum wage was adjusted to an across-the-board minimum wage of BZ$3.10 (US$1.55) per hour. This new adjustment covers three categories of workers including manual workers, shop assistants, and domestic workers. The law sets the workweek at no more than six days or 45 hours and requires payment for overtime work. The agricultural sector continues to utilize undocumented Central American workers during land preparation and harvesting. Belize employers are obligated to take reasonable care for the safety of employees in the course of their employment. In cases where employers provide lodging, employers are required to provide and maintain sufficient and hygienic housing accommodations, access to clean water, and proper sanitary arrangements.

Commitments to Eliminate the Worst Forms of Child Labor: According to the *Department of Labor's 2010 Findings on the Worst Forms of Child Labor*, some children in Belize are engaged in the worst forms of child labor. Children in rural areas are also reported to work in agriculture after school, on weekends and during vacations. Work in agriculture commonly involves hazardous activities such as using dangerous machinery and tools, carrying heavy loads and applying harmful pesticides. Children in Belize are also involved in commercial sexual exploitation and trafficking. Children of both sexes are involved in prostitution, including sex tourism–an emerging problem in Belize.

Belize's National Child Labor Committee (NCLC) consists of 15 officials, drawn from government and civil society. The NCLC advocates for legislation and policy action to more fully prohibit the worst forms of child labor and achieve effective prosecution of such acts. During 2010, the NCLC trained committee members on child labor issues, outlined roles and responsibilities and worked to improve coordination among ministries to address child labor issues. The NCLC implements the Government's National Child Labor Policy, which provides guidance and direction regarding the elimination of all forms of child labor, especially the worst forms. The policy seeks a multi-sectoral approach to combat exploitative child labor through consultations between governmental agencies, NGOs and other relevant organizations.

The Government of Belize has worked with the tourism industry to advance a code of conduct in an effort to eliminate child sex tourism. Public service announcements in multiple languages and posters have been distributed by the government in a campaign against trafficking.

Counternarcotics Cooperation: The President has identified Belize as a major drug transit or major illicit drug producing country under the provision of the FRAA. Belize was not, however, designated as having "failed demonstrably" to make substantial efforts during the previous 12 months to adhere to international counternarcotics agreements and to take measures specified in U.S. law. Belize's shared borders with Guatemala and Mexico, miles of unpopulated jungles, navigable inland waterways, and unprotected coastline with hundreds of small cayes and atolls make it vulnerable to transshipment of illicit drugs between Colombia and Mexico and the United States.

The United States supported Belize's efforts to combat transnational crime and narcotics trafficking by providing training, equipment, and technical assistance. The State Department's

Central America Regional Security Initiative seeks to work with government of Belize to stop the flow of narcotics, weapons, and bulk cash generated by illicit drug sales, and to confront gangs and criminal organizations. The support provided in 2010, through the Department of State, DEA, and the Department of Defense (DOD) modernized and enhanced law enforcement capacity, improved prison management, and assisted anti-gang initiatives. The State Department and DOD also are working jointly with the governments of Belize, Mexico, and Guatemala to develop a strategy to strengthen security along their shared borders, in order to inhibit the trafficking of illicit substances.

Implementation of the Inter-American Convention Against Corruption: Belize signed the IACAC in June 2001 and deposited its instrument of ratification in September 2002.

The Prevention of Corruption in Public Life Act of 1994 was repealed and replaced by the Prevention of Corruption Act of 2007. The Act provides measures for establishing integrity and accountability in public life and applies to members of the National Assembly, and members of municipal councils. The Act requires that statements of assets, income, and liabilities must be publically disclosed. The Act empowers the Belize Integrity Commission with investigative measures to combat corruption. Penalties for non-compliance with disclosure range from a fine of not less than 1,500 USD and/or imprisonment for one year. Enforcement is weak and less than 25 percent of parliamentarians and public officials comply with the Act's public disclosure requirement. The government of Belize maintains an Office of the Ombudsman to investigate allegations of official corruption and official wrongdoing, but to date the Ombudsman has yet to file a single prosecution for official corruption.

Transparency in Government Procurement: The Finance and Audit (Reform) Act, 2005 repealed the previous Finance and Audit Act Chapter 15 of the Substantive Laws of Belize 2000-2003. The 2005 Act provides better standards to ensure regulation of public revenue, expenditure, and contracting. Government purchases of over $50,000 must be submitted for public bid by both local and foreign companies. Belize is not a signatory of the WTO Agreement on Government Procurement.

Additional Issues

Nationalization/Expropriation: There are a limited number of cases in which the government of Belize has exercised its right of eminent domain to expropriate real estate property, including some cases of some foreign investors. Several cases arose because of the landowner not being resident in Belize for many years and changes to the law after Belize gained independence in 1981.

In 2004, Innovative Communication Corporation, LLC (ICC), a privately-held company headquartered in the U.S. Virgin Islands, agreed to assume a $57 million debt owed by the government of Belize as partial payment for the purchase of 85 percent of Belize Telecommunications Limited (BTL) from the Belizean government. In 2005, ICC failed to pay the $57 million owed and the Belizean government took over the debt and repossessed the shares, alleging that ICC had failed, after several extensions, to make remaining payments for

BTL shares. ICC countered that the GOB had failed to make certain regulatory changes as agreed.

In May 2007, the previous government enacted a new "Vesting Act" under which the Belize Telecommunication Limited ceased to exist. All of the BTL business was subsequently vested in a new company, Belize Telemedia Limited. Extensive litigation was initiated in Belize, the United States, and the Privy Council in London. In March 2009, the Privy Council ruled in favor of the government of Belize, stating that ICC lost its shares and thus was not entitled to name directors to the company's Board.

In August of 2009, the government of Belize passed special resolutions in the National Assembly to take over the assets and operations of the firm. The company owning the firm prior to nationalization challenged the government of Belize through the courts and in July 2011, the Caribbean Court of Justice ruled the nationalization was not legal. The government of Belize passed new legislation to nationalize BTL a few days later, also in July 2011, and passed the Eighth Amendment to the Constitution, requiring public ownership of utilities in October 2011. To date, the government of Belize has not paid compensation for the nationalization.

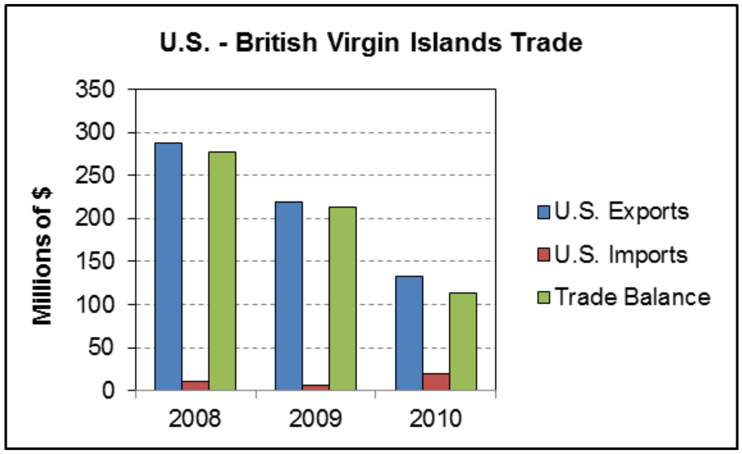
Arbitral Awards: A dispute related to a contract between NEWCO Ltd. and the previous government for the management of Phillip Goldson International Airport had dragged on for years. In June 2000, the Government of Belize requested a consortium of U.S. and German investors to undertake feasibility studies for the modernization of the airport. To pay for these studies, the government of Belize offered the consortium the exclusive right to form a special purpose company to negotiate with the Belizean government to become the airport concessionaire for 30 years. The consortium members agreed to proceed on that basis. In 2003, the Government of Belize abruptly terminated the concession agreement and gave the agreement to the Belize Airport Concession Company – a domestic entity.

NEWCO initiated international arbitration proceedings against Belize pursuant to the arbitration clause of the concession agreement. The arbitral tribunal was appointed by mutual consent of the parties under United National Commission on International Trade Law (UNCITRAL) rules. In June 2008, the arbitral panel issued its unanimous and final award in favor of NEWCO and against the government of Belize. The tribunal awarded damages to NEWCO in the amount of $4.3 million. Despite public statements by the Prime Minister following the ruling, in which he acknowledged that the country would have to pay, disagreement over the terms of payment and the accrual of interest has resulted in NEWCO seeking recourse in Belizean and U.S. courts. The outcomes of the various legal actions are pending.

In March 2010, Belize passed a new law that institutes severe monetary penalties and imprisonment of any party (including their counsel, advisers, directors, managers and shareholders) that breaches an "anti-suit injunction" issued by Belizean courts in connection with international arbitration proceedings.

Extradition: Belize and the United States signed an extradition treaty in April 2000 and exchanged instruments of ratification in March 2001.

British Virgin Islands



Population: 25,383

Per Capita GDP: $38,500 (2004 est.)

Department of Commerce 2010 Trade Statistics

U.S. Exports	$132,660,144
U.S. Imports	$19,025,353
U.S. Trade Balance	$113,634,791

Economic Review: The British Virgin Islands' economy, one of the most stable in the Caribbean, is highly dependent on tourism. According to the BVI Ministry of Finance, in 2009, nominal GDP dropped by 11 percent, to $876.3 million. Reduced tourist arrivals and financial services business contributed greatly to the drop in GDP in 2009 and negatively affected industries such as construction, real estate and wholesale and retail, which are heavily dependent on the tourism and financial services sectors. According to the BVI Development Planning Unit, total visitor arrivals fell by 8.3 in 2009. As a result, tourism expenditure decreased by approximately 17 in 2009. The BVI government estimated that the local economy grew by six percent in 2010, bolstered by expected growth in the tourism and financial services industries.

Commitment to undertake WTO obligations and participate in negotiations toward the FTAA or another FTA: The British Virgin Islands is a British Overseas Territory and, consequently, external affairs and the administration of the courts are handled by the United Kingdom. Therefore, while it is not itself a WTO member, it indirectly participates as part of the United Kingdom.

Protection of Intellectual Property: In the British Virgin Islands the law governing the protection of intellectual property is that of the United Kingdom.

Provision of Internationally Recognized Worker Rights: The British Virgin Islands has a population of approximately 25,000 people and a labor force of approximately 18,000. The minimum wage is $4 per hour.

Commitments to Eliminate the Worst Forms of Child Labor: According to the Department of Labor's *2010 Findings on the Worst Forms of Child Labor*, there is no evidence that children in the British Virgin Islands are engaged in the worst forms of child labor. The minimum age for employment under the Labor Code of 2010 is 16, and children younger than age 18 are prohibited from hazardous work. Children between ages 16 and 18 must have sufficient training and supervision when operating heavy machinery, and all children younger than age 18 are prohibited from night work. The code also provides for the removal and rehabilitation of children subjected to the worst forms of child labor and makes the offense punishable with a fine, holding both the employer and the child's parent or guardian liable. The British Virgin Islands is subject to the European Convention on Human Rights and the International Covenant on Civil and Political Rights because of its relationship to the United Kingdom, which has signed these agreements.

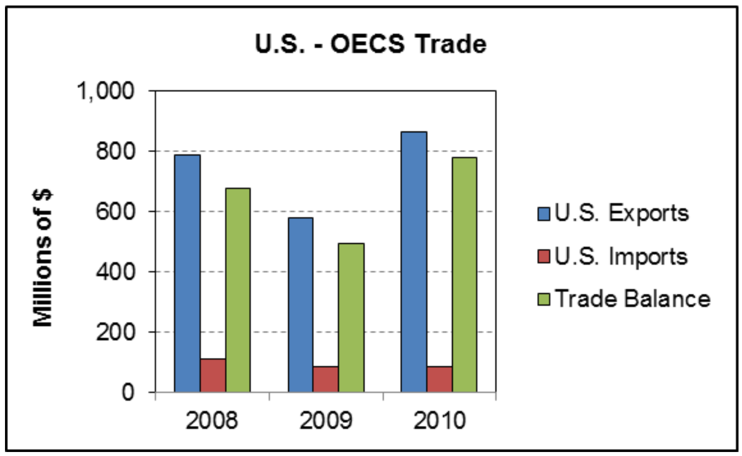
Counternarcotics Cooperation: The British Virgin Islands has not been identified by the President as a major drug transit or major illicit drug producing country under the provision of the FRAA. The United States and the United Kingdom have a judicial narcotics agreement and an MLAT relating to some UK territories such as the Cayman Islands, Anguilla, the British Virgin Islands, Montserrat, and the Turks and Caicos Islands.

Implementation of the Inter-American Convention Against Corruption (IACAC): As an overseas territory of the United Kingdom, the British Virgin Islands is not a signatory to the IACAC; its international obligations derive from those of the United Kingdom.

The Organization of Eastern Caribbean States

Department of Commerce 2010 Trade Statistics

U.S. Exports	$864,959,650
U.S. Imports	$85,365,758
U.S. Trade Balance	$779,593,892



The Organization of Eastern Caribbean States (OECS) is made up of the countries of Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Montserrat, an overseas territory of the United Kingdom.

<u>Antigua and Barbuda</u>. The economy of Antigua and Barbuda is heavily dependent on tourism. According to the World Travel and Tourism Council, the travel and tourism industry will be responsible for 74.2 percent of Antigua and Barbuda's GDP in 2011. This was the second highest rate in the world. The global financial slowdown has contributed to a sharp decline in the tourism industry, foreign direct investment, and remittances. According to the Ministry of Finance, real GDP fell by 7.1 percent in 2009, and by an additional 4.1 percent in 2010.

Antiguan law establishes a minimum working age of 16 years, which corresponds with the provisions of the Education Act. In addition persons under 18 years of age must have a medical clearance to work and may not work later than 10 p.m. The labor code provides that the minister of labor may issue orders, which have the force of law, to establish a minimum wage.
The minimum wage was EC$7.00 ($2.59) an hour for all categories of labor, which provided a barely adequate standard of living for a worker and family. In practice the great majority of

workers earned substantially more than the minimum wage. The law provides that workers are not required to work more than a 48-hour, six-day workweek, but in practice the standard workweek was 40 hours in five days.

Antigua and Barbuda has ratified all eight of the ILO core labor conventions.

Nationalization/Expropriation: The case of the Half Moon Bay Hotel remains unresolved. In 1971, HMB Holdings Limited ("HMB") purchased the Half Moon Bay Hotel in Antigua. In 1995, Hurricane Luis struck Antigua, causing widespread damage to the hotel, such that it had to be closed. The hotel has not reopened since then. In 1999, the Government of Antigua determined that it should acquire the property compulsorily, in order to repair it and resume hotel operations. HMB objected, and the two sides had some discussions with a view towards enabling HMB to renovate the property itself. These discussions did not produce a mutually satisfactory solution, and in 2002 the Antiguan Cabinet decided to proceed with the acquisition. In June 2007, after a number of legal proceedings, the UK Privy Council determined that the government of Antigua could proceed with the acquisition, provided that it provided compensation to HMB. The government of Antigua took physical possession of the hotel in 2007. The government of Antigua and HMB have been unable to reach an agreement on the appropriate amount of compensation, and HMB has initiated legal action against the Government of Antigua to obtain compensation.

<u>Dominica</u>. The economy of Dominica differs from those of other countries in the eastern Caribbean. Dominica's tourism sector is less developed, and the agricultural sector accounts for a larger share of GDP than other eastern Caribbean countries. As a result, the IMF concluded that the effect of the global downturn affected Dominica less than other eastern Caribbean countries. Real GDP fell by 0.7 percent in 2009, but grew by approximately 0.3 percent in 2010. The IMF estimates that real GDP should grow by approximately 0.9 percent in 2011.

According to the IMF, Dominica has a relatively stronger fiscal position than other Eastern Caribbean Currency Union members, and has made greater progress with debt reduction. The country acted decisively following the 2001–02 crisis to lower its public debt. As a result, Dominica was able to undertake reconstruction spending in the wake of natural disasters.

The minimum wage law establishes a base wage of EC$5.00 (approximately $1.87) per hour for all public and private workers. The minimum wage was last updated in June 2008 and varies according to category of worker, with the lowest minimum wage set at EC$4.00 ($1.50), and the maximum at EC$5.50 ($2.06) per hour. According to the State Department's 2010 Human Rights Report, the minimum wage did not provide a decent standard of living for a worker and family. However, most workers (including domestic employees) earned more than the legislated minimum wage as prevailing wages were much higher than statutory minimum wages. Conflicting legislation establishes the minimum age for employment at both 12 and 14 years, although the government has stated it enforces a standard of 15 years. Some children periodically help their families in agriculture.

Dominica has ratified all eight of the ILO core labor conventions.

Grenada. After showing modest but declining growth in 2007 and 2008, Grenada's economy contracted sharply in 2009, with GDP falling by an estimated 7.7 percent. According to the IMF, real GDP fell by an additional 1.4 percent in 2010, but there are some signs of a recovery in 2011. Tourism activity has picked up in the first quarter of 2011 compared to 2010, agricultural output is expected to be higher, and construction is expected to grow as some previously delayed projects start.

The 2010 budget speech highlighted the importance of diversifying the economy to reduce the dependence on tourism. In particular it identified four areas as the most promising: health and education services, energy development, agro-processing, and information and communication Technology.

Unemployment is high and poverty remains widespread. The government's Country Poverty Assessment (CPA) revealed that 38 percent of the population lived below the poverty line in June 2008, higher than the 32 percent in 1998 when the previous survey was conducted. The unemployment rate was estimated at 25 percent in June 2009. According to the IMF, it probably increased to about 30 percent, reflecting softening in labor market conditions due to the economic slowdown.

Article 32 of the Employment Act sets the minimum age for employment at 16. Although labor inspectors are authorized to act on possible child labor laws violations that they encounter during their normal duties, child labor inspections are complaint-driven. Because there were no complaints, no inspections were carried out in 2010.

The Ministry of Labor last updated minimum wages in 2002. In 2008, a tripartite committee reviewed wage levels. Although the committee provided its recommendations to the government in April 2009, no further action has been taken. Under the 2002 minimum wage levels, wages are linked to various categories of workers; for example, agricultural workers were classified into male and female workers. Rates for men were EC$5.00 ($1.85) per hour and for women EC$4.75 ($1.75) per hour; however, if a woman performed the same task as a man, her rate of pay was the same. The minimum wage for domestic workers was set at EC$400 ($148) monthly. According to the State Department's 2010 Human Rights Report, the national minimum wage did not provide a decent standard of living for a worker and family. The normal workweek is 40 hours in five days.

Grenada has ratified all eight of the ILO core labor conventions.

Montserrat. Montserrat is a British Overseas Territory. Repeated eruption since 1995 of the Soufriere Hills Volcano in the south of the island has led to the evacuation and relocation of residents from the so called "exclusion zone." Severe volcanic activity has put a damper on this small, open economy. A catastrophic eruption in June 1997 closed the airports and seaports, and caused economic and social dislocation, including the departure of two-thirds of the island's inhabitants. Some of the dislocated inhabitants began to return in 1998, but a lack of housing limited the number. Heightened volcanic activity between October 2009 and February 2010 resulted in temporary evacuation of some unsafe areas. The volcano is currently in a state of “pause,” but there could be little or no warning of a resumption in activity. Volcanic activity has resulted in four and a half of the original seven constituencies in Montserrat being unoccupied.

There is no minimum wage in Montserrat, however, it is recommended that prospective employers pay wages equal or above those approved for government workers. The labor force in Montserrat is small and a majority of it is employed by the government. There is no legislated work week, but workers generally work a 40 hour work week. Labor relations are governed by the Employment ordinance No. 19 of 1979. The Labor Department provides conciliation service. The Montserrat Allied Workers Union provides representation for workers outside the public sector.

The minimum age for employment under the Montserrat Employment Act is 14. Children younger than age 15 are prohibited from industrial undertakings unless the work is not dangerous and only family members are employed. There is limited evidence that some children in Montserrat are engaged in commercial sexual exploitation in exchange for money and material goods. Information about the nature and prevalence of the problem remains limited.

St. Kitts and Nevis. The economy of St. Kitts and Nevis is dependent on tourism. According to the Finance Ministry, tourism provides employment for approximately one-third of the country’s workers. The economy is recovering slowly after a two-year recession. According to the IMF, real GDP fell by 9.6 percent in 2009, and by an additional 1.5 percent (estimated) in 2010. The IMF estimates that GDP should grow by 1.5 percent in 2011. In October 2008, Hurricane Omar caused severe damage, particularly on the island of Nevis. The hurricane flooded the major tourist resort on Nevis, the island’s largest employer. The resort did not reopen until December 2010.

The government is working with the IMF to reduce the country’s debt burden. The strategy includes three elements: achieving ambitious primary fiscal surpluses; lowering the debt service burden; and further strengthening the financial sector.

The constitution prohibits slavery, servitude, and forced labor of children, and the Department of Labor effectively enforced this law in practice. There were no reports of child labor during the year. The minimum legal working age is 16 years. Juveniles worked in agriculture and domestic service. In rural areas where families engaged in livestock farming and vegetable production, children often were required to assist as part of family efforts at subsistence.

The government sets the minimum wage, which was EC$8.00 ($3.00) an hour. Average wages were considerably higher than the minimum wage, which would not provide a decent standard of living for a worker and family. The Labor Commission undertook regular wage inspections and special investigations when it received complaints; it required employers found in violation to pay back wages. The law provides for a 40- to 44-hour workweek, but the common practice was 40 hours in five days.

St. Kitts and Nevis has ratified all eight of the ILO core labor conventions.

St. Lucia. On October 30-31, 2010, Hurricane Tomas struck St. Lucia and caused widespread damage to infrastructure and agriculture. According to an UN ECLAC report, torrential rains caused landslides, resulting in human casualties and severe damages to infrastructure (the road network and water supply), and agriculture. The hurricane wiped out that year's banana harvest, as well. The overall damage is estimated at $336 million, which represents 34 percent of GDP.

Real GDP grew by only 0.7 percent in 2008, and fell by 3.6 percent in 2009. The economy had begun to recover when Hurricane Tomas struck. It was on track to grow by 1.7 percent, helped by growth in the tourism sector. The IMF estimates that the real GDP grew only by half a percent in 2010, although it should increase by approximately 4.1 percent in 2011.

The law protects the right to form a union. Collective bargaining is protected by law and was freely practiced. On the other hand, the law does not prohibit antiunion discrimination, and those workers fired for union activity are not reinstated. According to *the 2010 State Department Country Reports on Human Rights Practices*, in practice many companies were openly antiunion.

Minimum wage regulations in St. Lucia have remained in effect since their institution in 1985. The legislated workweek is 41 hours, although the common practice is to work 40 hours in five days. Occupational health and safety regulations are relatively well developed; however, there are only two qualified inspectors for the entire country. The Employment of Women, Young Persons, and Children Law set the minimum age for employment at 14 years. Some school age children work in rural areas, including on farms. Children work in urban food stalls and as street traders during non-school and festival days.

St. Lucia has ratified seven of eight of the ILO core labor conventions. It has not yet ratified Convention 138 on the minimum age.

St. Vincent and the Grenadines. The economy of St. Vincent and the Grenadines has suffered during the global economic downturn. According to the IMF, economic activity contracted by 0.6 percent in 2008 and 1.0 percent in 2009, reflecting slowdowns in tourism and FDI. Economic activity fell by an additional 1.8 percent in 2010. The country has also been buffeted by natural disasters twice in a period of six months. Hurricane Tomas (October 2010) and torrential rains and floods (April 2011) caused damage to infrastructure, housing, and agriculture.

Over the last decade, services have accounted for an increasing share of GDP, while the share held by agriculture has declined. According to the WTO Secretariat, in 2005 the services sector accounted for some 84 percent of GDP at basic prices, in 2005. The main services activities include wholesale and retail trade, government services, and transportation. Although not readily identifiable in national accounts, tourism is the main economic activity. In that same year, agriculture's contribution to GDP was 8.2 percent, down from 9.6 percent in 2001. St. Vincent and the Grenadines has continued to move away from the production of bananas, and their contribution to GDP declined from 3 percent in 2000 to 1.2 percent in 2005.

The Government of St. Vincent and the Grenadines updated its minimum wage laws in 2008. Minimum wages vary by sector and type of work and are specified for several skilled categories. In agriculture the minimum wage for workers provided shelter was EC$32 ($11.85) per day, or EC $56 ($20.74) if shelter was not provided; for industrial workers it was EC$40 ($14.81) per day. According to the State Department's 2010 Human Rights Report, in many sectors the minimum wage did not provide a decent standard of living for a worker and family, but most workers earned more than the minimum. The law prescribes workweek length according to category. For example, industrial employees work 40 hours a week, and store clerks work 44 hours a week. The Employment of Women, Young Persons and Children Act sets the minimum age for employment, including hazardous work, at 14. Children below the age of 18 are prohibited from working at night. Some children work on family-owned farms, mainly during harvest time, or in family-owned cottage industries. The government also added hazardous work legislation to protect workers, particularly in the agriculture sector.

St. Vincent and the Grenadines has ratified all eight of the ILO core labor conventions.

Commitment to undertake WTO obligations and participate in negotiations toward the FTAA or another FTA: Although hindered by a lack of government resources and technical expertise, the OECS Members (not including Montserrat, which is a U.K. overseas territory) have demonstrated a commitment to fulfill their WTO obligations on schedule.

Protection of Intellectual Property: Although the OECS Members suffer from a lack of resources, they are moving toward a harmonization of their intellectual property (IP) law. OECS Members are also working to educate their populations on the benefits that accrue from establishing an effective IP regime and are striving to comply with international obligations and strengthen protection. However, video, music and DVD piracy remains a problem throughout the region.

Provision of Internationally Recognized Worker Rights: In the OECS Members, workers have the right to associate freely and to form labor unions; this right is generally respected. Workers also have the right to organize and bargain collectively and there is a prohibition on any form of forced or compulsory labor.

Commitment to Eliminate the Worst Forms of Child Labor: All the OECS countries have ratified ILO Convention 182 (Montserrat is a member via the United Kingdom's ratification of the Convention). Although there is no evidence to suggest it is a widespread problem, there have been some reports of exploitative child labor in the region. There have been reports that children may be involved in pornography, prostitution, and the distribution of drugs in a few of the OECS members.

Counternarcotics Cooperation: The President has not identified any of the OECS Members as a major drug transit or major illicit drug producing country under the provisions of the FRAA.

Implementation of the Inter-American Convention Against Corruption: The only OECS member that has not acceded to the IACAC is Montserrat, whose international obligations derive from those of the United Kingdom.

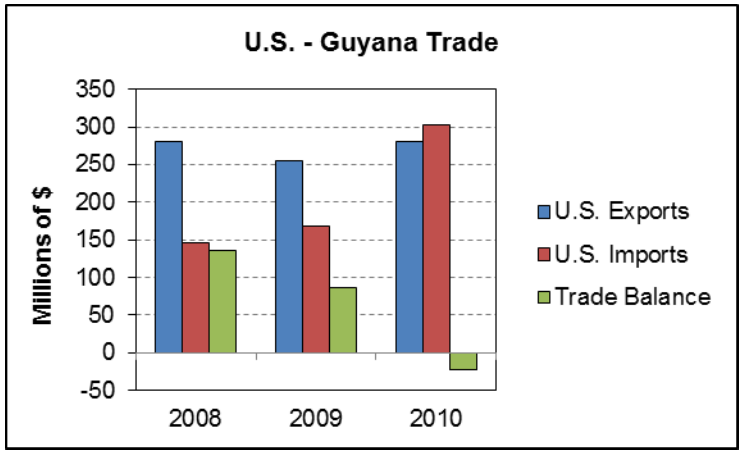
Transparency in Government Procurement: The OECS Members' government policies are generally quite open and transparent, and the United States is not aware of any non-competitive bidding procedures. None of the OECS Members are signatories of the WTO Agreement on Government Procurement.

Guyana

Population: 744,768
Per Capita GDP: $7,200 (2010 est.)

Department of Commerce 2010 Trade Statistics

U.S. Exports	$280,297,501
U.S. Imports	$302,170,920
U.S. Trade Balance	-$21,873,419



Economic Review: Despite the global financial crisis, the economy of Guyana has experienced five consecutive years of growth. Real GDP grew by 3.3 percent in 2009, and by 3.4 percent in 2010. Three activities have traditionally dominated Guyana's economy: sugar, rice, and mining. Sugar production plays a key role in Guyana, as a major contributor to both foreign exchange earnings and employment. Despite large capital investments and attempts at further mechanizing production and expanding acreage, sugar output has been disappointing. Economic diversification is a key element in the Government's development strategy.

According to the IMF, the Guyanese economy is particularly exposed to oil price movements, as it relies exclusively on imports for its oil consumption. In 2010, oil-related imports represented some 16 percent of GDP and were a main driver in the widening of the external current account deficit. Part of these imports (four percent of GDP) is required for electricity generation by the public electricity company Guyana Power & Light, which uses antiquated, energy intensive processes.

Commitment to undertake WTO obligations and participate in negotiations toward the FTAA or another FTA: Guyana has demonstrated a general commitment to undertaking its obligations under the WTO agreements, although Guyana lags behind in the process of updating domestic laws and trade policies to reflect those obligations.

Protection of Intellectual Property: Guyana continues to lack an adequate legal framework for the protection of intellectual property, and institutional capacity to enforce the provisions of existing laws remains weak. Despite repeated promises to update legislation to protect the intellectual property of foreign companies in Guyana, the current laws on copyrights and patents date from colonial times, circa 1956. Unauthorized use of music and video products is widespread, and local television stations, including those run by the government, routinely transmit copyright-protected material without proper licensing.

Provision of Internationally Recognized Worker Rights: Guyana has ratified all eight of the ILO core labor conventions. These eight are Conventions 87 and 98 on freedom of association and collective bargaining, Conventions 29 and 105 on the elimination of forced and compulsory labor, Conventions 138 and 182 on the abolition of child labor, and Conventions 100 and 111 on the elimination of discrimination in respect of employment and occupation.

The constitution provides workers the right of association and allow workers to form and join trade unions, and the law provides workers with the right to strike. Public employees providing essential services may strike if they provide one-month notice to the Ministry of Labor (MOL), as required and set down a skeleton staff in place, although the International Labor Organization has noted that not all of the essential services as described by the MOL were considered essential under the international definition. According to the State Department 's 2010 Human Rights Report, arbitration is compulsory for public employees, and employees engaging in illegal strikes are subject to sanctions or imprisonment. The ILO noted that such restrictions compromised workers' right to strike.

The Constitution guarantees freedom of association and the right to collective bargaining, and about one-third of the workforce belongs to unions. The law requires employers to recognize a union elected by the majority of employees in a workplace. There is a tradition of close links between political parties and labor unions. Forced and compulsory labor are constitutionally prohibited.

Although Guyanese the law sets minimum age requirements for employment of children, child labor in the informal sector was a problem. The law prohibits the employment of children younger than 15, with some exceptions. Technical schools may employ children age 14 provided public authority approves and supervises such work. No person under 16 may be employed at night, except under regulated circumstances. The law permits children under 16 to be employed only in enterprises in which members of the same family are also employed.

The Labor Act and the Wages Councils Act allow the Labor Minister to set minimum wages for various categories of private employers. Minimum wages for certain categories of private sector workers have been set, but there is no uniform legislated national minimum wage. The public sector minimum wage is 33,207 Guyanese dollars ($165) per month, and it is applicable to both public and private sectors; however, the government set wage adjustments unilaterally for public-sector employees. Although the minimum wage is across the board, the private-sector wages are higher than that of the public sector for similar categories of workers such as clerks and drivers. The Ministry of Labor was responsible for enforcing the minimum wage, and although enforcement mechanisms exist they were not used effectively. Unorganized workers, particularly women and children in the informal sector, often were paid less than the service-sector legal minimum wage. According to the State Department's 2010 Human Rights Report, the legal minimum wage did not provide a decent standard of living for a worker and family.

Commitments to Eliminate the Worst Forms of Child Labor: Child labor was most prevalent in family-based businesses, farming, bars and restaurants, domestic work, and street vending. Small numbers of children also performed hazardous work in the construction, logging, farming, fishing, manufacturing, and mining industries. The worst forms of child labor occurred in gold mining, prostitution, and forced labor activities. Children who worked in gold mines operated dangerous mining equipment and were exposed to hazardous chemicals.

Guyana has laws in place proscribing the worst forms of child labor. In April 2006, Guyana's Parliament passed an amendment to the Employment of Young Persons and Children Act. The proposed amendment included a phrase defining the "worst forms of child labor" as work that is likely to harm the health, safety or morals of children, consistent with the ILO Convention 182. The President of Guyana did not assent to the measure and the current Parliament has not resubmitted it.

In September 2003 the National Steering Committee on Child Labor was formed. The committee was tasked with recommending policies and programs to eliminate child labor in all its forms. According to the Department of Labor's *2010 Findings on the Worst Forms of Child Labor*, the steering committee has reportedly stopped meeting, which potentially limits its ability to carry out its mandates.

The government of Guyana is taking part in the 11-country, approximately $21 million Tackle Child Labor through Education (TACKLE) project funded by the European Commission, which will run through February 2012. The program's main objectives include providing access to basic education and skills training for disadvantaged children and strengthening the capacity of local and national authorities to collaborate with civil society groups in the formulation, implementation and enforcement of policies to eliminate child labor.

Counternarcotics Cooperation: Guyana has not been identified by the President as a major drug transit or major illicit drug producing country under the provision of the FRAA.

Guyana is a transshipment point for cocaine from Colombia and Venezuela destined for North America, Europe, and the Caribbean. Generally, small aircraft transporting cocaine land at remote airstrips in Guyana's unpopulated interior highlands or coastal savanna regions to refuel and continue on to offshore destinations. Due to weak land and maritime border controls and the vast unpatrolled interior, drug traffickers are able to conduct operations without significant interference from law enforcement agencies. The ability to detect drug shipments has received some recent investment, but a lack of focused interdiction operations and the capacity to monitor and control its expansive borders hinder enforcement of anti-trafficking laws.

U.S. policy focuses on cooperating with Guyana's law enforcement agencies, promoting good governance, and facilitating demand reduction programs. The United States continues to encourage Guyanese participation in bilateral and multilateral counternarcotics initiatives, including the Caribbean Basin Security Initiative. The government of Guyana has a maritime counter-drug bilateral agreement with the United States.

In 2010, the U.S. Coast Guard provided the Guyana Defense Force Coast Guard with training in maritime law enforcement and small boat maintenance, improving their maritime security capabilities. In addition, the DEA‘s Port of Spain, Trinidad and Tobago, office continued to collaborate with Guyana‘s law enforcement agencies in counternarcotics-related activities, and reported a generally favorable and improving working relationship.

Inter-American Convention Against Corruption Implementation: Guyana is party to the Inter-American Convention Against Corruption (IACAC), but has yet to fully implement its provisions, such as seizure of property obtained through corruption. Guyana is also party to the UN Convention Against Corruption.

Transparency in Government Procurement: The Procurement Act of 2003 and the Public Procurement Commission Tribunal Act of 2004 govern public procurement. The Procurement Act provides for transparency and accountability in government procurement. However, the Act has been criticized because it grants the Minister of Finance the power to unilaterally appoint a National Board, responsible for the National Procurement and Tender Administration that exercises jurisdiction over tenders. Guyana is not a signatory of the WTO Agreement on Government Procurement.

An amendment to Guyana's Constitution in 2001 provided for the establishment of a Public Procurement Commission. The Constitution empowers the Public Procurement Commission to monitor and review the functioning of all public procurement systems to ensure that they are in accordance with the law and such policy guidelines as may be established by the National Assembly. According to the Constitution, Parliament may establish a Public Procurement Commission Tribunal, which shall have the power to review and hear appeals of any decision of the Public Procurement Commission. Decisions of the Tribunal are subject to an appeal to the Court of Appeal. Neither the Public Procurement Commission nor the Public Procurement Commission Tribunal has been established.

<u>Additional Issues</u>

Nationalization/Expropriation: Although the government has threatened to legislate its way out of contracts with U.S. companies, it has not followed through on those threats. The U.S. embassy in Guyana is unaware of any instances in which the government of Guyana has nationalized or expropriated the property of U.S. citizens or any instances in which the government failed to honor arbitral awards in favor of U.S. citizens.

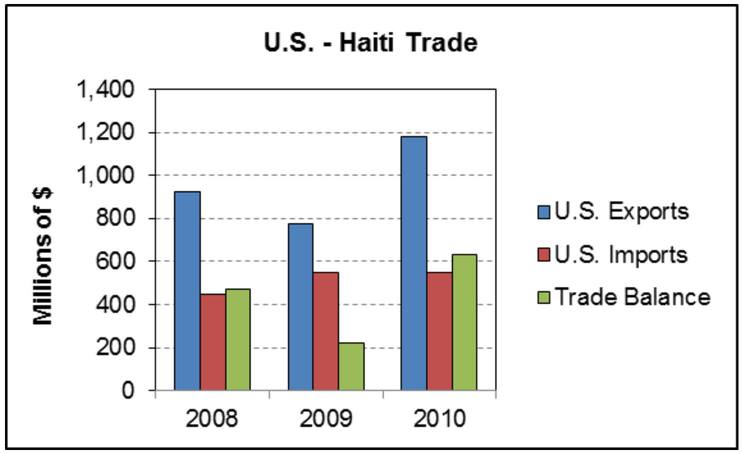
Extradition: Guyana still operates under an extradition treaty from 1931 between the U.S. and Great Britain.

Haiti

Population: 9,719,932
Per Capita GDP: $1,200 (2010 est.)

Department of Commerce 2010 Trade Statistics

U.S. Exports	$1,183,008,648
U.S. Imports	$550,833,112
U.S. Trade Balance	$632,175,536



Economic Review: The Haitian economy had been growing slowly since 2005, with GDP growth (2.9 percent) barely outstripping population growth in fiscal year 2009, when the January 12, 2010, earthquake struck Port-au-Prince and surrounding communities. Despite optimistic investment and revenue growth in the first quarter of fiscal year 2010, the magnitude 7.0 earthquake set the economy back such that the Haitian economy contracted by 5.3 percent in fiscal year 2010. Total damages and losses due to the earthquake alone were estimated at US $7.9 billion, which is equivalent to more than 120 percent of Haiti's fiscal year 2009 GDP. Private sector damages and losses were $5.5 billion (70 percent of the total). The Haitian Central Bank expects GDP to grow by 4.5 percent in fiscal year 2011, driven mainly by the construction sector and NGO activities, which is less than the eight percent previously estimated by the IMF. The decrease in the expected economic growth is largely due to uncertainty caused by the absence of a government from May-October, 2011 and price increases for all consumer goods. Inflation is estimated at 7.3 percent for 2011.

The apparel sector accounts for the vast majority of Haitian exports. Haiti is eligible for duty-free entry of textiles pursuant to CBTPA, the HOPE Act, and the HELP Act (which increased the apparel quotas and extended the CBTPA and the HOPE Act through September 30, 2020).

Since the earthquake, most of Haiti's external debt has been forgiven, including its remaining debt at the World Bank ($36 million), which approved a new credit line of $500 million for infrastructure for Haiti, and at the Inter-American Development Bank (IDB) ($447 million). The IMF approved the full cancellation of Haiti's outstanding debt ($268 million), while approving new credit. The International Fund for Agricultural Development (IFAD) has also agreed to forgive Haiti's debt of $50 million.

Commitment to undertake WTO obligations and participate in negotiations toward the FTAA or another FTA: Haiti has a relatively open trade regime and has committed to undertake and fulfill its WTO obligations.

Protection of Intellectual Property: Haiti's major laws governing intellectual property protection date from the early- to mid-twentieth century. Government entities do not, as a matter of policy or general practice, broadcast copyrighted material belonging to U.S. copyright holders without their express consent. Moreover, limited manufacturing capacity, lack of disposable income, and paucity of tourism result in a limited amount of commercial piracy. Weak judicial institutions, however, contribute to poor enforcement of existing laws and the erosion of protections offered by current statutes.

Provision of Internationally Recognized Worker Rights: Haiti has ratified all eight of the ILO core labor conventions. These eight are Conventions 87 and 98 on freedom of association and collective bargaining, Conventions 29 and 105 on the elimination of forced and compulsory labor, Conventions 138 and 182 on the abolition of child labor, and Conventions 100 and 111 on the elimination of discrimination in respect of employment and occupation. In practice, Haiti faces challenges in enforcing labor laws.

The Factories Act and Employment of Young Persons and Children Act of 1999 set the minimum age for employment at 15 years, but children under that age may be employed in technical schools, provided such work is approved and supervised by the public authority. Children younger than 16 years are prohibited from working at night. Although the Occupational Safety and Health Act also prohibits young persons and children from performing any work that is likely to be hazardous, interferes with their education, or is harmful to their physical, mental, spiritual, moral or social health and development, the Employment of Young Persons and Children Act permits children over 16 years to work in the manufacture of iron, steel, and paper as well as glass work and gold mining reduction when a family member is also employed in the same undertaking. The law restricts to the age of 18 or higher employment in hazardous areas, such as mining, construction and sanitation services. In practice, however, many children work in the informal sector, such as street trading, vending, livestock, and farming, where labor laws do not apply or are not enforced.

In October 2010, the daily minimum wage increased from HTG125 (approximately $3.00) to HTG150 (approximately $3.60) in the garment sector and remained at HTG200 (approximately $4.80) in the commercial and industrial sectors. Workers paid at a piecework rate are entitled to receive a minimum of HTG200 per day for an eight hour day. For all other industrial and commercial establishments, the daily minimum wage was fixed at HTG200 for eight hours of work. The minimum wage in the textile sector will increase to HTG 200 in October 2012. Minimum wage levels and hourly limits were often not effectively enforced. Most citizens worked in the informal sector and subsistence agriculture, in which minimum wage legislation does not apply, and daily wages of HTG15 ($0.37) were common. Many women worked as domestic employees, an area of work also exempted from minimum wage legislation.

Haiti must fulfill certain requirements related to labor protections in order to continue to receive benefits under the HOPE program. These requirements are outlined in Chapter 1. On October 16, 2009, President Obama certified to Congress that Haiti had met the necessary requirements to continue the duty-free treatment provided under HOPE II. Since the President's certification in October 2009, the ILO has established the Better Work program under a grant from the U.S. Department of Labor. Under the program, ILO staff monitors conditions and provide technical assistance in Haiti's garment factories, issuing public reports on compliance with national laws and international standards. The ILO issued its third report in October 2011.[4] The report noted high non-compliance rates in the areas of occupational safety and health, contracts and human resources, compensation, and working time. The report also noted particular difficulties in monitoring respect for freedom of association and sexual harassment. A new, independent union established in the garment sector late in 2011 encountered resistance from employers, including the termination of union leaders and members.

Commitments to Eliminate the Worst Forms of Child Labor: Internal trafficking of children for domestic labor remains a widespread problem in Haiti. In general, due to high unemployment and job competition, there is very little child labor in the formal industrial sector. Children are known to work on family farms, where they may be exposed to pesticides, sharp tools, harsh conditions and long working hours. A 2007 household survey in one department in Haiti found that children constituted one-quarter of the farm workers sampled. They contributed to the cultivation of corn, manioc, millet, peas, pistachios, rice and sugarcane.

A common form of exploitive child labor in Haiti is the traditional practice of trafficking children from poor, rural areas to cities to work as domestic servants for more affluent urban families, referred to as "restavek." The restavek tradition is widespread in Haiti and fraught with abuse. Poor rural families sometimes give custody of their children to more affluent families or other family members, in the hope that they will receive an education and will have an opportunity for a better life. According to the *Department of Labor's 2010 Findings on the Worst Forms of Child Labor*, many children receive no schooling or pay and are at risk of sexual exploitation and physical abuse.

The earthquake further weakened the country's inadequate social service and educational systems and exacerbated political and socioeconomic instability. Public safety has further deteriorated, particularly in camps for internally displaced persons, where girls are vulnerable to sexual violence and exploitation by self-appointed "security guardians." Local NGOs and the Haitian National Police have indicated that reported cases of trafficking, forced labor and forced prostitution of children have risen following the earthquake.

The Ministry of Social Affairs and Labor (MAST) is responsible for enforcing all child labor legislation, and the Institute for Welfare and Research (IBESR), which is part of the MAST, is charged with coordinating the implementation of child labor laws with other government agencies. However, child labor laws, particularly child domestic labor regulations, are not enforced. The government has indicated that understaffing and a shortage of basic equipment, such as vehicles, hinder IBESR's ability to conduct child labor investigations. In addition, the Government does not report statistics on child labor violations investigated or penalties imposed.

The Department of State funded new grants as part of an emergency response to the increased risk of child trafficking after the earthquake. The State Department's Office to Monitor and Combat Trafficking in Persons awarded an additional $4.575 million to 10 grantees to help strengthen the capacity of Haitian institutions and civil society to identify and respond to human trafficking. The grantees will work with local partners to, strengthen the capacity of Haitian judges to recognize and deliberate on cases involving human trafficking, support direct services

[4] The report can be found at: http://bit.ly/nOTCzS, accessed November 29, 2012.

for victims, raise awareness about the restavek situation, and prevent trafficking and gender-based violence in the camps for internally displaced persons.

Counternarcotics Cooperation: The President has identified Haiti as a major drug transit or major illicit drug producing country under the provision of the FRAA. Haiti was not, however, designated as having "failed demonstrably" to make substantial efforts during the previous 12 months to adhere to international counternarcotics agreements and to take measures specified in U.S. law. Haiti faces challenges in combating the drug trafficking threat. Security and judicial institutions, including the 15-year old national police force, still in the early stages of professional development, were faced with additional setbacks following the January 12, 2010 earthquake. The widespread devastation to Haitian government infrastructure further diminished the government of Haiti's ability to combat drug trafficking.

The United States maintains a priority focus on building the capacity of Haitian institutions to provide policing and security for Haitian citizens and to address drug trafficking and money laundering threats. In response to Haiti's vast rebuilding needs, the Department of State expanded its Narcotics Affairs Section (NAS) to include a counternarcotics advisor, corrections advisor, police advisor, program officer and a management officer. NAS has developed an Action Plan, setting out its efforts to build police, prison and court infrastructure, and train penal chain actors in ethics, sex and gender based violence and increase their administrative capacity for sustainable and efficient policing and prison management.

Implementation of the Inter-American Convention Against Corruption (IACAC): Haiti became a party to the IACAC in 2002. Corruption remains an ongoing challenge to economic growth. Haiti is ranked as one of the most corrupt countries in the world according to Transparency International's corruption perception index for 2010.

Transparency in Government Procurement: Haiti was required to strengthen its procurement laws as a condition of debt forgiveness by the IMF and World Bank. The Haitian government succeeded in adopting a new law on public procurement in early 2008. Haiti is not a signatory of the WTO Agreement on Government Procurement.

Additional Issues

Nationalization/Expropriation: There are no active cases of nationalization or expropriation of U.S. citizen property by the Haitian government, although there are several dormant cases where neither party has taken action for a number of years. There is no evidence of the country failing to act in good faith in recognizing arbitral awards in favor of U.S. citizens.

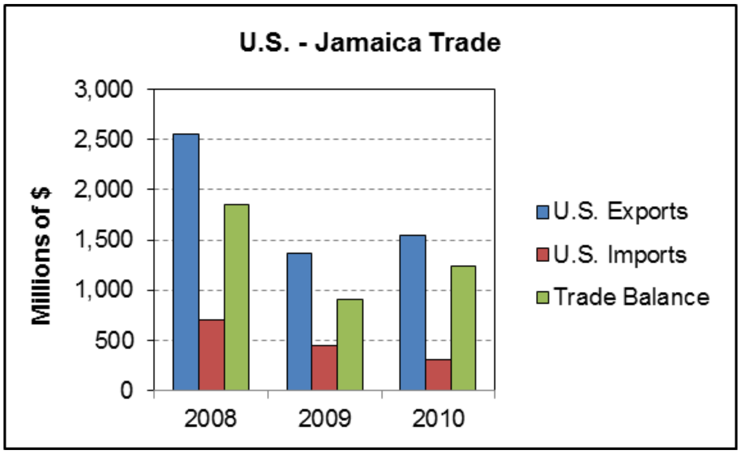
Extradition: Haiti and the United States are parties to an extradition treaty that entered into force in 1905. Though the Haitian Constitution prohibits the extradition of its nationals, Haitians under indictment in the United States have been returned to the United States by non-extradition means.

Jamaica

Population: 2,868,380
Per Capita GDP: $8,300 (2010 est.)

Department of Commerce 2010 Trade Statistics

U.S. Exports	$1,552,473,834
U.S. Imports	$306,858,812
U.S. Trade Balance	$1,245,615,022



Economic Review: Despite continued weak domestic demand, the Jamaican economy grew modestly during the first two quarters of 2011. This follows 13 successive quarters of declining gross domestic output, suggesting the economy is beginning to recover from a recession that was exacerbated by the global financial crisis. In addition, Tropical Storm Nicole struck the island in September 2010, causing widespread damage to basic infrastructure such as roads and bridges. Damage from the storm was estimated at over $200 million. The goods producing sector, underpinned by modest recovery in mining and agriculture, is providing some impetus for growth. The Jamaican dollar has been stable, and in the past two years has appreciated nominally and in real terms against the U.S. dollar. Inflation moderated to 4.6 percent, for the first nine months of 2011.

On October 31, 2011, Standard & Poor's modified its outlook on sovereign Jamaican debt from stable to negative, which the Jamaican Ministry of Finance largely attributed to "the non-completion of reforms related to Jamaica's medium-term targets under the International Monetary Fund (IMF)," with which Jamaica currently has a Stand-by Arrangement. While operations of the government of Jamaica generated a lower-than-budgeted fiscal deficit during the first half of 2011, government revenues lag targets, and repayment of public sector wage arrears caused the government to miss IMF targets.

Commitment to undertake WTO obligations and participate in negotiations toward the FTAA or another FTA: As a member of the WTO, Jamaica has agreed to provide equitable and reasonable access to goods from the United States and other WTO Members . Jamaica has demonstrated its commitment to undertake its WTO obligations. Since the late 1980s, Jamaica has been the major proponent of regional economic integration. The country was among the first to reduce duties on goods from CARICOM countries and has been spearheading efforts to get the CARICOM Single Market and Economy on track.

Protection of Intellectual Property: Jamaica has been on the Special 301 Watch List since 1998 because of concerns about Jamaica's compliance with the WTO TRIPS agreement. The annual

USTR Special 301 report has cited U.S. concerns with Jamaica's continuing failure to enact the Patents and Designs Act, which would implement Jamaica's obligations under the TRIPS Agreement, and the 1994 U.S.-Jamaica Intellectual Property Agreement. Draft patent legislation is currently under review by the Chief Parliamentary Council of Jamaica. Under the U.S.-Jamaica Bilateral Intellectual Property Rights Agreement, a directive from the Attorney General's Chambers grants immediate protection in Jamaica for patents approved in the United States.

At present, intellectual property rights in Jamaica are addressed by a variety of laws. The Copyright Act of 1993, as amended, covers works ranging from books and music to computer programs. The Act needs to be amended to give effect to the provisions of the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT) to which Jamaica became a party in 2002. Jamaica's copyright enforcement record has improved, with law enforcement making arrests for copyright infringements. The police unit responsible for enforcement has an ongoing public relations campaign to target members of the public that violate copyright laws.

The Trademark Act of 1999 provides owners of registered trademarks exclusive rights for up to 10 years, which are renewable. The Layout Designs Act, which has been in effect since June 1999, provides protection for layout-designs for integrated circuits and gives right-owners the exclusive right to reproduce, import, sell or otherwise commercially exploit the layout-design. A Geographical Indications Act was passed in 2004, and protection for trade secrets is provided under Jamaican commercial law. Finally, government-owned entities do not broadcast copyrighted material belonging to U.S. copyright-holders without the express consent of those copyright-holders.

Provision of Internationally Recognized Worker Rights: Jamaica has ratified all eight of the core labor conventions. These eight are Conventions 87 and 98 on freedom of association and collective bargaining, Conventions 29 and 105 on the elimination of forced and compulsory labor, Conventions 138 and 182 on the abolition of child labor, and Conventions 100 and 111 on the elimination of discrimination in respect of employment and occupation.

According to the State Department's 2010 Human Rights Report, the law states that collective bargaining is denied to a bargaining unit if no single union represents at least 40 percent of the workers in the unit or when the union seeking recognition does not obtain support from 50 percent of the workers, whether or not workers are affiliated with the union. The ILO Committee of Experts requested the Government of Jamaica to change this threshold, but the Government of Jamaica expressed no intention to change the existing law.

Jamaica has an estimated labor force of approximately 1.2 million, of which about 20 percent are unionized. Worker rights in Jamaica are defined and protected under the Labor Relations and Industrial Disputes Act. Workers generally enjoy full rights of association, as well as the right to organize and bargain collectively. Some union workers charged that private sector employers laid them off and then rehired them as contractors with reduced pay and benefits, a practice that was legal as long as workers received severance pay. This practice was challenged in the Jamaican legal system. In July 2009 the Court of Appeals upheld a 2005 decision by the independent Industrial Disputes Tribunal (IDT), which hears disputes in collective bargaining cases, in favor of a representational rights poll for contract workers.

Jamaican labor law neither authorizes nor prohibits strikes. However, workers in 10 broad categories of "essential services" are prohibited from striking. The ILO has criticized the government of Jamaica for its broad definition of "essential services." The general minimum wage is $47 for a 40-hour week, including at least one day of rest. According to the 2010 State Department Human Rights Report, the minimum wage does not provide a decent standard of living for a worker and family. Employees are expected to work for eight hours per day, with any additional time remunerated at 1.5 times or twice the regular rate. The labor force participation rate of women in Jamaica during 2011 was 57 percent as compared to 70 percent for men, while the unemployment rate in the same year for women was 16.5 percent versus nine percent among men.

Commitments to Eliminate the Worst Forms of Child Labor: In March 2004 Jamaica passed the Child Care and Protection Act (CCPA). The CCPA implements the Government of Jamaica's strategy to eliminate the worst forms of child labor, and establishes a framework within which all forms of child abuse may be proscribed. The CCPA establishes the minimum age for employment at 15 and permits children ages 13 and 14 to engage in light work that the Minister of Labor has legal responsibility to define. This law also sets the minimum age for hazardous work, including industrial labor and night work, at 18.

Parliament has passed an Occupational Health and Safety Act that outlines harsher punishments for those that engage children in illegal labor, and extends the possibility of child labor investigations into the informal sector. Beginning in 2011, the government is implementing a new baseline survey to gauge the scale of child labor in Jamaica, which will offer a more complete perspective on the issue. Jamaica cooperates with non-governmental organizations such as Children First to help prevent child labor. Jamaica has signed a Memorandum of Understanding with ILO-IPEC, and has a National Steering Committee for the Protection of Children to facilitate a "master strategy" in dealing with child labor. Children in Jamaica work on plantations, farms, construction sites, as well as in gardens, shops, and markets. The law does not specifically prohibit forced or compulsory labor, including by children, and there were reports of child prostitution and of children trafficked into domestic servitude and forced labor. According to the 2010 State Department Human Rights Report, child prostitution is a problem, including child sex tourism in the island's resort areas. Children are also involved in drug trafficking in Jamaica.

Counternarcotics Cooperation: The President has identified Jamaica as a major drug transit or major illicit drug producing country under the provision of the FRAA. Jamaica was not, however, designated as having "failed demonstrably" to make substantial efforts during the previous 12 months to adhere to international counternarcotics agreements and to take measures specified in U.S. law.

Jamaica continues to be the largest Caribbean supplier of marijuana to the United States. Cocaine and synthetic drugs are not produced locally, but Jamaica is a transit point for cocaine trafficked from Central and South America to North America. Cooperation between Jamaica and the

United States in efforts to curb narcotics and related transnational crime remains strong overall. The United States' primary Jamaican partners are the Jamaican Constabulary Force (JCF) and the Jamaican Defense Force, which are both under the administration of the Ministry of National Security.

The United States supports counternarcotics projects in Jamaica designed to increase the capacity of its law enforcement agencies in order to reduce the trafficking of illicit narcotics through Jamaica. The United States seeks to sustain improvements in law enforcement capabilities through modernization and professionalization of the JCF while maintaining a strong and corruption-free law enforcement institution.

Implementation of the Inter-American Convention Against Corruption (IACAC): Jamaica became a party to the United Nations Convention Against Corruption in March 2008 and ratified the IACAC in March 2001.

The Jamaican Corruption Prevention Act became operational in 2003. Under this Act, public servants can be imprisoned for up to 10 years and fined up to $160,000 if convicted of engaging in acts of bribery. Jamaican individuals and companies are also criminally liable if they bribe foreign public officials, facing the same penalties as public servants. The Act also contains provisions for the extradition of Jamaican citizens for crimes of corruption. The JCF has embarked on strategies to combat corruption within the police force.

Transparency in Government Procurement: Government procurement is generally conducted through open tenders or direct advertising, or by invitation to registered suppliers. U.S. firms are eligible to bid. The range of manufactured goods produced locally is relatively small, so there are few instances of foreign goods competing with domestic manufacturers. Companies interested in supplying office supplies to the government must register with the Financial Management Division of the Ministry of Finance.

According to the Government of Jamaica, the country's Public Sector Procurement Regulations were issued in 2008 pursuant to the Contractor-General Act with the aim of regulating more stringently the procurement of general services, goods and works by making the duty to observe procurement procedures legally enforceable and subject to penal sanction.

Jamaica is not a signatory of the WTO Agreement on Government Procurement.

Additional Issues

Nationalization/Expropriation: In March 1997, a bilateral investment treaty between the United State and Jamaica entered into force. Property rights are protected under Section 18 of the Jamaican Constitution. The Land Acquisition Act allows government expropriation of land, but requires that compensation be paid based on market value. Although the Act allows for expropriating land prior to payment, landowners are entitled to accrue interest on the monies they are owed for the period between government expropriation and final payment.

Preferential Treatment: As a member of CARICOM, Jamaica is a party to the Economic Partnership Agreement with the European Union.

Arbitral Awards: Jamaica has been a signatory to the International Center for Settlement of Investment Disputes (ICSID) since 1965. Commercial disputes that are not resolved in the local courts may be brought to arbitration under the ICSID. ICSID awards are enforceable by the Jamaican courts. Jamaican courts enforce property and contractual rights through four statutes, under which the judgments of foreign courts are accepted and enforced in all cases in which there is a reciprocal enforcement of judgment treaty with the relevant foreign nation. There have been cases of trademark infringements in which U.S. firms took action and were granted restitution in the local courts.

Extradition: Jamaica is a signatory to both a Mutual Legal Assistance Treaty and an Extradition Treaty regarding U.S. citizens, Jamaicans, and third-country nationals.

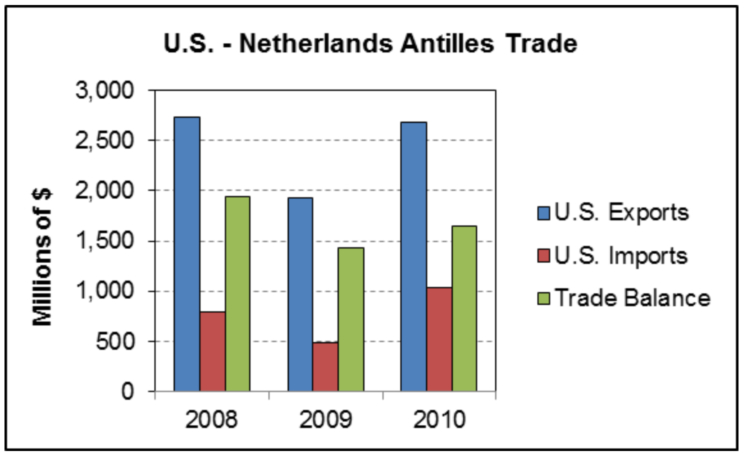
Netherlands Antilles

Population: 227,049

Per Capita GDP:$17,800 (2005 est.)

Department of Commerce 2010 Trade Statistics

U.S. Exports	$2,678,004,619
U.S. Imports	$1,030,801,343
U.S. Trade Balance	$1,647,203,276



The Netherlands Antilles, a semi-autonomous territory of the Netherlands comprising the islands of Curaçao, Sint Maartin (the Dutch part of the island of St. Martin), Bonaire, Saba, and Sint Eustatius, was dissolved on October 10, 2010. As of that date, Curaçao and Sint Maarten became autonomous territories of the Netherlands, and Bonaire, Saba, and St. Eustatius were placed under the direct administration of the Netherlands. These states have requested to receive CBI benefits. The United States is reviewing their request. The following information relates only to the period prior to October 1, 2010.

Economic Review: The Netherlands Antilles comprised five islands: Curaçao, Bonaire, Sint Maarten, Saba and St. Eustatius. Curaçao and Bonaire are located off the coast of Venezuela, and St. Maarten, Saba, and St. Eustatius lie east of the U.S. Virgin Islands. Tourism, petroleum refining, and offshore finance were the mainstays of this small economy. The IMF noted that reliable economic statistics for Curacao and Sint Maarten (as well as for the Netherlands Antilles in 2010) are limited, which impedes analysis.

Commitment to undertake WTO obligations and participate in negotiations toward the FTAA or another FTA: The Netherlands Antilles was an autonomous member of the Kingdom of the

Netherlands. While external affairs are handled by the Kingdom, the Netherlands Antilles handled its own trade and economic affairs and was a member of the WTO through the Kingdom of the Netherlands. The Kingdom's membership in the WTO enabled the Netherlands Antilles to participate in WTO deliberations, but not to exercise independent voting rights.

Protection of Intellectual Property: IPR legislation was based on Dutch law, but was not as far-reaching as in the Netherlands. Laws protected trademarks, patents and copyrights, but no legislation existed to protect design.

Provision of Internationally Recognized Worker Rights: Labor unions were reported to be strong and active in all sectors. Laws protecting children and workers' rights were reported to be actively enforced. The minimum wage in Curaçao and St. Maarten was 7.30 Netherlands Antillean Guilders ($4.10) per hour.

Counternarcotics Cooperation: The President has not identified Netherlands Antilles or its successor states as major drug transit or major illicit drug producing country under the provision of the FRAA. The islands of Aruba, Curaçao, and Bonaire, located off the coast of Venezuela, continue to serve as northbound transshipment points for cocaine and increasing amounts of heroin coming from South America; chiefly Colombia, Venezuela, and to a much lesser extent, Suriname. Typically, drugs are transported to U.S. territories in the Caribbean by "go-fast" boats, although use of fishing boats, freighters, and cruise ships are becoming more common. These maritime shipments were generally enroute to Puerto Rico or the U.S. Virgin Islands, but St. Maarten continues to hold some measurable popularity among drug traffickers as a gateway to Europe. Throughout the Caribbean, the U.S. DEA and local law enforcement officials saw both typical go-fast boat traffic and load sizes reduced this year in the Dutch Caribbean. Drug couriers, also known as "mules," conceal small quantities of drugs on commercial flights to Europe and, at times, to the United States. In addition to go-fast boat activity and smuggling via commercial airlines, there is increasing evidence that larger quantities of narcotics continue to be smuggled through the use of cargo containers.

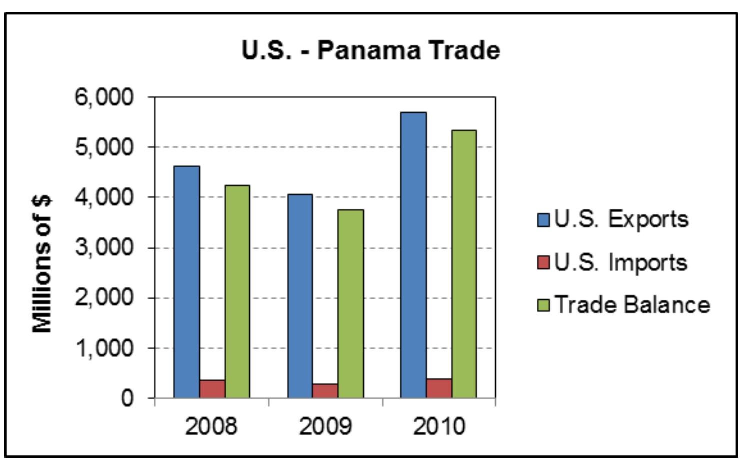
Implementation of the Inter-American Convention Against Corruption: As it was not a sovereign state, the Netherlands Antilles was not a member of the OAS.

Panama

Population: 3,460,462
Per Capita GDP: $13,000 (2010 est.)

Department of Commerce 2010 Trade Statistics

U.S. Exports	$5,708,124,149
U.S. Imports	$376,067,753
U.S. Trade Balance	$5,332,056,396



Economic Review: Panama is experiencing a period of extended economic growth, with 10.7 percent GDP growth in 2008, 3.9 percent in 2009, and 7.6 percent in 2010. The main drivers of growth have been capital investment, port activity, tourism, construction and services exports. The project to expand the Panama Canal has also led to an increase in public investment and economic activity. According to the IMF, growth is projected to rise to 6.5 percent by 2012, as the Canal expansion peaks and private demand recovers fully.

Panama's sovereign credit rating was raised to investment grade by the three major rating agencies in the first half of 2010. The upgrade is expected to bring benefits to the Panamanian economy and ultimately help increase economic growth.

In 2010, flows of foreign direct investment (FDI) rose approximately 33 percent from 2009, reaching almost $2.4 billion. The stock of U.S. foreign direct investment in Panama was $6.0 billion in 2010 (latest data available), down from $6.9 billion in 2009. U.S. FDI in Panama is concentrated largely in the non-bank holding companies, energy, finance, insurance and wholesale trade sectors.

Commitment to undertake WTO obligations and participate in negotiations toward the FTAA or another FTA: Panama has been supportive of multilateral trade liberalization through negotiations in the WTO.

The United States and Panama signed a Trade Promotion Agreement (TPA) on June 28, 2007. The Panamanian National Assembly ratified the TPA on July 11, 2007. The U.S. Congress approved implementing legislation on October 12, 2011, and President Obama signed it on October 21, 2011. The TPA is a comprehensive free trade agreement. The agreement significantly liberalizes trade in goods and services, including financial services. The agreement also includes important disciplines in such key areas as: customs and trade facilitation, sanitary and phytosanitary measures, technical barriers to trade, government procurement, investment, telecommunications, electronic commerce, intellectual property rights, and labor and environmental protection. When the TPA enters into force, Panama will have broader and deeper commitments to maintain a liberal market for services sector, extending well beyond its commitments under the WTO General Agreement on Trade in Services. Moreover, in connection with the TPA, Panama agreed to become a full participant in the WTO Information Technology Agreement. The Obama Administration worked with the Government of Panama to address outstanding concerns regarding Panama's labor regime and its tax transparency rules. Panama implemented several labor reforms in 2010 and 2011. Additionally, the U.S.-Panama Tax Information Exchange Agreement entered into force in April 18, 2011.

Protection of Intellectual Property: Intellectual property policy and practice in Panama is the responsibility of an inter-institutional Committee for Intellectual Property (CIPI), which includes representatives from five government agencies (Colon Free Zone, Intellectual Property Registry, Ministry of Education, Customs, and the Attorney General) under the leadership of the Ministry of Commerce and Industry. CIPI coordinates enforcement actions and develops strategies to improve compliance with the law. Given Panama's role as a transshipment point, however, U.S. industry remains concerned that Panama is a conduit for trading in pirated and counterfeit goods.

The TPA provides for improved standards for the protection and enforcement of a broad range of intellectual property rights, which are consistent with U.S. and international standards, as well as with emerging international standards, of protection and enforcement of intellectual property. Such improvements include state-of-the-art protections for patents, trademarks, undisclosed test and other data submitted to obtain marketing approval for pharmaceuticals and agricultural chemicals, digital copyrighted products such as software, music, text, and videos, and further deterrence of piracy and counterfeiting.

Provision of Internationally Recognized Worker Rights: Panama has ratified a total of 76 ILO Conventions (in force 68), including all eight of the ILO core labor conventions. These eight are Conventions 87 and 98 on Freedom of Association and Protection of the Right to Organize and Right to Organize and Collective Bargaining, Conventions 29 and 105 on the elimination of forced and compulsory labor, Conventions 138 and 182 on the abolition of child labor, and Conventions 100 and 111 on equal wages and the elimination of discrimination in respect of employment and occupation.

Among the major provisions of Panama's labor code are ones addressing freedom of association, the right to organize and bargain collectively, minimum wage, health and safety, hours of work requirements, the minimum age to work legally, and prohibitions against certain forms of child labor. However, some Panamanian labor leaders maintain that Panama's industry does not fully observe laws on workers' rights and working conditions in Panama. The ILO's Committee of Experts on the Application of Conventions and Recommendations (CEACR) has noted a number of discrepancies between Panamanian labor law and ILO conventions ratified by Panama, particularly with regard to freedom of association and right to organize, and collective bargaining. To address some of these concerns, in 2010 Panama issued an executive decree to limit the scope of strike restrictions in essential services in transportation and issued a Ministerial Resolution to clarify and reaffirm the application of the labor code for maritime workers and increase inspections in the maritime sector. In 2011, Panama reformed its labor laws to eliminate restrictions on collective bargaining for companies less than two years old and eliminated restrictions on collective bargaining and exemptions allowing for the use of temporary workers in the Baru Special Economic Zone and the Export Processing Zones.

Panamanian law permits the establishment of unions in the private sector and allows organization and collective bargaining by most public-sector and all private-sector employees. The law sets the minimum size of private sector unions at 40 workers and permits one company-level union per establishment. Umbrella unions based on skill groups may also operate in the same establishment. The law provides for a conciliation section within the Labor Ministry to resolve private labor complaints and a procedure for mediation. The law governing the Panama Canal Authority classifies the Canal as an essential international service and prohibits the right to strike, but does allow unions to organize and to bargain collectively.

No law expressly prohibits forced labor of adults or children, although the Constitution of Panama, as well as the Panamanian Penal Code, afford related protections that prohibit forced labor. In 1998, the government amended its administrative code to prohibit forced labor by prisoners and provide seafarers with the right to terminate their employment by giving reasonable notice. The State Department's 2010 Human Rights Report on Panama did not report any instances of forced labor.

Panamanian law sets the minimum working age at 14 years. Children who have not completed primary school may not begin work until 15 years. The law permits children 12 to 14 to perform light agricultural labor as long as the work does not interfere with schooling. However, the CEACR noted that the law does not provide clear regulations for the conditions under which 12 to 14 year olds may engage in light agricultural labor. The law prohibits 14 to 18 year olds from engaging in potentially hazardous work or work that would impede their school attendance. The law identifies such hazardous work to include work with electric energy, explosives, flammable and toxic or radioactive substances; work underground, work on railroads, airplanes or boats; and work in nightclubs bars and casinos. Some forms of hazardous work may be performed as part of a training program. Youth under 16 years may work no more than six hours a day or 36 hours a week, while those 16 and 17 years may work no more than seven hours a day or 42 hours a week. Children under 18 may not work between 6:00 pm and 8:00 am. Whoever employs a minor in a prohibited form of work faces fines and up to six years of imprisonment. An October 2010 government survey identified 60,700 working children between the ages of five and 17, a 32 percent decrease from the previous survey in 2008.

The labor code assigns responsibility for setting minimum wages to a commission composed of representatives from government, employer organizations, and unions. This commission establishes hourly minimum wage rates for specific regions and for most categories of work. As of November 2011, the minimum wage ranged from $1.06 to $2.00 per hour, depending on region and sector. A worker working 40 hours per week 50 weeks a year and earning at the midpoint of the minimum wage would earn approximately $4,000, which well exceeds the estimated poverty level of annual income of approximately $953. Since April 2010, approximately 34,000 public workers benefited from the equalization of the minimum wages with a new monthly minimum salary of $375.00. Public sector workers are not covered by minimum wage provisions, and provisions for domestic workers are made on a monthly instead of hourly basis ($160 minimum per month).

The law establishes a standard work week of 48 hours with at least one 24 hour rest period weekly. The law establishes premium pay for overtime and limits on the number of hours worked per week and prohibits excessive or compulsory overtime.

The Labor Ministry is responsible for setting and enforcing health and safety standards. Inspectors from the Labor and the occupational health section of the Social Security Administration conduct periodic inspections of work sites. According to the 2010 State Department Human Rights Report, the government did not adequately enforce health and safety standards in hazardous worksites, particularly in the construction industry. Construction workers and their employers were lax about conforming to basic safety measures.

Commitments to Eliminate the Worst Forms of Child Labor: The Government of Panama has a strong policy framework to combat the worst forms of child labor. However, gaps remain in legal prohibitions on some worst forms of child labor. In addition, children continue to engage in the worst forms of child labor in agriculture and urban informal work. Panama established by law the list of the worst forms of child labor on June 19, 2006. The law lists 17 classes of work considered hazardous by their nature and 12 considered hazardous by their conditions.

In June 2006, Panama adopted its National Plan Against Child Labor (2007-2011). The Plan was developed by the National Commission for the Elimination of Child Labor and the Protection of the Adolescent Worker. The Plan aims to increase awareness about child labor, strengthen legislation, and improve social services to working children and their families. The government of Panama provided $1.22 million for the project. In 2007, the government of Panama adopted its first National Plan against Commercial Sexual Exploitation of Children and Adolescents (2008-2010). The Plan aims to improve prevention, detection, victim protection, and prosecution measures. In 2008, Panama's National Commission against Child Labor and the Institute for Human Resources, Capacity Building, and Vocational Training provided almost 4,000 scholarships to children to withdraw or prevent them from exploitive work. In 2010, by decree, MITRADEL established the National Directorate for the Eradication of Child Labor and the Protection of Working Adolescents (DIRETIPPAT) with responsibilities to promote strict application of child labor laws, including the eradication of child labor and to protect lawfully employed adolescents.

Children in Panama were found working in the production of melons, tomatoes, onions, corn, sugarcane, coffee, watermelons, and in fishing. The number of indigenous children working in agriculture is particularly high. Some children from indigenous communities in Panama migrate internally and to Costa Rica with their families to work, mostly during the coffee harvest, interrupting their schooling. In urban areas of Panama, children work in the informal service sector doing work such as trade and repair of motor vehicles and appliances, manufacturing, and construction. Some children, mostly girls of indigenous or Afro-Panamanian descent, work as domestic servants in third party homes where they are vulnerable to physical, psychological, or sexual abuse in conditions that sometimes amount to forced labor. Panama is a source, transit, and destination country for women and children subjected to sex trafficking and forced labor. NGO Casa Esperanza found fewer children working in urban areas as street vendors, vendors at fixed locations, baggers in supermarkets, fare collectors on buses, shoe shiners, window washers, car washers, loaders, port workers, hair stylists, manicurists, and painters.

The Ministry of Labor, through its Child Labor Unit, is responsible for enforcing child labor laws. The Ministry of Government and Justice is responsible for developing policies to combat trafficking in persons. The Ministry of Social Development (MIDES) provides shelter and related services to trafficking victims and vulnerable children, as well as children engaged in exploitative labor and the sex industry. MIDES also provides services to families in extreme poverty, which includes a monthly stipend to female heads of households who commit to keep their school-aged children in school and participate in school activities.

Counternarcotics Cooperation: The President has identified Panama as a major drug transit or major illicit drug producing country under the provision of the FRAA. Panama was not, however, designated as having "failed demonstrably" to make substantial efforts during the previous 12 months to adhere to international counternarcotics agreements and to take measures specified in U.S. law.

Panama is a major transshipment hub for the movement of contraband to the United States and other world markets due to its geographic position and well-developed transportation infrastructure. Colombian and Mexican drug trafficking organizations located in Panama along with a Colombian illegal armed group operating in the remote Darien region actively seek to move drugs through Panamanian territory. Traffickers utilize Panama's coastline and littorals and its transportation infrastructure, including four major containerized seaports, the Pan-American Highway, and an expanded Tocumen International Airport, to facilitate the movement of licit and illicit commodities.

The Martinelli Administration has continued Panama's history of close cooperation with the United States on counternarcotics operations. U.S. support to Panama's counternarcotics efforts, including support of the newly created Ministry of Public Security and its three security services, continued to help Panama combat narcotics trafficking and build stronger security and justice institutions. U.S.-supported programs focus on improving Panama's ability to intercept, investigate, and prosecute illegal drug trafficking and other transnational crimes; strengthening Panama's judicial system; improving Panama's border security; and promoting strict enforcement of existing laws.

Implementation of the Inter-American Convention Against Corruption(IACAC): Panama is a signatory to the IACAC, having ratified the convention on July 20, 1998, and deposited it with the Organization of American States on October 8, 1998. On June 4, 2001, Panama signed the Declaration on the Mechanism for Follow-up of the Implementation of the Inter-American Convention Against Corruption (MESICIC). The MESICIC undertakes a process of reciprocal evaluation among the States Parties within the framework of successive "rounds" that review how each state is implementing the provisions of the Convention selected for each round. The Government of Panama has established a National Council for Transparency against Corruption (CNTCC), which includes the Ministry of the President, Ministry of Economics and Finance, Attorney General, and the Comptroller General. MESICIC has acknowledged Panama, and in particular, the CNTCC for its cooperation and constant willingness to clarify provisions and documents considered pertinent to its review. In addition to cooperation with the Committee's review, Panama recently sought election as Chair of the MESICIC Committee of Experts.

On September 16, 2010, the Committee of Experts of MESICIC issued a Final Third Report on Panama's implementation of the IACAC based on information collected through February 22, 2010. The report acknowledged that Panama had considered and adopted measures to create, maintain and strengthen standards in certain areas including on the offense of illicit enrichment and the offense of transnational bribery. The Report recommended among other things, that Panama consider adopting appropriate measures for detecting sums paid for corruption, preventing bribery of domestic and foreign government officials, and notifying requesting states in a timely manner of extradition refusals for offenses that it has criminalized in accordance with the Convention. While Panama had complied with several of the provisions of the Convention, the Committee recommended that it give additional attention to recommendations from previous rounds not referred to in Panama's official responses.

Transparency in Government Procurement: Panamanian Law 22 of 2006, as modified, regulates government procurement and other related issues. Law 22 was intended to streamline and modernize Panama's contracting system. It establishes, among other things, an Internet-based procurement system (PanamaCompra) and requires publication of all proposed government purchases. The PanamaCompra system requires publication via the Internet of information on all government purchases; evaluation of proposals and monitoring of the procurement process; documents related to the consideration of public bids (including technical specifications and tender documents); classification of purchases by different government institutions and gathering; and analysis of data. The law also created an administrative court to handle all public contracting disputes. The rulings of this administrative court are subject to review by the Panamanian Supreme Court. The Panamanian government has generally handled bids in a transparent manner, although occasionally U.S. companies have complained that certain procedures have not been followed.

While Panama committed to become a signatory of the WTO Agreement on Government Procurement (GPA) at the time it joined the WTO, it remains an observer and not a signatory. Its efforts to accede to the GPA have been stalled for several years. Under the TPA, Panama would guarantee a fair and transparent process for procurement covered by the TPA. Under the TPA, Panama's procuring entities will be required to use fair and transparent procurement procedures, including advance notice of purchases and timely and effective bid review procedures, for procurement covered by the TPA. Above certain thresholds, U.S. suppliers will be permitted to bid on procurement of most Panamanian government entities, including key ministries and state owned enterprises, on the same basis as Panamanian suppliers. In particular, U.S. suppliers will be permitted to bid on procurement by the Panama Canal Authority. The TPA would also help to strengthen rule of law and fight corruption by requiring Panama to ensure under its domestic law that bribery in matters affecting trade and investment, including in government procurement, is treated as a criminal offense or is subject to non-criminal penalties where criminal responsibility is not applicable.

Additional Issues

Nationalization/Expropriation: The U.S. Embassy in Panama has not reported any nationalization or expropriation of any property held in the name of U.S. citizens since the publication of the 2009 CBERA Report.

Arbitral Awards: The U.S. Embassy in Panama has not reported any arbitral awards favoring U.S. citizens that Panama has failed to recognize since the publication of the 2009 CBERA Report.

Market Access: Panama does not afford preferential treatment to any developed country that has had, or is likely to have, an adverse effect on U.S. commerce.

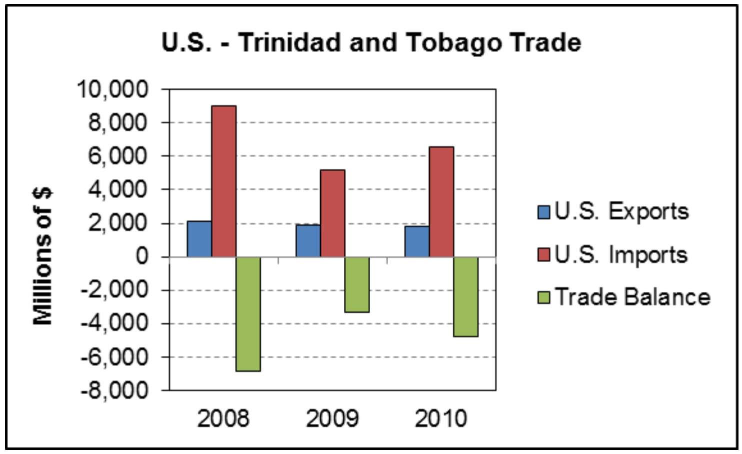
Extradition: The United States and Panama are signatories to an extradition treaty, signed May 25, 1904 (entered into force May 8, 1905), which provides for the extradition from Panama to the U.S. of U.S. citizens convicted of crimes.

Trinidad and Tobago

Population: 1,227,505
Per Capita GDP: $21,200 (2010 est.)

Department of Commerce 2010 Trade Statistics

U.S. Exports	$1,791,742,800
U.S. Imports	$6,577,120,721
U.S. Trade Balance	-$4,785,377,921



Economic Review: Trinidad and Tobago is the leading Caribbean producer of oil and natural gas, and its economy is primarily based on these natural resources. Trinidad and Tobago is the world's largest exporter of ammonia and methanol, and one of the largest exporters of liquefied natural gas (LNG) in the world. In 2010, the energy sector accounted for more than 40 percent of the country's GDP and 80 percent of its export earnings. The country has a well-developed manufacturing sector that supplies manufactured goods to other Caribbean countries.

The country experienced 15 consecutive years of real GDP growth through 2008. In 2009, real GDP fell by 3.5 percent, and the non-energy sector contracted by 7.25 percent. Higher commodity prices in 2010 helped to stabilize the economy, and the IMF predicted that the economy would grow by two percent in 2011.

The government of Trinidad and Tobago has sought to diversify the economy and reduce its reliance on the energy sector by stimulating nonenergy-related economic activities such as yachting, fish and fish processing, music, film entertainment, food and beverages, and packaging. The government is also working to bolster tourism, which is an important component of the economy, especially for Tobago, along with remittances from citizens living and working abroad.

Commitment to undertake WTO obligations and participate in negotiations toward the FTAA or another FTA: Trinidad and Tobago has been a Member of the WTO since 1995 and is an active participant in CARICOM.

Protection of Intellectual Property: Trinidad and Tobago has a relatively strong IPR-protection regime compared to most other countries in the region, which is facilitated by the government's Intellectual Property Office (IPO). Trinidad and Tobago passed the Copyright Amendment Act in April 2008. The Copyright Amendment Act, among other things, facilitates police enforcement by simplifying the process of filing charges. Trinidad and Tobago acceded to the WIPO Performances and Phonograms Treaty, and the WIPO Copyright Treaty in November 2008.

According to a public submission from the American Society of Composers Authors and Publishers (ASCAP), Flow, a local cable company, has claimed that it is not required to obtain a public performance license from the Copyright Music Organization of Trinidad and Tobago (COTT). COTT acts as an affiliate for ASCAP, by forwarding royalties received to ASCAP. If COTT is unable to collect royalties for public performances of works licensed by ASCAP, then American copyright holders are not compensated for their work.

Provision of Internationally Recognized Worker Rights: Trinidad and Tobago has ratified all eight of the ILO core labor conventions. These eight are Conventions 87 and 98 on freedom of association and collective bargaining, Conventions 29 and 105 on the elimination of forced and compulsory labor, Conventions 138 and 182 on the abolition of child labor, and Conventions 100 and 111 on the elimination of discrimination in respect of employment and occupation.

The Industrial Relations Act (IRA) provides that all workers, including those in state-owned enterprises, may form and join unions of their own choosing without prior authorization. However, the IRA does not recognize domestic workers and they do not have the right to join a union. The IRA provides for the mandatory recognition of a trade union when it represents 51 percent or more of the workers in a specified bargaining unit. An estimated 20 percent of the work force is organized in approximately 24 active unions. Workers in essential services, such as police and teachers, do not have the right to strike, and walkouts can be punished by up to 18 months in prison. The government of Trinidad and Tobago has not indicated that it plans to amend its legislation on "essential services" and collective bargaining to conform to ILO conventions. A union also may bring a request for enforcement to the Industrial Court, which may order employers found guilty of anti-union activities to reinstate workers and pay compensation, or may impose other penalties including imprisonment. Although the law allows unions to conduct their activities freely; however, there were restrictions on collective bargaining and strikes.

The Minimum Wages Order (1999) established a 40-hour workweek, time and a half pay for the first four hours of overtime on a workday; double pay for the next four hours and triple pay thereafter. For holidays and days off, the act provides for double pay for the first eight hours and triple pay thereafter. Where workers work only four days in the week the normal work day must not exceed ten hours. The Order also mandates meal and rest breaks for workers. However, the Order only applies to workers who receive an hourly rate of TT$12.50 ($1.98) or less, so many workers are excluded.

The Minimum Age for Admission to Employment Act sets the minimum age for employment at 16 years. However, children 14 to 16 years old may work in activities in which a family member is employed or if they are enrolled in a vocational or technical training school. Children under 18 years are prohibited from working between 10 p.m. and 5 a.m., except in a family business or with other exceptions.

Commitments to Eliminate the Worst Forms of Child Labor: According to the Department of Labor's *2010 Findings on the Worst Forms of Child Labor*, available information indicates that the worst forms of child labor are not a large problem in Trinidad and Tobago. However, some children engage in the worst forms of child labor, primarily in the small-scale agricultural sector, which commonly involves activities such as the use of potentially dangerous machines, tools, and pesticides and carrying heavy loads.

The government has established a multiagency Human Trafficking Task Force to draft legislation, develop victim assistance policies and raise public awareness. The Children's Authority is responsible for ensuring the well-being of children but is not currently operational. The government established the Child Protection Task Force in October 2010 to protect children and educate communities about child abuse, including child labor, until the Children's Authority is active.

The Ministry of Labor and Small and Micro-Enterprise (MLSME), the Ministry of the People and Social Development, the police and the family courts are responsible for monitoring and enforcing child labor laws. The Ministry of the People and Social Development continued to slowly implement its Revised National Plan of Action for Children, which includes specific goals for combating commercial sexual exploitation of children and exploitive child labor. The government also participated in a regional initiative to combat the worst forms of child labor, implemented by the ILO's International Program for the Elimination of Child Labor.

Counternarcotics Cooperation: The President has not designated Trinidad and Tobago as a major drug transit or major illicit drug producing country under the FRAA. The government has remained cooperative with the United States in the regional fight against narcotics trafficking.

According to the 2011 State Department International Narcotics Control Strategy Report, Trinidad and Tobago continues to be committed to narcotics control. Trinidad and Tobago has dedicated resources through the Organized Crime, Narcotics, and Firearms Bureau, the Counter Drug and Crime Task Force, the Criminal Investigation Unit, the Trinidad and Tobago Coast Guard, the Customs and Excise Marine Interdiction Unit, the National Drug Council, and the National Alcohol and Drug Abuse Prevention Programmed.

In late 2010, three new passenger x-rays were installed in Trinidad's Piarco International Airport, replacing older models that were not fully functional. The government's 2010 budget shows investment in new equipment such as radars and increased Trinidad and Tobago Defense Force training. Trinidad and Tobago has purchased four helicopters for the Air Guard, two to be delivered in mid-2011, and the others in 2012. These will be used for surface surveillance and drug interdiction, among other functions. Lastly, the government is reviewing ways to improve the Coast Guard's marine interdiction capacity, and several of its stations were allocated funds for upgrades in 2010.

Implementation of the Inter-American Convention Against Corruption (IACAC): Trinidad and Tobago signed and ratified the IACAC in 1998. In 2000, the government established an Integrity Commission to make new provisions for the prevention of corruption of persons in public life by providing for public disclosure of assets and to promote the integrity of public officials and institutions. The Integrity in Public Life Act mandates that public officials disclose their assets, income, and liabilities to the Integrity Commission. According to the State Department's 2010 *Country Reports on Human Rights Practices*, the commission had been nonfunctioning due to a series of resignations but was reconvened in March 2010 and continued to meet during the year. Some NGOs have deemed the Commission's staffing and technology to be inadequate to enforce anti-corruption legislation. Although some officials are reluctant to disclose their assets, the Integrity Commission will prosecute officials not in compliance, as evidenced by the ruling against a former Member of Parliament (who also once served as Prime Minister) for not declaring assets in a London bank account. In October 2007, the Privy Council ruled that judges are exempt from public disclosure requirements. The Integrity Commission annually lists in the newspapers public officials who fail to publically list their assets, as is required by the Integrity Act. Public opinion of the commission improved after the naming of new commissioners.

Transparency in Government Procurement: Trinidad and Tobago has established procurement processes. A number of U.S. companies have secured government service contracts in Trinidad and Tobago in recent years. Trinidad and Tobago is not a signatory of the WTO Agreement on Government Procurement.

<u>*Additional Issues*</u>

Nationalization/Expropriation: A claim of expropriation, fraud, and misrepresentation was filed by a U.S.-based firm against the state-owned oil company Petrotrin in 2010. The judge in that matter ordered the parties into arbitration pursuant to the underlying contract terms.

Arbitral Awards: Trinidad and Tobago signed the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards in 1966. There are no reports that Trinidad and Tobago has failed to recognize an arbitral award in favor of U.S. citizens.

Extradition: The United States and Trinidad and Tobago have signed a bilateral Extradition Treaty and Mutual Legal Assistance Treaty in Criminal Matters. Both treaties were signed on March 4, 1996, and ratified soon thereafter. In 2011, a Trinidadian court refused to extradite two businessmen accused of laundering money through the United States during the Piarco Airport redesign. The court based its decision on the fact that the alleged crime occurred in Trinidad and Tobago and, as such, the two businessmen should be tried in Trinidad and Tobago.

Chapter 4

SUMMARY OF PUBLIC COMMENTS

Seven individuals or organizations responded to the Trade Policy Staff Committee's solicitation of comments from the public in connection with preparation of this report. The notice and solicitation of comments was published in the *Federal Register* of August 8, 2011. The full texts of these submissions are available for review at the *Regulations.gov* Web site, under docket number USTR-2011-0004.

American Society of Composers Authors and Publishers

The American Society of Composers Authors and Publishers (ASCAP) is the oldest and largest U.S. performing rights organization (PRO). ASCAP licenses, on behalf of composers, songwriters and music publisher members, the right to perform publicly copyrighted musical works. ASCAP said that the cable television operators in Trinidad and Tobago, Jamaica, The Bahamas, Belize, Dominica, Grenada, Antigua and Barbuda, and Barbados broadcast U.S. musical works without a license. ASCAP also said that U.S. musical works are also publicly performed in radio and television broadcasts throughout the Caribbean without obtaining licenses from the relevant PROs.

Caribbean Community

The Caribbean Community (CARICOM) includes 15 Member States: Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago. CARICOM submitted a report on its economic situation and performance against the statutory eligibility criteria. CARICOM described the circumstances that affect its Member States' development and ability to participate in a global economy. The submission described compliance and efforts to comply with eligibility criteria related to commitment to undertake obligations in the WTO, intellectual property protection, provision of internationally recognized worker rights, counternarcotics cooperation, and transparency in government procurement. The submission described export performance under the CBI and elaborated on its trade policy priorities.

International Intellectual Property Alliance

The International Intellectual Property Alliance (IIPA), a private sector coalition that represents U.S. copyright-based industries in bilateral and multilateral efforts to improve international protection of copyrighted materials and open up foreign markets closed by piracy and other market access barriers, recommended that the U.S. government urge CBERA beneficiary countries to promptly ratify the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT) and implement those obligations into domestic law.

IIPA also highlighted what it considered to be the copyright sectors' major piracy problems in the region: unauthorized duplication of optical disks; challenges to copyright enforcement;

piracy of business software, sound recordings, music, and entertainment software; satellite signal theft and cable piracy; and unauthorized commercial photocopying.

Caribbean Basin Ethanol Producers Association

The Caribbean Basin Ethanol Producers Association (CBEPA) consists of eight companies: Petrojam Ethanol Limited; Jamaica Ethanol Processing Limited, Jamaica Broilers Group Ltd, Liga Agricola de la Caña de Azucar, Gasohol de El Salvador, American Renewable Fuel Suppliers, Trinidad Bulk Traders Ltd, and EthylChem. These companies produce ethanol at plants located in the countries of Jamaica, El Salvador, Costa Rica and Trinidad and Tobago. CBEPA expressed support for the CBI and noted the important benefits the program has brought to the region. The group highlighted the importance of renewing the duty preferences for ethanol.

Congressman Mike Coffman

Congressman Coffman submitted his report on behalf of HMB Holdings Ltd., the previous owner of Half Moon Bay Resort in Antigua and Barbuda. The submission seeks to highlight two issues. First, it seeks to draw attention to the conduct of the Government of Antigua and Barbuda with respect to the expropriation of the Half Moon Bay Resort, which was owned by HMB Holdings Ltd. The submission notes that the government of Antigua and Barbuda has failed to compensate HMB Holdings Ltd. for the expropriation. Second, Congressman Coffman urged the President to include a description of the situation in Antigua and Barbuda in the CBERA report and eliminate any economic aid that the country of Antigua and Barbuda receives from the United States under the CBERA.

Government of Jamaica

The government of Jamaica described the important benefits that the CBI provides to Jamaica. It noted that although exports of ethanol fell in 2010, the government is still proceeding with plans to produce ethanol from locally grown sugar cane. The submission described the current status of the Jamaican economy, and the country's trade relationship with the United States, both bilaterally, and through CARICOM. Finally, the government of Jamaica described its commitment to fulfill the statutory eligibility criteria.

NEWCO Limited

NEWCO's submission describes the difficulties it has faced in enforcing an international arbitration award against the government of Belize. In August 1999, Belize initiated a program to modernize and expand the Philip S.W. Goldson International Airport, which was the only international airline gateway to Belize. In June 2000, the Government of Belize requested a consortium of U.S. and German investors to undertake feasibility studies for the modernization of the airport. To pay for these studies, the government of Belize offered the consortium the exclusive right to form a special purpose company to negotiate with the Belizean government to become the airport concessionaire for a period of 30 years. The consortium members agreed to proceed on that basis. NEWCO is a Belizean special purpose company that was formed in 2002 as the corporate persona of the consortium. NEWCO and the Government of Belize entered into a concession agreement on November 27, 2002. In 2003, the Government of Belize terminated the concession agreement and announced that the concession would be turned over to another entity comprised of local insiders.

NEWCO initiated international arbitration proceedings against the government of Belize pursuant to the arbitration clause of the concession agreement. In 2008, the arbitral panel issued its unanimous and final award in favor of NEWCO and against the government of Belize. The tribunal awarded damages to NEWCO in the amount of US$4.3 million, plus post-award interest and arbitration expenses. The submission notes that since that time, however, the government of Belize has engaged in various legal tactics to avoid payment and to obstruct enforcement. NEWCO was also served with tax assessments in Belize in the amount of approximately US$2.7 million on alleged almost identical monthly revenues from 2003 until August 2008. NEWCO states that it never operated in Belize because its concession was terminated before operations could begin.

The submission also notes that the government of Belize expressly disavowed, in judicial proceedings pending in the U.S., the applicability of the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards of June 10, 1958 (New York Convention) to Belize. This disavowal was made despite the acknowledgement, on September 29, 1982, by the then Prime Minister and Minister of Foreign Affairs of Belize to the United Nations Secretary General of the continued provisional application of the New York Convention following the independence of Belize from the United Kingdom.

The submission notes that in 2010, Belize passed new legislation that establishes monetary penalties and imprisonment of any party that breaches an “anti-suit injunction” issued by Belizean courts in connection with international arbitration proceedings.

Appendix 1: List of Frequently Used Acronyms

ACP	African, Caribbean, and Pacific Group of States
ATPA	Andean Trade Preferences Act
ACS	Association of Caribbean States
BIT	Bilateral Investment Treaty
CACM	Central American Common Market
CAFTA-DR	Dominican Republic–Central America–United States Free Trade Agreement
CARICOM	Caribbean Community and Common Market
CBERA	Caribbean Basin Economic Recovery Act
CBI	Caribbean Basin Initiative
CBTPA	Caribbean Basin Trade Partnership Act
ECLAC	UN Economic Commission for Latin America and the Caribbean
FDI	Foreign Direct Investment
FRAA	Foreign Relations Authorization Act, Fiscal Year 2003
FTAA	Free Trade Area of the Americas
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GSP	Generalized System of Preferences
IACAC	Inter-American Convention Against Corruption
ILO	International Labor Organization
ILO-IPEC	International Labor Organization Program on the Elimination of Child Labor
IMF	International Monetary Fund
IPR	Intellectual Property Rights
MCC	Millennium Challenge Corporation
MFN	Most Favored Nation
NTR	Normal Trade Relations
NAFTA	North American Free Trade Agreement
NGO	Non-governmental Organization
OAS	Organization of American States
OECD	Organization for Economic Cooperation and Development
OECS	Organisation of Eastern Caribbean States
TRIPS	Trade-Related Aspects of Intellectual Property Rights
USTR	United States Trade Representative
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

Appendix 2: United States Imports from CBI countries Total and under Selected Import Programs, 2008-2010 and January-August 2010 and 2011[1]											
		2008		2009		2010		2010 January-August		2011 January-August	
Country[2]	Import Program	Thousand $	% of Total	Thousand $	% of Total	Thousand $	% of Total	Thousand $	% of Total	Thousand $	% of Total
Antigua and Barbuda	CBERA	94	1.9	231	2.5	21	0.4	11	0.3	23	0.6
	CBTPA	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	GSP	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	NTR Free	3,896	78.6	7,701	82.6	5,001	91.1	3,623	91.6	3,340	88.9
	Total	4,954	100.0	9,328	100.0	5,491	100.0	3,954	100.0	3,758	100.0
Aruba	CBERA	229	0.0	153	0.0	566	3.1	425	3.1	202	0.0
	CBTPA	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	GSP	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	NTR Free	94,217	3.0	69,633	5.3	17,238	93.2	12,653	93.5	53,192	2.5
	Total	3,185,485	100.0	1,308,733	100.0	18,489	100.0	13,534	100.0	2,145,601	100.0
Bahamas	CBERA	141,038	23.7	96,545	13.1	98,989	14.3	62,295	12.4	77,025	12.7
	CBTPA	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	GSP	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	NTR Free	366,513	61.5	294,305	39.9	346,741	50.2	217,716	43.2	282,782	46.8
	Total	595,667	100.0	738,262	100.0	691,310	100.0	503,523	100.0	604,844	100.0
Barbados	CBERA	6,896	16.9	4,597	14.1	7,233	17.0	5,051	19.0	3,586	8.4
	CBTPA	17	0.0	6	0.0	0	0.0	0	0.0	0	0.0
	GSP	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	NTR Free	30,277	74.2	25,930	79.6	33,566	79.0	20,474	77.2	25,934	60.7
	Total	40,812	100.0	32,592	100.0	42,492	100.0	26,537	100.0	42,710	100.0
Belize	CBERA	38,677	24.6	29,783	27.9	23,906	19.9	20,046	30.0	29,293	25.0
	CBTPA	90,840	57.8	36,236	33.9	37,838	31.4	0	0.0	68,758	58.8
	GSP	2,436	1.6	3,603	3.4	2,626	2.2	2,111	3.2	2,046	1.7
	NTR Free	22,934	14.6	36,316	34.0	30,876	25.6	19,634	29.4	16,391	14.0
	Total	157,138	100.0	106,772	100.0	120,394	100.0	66,749	100.0	116,956	100.0
British Virgin	CBERA	437	4.1	26	0.4	86	0.5	7	0.1	125	4.4
	CBTPA	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

Appendix 2: United States Imports from CBI countries
Total and under Selected Import Programs, 2008-2010 and January-August 2010 and 2011[1]

Country[2]	Import Program	2008		2009		2010		2010 January-August		2011 January-August	
		Thousand	% of	Thousand	% of	Thousand	% of	Thousand	% of	Thousand	% of
Islands	GSP	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	NTR Free	6,645	61.8	4,604	76.3	17,527	92.1	12,743	91.1	1,604	56.8
	Total	10,754	100.0	6,032	100.0	19,025	100.0	13,985	100.0	2,826	100.0
Costa Rica	CBERA	1,057,497	26.9	0	NA	0	NA	0	NA	0	NA
	CBTPA	195,258	5.0	0	NA	0	NA	0	NA	0	NA
	GSP	99,012	2.5	0	NA	0	NA	0	NA	0	NA
	NTR Free	2,344,119	59.7	0	NA	0	NA	0	NA	0	NA
	Total	3,926,429	100.0	0	NA	0	NA	0	NA	0	NA
Dominica	CBERA	200	8.6	115	4.5	53	3.3	27	2.5	55	3.7
	CBTPA	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	GSP	34	1.5	64	2.5	0	0.0	0	0.0	27	1.8
	NTR Free	719	31.0	1,566	61.5	1,413	87.4	943	88.6	1,336	88.8
	Total	2,322	100.0	2,545	100.0	1,616	100.0	1,064	100.0	1,505	100.0
Grenada	CBERA	126	1.7	78	1.4	150	2.0	123	2.2	195	4.3
	CBTPA	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	GSP	227	3.1	159	2.8	0	0.0	0	0.0	0	0.0
	NTR Free	6,049	82.9	4,902	85.6	7,068	93.3	5,330	94.7	4,018	88.6
	Total	7,298	100.0	5,727	100.0	7,579	100.0	5,630	100.0	4,536	100.0
Guyana	CBERA	16,331	11.2	9,846	5.8	6,902	2.3	1,881	1.0	862	0.4
	CBTPA	4,282	2.9	4,573	2.7	3,730	1.2	2,304	1.2	2,501	1.1
	GSP	1,374	0.9	741	0.4	12,961	4.3	4,572	2.4	67	0.0
	NTR Free	121,972	83.7	151,583	89.9	277,361	91.8	177,774	95.0	221,924	97.6
	Total	145,779	100.0	168,631	100.0	302,171	100.0	187,097	100.0	227,350	100.0
Haiti	CBERA	10,926	2.4	14,887	2.7	8,223	1.5	7,572	2.3	12,197	2.5
	CBTPA	394,192	87.7	373,967	67.8	355,891	64.6	220,648	65.6	313,587	63.4
	Hope Acts[3]	13,525	3.0	134,936	24.5	159,806	29.0	90,196	26.8	140,155	28.3
	GSP	1,084	0.2	755	0.1	1,752	0.3	1,526	0.5	259	0.1
	NTR Free	19,945	4.4	20,822	3.8	20,102	3.6	12,917	3.8	14,702	3.0
	Total	449,711	100.0	551,870	100.0	550,833	100.0	336,258	100.0	495,000	100.0

Appendix 2: United States Imports from CBI countries
Total and under Selected Import Programs, 2008-2010 and January-August 2010 and 2011[1]

Country[2]	Import Program	2008		2009		2010		2010 January-August		2011 January-August	
		Thousand	% of	Thousand	% of	Thousand	% of	Thousand	% of	Thousand	% of
Jamaica	CBERA	303,864	43.1	212,080	46.7	83,909	27.3	64,491	29.1	84,546	28.2
	CBTPA	15,736	2.2	285	0.1	0	0.0	0	0.0	0	0.0
	GSP	7,304	1.0	12,125	2.7	7,312	2.4	5,268	2.4	680	0.2
	NTR Free	363,973	51.7	219,614	48.4	181,011	59.0	118,624	53.7	210,670	70.3
	Total	704,242	100.0	454,033	100.0	306,859	100.0	221,019	100.0	299,748	100.0
Montserrat	CBERA	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	CBTPA	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	GSP	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	NTR Free	192	73.8	709	81.6	413	80.4	228	76.5	328	65.5
	Total	260	100.0	869	100.0	514	100.0	298	100.0	501	100.0
Netherlands Antilles	CBERA	11,933	1.5	868	0.2	1,193	0.1	829	0.1	344	0.0
	CBTPA	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	GSP	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	NTR Free	200,709	25.5	138,112	28.1	142,757	13.8	90,873	13.7	172,985	20.9
	Total	787,745	100.0	491,334	100.0	1,030,801	100.0	663,380	100.0	828,809	100.0
Panama	CBERA	40,097	10.7	20,378	6.9	28,420	7.6	22,097	8.4	44,919	17.0
	CBTPA	6,369	1.7	229	0.1	15	0.0	14	0.0	127	0.0
	GSP	10,013	2.7	19,735	6.7	10,192	2.7	8,529	3.2	771	0.3
	NTR Free	280,141	75.0	249,617	84.3	330,407	87.9	228,657	86.6	212,199	80.3
	Total	373,663	100.0	296,007	100.0	376,068	100.0	264,049	100.0	264,099	100.0
St. Kitts and Nevis	CBERA	14,072	25.9	8,918	18.4	20,466	40.4	12,741	36.9	18,075	50.3
	CBTPA	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	GSP	843	1.6	504	1.0	413	0.8	301	0.9	327	0.9
	NTR Free	34,782	64.1	34,515	71.3	23,596	46.6	17,255	50.0	13,370	37.2
	Total	54,279	100.0	48,404	100.0	50,605	100.0	34,521	100.0	35,922	100.0
St. Vincent and the Grenadines	CBERA	171	16.3	117	10.8	124	7.0	51	4.8	47	3.5
	CBTPA	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	GSP	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	NTR Free	750	71.6	904	83.5	1,497	84.1	944	88.0	1,233	92.8

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Total and under Selected Import Programs, 2008-2010 and January-August 2010 and 2011[1]

Country[2]	Import Program	2008		2009		2010		2010 January-August		2011 January-August	
		Thousand	% of	Thousand	% of	Thousand	% of	Thousand	% of	Thousand	% of
	Total	1,047	100.0	1,082	100.0	1,779	100.0	1,073	100.0	1,329	100.0
St. Lucia	CBERA	11,033	26.6	10,937	62.5	9,199	51.7	6,756	56.0	1,621	13.2
	CBTPA	48	0.1	0	0.0	0	0.0	0	0.0	0	0.0
	GSP	341	0.8	351	2.0	652	3.7	562	4.7	458	3.7
	NTR Free	26,860	64.6	4,247	24.3	4,612	25.9	2,906	24.1	4,711	38.4
	Total	41,551	100.0	17,500	100.0	17,781	100.0	12,059	100.0	12,283	100.0
Trinidad and Tobago	CBERA	1,370,559	15.2	668,372	12.9	931,935	14.2	620,429	14.0	799,924	15.3
	CBTPA	994,827	11.1	865,401	16.7	1,273,877	19.4	908,633	20.5	717,707	13.7
	GSP	6,416	0.1	7,227	0.1	0	0.0	0	0.0	0	0.0
	NTR Free	5,572,958	61.9	2,727,840	52.7	3,585,762	54.5	2,342,115	52.9	2,699,594	51.7
	Total	8,996,370	100.0	5,174,244	100.0	6,577,121	100.0	4,427,916	100.0	5,221,282	100.0

[1] Imports for consumption, customs value.
[2] CAFTA-DR entered into force for El Salvador on March 1, 2006; for Honduras and Nicaragua on April 1, 2006; for Guatemala on July 1, 2006; for the Dominican Republic on March 1, 2007; and for Costa Rica on January 1, 2009. Figures for U.S. trade with CBERA countries include trade with El Salvador, Costa Rica, Dominican Republic, Guatemala, Honduras, and Nicaragua only for the part of the period 2008–11 during which those countries were eligible for CBERA benefits.
[3] There have been no imports under the HELP Act through August 2011.

Note: NA denotes not applicable.

Source: Compiled from official statistics from the U.S. Department of Commerce.