Caribbean Region: Issues in U.S. Relations

Updated January 18, 2005

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Summary

With some 34 million people and 16 independent nations sharing an African ethnic heritage, the Caribbean is a diverse region that includes some of the hemisphere’s richest and poorest nations. The region consists of 13 island nations, from the Bahamas in the north to Trinidad and Tobago in the south; Belize, which is geographically located in Central America; and the two nations of Guyana and Suriname, located on the north central coast of South America. With the exception of Cuba and Haiti, Caribbean governments have generally respected the human rights of their citizens. Regular elections are the norm, and for the most part have been free and fair. Nevertheless, while many Caribbean nations have long democratic traditions, they are not immune to threats to their political stability, including terrorism. Many nations in the region experienced economic decline in 2001-2002 due to downturns in the tourism and agriculture sectors. The extensive damage resulting from several storms in 2004 caused an economic setback for several Caribbean nations.

U.S. interests in the Caribbean are diverse, and include economic, political, and security concerns. The Bush Administration describes the Caribbean as America’s “third border,” with events in the region having a direct impact on the homeland security of the United States. According to the Administration, the United States has an interest in bolstering political and economic stability in the region because instability would heighten the region’s vulnerability to drug trafficking, financial crimes, and illegal immigration.

The U.S.-Caribbean relationship is characterized by extensive economic linkages, cooperation on counter-narcotics efforts and security, and a sizeable U.S. foreign assistance program. U.S. aid supports a variety of projects to strengthen democracy, promote economic growth and development, alleviate poverty, and combat the AIDS epidemic in the region. Despite close U.S. relations with most Caribbean nations, there has been tension at times on such issues as the lack of widespread Caribbean support for U.S. military operations in Iraq and policy differences regarding Cuba. CARICOM nations also expressed concern about the circumstances regarding the departure of President Jean Bertrand Aristide from Haiti in February 2004. In the aftermath of several devastating storms in 2004 — Hurricanes Charley, Frances and Ivan, and Tropical Storm Jeanne — the United States is providing humanitarian assistance to the afflicted countries, including Haiti, Grenada, Jamaica, and the Bahamas. Congress approved $100 million in emergency supplemental funding for the region in the aftermath of the storms (P.L. 108-324).

This report deals with broader issues in U.S. relations with the Caribbean and does not include an extensive discussion of Haiti and Cuba. U.S. policy toward these Caribbean nations is covered in two CRS products: CRS Report RL32294, Haiti: Developments and U.S. Policy Since 1991 and Current Congressional Concerns, and CRS Report RL32730, Cuba: Issues for the 109th Congress.
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Most Recent Developments

On November 21, 2004, an earthquake struck Dominica, damaging some buildings and causing landslides. Heavy rains earlier in the month had also caused landslides.

Several hurricanes and storms caused devastating damage to nations across the Caribbean in the 2004 hurricane season. In mid-August 2004, Hurricane Charley struck western Cuba causing damage to over 70,000 homes and thousands hectares of crops. On September 2, 2004, Hurricane Frances struck the Bahamas, causing widespread damage. Before striking the U.S. mainland on September 15, 2004, Hurricane Ivan caused severe damage across the Caribbean — especially Grenada (where 80 to 90% of the buildings were destroyed), Jamaica, the Cayman Islands (a British dependency), and to a lesser extent Barbados, Cuba, St. Lucia, St. Vincent, Trinidad and Tobago, and Venezuela. On September 18, 2004, Tropical Storm Jeanne caused mudslides and floods in Haiti that killed some 3,000 people, with more than 2,800 in the city of Gonaives. The storm also caused flooding and damage in the Dominican Republic.

Through October 2004, the United States committed or obligated $22.6 million in assistance to Caribbean nations in the aftermath of the storms. On October 5, 2004, the House approved H.Con.Res. 496 (Lee) expressing support for the provision of humanitarian assistance to Caribbean nations devastated by the storms. Subsequently, Congress approved $100 million in emergency supplemental funding for the region in the aftermath of the storms (P.L. 108-324). Numerous other bilateral, regional, and multilateral donors are making contributions to the relief effort. (See Hurricane Disaster Assistance below.)

For information on U.S. hurricane disaster assistance to the region, see USAID’s website at [http://hurricane.info.usaid.gov/].

For information on international humanitarian relief provided to the Caribbean, see ReliefWeb, a project of the U.N.’s Office for the Coordination of Humanitarian Affairs (OCHA) at [http://www.reliefweb.int/w/rwb.nsf].
Background

The Caribbean, encompassing 16 independent nations, is a diverse region of some 34 million people that includes some of the hemisphere’s richest and poorest nations (see Table 1). The region consists of 13 island nations, from the Bahamas in the north to Trinidad and Tobago in the south; Belize, which is geographically located in Central America; and the two nations of Guyana and Suriname, located on the north central coast of South America. Many countries in the region share a common African ethnic and British colonial heritage, while Cuba and the Dominican Republic were Spanish colonies, Haiti was French, and Suriname was Dutch. The dates of independence of these countries range from Haiti in 1804 to St. Kitts and Nevis in 1983. The largest nations in terms of land area are Guyana and Suriname, while those with the largest populations are Cuba, the Dominican Republic, and Haiti. The island nations of the Eastern Caribbean are among the smallest countries in the world. Politically, all Caribbean nations, with the exception of communist Cuba, have elected democratic governments. Most of the former British colonies have parliamentary forms of government, with the exception of Guyana, the Dominican Republic, Haiti, and Suriname, which are republics headed by presidents.

In terms of regional integration, 14 of the region’s independent nations belong to the Caribbean Community (CARICOM), with the exception of the Dominican Republic (which has observer status) and Cuba. CARICOM was formed in 1973 to spur regional economic integration. Some critics argue that it has been slow to promote integration, compared to other regional economic groupings, but progress has been made in moving toward a single economic market and in establishing a Caribbean Court of Justice. In addition to CARICOM, six Eastern Caribbean nations are members of the Organization of Eastern Caribbean States (OECS), the subregional organization designed to stimulate economic integration and foreign policy harmonization. The six OECS nations also share a common currency, the Eastern Caribbean dollar, with monetary policy managed by the Eastern Caribbean Central Bank. The Caribbean Development Bank (CDB), headquartered in Barbados, promotes economic development and regional integration.

With the exception of Cuba and Haiti, Caribbean governments generally respect the human rights of their citizens. Regular elections are the norm, and for the most part have been free and fair. In 2004, Antigua and Barbuda held free and fair elections in March (this contrasted to the 1999 elections in Antigua and Barbuda that were tainted by irregularities involving inflated voting rolls); the Dominican Republic held presidential elections in May; and St. Kitts and Nevis held general elections in late October. In 2005, Dominica will hold general elections by July. Haiti is expected to hold elections in 2005, although that goal could prove illusive amid continued political violence.

Although many Caribbean nations have maintained long democratic traditions, they are not immune from terrorist and other threats to their political stability. In 1993, stability on St. Kitts was threatened following violent protests after disputed elections; order was restored with the assistance of security forces from neighboring states. In 1990, the government of Trinidad and Tobago was endangered by a coup attempt by a radical Muslim sect. Earlier in the 1980s, the government of Eugenia
Charles in Dominica was threatened by a bizarre coup plot involving foreign mercenaries. And of course, Grenada, under the socialist-oriented government of Maurice Bishop, experienced a break from the democratic norm after it assumed power in a nearly bloodless coup in 1979 and installed a people’s revolutionary government. After the violent overthrow and murder of Bishop in 1983, the United States intervened to restore order and end the Cuban presence on the island.

Many Caribbean nations experienced an economic slump in 2001-2002 due to downturns in the tourism and agriculture sectors. Countries that depend on tourism were hurt by the aftermath of the September 2001 terrorist attacks in the United States and the subsequent U.S. economic recession and sluggish recovery. The banana and sugar sectors in the Eastern Caribbean were damaged by a tropical storm in 2002 and a drought in 2003. Both sectors face uncertain futures in light of the European Union’s plan to phase out preferred access from former Caribbean colonies to its market by 2006 for bananas and 2009 for sugar. The Haitian economy has been in decline since 2001, with political stability exacerbating already poor economic conditions. The strongest performing economies in recent years have been those in the Dominican Republic, fueled by the apparel sector, and in Trinidad and Tobago, with substantial energy resources. In 2003, however, the economy of the Dominican Republic experienced a decline in economic growth due to the financial strains caused by the collapse of one of the largest domestic banks.

For 2004, the region’s strongest economic performers were Belize, with 7% economic growth, and Trinidad and Tobago, with 6.2% growth, while Antigua and Barbuda, St. Kitts, St. Lucia, and St. Vincent all had growth rates over 5%. Those countries not faring well economically included Haiti, with an estimated 3% decline in gross domestic product (GDP); Grenada, with a GDP decline of 1.4% because of the devastation caused by Hurricane Ivan; and Dominica, also hit by natural disasters, with no economic growth.¹

Overview of U.S.-Caribbean Relations

U.S. interests in the Caribbean are diverse, and include economic, political, and security concerns. During the Cold War, security concerns tended to eclipse other policy interests. In the aftermath of the Cold War, other U.S. policy interests emerged from the shadow of the East-West conflict in the Caribbean that focused on concerns about the Soviet and Cuban threat. U.S. policy priorities shifted from one emphasizing security concerns to a new focus on strengthened economic relations through trade and investment. Today, in the aftermath of the September 2001 terrorist attacks in the United States, security concerns have re-emerged as a major U.S. interest in the Caribbean. The Administration describes the Caribbean as America’s “third border,” with events in the region having a direct impact on the homeland security of the United States. According to the Administration, the United States has an interest in bolstering political and economic stability in the region

because setbacks in these areas heighten the region’s vulnerability to drug trafficking, financial crimes, and illegal immigration.  

The United States has close relations with most Caribbean nations, with the exception of Cuba under Fidel Castro. The U.S.-Caribbean relationship is characterized by extensive economic linkages, cooperation on counter-narcotics efforts and security, and a sizeable U.S. foreign assistance program supporting a variety of projects to strengthen democracy, promote economic growth and development, alleviate poverty, and combat the AIDS epidemic in the region. The region has had preferential treatment of its exports to the U.S. market since the early 1980s, and U.S. efforts are now focused on helping the region prepare for hemispheric free trade.

Despite close U.S. relations with most Caribbean nations, there has been tension at times in the relationship; examples follow.

- Leading up to the war in Iraq, the United States was disappointed with the lack of CARICOM support for U.S. military operations, while Caribbean officials stressed that their opposition to U.S. policy should not be considered hostile, but as a vibrant example of democratic decision-making. In contrast, the Dominican Republic was a member of the “coalition of willing” supporting U.S. action in Iraq, and contributed 300 troops until May 2004.

- In June 2003, U.S. officials were displeased by the reluctance of CARICOM nations to support an Organization of American States resolution criticizing Cuba for its human rights crackdown. While critical of Cuba’s human rights situation, Caribbean nations did not think that the Organization of American States (OAS) was the appropriate forum for the issue since Cuba has been suspended from participation in the OAS for many years.

- CARICOM support for the Brazil-led G-21 position at the September World Trade Organization (WTO) ministerial meeting in Cancún also exacerbated tensions in relations with the region. The G-21 group had called for concessions from developed countries in opening up agricultural markets and eliminating agricultural subsidies and was one of the factors in the deadlock at the Cancún ministerial.

- Relations between CARICOM nations and the United States also became strained in the aftermath of the departure of President Jean Bertrand Aristide from power in February 2004. CARICOM nations called for an investigation into the circumstances surrounding

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Aristide’s departure. There has been disagreement within CARICOM over whether the organization should recognize Haiti’s interim government, with St. Vincent, St. Lucia, and Guyana remaining opposed to such recognition.

U.S. relations with Haiti were strained under the government of Jean Bertrand Aristide because of concerns over corruption and human rights, but there has been renewed cooperation under the new Haitian government that took office in February 2004. A U.S.-led Multilateral Interim Force was superseded with a United Nations Stabilization Mission in Haiti (MINUSTAH) in June 2004. The mission will continue to provide security for humanitarian aid workers and maintain stability as the country prepares for elections by the end of 2005. Migrant interdiction has been a key component of U.S. policy toward Haitian migrants. (For further background on U.S. policy toward Haiti, see CRS Report RL32294, *Haiti: Developments and U.S. Policy Since 1991 and Current Congressional Concerns*; CRS Report RS21751, *Humanitarian Crisis in Haiti: 2004*; and CRS Report RS21349, *U.S. Immigration Policy on Haitian Migrants*.)

Since the early 1960s, U.S. policy toward Cuba has consisted largely of isolating the island nation through economic sanctions, including a trade embargo, and the Bush Administration has essentially continued this policy. Another component of U.S. policy consists of support measures for the Cuban people, including private humanitarian donations, U.S.-sponsored radio and television broadcasting to Cuba, and U.S. funding to support democracy and human rights. U.S. immigration policy toward Cuban migrants has been described as a “wet foot/dry foot policy,” with the U.S. Coast Guard interdicting Cuban migrants at sea and returning them to Cuba, while those Cubans who reach shore are generally allowed to apply for permanent resident status.

While there appears to be broad agreement on the overall objective of U.S. policy — to help bring democracy and respect for human rights to the island, there are several schools of thought on how to achieve that objective. Some advocate a policy of keeping maximum pressure on the Cuban government until reforms are enacted, while continuing current U.S. efforts to support the Cuban people. Others argue for an approach, sometimes referred to as constructive engagement, that would lift some U.S. sanctions that they believe are hurting the Cuban people and move toward engaging Cuba in dialogue. Still others call for a swift normalization of U.S.-Cuban relations by lifting the U.S. embargo. Congress will likely continue its high level of interest in Cuba in the 109th Congress. (For information on these legislative initiatives, see CRS Report RL32730, *Cuba: Issues for the 109th Congress* and CRS Report RL31139, *Cuba: U.S. Restrictions on Travel and Remittances.* Also see CRS Report RS20468, *Cuban Migration Policy and Issues.*)

**Drug Trafficking and Money Laundering Issues**

Because of their geographic location, many Caribbean nations are transit countries for cocaine and heroin from South America destined for the U.S. and European markets. In addition, two Caribbean nations — Jamaica and St. Vincent
and the Grenadines — are large producers and exporters of marijuana. Of the 16 countries in the Caribbean region, President Bush in September 2004 designated four of them as major drug-producing or drug-transit countries pursuant to annual legislative drug certification requirements: the Bahamas, the Dominican Republic, Haiti, and Jamaica. The President noted that the new interim government of Haiti has taken substantive counter-narcotics actions in the few months that it has been in office, although he expressed concern about the ability of Haitian law enforcement institutions to reorganize and restructure sufficiently to carry out sustained counter-narcotics efforts. In contrast, the President had determined in September 2003 that Haiti had “failed demonstrably” to cooperate in the past 12 months on counternarcotics efforts, but he waived any foreign aid sanctions for Haiti, stating that such assistance was vital to U.S. national interests.

All four designated Caribbean countries are major transit countries for illicit drugs to the U.S. market, and Jamaica is the largest marijuana producer and exporter in the Caribbean. The Bahamas cooperates extensively with the United States on counternarcotics measures, including interdiction efforts through Operation Bahamas and Turks and Caicos (OPBAT), a multinational interdiction effort, and efforts that target Bahamian drug trafficking organizations. The Dominican Republic, a major transit country for both cocaine and heroin, cooperates closely with the United States, although the State Department’s March 2004 International Narcotics Control Strategy Report notes that “corruption and weak governmental institutions remained an impediment to controlling the flow of illegal narcotics” through the country. Jamaican cooperation with U.S. law enforcement agencies on counternarcotics efforts is described by the State Department report as generally good, with steady improvements over the past year. But the report also maintained that Jamaica needs to intensify its law enforcement efforts and enhance its international cooperation in order to disrupt the trafficking of large amounts of cocaine through the country and its territorial waters. In Haiti, anti-drug efforts have been hampered over the years by weak institutions, poor economic conditions, and political instability, but there are hopes that such efforts will improve under the new Haitian government of President Boniface Alexandre.

Many other Caribbean nations, while not designated major transit countries, are still vulnerable to drug trafficking and associated crimes because of their geographic location. In particular, the State Department’s March 2004 report maintains that such crimes have the potential to threaten the stability of the small states of the Eastern Caribbean, and to varying degrees, have damaged civil society in all of these countries. Given the poor outlook for the banana industry in the Caribbean, some observers believe that it will be difficult to contain marijuana production in such countries as St. Vincent and Dominica unless there is adequate support to diversify these economies away from banana production.

Efforts to crack down on money laundering also constitute a major component of U.S. anti-drug strategy, and became increasingly important as a counter-terrorist strategy in the aftermath of the September 2001 terrorist attacks in the United States. The State Department’s list of major money laundering countries (also categorized as “jurisdictions of primary concern”) includes four Caribbean countries — Antigua and Barbuda, the Bahamas, the Dominican Republic, and Haiti — and one British Caribbean dependency, the Cayman Islands. Being on the list (which includes the
United States and many other industrialized countries) signifies that financial institutions in the country engage in transactions involving significant amounts of proceeds from all serious crimes, not just crimes involving drug money. While Antigua and Barbuda has comprehensive legislation to regulate its financial sector, the country remains vulnerable to money laundering because the sector is loosely regulated and because of its Internet gaming industry. The Bahamas, which has a large offshore financial sector, enacted legislation in 2001 that substantially strengthened its anti-money laundering regime and made its financial sector less susceptible to exploitation by financial criminals. The State Department report maintains that the country needs to more effectively implement these anti-money laundering measures, and needs to provide adequate resources in order to ensure the completion of investigations and prosecutions and efficient responses to requests for international cooperation. Money laundering in both the Dominican Republic and Haiti stem from their roles as major drug transhipment points. In the Dominican Republic, financial institutions engage in transactions with money derived from illegal drug sales in the United States, with courier and wire transfers the primary methods for moving the funds.

Some Caribbean officials and others have complained that pressure to strengthen and enforce anti-money laundering regimes in the region will have a detrimental effect on its offshore financial sectors. They maintain that the anti-money laundering measures required have been indiscriminate and constitute an attack on legitimate business conducted in the small financial sectors of the region. In particular, after the U.S. congressional passage of new anti-money laundering provisions in the USA PATRIOT Act (P.L. 107-56, Title III), approved in the aftermath of the September 11 terrorist attacks, some feared that the stricter scrutiny of transactions between U.S. and Caribbean financial institutions would threaten the offshore financial industry in the Caribbean. The act’s anti-money laundering provisions include a prohibition on U.S. correspondent accounts with shell banks (banks that have no physical presence in the chartering country) and tighter bank record keeping requirements. Since the anti-money laundering provisions require the Treasury Department to issue new regulations, which takes a significant amount of time, the full impact of the provisions will become known over time. For example, although the legislation was enacted in October 2001, the final rule on prohibitions on U.S. correspondent accounts with shell banks did not become effective until

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October 28, 2002. Rules for many other anti-money laundering provisions have yet to be finalized.

While there has been a decline in the number of offshore banks and the number of newly registered international business companies in the Caribbean and there are reports that business confidence in the offshore sector has fallen, the decline is likely attributable to the broad array of multilateral anti-money laundering efforts that have been going on for several years, and which only most recently includes new anti-money laundering provisions under the USA PATRIOT Act. Most significantly, the Financial Action Task Force on Money Laundering (FATF), an inter-governmental body with the objective of combating money laundering and terrorist financing, has published a list of non-cooperative countries and territories in the fight against money laundering since 2000. There also has been increasing collaboration between the FATF and the International Monetary Fund, which has been involved in conducting assessments of the adherence of offshore financial centers to international standards, including recommendations of the FATF.

The FATF evaluative process has been a major factor in Caribbean countries improving their anti-money laundering regimes. There were four Caribbean nations and one dependent territory on the first FATF non-cooperative list issued in 2000: the Bahamas, the Cayman Islands, Dominica, St. Kitts and Nevis, and St. Vincent and the Grenadines. Grenada was added to the list in September 2001. Subsequent actions by all these nations to improve their anti-money laundering regimes resulted in all of them being removed from the list by June 2003. The Bahamas and the Cayman Islands were removed from the list in June 2001; St. Kitts and Nevis in June 2002; Dominica in October 2002; Grenada in February 2003; and St. Vincent in June 2003. Once a nation is removed from the list, the FATF continues to monitor developments in the country to ensure compliance.

Some observers maintain that the strengthening of anti-money laundering regimes in the Caribbean will have the end result of increasing the attractiveness of the region’s offshore financial sectors for legitimate business transactions. According to this view, such efforts as the FATF evaluative process and the newer anti-money laundering measures under the PATRIOT Act will help change the reputation of the Caribbean as being a haven for money launderers and tax evaders.

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7 The website of the Treasury Department’s Financial Crimes Enforcement Network contains the various proposed and final rules of the PATRIOT Act: [http://www.fincen.gov/reg_bsa_regulations.html].

Trade Issues

The United States has offered a one way duty-free preferential trade arrangement for a wide range of products from Caribbean Basin nations since the early 1980s as an incentive for increased investment and export production in the region. In 1983, Congress enacted the Caribbean Basin Economic Recovery Act (CBERA) (P.L. 98-67), the centerpiece of a broader U.S. foreign policy initiative known as the Caribbean Basin Initiative (CBI) linking Central America and Caribbean nations together under one preferential trade program. The CBERA allowed duty-free importation of many categories of products with certain exceptions. Most apparel and textile goods were ineligible under the CBERA, but in the late 1980s imports of apparel from CBERA countries that were assembled from U.S. components were eligible for reduced duties. These production-sharing arrangements boosted the apparel sectors of several Caribbean Basin countries, including most significantly the Dominican Republic. In 1990, Congress enacted so-called CBI II legislation, the Caribbean Basin Economic Recovery Expansion Act of 1990 (P.L. 101-382, Title II), that enhanced the benefits of CBERA and made its provisions permanent.

Most recently, in 2000, Congress enacted the Caribbean Basin Trade Partnership Act (CBTPA) (P.L. 106-200, Title II), which expanded preferential tariff treatment for Caribbean Basin nations, providing them with NAFTA-like tariff treatment. This includes preferential treatment for qualifying textile and apparel products. The CBTPA benefits are scheduled to expire in September 2008, or upon entry into force of the Free Trade Area of the Americas, whichever comes first. Of the 15 independent Caribbean countries eligible for CBTPA benefits (Cuba is not eligible), only 8 have been designated to participate in the program because they fully meet the eligibility criteria set forth in the CBTPA. Belize, the Dominican Republic, Haiti, and Jamaica were designated in October 2000; Guyana was designated in November 2000; Trinidad and Tobago was designated in February 2001; and Barbados and St. Lucia were designated in June 2001. The remaining Caribbean countries continue to benefit from the CBERA program, with the exception of Cuba, which is not eligible, and Suriname, a former Dutch colony which has never elected to participate in the CBI trade program. (For further information, see CRS Issue Brief IB95050, Caribbean Basin Interim Trade Program: CBI/NAFTA Parity.)

Since the United States first implemented a preferential trade program for Caribbean Basin imports in 1984, the overall performance of exports has been mixed (see Table 2). The Dominican Republic has been the Caribbean country that has benefitted most from the program, and its apparel sector expanded significantly because of production-sharing arrangements. Overall U.S. imports from the Caribbean (not including Central America) amounted to about $4.7 billion in 1984 and to about $10.5 billion in 2003, an increase of about $5.8 billion. The Dominican Republic alone accounted for $3.5 billion of the increase. Trinidad and Tobago, which has been the heaviest user of CBI provisions in the English-speaking

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9 The criteria cover a wide spectrum of issues, including WTO obligations; intellectual property rights; worker rights; child labor; and counter-narcotics, anti-corruption, and transparency efforts.
Caribbean, also increased its exports destined for the United States, from $1.4 billion in 1984 to about $4.3 billion in 2003. For other Caribbean nations, however, such as Haiti and the Bahamas, overall exports to the United States have declined since the early 1980s. Bahamian exports to the United States fell when the country’s oil refinery closed in 1985; the country’s economy remains based on tourism and financial services.

**Movement Toward Free Trade**

All Caribbean nations with the exception of Cuba are participating in the negotiations for a Free Trade Area of the Americas (FTAA).\(^{10}\) Within CARICOM, while some governments, like Trinidad and Tobago, are enthusiastic about the FTAA, other Caribbean governments, especially the smaller countries of the region, have reservations about the FTAA and its impact on the region. While participating in the FTAA negotiations, Caribbean nations argue for special and differential treatment for small economies, including longer phase-in periods. CARICOM has also called for a Regional Integration Fund to be established that would help the smaller economies meet their needs for human resources, technology, and infrastructure.

In the meantime, CARICOM, which often has been criticized for acting too slowly, is trying to prepare itself for the hemispheric integration by moving ahead with its own regional integration. At its Heads of Government meeting in July 2003, CARICOM members stressed the urgency of moving ahead with implementation of the CARICOM Single Market and Economy (CSME). Barbados, Jamaica, and Trinidad are scheduled to join in a single market in mid-February 2005, and it is expected that many more CARICOM nations will join by the end of the year.\(^{11}\)

In addition to the FTAA negotiations, the Dominican Republic and the United States completed negotiations for a Free Trade Agreement on March 15, 2004, that was to be integrated with the U.S.-Central America Free Trade Agreement (CAFTA) completed in December 2003. The United States signed the CAFTA with the five Central American countries on May 28, 2004, while on August 5, 2004, all seven countries signed the combined U.S.-Dominican Republic-Central America Free Trade Agreement (DR-CAFTA). The Dominican Republic views an FTA with the United States as a means of ensuring the continuation of U.S. preferential treatment for textiles and apparel and a means to attract U.S. investment.

The next step is for the President to forward Congress draft implementing legislation for the combined DR-CAFTA, but it is up to Congress if and when it will consider such legislation. The agreement has faced political uncertainty in Congress because of divergent U.S. views on relaxing trade rules for sensitive agricultural and textile imports and on labor provisions. The Bush Administration and some

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Members of Congress had threatened to withdraw their support for including the Dominican Republic in the agreement unless the country repealed a recently enacted tax on beverages containing high fructose corn syrup, a major U.S. product. Ultimately, the Dominican tax was repealed in late December 2004. (For further information, see CRS Report RL32322, Central America and the Dominican Republic in the Context of the Free Trade Agreement (DR-CAFTA) with the United States; CRS Report RL31870, The Dominican Republic-Central America-United States Free Trade Agreement (DR-CAFTA); and CRS Report RS21868, U.S.-Dominican Republic Free-Trade Agreement.)

Legislation to provide Haiti with expanded preferential trade treatment for apparel was considered in the 108th Congress but not completed. The Senate approved legislation in July 2004 — S. 2261 (DeWine), the Haiti Economic Recovery Opportunity Act of 2004 — that would have provided Haiti with expanded preferential trade treatment, allowing duty-free U.S. imports from Haiti of textile manufactured from material inputs originating in any country. Similar legislation was introduced in the House, H.R. 4889 (Shaw), but no action was taken on the measure. Reportedly, a compromise version of the bill in the House would have applied a more restrictive rule of origin for textiles, but no action was taken before the end of the 108th Congress.12

AIDS in the Caribbean

The AIDS epidemic in the Caribbean, where infection rates are among the highest outside of sub-Saharan Africa, has already begun to have negative consequences for economic and social development in the region. An estimated 430,000 people in the region are living with HIV. At year end 2003, the Caribbean countries with the highest prevalence or infection rates were Haiti, with a rate or 5.6%; Trinidad and Tobago, with a rate of 3.2%; the Bahamas, with a rate of 3%; Guyana, with a rate of 2.5%; and Belize, with a rate of 2.4%. Four other countries in the region, Suriname, Barbados, the Dominican Republic, and Jamaica, have rates over 1%.13 In contrast to other parts of Latin America, the mode of transmission in several Caribbean countries has been primarily through heterosexual contact, making the disease difficult to contain, because it affects the general population.

Haiti and the Dominican Republic, with a combined 380,000 adults and children living with HIV/AIDS, account for about 84% of the infected Caribbean population. The U.S. Agency for International Development (USAID) notes that Haiti’s poverty, conflict, and unstable governance have contributed to the rapid spread of AIDS; in some urban areas, HIV infection rates are almost 10%. In the Dominican Republic,


there are indications that the epidemic could be stabilizing because of prevention efforts.14

In Haiti, life expectancy is almost six years lower than it would be without the epidemic, and in the Bahamas and Guyana, the number of deaths among 15-34 year olds is two and one half times higher because of the epidemic.15 As the epidemic continues, already-strained health systems will be further burdened with new cases of AIDS. As a result of the epidemic, there are some 250,000 AIDS orphans in the Caribbean, with 200,000 of those in Haiti.

Sex tourism is reportedly a factor contributing to rising HIV infection rates in some Caribbean countries. Officials in Trinidad and Tobago have expressed concern about the growth of sex tourism, the so-called “beach bum” phenomenon, and the link to the spread of AIDS.16 In Jamaica, the resort town of Montego Bay has the highest HIV infection rates in the country.17 In the Dominican Republic, AIDS activists are concerned about child prostitution in resort areas and the spread of HIV.18

According to the World Bank, continued increases in HIV prevalence in the Caribbean will negatively affect economic growth. The epidemic, according to the Bank, will have a negative impact on such economic sectors as agriculture, tourism, lumber production, finance, and trade because of lost productivity of economically active adults with the disease. In particular, the labor market in the region will be dealt a shock because of deaths from AIDS. The Prime Minister of St. Kitts and Nevis, Denzil Douglas, maintains that the epidemic threatens to cripple the labor force just as the region needs to become more competitive in world markets amid the momentum toward hemispheric free trade.19 Looking ahead, the World Bank warned in 2001 that “what happened in Africa in less than two decades could now happen in the Caribbean if action is not taken while the epidemic is in the early stages.”20

14 Ibid. p. 37.
15 UNAIDS, Latin America and the Caribbean Fact Sheet, July 2002.
Third Border Initiative and Homeland Security

As first announced by President Bush at the April 2001 Summit of the Americas, the “Third Border Initiative” (TBI) had the goals of deepening cooperation in fighting the spread of HIV/AIDS, responding to natural disasters, and making sure the benefits of globalization are felt in even the smallest economies. The Caribbean was described as an often overlooked “third border,” where illegal drug trafficking, migrant smuggling, and financial crime threaten U.S. and regional security interests. The initiative consisted of a package of programs to enhance diplomatic, economic, health, education, and law enforcement cooperation and collaboration. Most significantly, the initiative included increased funding to combat HIV/AIDS in the region.21

In the aftermath of the September 2001 terrorist attacks in the United States, the Third Border Initiative expanded to focus on issues affecting U.S. homeland security in the fields of administration of justice and security. Economic Support Funds (ESF) under the TBI have been used to help Caribbean airports modernize their safety and security regulations and oversight, which is viewed an important measure to improve the security of visiting Americans. TBI funds have also been used to support border security such as the strengthening of immigration controls.22

In addition to the TBI, the United States has also provided support to improve port security in the Caribbean region, with the objective of helping ports comply with the more stringent set of maritime regulations embodied in new International Ship and Port Facility Security (ISPS) Code, that went into effect on July 1, 2004. The ISPS is a set of maritime regulations for ships and port facilities with the objective of preventing terrorist incidents. There has been concern among Caribbean nations about the high cost of implementing these security regulations. Some of the larger, richer countries in the Caribbean will be better equipped to afford these extra security costs, while some of the smaller and poorer nations will have difficulty in coming into compliance.

The U.S. Coast Guard has responsibility for conducting foreign port security assessments to see whether the ports are in compliance with the ISPS standards. Possible trade sanctions are an option if the port is not in compliance. As of early November 2004, all Caribbean nations had reported that they were in compliance with the more stringent standards of the ISPS Code. However, the U.S. Coast Guard had announced in September that vessels from 13 flag states would be targeted for

increased boardings because these nations’ compliance with new security standards has been below average. This includes flag vessels from the two Caribbean nations of Antigua and Barbuda and the Cayman Islands.

The United States is providing some support to help Caribbean nations come into compliance with the ISPS Code. The U.S. Maritime Administration (MARAD) in the Department of Transportation organizes, manages, and implements the Inter-American Port Security Training Program (IAPSTP) for the Organization of American States; some U.S. assistance has supported this effort. MARAD has also conducted hemispheric port security conferences and took the lead in developing a hemispheric port security framework. The State Department’s Bureau for International Narcotics and Law Enforcement Affairs funds a port security technical assistance program for Western Hemisphere countries. The U.S. Agency for International Development (USAID) is funding a project specifically for Eastern Caribbean nations to help assess the status of each port’s security requirements and its security plans. This project, spearheaded by a partnership known as the Caribbean Basin Maritime Security Alliance, also has private sector funding and could include multilateral development bank funding in the future. It has been lauded as a model for the private and public sectors working together in the area of port security.

Some Members of 108th Congress wanted to approve legislation calling for additional foreign assistance in order to improve foreign port security worldwide; however, no final action was completed before the end of the session. The Senate approved the Maritime Transportation Security Act, S. 2279 (Hollings), in September 2004, which would have provided for the Administrator of the Maritime Administration, in coordination with the Secretary of State, to identify foreign assistance programs that could facilitate implementation of port security antiterrorism measures in foreign countries. The act also would have called for a report on the security of ports in the Caribbean Basin, including an assessment of the effectiveness of the measures employed to improved security at such ports and an assessment of the resources and program changes needed to maximize security at Caribbean Basin ports.

For further background, see CRS Report RL31733, Port and Maritime Security: Background and Issues for Congress.

**U.S. Foreign Assistance**

The United States has provided considerable amounts of foreign assistance to the Caribbean since the 1980s, although the annual level of assistance has declined in recent years. In the 1980s, U.S. assistance to the region amounted to about $3.2 billion, with most concentrated in Jamaica, the Dominican Republic, and Haiti. An aid program for the Eastern Caribbean also provided considerable assistance, especially in the aftermath of the 1983 U.S.-led military intervention in Grenada. In the 1990s, U.S. assistance to Caribbean nations declined to about $2 billion, or an annual average of $205 million. Haiti was the largest recipient of assistance during this period, receiving about $1.1 billion in assistance or 54% of the total. Jamaica was the second largest U.S. aid recipient in the 1990s, receiving about $507 million,
almost 25% of the total, while the Dominican Republic received about $352 million, about 17% of the total. Eastern Caribbean nations received about $178 million in assistance, almost 9% of the total. The bulk of U.S. assistance was economic assistance, including development aid, economic support funds (ESF), and food aid. Military assistance to the region amounted to less than $60 million during the 1990s. Since FY2000, U.S. aid to the Caribbean region (including the FY2004 estimates) amounted to $765 million, or an annual average of $153 million. (Table 3 shows U.S. foreign aid to the Caribbean, broken down by country, for FY2002-FY2005.) Once again Haiti, the Dominican Republic, and Jamaica account for the largest portions of this assistance, accounting for about 78% of the total. Eastern Caribbean nations account for about 10% of assistance to the region during this period. Similar to the 1990s, the bulk of assistance to the region from FY2000-FY2004 consists of economic assistance. Military assistance to the region amounted to less than 5% of total assistance since FY2000.

A recent obstacle in the provision of U.S. military assistance to the Caribbean is that several Caribbean nations that are parties to the International Criminal Court (ICC) have not signed agreements to exempt Americans from ICC prosecution, so-called “Article 98 agreements.” Pursuant to the American Servicemembers’ Protection Act (P.L. 107-206, title II), the Administration terminated military assistance to these nations on July 1, 2003: Antigua and Barbuda, Barbados, Belize, Dominica, St. Vincent and the Grenadines, and Trinidad and Tobago. Subsequently, Antigua and Barbuda signed an Article 98 agreement in September 2003; Belize signed one in December 2003; and Dominica signed one in May 2004. Trinidad and Tobago, which played a leading role in the establishment of the ICC, has strongly resisted signing an agreement, as has Barbados. The Administration had requested $450,000 in military assistance for Trinidad and Tobago for FY2004, but none is being provided because of the lack of an Article 98 Agreement. Military assistance for Barbados and St. Vincent, which also has been curtailed, had been traditionally part of the military aid requested for the Eastern Caribbean (which also includes assistance to Grenada, St. Kitts and Nevis, and St. Lucia).

For FY2005, the Bush Administration requested $164 million in assistance for the region, with $54 million for Haiti (largely for development assistance and food aid), $28 million for the Dominican Republic, and $28 million for Jamaica. Assistance to the seven small nations of the Eastern Caribbean (Antigua and Barbuda, Barbados Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines) would be provided through USAID’s Caribbean Regional program, which also funds some region-wide projects. For FY2005, the Administration requested $16.4 million for the Caribbean Regional program, including $7.4 million in development assistance for the establishment of an incentive-based performance fund that rewards good country performance under three performance categories of the Administration’s Millennium Challenge Account. The Eastern Caribbean would also receive almost $6 million in military assistance and a Peace Corps program. The request of $9 million for a Third Border Initiative would fund regional projects for the 14 Caribbean Community (CARICOM) nations plus the Dominican Republic that focus on strengthening the administration of justice; enhancing safety and security for the flow of people, goods, and services in
the region; modernizing safety and security regulations and oversight of Caribbean airports; and strengthening immigration controls.

In FY2005 foreign operations appropriations (Division D of P.L. 108-447, H.Rept. 108-447), Congress included a number of ESF earmarks for the Caribbean: $9 million for the Third Border Initiative, $9 million for Cuba democracy programs, $3 million for the Dominican Republic, and $40 million for Haiti for judicial reform, police training, and national elections. The measure also earmarked $20 million in Child Survival and Health funds and $25 million in Development Assistance for Haiti.

U.S. assistance levels for the Caribbean region for FY2004 and FY2005 will increase beyond the original estimate for FY2004 and the requested amount for FY2005, almost $145 million and $164 million respectively (See Table 3) because of increased support for the interim government in Haiti, increased HIV/AIDS assistance to the region, and disaster and reconstruction assistance in the aftermath of Hurricanes Frances and Ivan and Tropical Storm Jeanne (see section below on “Hurricane Disaster Assistance.”)

With regard to HIV/AIDS assistance, Guyana and Haiti are included as target countries (along with 12 African countries) in the President’s Emergency Plan for AIDS Relief (PEPFAR). Under this program, the Administration allocated an additional $13 million for Haiti and $5.1 million for Guyana in FY2004. PEPFAR also included funding for several so-called “non-focus” countries. This included $2 million in additional funding for a Caribbean Regional program that supports efforts in the smaller countries of the Eastern Caribbean. The lion’s share of the PEPFAR assistance for the region, however, has been targeted for Haiti and Guyana. For FY2005, the Administration indicated that potential allocations for the Global AIDS Initiative for FY2005 include $18.3 million for Guyana and $40 million for Haiti.

In the 108th Congress, some Members of Congress and Caribbean leaders wanted to expand the list of Caribbean target countries beyond Guyana and Haiti, arguing that high mobility in the region necessitates a regional approach in combating the epidemic. Both House-passed H.R. 1950 and S. 2144 had provisions that would have added 14 Caribbean countries to those already listed in the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 (P.L. 108-25), but action was not completed on these measures.

Looking ahead to future years, several Caribbean nations are potential recipients for Millennium Challenge Account (MCA) assistance, an initiative to target foreign assistance to countries with strong records of performance in the areas of governance, economic policy, and investment in people. While Haiti and Guyana were potentially eligible for MCA funds in FY2004, because their per capita income was below $1,415, neither country was approved to participate. Guyana could be approved in future years, but Haiti would likely have difficulty meeting the criteria for MCA funding. Beginning in FY2006, four additional Caribbean countries could become eligible for MCA funding, because their per capita income levels are below $2,935: the Dominican Republic, Jamaica, St. Vincent and the Grenadines, and Suriname.
Hurricane Disaster Assistance

Several hurricanes caused devastating damage to nations across the Caribbean in the 2004 hurricane season — Hurricanes Charley, Frances and Ivan, and Tropical Storm Jeanne. Hurricane Charley struck western Cuba in mid-August 2004 causing damage to over 70,000 homes and thousands hectares of crops. Hurricane Frances struck the Bahamas on September 2, 2004, with maximum sustained winds of 140 miles per hour causing widespread damage throughout the country’s islands, but especially affecting the islands of Grand Bahamas (Freeport), New Providence (Nassau), San Salvador, Cat Island, Eleuthera, and Abaco. Two people were killed and hundreds were left homeless.

Hurricane Ivan caused severe damage across the Caribbean before striking the U.S. mainland on September 15, 2004. The hurricane devastated Grenada on September 7, with between 37-48 reported deaths, and some 80-90% of the nation’s buildings destroyed. On September 11-12, the hurricane passed over Jamaica causing damage in the western part of the island and in southern coastal towns. Eleven deaths have been confirmed in Jamaica; some 70,000 families were affected; and 8,000 houses were completely destroyed. On September 12, Hurricane Ivan struck the British dependency of the Cayman Islands (located south of Cuba) causing damage to 50% of homes on the island of Grand Cayman. On September 13, 2004, the storm affected western Cuba, damaging houses and crops. Other countries affected to a lesser degree by the hurricane include Barbados, St. Lucia, St. Vincent, Trinidad and Tobago, and Venezuela.

On September 18, 2004, Tropical Storm Jeanne caused devastating mudslides and floods in northern Haiti that killed some 3,000 people, with over 2,800 of those in the city of Gonaives. Some 300,000 people were affected by the flooding. Troops of the United Nations Stabilization Mission in Haiti (MINUSTAH) (which currently has a strength of around 3,000 military personnel and some 650 civil police officers) have been working to restore order and set up food distribution sites. Tropical Storm Jeanne also caused flooding and damage in the Dominican Republic, with several people killed.

U.S. Relief Efforts. The United States has provided humanitarian assistance to several Caribbean nations in the aftermath of these storms and floods. The U.S. Agency for International Development (USAID) set up a Disaster Assistance Response Team (DART) to respond to the disasters, with team members located in the various islands. Through October 2004, the United States committed or obligated $22.6 million in assistance to Caribbean nations in the aftermath of the storms, with $11.8 million for Haiti, $6 million for Grenada, $4.2 million for Jamaica, almost $445,000 for the Bahamas, and $50,000 each for the Dominican Republic and Cuba. The $22.6 million total includes $9 million in disaster relief provided by USAID’s Office of Foreign Disaster Assistance (OFDA); $9.8 million in USAID rehabilitation and reconstruction assistance; and about $3.4 million in emergency food assistance for Haiti. (For up-to-date information on U.S. disaster assistance, see USAID’s website available at [http://hurricane.info.usaid.gov/]; for background on U.S. and international relief efforts during Haiti’s February 2004 humanitarian crisis amid the country’s political conflict, see CRS Report RS21751, Humanitarian Crisis in Haiti: 2004.)
In addition, the 108th Congress appropriated $100 million in emergency assistance for Caribbean nations afflicted by the storms. The White House submitted two supplemental budget requests to Congress — the first on September 27, 2004, and the second on October 5, 2004 — each of which included $50 million in international disaster and famine assistance funds to mitigate the effects of the storms on Caribbean nations. The assistance, according to the request, would provide for the temporary provision of electricity; housing rehabilitation and reconstruction; agriculture sector reconstruction; water and sanitation systems reconstruction; and the rehabilitation of roads, irrigation, and rural infrastructure, schools, and health facilities. On October 4, 2004, the House approved H.Con.Res. 496 (Lee) by voice vote expressing the sense of Congress in support of the provision of humanitarian assistance to the Caribbean in the aftermath of the storms. Subsequently, on October 6, 2004, the House approved an emergency supplemental appropriations measure, H.R. 5212, that included the $100 million in assistance for the Caribbean. Ultimately, Congress included the $100 million for the Caribbean in the FY2005 Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act (H.R. 4837, P.L. 108-324). The hurricane assistance was included in the conference report (H.Rept. 108-773) to H.R. 4837, which was approved by the House on October 9 and the Senate on October 11, 2004.

The State Department announced on November 10, 2004, that the $100 million appropriated by Congress would be targeted as follows: $42 million for Grenada, $38 million for Haiti, $18 million for Jamaica, and $2 million for other countries affected by the storms, such as the Bahamas.

Some observers and Members of Congress have criticized current U.S. assistance efforts for the Caribbean as too small in light of the devastation caused by the storms. The Congressional Black Caucus has called for $500 million in assistance to Caribbean nations affected by the storms.\(^{23}\) Former President Jimmy Carter has urged the United States and other international lenders to forgive part of Grenada’s foreign debt.

In addition to assistance, some called on the Bush Administration to provide Temporary Protected Status (TPS) or “deferred enforced departure” to nationals of several of the affected countries, especially Haiti.\(^{24}\) Haiti’s interim Prime Minister Gerard LaTortue appealed to the Administration requesting TPS for some 20,000 Haitians in the United States.

**Other Donors.** Numerous other bilateral, regional, and multilateral donors are making contributions to the Caribbean in the aftermath of the hurricanes. The Caribbean Disaster Emergency Response Agency (CDERA), an inter-governmental agency headquartered in Barbados, helped mobilize and coordinate disaster relief from governmental and non-governmental organizations. The U.N. Office for the

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Coordinating Humanitarian Affairs (OCHA) dispatched United Nations Disaster Assessment and Coordination (UNDAC) teams to the affected countries. On October 1, 2004, the U.N. issued an emergency appeal for $32 million for Haiti and $27 million for Grenada for food, shelter, water, sanitation, and medicine.25 The Inter-American Development Bank provided emergency financing to assist the Bahamas, Jamaica, Grenada, St. Lucia, and St. Vincent, and it provided emergency grant assistance to Haiti. The Organization of American States also pledged support to mobilize disaster relief aid. The Pan American Health Organization supported relief efforts in nine Caribbean countries affected by the storms. The World Bank announced that it would provide assistance to countries affected by Hurricane Ivan. The International Federation of Red Cross and Crescent Societies (IFRC) issued an appeal for donations.

See ReliefWeb, a project of the U.N.’s OCHA at [http://www.reliefweb.i4nt/w/rwb.nsf], for information on international humanitarian relief being provided to the Caribbean.

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**Table 1. Caribbean Countries: Basic Facts**

<table>
<thead>
<tr>
<th>Country</th>
<th>Area (sq. miles)</th>
<th>Population (2002, thousands)</th>
<th>Per Capita Income (U.S. $, 2002 est.)</th>
<th>Head of Government</th>
<th>Last Election</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigua and Barbuda</td>
<td>170</td>
<td>69</td>
<td>9,390</td>
<td>Baldwin Spencer</td>
<td>Mar. 2004</td>
</tr>
<tr>
<td>Bahamas</td>
<td>5,382</td>
<td>314</td>
<td>14,860</td>
<td>Perry Christie</td>
<td>May 2002</td>
</tr>
<tr>
<td>Barbados</td>
<td>166</td>
<td>269</td>
<td>9,750</td>
<td>Owen Arthur</td>
<td>May 2003</td>
</tr>
<tr>
<td>Belize</td>
<td>8,867</td>
<td>253</td>
<td>2,960</td>
<td>Said Musa</td>
<td>Mar. 2003</td>
</tr>
<tr>
<td>Cuba</td>
<td>44,200</td>
<td>11,263</td>
<td>a</td>
<td>Fidel Castro</td>
<td>b</td>
</tr>
<tr>
<td>Dominica</td>
<td>290</td>
<td>72</td>
<td>3,180</td>
<td>Roosevelt Skerrit(^c)</td>
<td>Jan. 2000</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>18,704</td>
<td>8,600</td>
<td>2,320</td>
<td>Leonel Fernandez</td>
<td>May 2004</td>
</tr>
<tr>
<td>Grenada</td>
<td>133</td>
<td>102</td>
<td>3,500</td>
<td>Keith Mitchell</td>
<td>Nov. 27, 2003</td>
</tr>
<tr>
<td>Guyana</td>
<td>82,980</td>
<td>772</td>
<td>840</td>
<td>Jagdeo Bharrat</td>
<td>Mar. 2001</td>
</tr>
<tr>
<td>Haiti</td>
<td>10,714</td>
<td>8,300</td>
<td>440</td>
<td>Boniface Alexandre(^d)</td>
<td>Nov. 2000</td>
</tr>
<tr>
<td>Jamaica</td>
<td>4,244</td>
<td>2,600</td>
<td>2,820</td>
<td>Percival James Patterson</td>
<td>Oct. 2002</td>
</tr>
<tr>
<td>St. Kitts and Nevis</td>
<td>101</td>
<td>46</td>
<td>6,370</td>
<td>Denzil Douglas</td>
<td>Oct. 2004</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>238</td>
<td>159</td>
<td>3,840</td>
<td>Kenny Anthony</td>
<td>Dec. 2001</td>
</tr>
<tr>
<td>St. Vincent</td>
<td>130</td>
<td>117</td>
<td>2,820</td>
<td>Ralph Gonsalves</td>
<td>Mar. 2001</td>
</tr>
<tr>
<td>Suriname</td>
<td>63,037</td>
<td>423</td>
<td>1,960</td>
<td>Ronald Venetiaan</td>
<td>May 2000</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>1,980</td>
<td>1,318</td>
<td>6,490</td>
<td>Patrick Manning</td>
<td>Oct. 2002</td>
</tr>
</tbody>
</table>

**Sources:** Area statistics are drawn from the U.S. Department of State Background Notes for each country; population and per capita income statistics are from the World Bank’s *World Development Report 2004*.

a. estimated by the World Bank to be between $736 - $2,935.
b. Castro has served as head of government since the 1959 Cuban Revolution. Since that time, there have been no elections for head of government.
c. Skerrit was sworn in as prime minister on January 8, 2004, following the death of Prime Minister Pierre Charles.
d. Alexandre became president February 29, 2004, following the resignation of President Jean Bertrand Aristide.
Table 2. U.S. Imports from Caribbean Countries  
(U.S. $ millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahamas</td>
<td>1,154.282</td>
<td>275.016</td>
<td>313.889</td>
<td>449.697</td>
<td>479.305</td>
</tr>
<tr>
<td>Barbados</td>
<td>252.598</td>
<td>38.638</td>
<td>39.546</td>
<td>34.438</td>
<td>43.428</td>
</tr>
<tr>
<td>Belize</td>
<td>42.843</td>
<td>93.555</td>
<td>97.401</td>
<td>77.668</td>
<td>101.443</td>
</tr>
<tr>
<td>Dominica</td>
<td>.086</td>
<td>6.926</td>
<td>5.268</td>
<td>4.670</td>
<td>5.252</td>
</tr>
<tr>
<td>Grenada</td>
<td>.766</td>
<td>27.072</td>
<td>24.117</td>
<td>6.886</td>
<td>7.602</td>
</tr>
<tr>
<td>Guyana</td>
<td>74.417</td>
<td>139.889</td>
<td>140.344</td>
<td>115.615</td>
<td>118.690</td>
</tr>
<tr>
<td>Haiti</td>
<td>377.413</td>
<td>296.922</td>
<td>263.108</td>
<td>255.007</td>
<td>332.340</td>
</tr>
<tr>
<td>Jamaica</td>
<td>396.949</td>
<td>648.184</td>
<td>460.559</td>
<td>396.317</td>
<td>422.749</td>
</tr>
<tr>
<td>St. Kitts &amp; Nevis</td>
<td>23.135</td>
<td>36.808</td>
<td>41.096</td>
<td>48.627</td>
<td>44.588</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>7.397</td>
<td>22.261</td>
<td>28.911</td>
<td>19.180</td>
<td>12.999</td>
</tr>
<tr>
<td>St. Vincent</td>
<td>2.958</td>
<td>8.858</td>
<td>22.493</td>
<td>16.475</td>
<td>4.142</td>
</tr>
<tr>
<td>Suriname*</td>
<td>104.636</td>
<td>135.210</td>
<td>142.918</td>
<td>132.722</td>
<td>140.064</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>1,360.106</td>
<td>2,228.813</td>
<td>2,380.010</td>
<td>2,440.304</td>
<td>4,333.753</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,695.275</td>
<td>8,343.777</td>
<td>8,146.836</td>
<td>8,170.016</td>
<td>10,514.352</td>
</tr>
</tbody>
</table>


* Suriname has not been a beneficiary of the Caribbean Basin Initiative preferential trade program.
### Table 3: U.S. Foreign Assistance to the Caribbean, FY2002-FY2005
(U.S. $ millions)

<table>
<thead>
<tr>
<th>Country</th>
<th>FY2002</th>
<th>FY2003 (estimate)</th>
<th>FY2004 (request)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahamas</td>
<td>1.444</td>
<td>1.336</td>
<td>1.262</td>
</tr>
<tr>
<td>Belize</td>
<td>1.876</td>
<td>2.046</td>
<td>1.968</td>
</tr>
<tr>
<td>Cuba</td>
<td>5.000</td>
<td>6.000</td>
<td>6.959</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>22.280</td>
<td>28.099</td>
<td>31.815</td>
</tr>
<tr>
<td>Guyana</td>
<td>5.677</td>
<td>8.407</td>
<td>6.289</td>
</tr>
<tr>
<td>Haiti</td>
<td>55.925</td>
<td>71.887</td>
<td>54.534</td>
</tr>
<tr>
<td>Jamaica</td>
<td>19.102</td>
<td>22.337</td>
<td>21.675</td>
</tr>
<tr>
<td>Suriname</td>
<td>1.140</td>
<td>1.397</td>
<td>1.397</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>0.432</td>
<td>0.540</td>
<td>0</td>
</tr>
<tr>
<td>Caribbean Regional</td>
<td>3.550</td>
<td>13.008</td>
<td>7.668</td>
</tr>
<tr>
<td>Eastern Caribbean(^a)</td>
<td>15.491</td>
<td>4.255</td>
<td>7.215</td>
</tr>
<tr>
<td>Third Border</td>
<td>—</td>
<td>3.000</td>
<td>3.976</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>131.917</td>
<td>162.312</td>
<td>144.760</td>
</tr>
</tbody>
</table>

**Source:** U.S. Department of State. FY2005 Congressional Budget Justification for Foreign Operations.

\(^a\) The Eastern Caribbean category funds military assistance and Peace Corp programs for seven countries, Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines. Development assistance for these nations is funded under U.S. AID’s Caribbean Regional program.