United States
International Trade Commission

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

24th Report
2017–18

September 2019
Publication Number: 4985
Investigation Number: 332-227

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Preface

Section 215 of the Caribbean Basin Economic Recovery Act (CBERA or the Act), as amended (19 U.S.C. 2704), requires the U.S. International Trade Commission (Commission) to provide biennial reports in odd-numbered years to the Congress and the President on the economic impact of the Act on U.S. industries and consumers and on the economy of beneficiary Caribbean Basin countries. This report constitutes the Commission's report for 2019.

CBERA was originally enacted on August 5, 1983 (Public Law 98-67, 97 Stat. 384, 19 U.S.C. 2701 et seq.).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

This is the Commission's 24th report under CBERA and the 10th report since the 2000 amendments. While it encompasses the period 2017–18, it focuses mainly on data and developments during 2018. The report covers the 17 CBERA beneficiary countries of Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Curaçao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, and the British Virgin Islands.

The information provided in this report is for the purpose of this report only. Nothing in it should be construed as indicating how the Commission might find in an investigation involving the same or similar subject matter conducted under another statutory authority.

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Abbreviations and Acronyms

Acronyms	Term
ATPA	Andean Trade Preference Act
BEA	Bureau of Economic Analysis (U.S. Department of Commerce)
CAFTA-DR	Central America-United States-Dominican Republic Free Trade Agreement
CARICOM	Caribbean Community
CBERA	Caribbean Basin Economic Recovery Act
CBEREA	Caribbean Basin Economic Recovery Expansion Act
CBI	Caribbean Basin Initiative
CBP	U.S. Customs and Border Protection
CBTPA	Caribbean Basin Trade Partnership Act
EB	Bureau of Economic and Business Affairs (U.S. Department of State)
ECLAC	Economic Commission for Latin America and the Caribbean (United Nations)
EIA	U.S. Energy Information Agency (U.S. Department of Energy)
EIAP	Earned Import Allowance Program
EIU	Economist Intelligence Unit
FDI	foreign direct investment
FTA	free trade agreement
GDP	gross domestic product
GSP	Generalized System of Preferences
HELP Act	Haiti Economic Lift Program Act of 2010
HOPE Acts	HOPE I and HOPE II (see below)
HOPE I	Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006
HOPE II	Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008
HS	Harmonized System (global tariff schedule)
HTS	Harmonized Tariff Schedule of the United States
ILO	International Labor Organization
IMF	International Monetary Fund
ITA	International Trade Administration (U.S. Department of Commerce)
LNG	liquefied natural gas
MFN	most-favored-nation
MTBE	methyl tertiary-butyl ether
NAFTA	North American Free Trade Agreement
n.e.s.o.i.	not elsewhere specified or included
NTR	normal trade relations (U.S. term; same as MFN elsewhere)
OTEXA	Office of Textiles and Apparel (U.S. Department of Commerce)
SME	square meter equivalent
TRQ	tariff-rate quota
UN	United Nations
UNCTAD	UN Conference on Trade and Development
UNDP	United Nations Development Program
USAID	U.S. Agency for International Development
USDOC	U.S. Department of Commerce
USDOE	U.S. Department of Energy
USDOS	U.S. Department of State
USITC	U.S. International Trade Commission
USTR	U.S. Trade Representative
WTO	World Trade Organization

Executive Summary

The Caribbean Basin Economic Recovery Act (CBERA) was enacted in 1983 as part of the Caribbean Basin Initiative (CBI).[1] CBERA is intended to encourage economic growth and development in the Caribbean Basin countries by promoting increased production and exports of nontraditional products.[2] Section 215 of CBERA requires the Commission to submit to Congress and the President biennial reports on the economic impact of CBERA on U.S. industries and consumers and on the economy of the beneficiary countries. As part of its report, the Commission is required to assess CBERA's actual effect, during the period covered by the report, on the U.S. economy generally, as well as on specific domestic industries which produce articles that are like or directly competitive with articles being imported into the United States from beneficiary countries. The Commission is also required to assess the probable future effect of CBERA on the U.S. economy generally and on such industries.

This report is the 24th in a series, and covers the period 2017–18. The tables in this report show data for 2014–18 (five years of data, as was presented in most previous reports).[3]

Overall, U.S. imports from CBERA countries grew from $5.8 billion in 2017 to $6.1 billion in 2018, an increase of 4.7 percent. U.S. imports under the CBERA program grew from $1.5 billion in 2017 to $1.7 billion in 2018, an increase of 9.1 percent. Both increases were primarily due to higher U.S. imports of methanol and of textiles and apparel. The value of U.S. imports under CBERA of petroleum-related products, primarily from Trinidad and Tobago, rose 12.0 percent from 2017 to 2018, and imports of textile and apparel products, primarily from Haiti, rose 7.7 percent from 2017 to 2018.

Although the effect of CBERA on the U.S. economy generally was negligible in 2017–18 and is likely to remain so, CBERA continues to have a positive impact on a number of Caribbean Basin countries. By one measure, Haiti has been the greatest beneficiary of CBERA trade preferences in recent years, largely because Haiti benefits from more flexible rules of origin for apparel than other beneficiaries. CBERA also has encouraged the development of niche product manufacturing in several other countries, such as polystyrene from The Bahamas and fruit juice from Belize.

[1] Throughout this report, the term "CBERA" refers to CBERA as amended by the Caribbean Basin Trade Partnership Act of 2000 (CBTPA); the Haitian Hemispheric Opportunity through Partnership Encouragement Acts of 2006 (HOPE I) and 2008 (HOPE II) (jointly referred to in this report as the HOPE Acts); the Haitian Economic Lift Program (HELP) Act of 2010; and other legislation.

[2] CBERA beneficiary countries at the end of 2018 were Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, the British Virgin Islands, Curaçao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and Trinidad and Tobago.

[3] This report incorporates the latest official revision of data from the Census Bureau of the U.S. Department of Commerce at the time of writing (through June 2019). For this reason, data may differ somewhat from those in previous reports and other USITC reports.

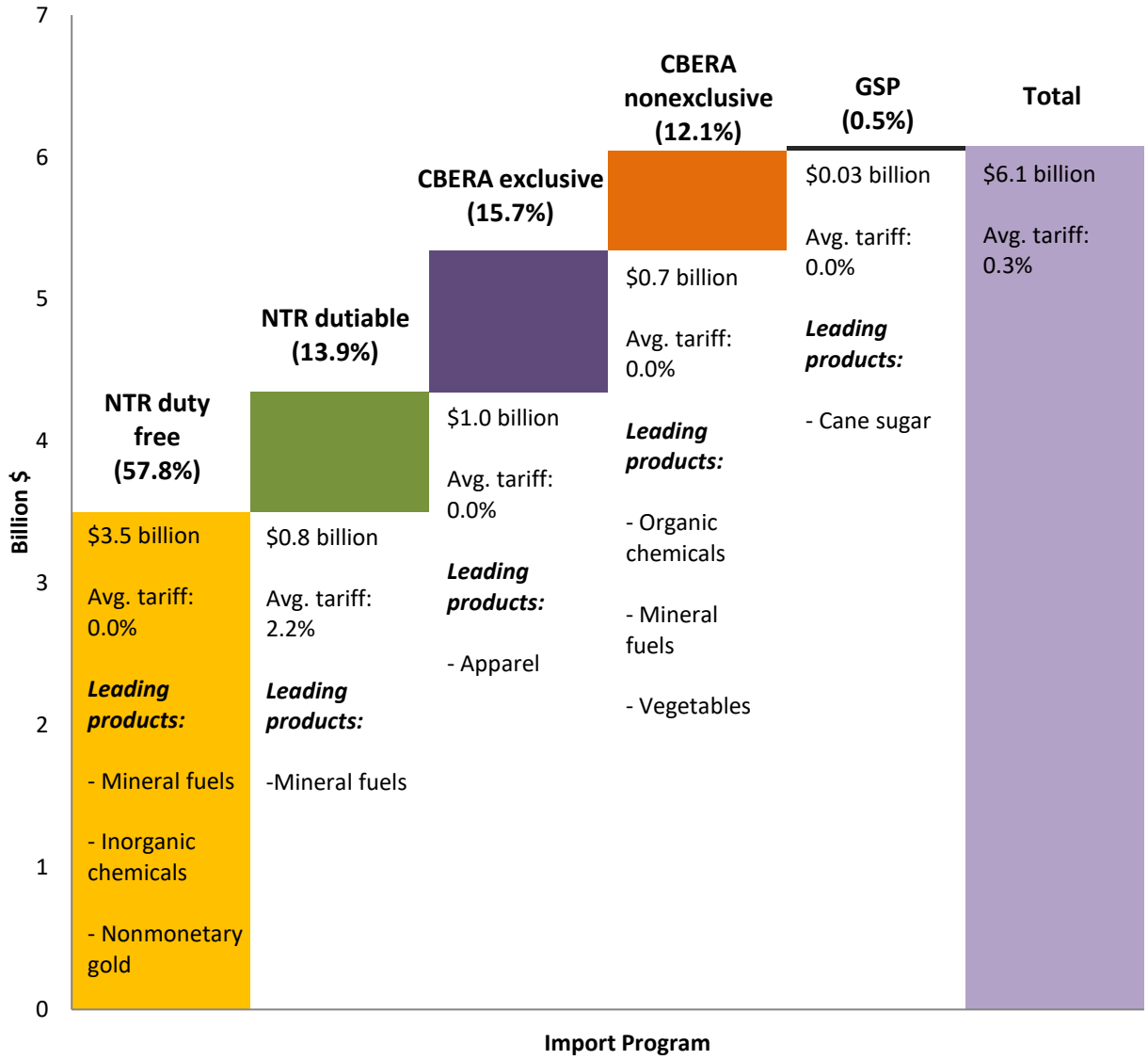
Impact of CBERA on the United States in 2017–18

Effect on the U.S. Economy

Overall, the effect of the CBERA program on the U.S. economy, imports, industries, and consumers was negligible in 2018. This is primarily because U.S. imports under CBERA comprise a small share of total U.S. imports (0.07 percent). However, U.S. imports under CBERA accounted for 27.8 percent of all imports from CBERA beneficiaries (figure ES.1).[4] For U.S. industries in particular, the effect of the program on domestic production, employment, and operating profits was also negligible. However, without CBERA, the price U.S. consumers would have paid for certain imports from CBERA beneficiaries, such as T-shirts (cotton and manmade) and methanol, would have been slightly higher.

[4] This includes shares of both CBERA-exclusive imports and CBERA-nonexclusive imports.

Figure ES.1 U.S. imports from CBERA beneficiary countries, by import program and as a share of total imports from those countries, 2018



Source: Compiled from official statistics of the U.S. Department of Commerce (accessed June 11, 2019).
Notes: "NTR" = normal trade relations (this is the U.S. term; it means the same as most favored nation, or MFN, elsewhere). Imports entering the United States may be either duty free or dutiable, depending on the product. "CBERA-exclusive" imports are imports of products that can receive preferential entry only under CBERA. "CBERA-nonexclusive" imports are imports of products that entered the United States under CBERA but were also eligible for duty-free entry under the Generalized System of Preferences (GSP). "Avg. tariff" is the ad valorem equivalent tariff collected on entry—that is, the total of the duties collected, divided by the customs value of the imports.

Economic Effect on U.S. Imports

Imports of T-shirts and methanol increased noticeably. In 2018, the CBERA program increased imports of cotton T-shirts, the largest import by value from Haiti, by an estimated 33.4 percent due to the program's preferential treatment. CBERA also increased methanol imports under the program by an estimated 13.7 percent. Methanol from Trinidad and Tobago, identified as "mineral fuels" in figure ES.1,

was the overall largest import by value under CBERA preferences. Also, it accounted for over 50 percent of total U.S. imports of this product in 2018.

Economic Effect on U.S. Industries

T-shirts and methanol imports may have displaced some U.S. production. For 2018, the CBERA program was estimated to have reduced revenues to the U.S. industry by 1.7 percent for cotton T-shirts and 2.3 percent for manmade-fiber T-shirts. The program's effect on the U.S. methanol industry's revenues was an estimated reduction of 3.2 percent. This was likely due to the fact that CBERA-sourced methanol supplied a relatively large share (18.7 percent) of the U.S. domestic market for methanol and constituted more than 50 percent of total U.S. imports of methanol. However, the impact of the CBERA program on U.S. employment and U.S. operating profits was estimated to be very small for T-shirts and methanol and negligible for the other tariff lines in 2018.

Economic Effect on U.S. Consumers

Consumers paid slightly lower prices. In 2018, U.S. consumers likely paid slightly lower prices for products imported from CBERA beneficiaries. For instance, the effect of CBERA preferences on prices of cotton T-shirts was an estimated decline of 0.8 percent, while for manmade-fabric T-shirts, the estimated decrease in price was 1.1 percent. For methanol from Trinidad and Tobago, the estimated decline in consumer prices was 0.9 percent. These imports under CBERA preferences provided some of the largest declines in prices, either because they would otherwise face high NTR tariff rates or because they have large shares of the U.S. domestic market.

Probable Future Effect

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

Overall, CBERA-related investment during 2017–18 was low. Investment in the production and export of CBERA-eligible products in most CBERA countries was limited during 2017–18. The low level of investment appears to be attributable largely to two factors: (1) the CBERA countries are relatively small global producers, small exporters, and small suppliers of U.S. imports; and (2) investment in many CBERA countries is directed much more to services, such as tourism and financial services, than to goods eligible for preferences under CBERA.

Imports of petroleum-related products from Trinidad and Tobago—the largest supplier under the CBERA program—are unlikely to affect the U.S. economy. Trinidad and Tobago was the leading supplier of U.S. energy-related imports (such as crude petroleum and methanol) under CBERA during 2017–18. Imports of methanol, including those from Trinidad and Tobago, are declining in importance in the U.S. methanol market due to increasing U.S. domestic production capacity. Although the value of total U.S. imports of methanol have increased since 2016, the quantity imported has declined slightly, reflecting an increase in unit price. U.S. methanol production capacity increased by 2.1 million metric tons (mt)

from 2016 to 2018, leading to the expectation that the United States will become a net exporter of methanol in 2019.

Impact of CBERA on the Beneficiary Countries

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

Special CBERA provisions for Haiti have had a strong, positive effect on export earnings and job creation in Haiti's apparel sector. Apparel assembly is Haiti's largest manufacturing activity and the country's largest source of manufacturing jobs. CBERA—enhanced by CBTPA and the HOPE and HELP Acts—has been an important factor in promoting apparel production in Haiti and apparel exports to the U.S. market.

U.S. preferential rates of duty under CBERA continue to offer an advantage to energy-related products from Trinidad and Tobago, although less than in previous years. Increased U.S. production of crude petroleum and natural gas have reduced U.S. imports of these energy products from Trinidad and Tobago under the program. Further, as noted above, while the value of imports of methanol from Trinidad and Tobago increased during 2017–18, the volume of imports decreased. CBERA is widely viewed as a key element that helped Trinidad and Tobago to diversify its economy toward downstream energy products. Since 2010 the country has used its methanol and ammonia industries as inputs in the production of melamine—a resin used to make kitchenware and tableware, flooring laminates, and adhesives. Exports of melamine to the United States under CBERA have risen strongly in the past few years, as discussed below.

CBERA has encouraged development of some niche products for export under the program. While economic growth in The Bahamas is driven primarily by the tourism sector, CBERA has helped promote its domestic production of polystyrene for export to the U.S. market. Additionally, it has helped promote the production of fruit juices in Belize for export.

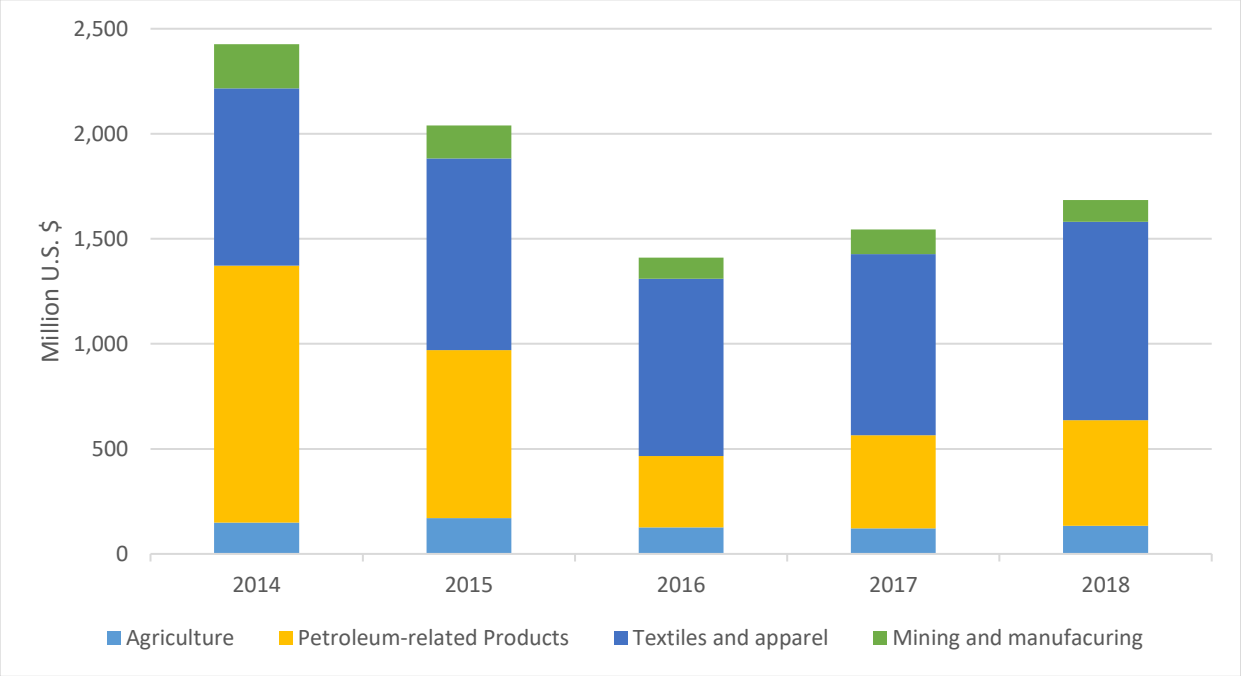
U.S. Imports under the CBERA Program

Imports receiving preferential treatment under CBERA totaled $1.7 billion in 2018, an increase of 9.1 percent from $1.5 billion in 2017 (figure ES.2). The value of U.S. imports under CBERA declined between 2012 and 2016,[5] but increased in both 2017 and 2018. The change is driven primarily by increasing imports of two products: methanol from Trinidad and Tobago, and apparel from Haiti. Petroleum-related products accounted for 29.9 percent of imports under CBERA in 2018, with Trinidad and Tobago's methanol supplying 89.0 percent of such imports. Textiles and apparel, supplied mainly by Haiti, accounted for 56.0 percent of imports under CBERA in 2018, with cotton T-shirts constituting 30.1

[5] USITC, *Caribbean Basin Economic Recovery Act: Impact*; 2017

percent of those imports. The remaining imports were agricultural products and other mining and manufactured products, comprising 7.9 percent and 6.2 percent of imports under CBERA, respectively.

Figure ES.2 U.S. imports under CBERA, by major product categories, 2014–2018 (million U.S. dollars)



Source: Compiled official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019). Data reflect all official USDOC revisions for 2014–18 as of May 20, 2019.
Note: Underlying data for this figure can be found in appendix table E.7.

In 2018, the value of U.S. imports of petroleum-related products under CBERA was $503.2 million, up from a low of $339.7 million in 2016. As mentioned above, methanol was the major driver of imports under CBERA generally, and of petroleum-related imports specifically. The value of U.S. imports of energy products under CBERA rose 13.3 percent, from $444.2 million in 2017 to $503.2 million in 2018. This increase followed a five-year period of decline that began in 2012, when the value of U.S. imports of energy products under CBERA was $2.4 billion.[6] The decline was due, in part, to falling U.S. methanol prices, which decreased demand for methanol from Trinidad and Tobago.[7]

The value of total U.S. imports of textiles and apparel from CBERA countries increased 7.7 percent, from $862.8 million in 2017 to $929.2 million in 2018. In 2018, practically all U.S. imports of textiles and apparel under CBERA came from Haiti. The fact that Haiti may use either the CBTPA preference groupings or the HOPE/HELP provisions to obtain duty relief allows Haitian producers and U.S. buyers to use both U.S. yarns and fabrics (as required by CBTPA preferences) and yarns and fabrics of any origin (permitted under HOPE/HELP), as needed, to maximize duty-free benefits. The value of U.S. imports of textiles and apparel entering under CBPTA trade preferences dropped 8.0 percent, from $276.8 million in 2017 to $254.6 million in 2018. By contrast, the value of U.S. imports of textiles and apparel entering

[6] USITC, *Caribbean Basin Economic Recovery Act: Impact*; 2017
[7] USITC, *Caribbean Basin Economic Recovery Act: Impact*; 2017

under HOPE/HELP trade preferences continued to grow, rising from $577.0 million in 2017 to $645.5 million in 2018. Imports that entered free of duty under the HOPE and HELP Acts accounted for nearly 72 percent of total U.S. duty-free imports of textiles and apparel goods from the region in 2018.

U.S. imports of other mining and manufactured products under CBERA totaled $104.6 million in 2018. This 2018 value is down from a high of $211.2 million in 2014, but is close to the 2016–18 average of $107.3 million. In 2018, the four leading U.S. imports of other mining and manufacturing products were polystyrene ($64.4 million), melamine ($19.5 million), electrical transformers ($2.6 million), and urea resins ($1.9 million). Of the four leading imports in this category, melamine grew the most over the last three years, increasing from $4.2 million in 2015 to $19.5 in 2018. The product comes in under CBERA only from Trinidad and Tobago. The majority of other mining and manufacturing imports under CBERA come from The Bahamas and from Trinidad and Tobago. Polystyrene, sourced only from The Bahamas, constitutes over 60 percent of these imports.

In 2018, U.S. imports of agricultural products under CBERA totaled $133.6 million, an increase from $120.9 million in 2017. This 2018 value, nevertheless, represents a decrease of 21.4 percent from $169.9 million in 2015. In 2018, the four leading agricultural product categories among U.S. imports under CBERA were yams, prepared foods, sauces and preparations, and fresh guavas and mangos.

Chapter 1
Introduction

Scope and Approach of the Report

Section 215(a) of the Caribbean Basin Economic Recovery Act (CBERA) (19 U.S.C. 2704(a)) requires that the U.S. International Trade Commission (USITC or Commission) submit biennial reports to Congress and the President on the impact of the CBERA program on U.S. industries and consumers and on the economy of the CBERA countries.[8] Section 215(b) requires that the Commission's report include an assessment of "(A) the actual effect, during the period covered by the report, of this Act on the United States economy generally as well as on those specific domestic industries which produce articles that are like, or directly competitive with, articles being imported into the United States from beneficiary countries; and (B) the probable future effect which this Act will have on the United States economy generally, as well as on such domestic industries, before the provisions of this Act terminate."[9]

This report, the 24th in the series, fulfills that statutory requirement, covering the period 2017–18. Throughout this report, the term "CBERA" refers to CBERA as amended by the United States-Caribbean Basin Trade Partnership Act of 2000 (CBTPA); the Haitian Hemispheric Opportunity through Partnership Encouragement Acts of 2006 (HOPE I) and 2008 (HOPE II) (jointly referred to as the HOPE Acts); the Haiti Economic Lift Program Act of 2010 (HELP Act); and the Trade Preferences Extension Act of 2015.[10]

This report assesses the economic impact of CBERA on U.S. consumers and U.S. industries by estimating the effects of the United States' providing duty-free treatment for eligible goods. In addition, this report assesses the effects of CBERA on U.S. industry employment and profitability, which were not addressed in previous reports.[11] Actual 2018 market conditions are compared with a hypothetical case in which normal trade relations (NTR) duties were imposed for the year 2018. The effects of CBERA preferences for 2018 are estimated by using a partial equilibrium model to estimate effects on consumer prices, industry production, total imports, industry employment, and industry operating profits.[12] The model used in this analysis assumes that firms supply goods under

[8] The 17 CBERA beneficiary countries at the end of 2018 were Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, the British Virgin Islands, Curaçao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and Trinidad and Tobago.
[9] Section 215 of CBERA (19 U.S.C. 2704).
[10] Preferences provided in the CBTPA and the HOPE and HELP Acts have expiration dates, as detailed below and in table 1.1.
[11] Due to data availability and the development of appropriate analytical tools, for this report the Commission was able to extend the partial equilibrium model to estimate effects on employment and profit margins, unlike in previous reports.
[12] The partial equilibrium model numerically estimates the effects of changes in trade policy at a product level—typically at the HTS 8-digit tariff code level—in which each market is analyzed separately. The model relies on information about the size of the duty reduction; U.S. product-specific data on production and trade; and U.S.

monopolistic competition, have some market power on pricing their goods, and can generate economic profits. Previous analyses in this series have shown that since CBERA entered into force in 1984, U.S. consumers have benefited from lower prices and higher consumption, while competing U.S. producers have had lower domestic revenue due to increased competition from CBERA imports. The effect of CBERA duty reductions on most U.S. industries and U.S. consumers is estimated to be small.

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

Over a longer period, the effects of CBERA will likely flow mostly from investment in industries in beneficiary countries that benefit from the duty elimination or reduction. The small size of the CBERA countries' economies limits both short-term and long-term effects on the U.S. economy.[13] The long-term effects are likely to be difficult to distinguish from other market forces in play from the date the program was implemented. Investment, however, has been tracked in past CBERA reports in order to detect the trends in, and composition of, investment in the region, and it is examined in this report as well.

The Commission used three key approaches in assessing the actual effect of CBERA on the U.S. economy generally and on specific U.S. industries producing articles like or directly competitive with articles imported under CBERA. First, it analyzed imports that entered under the program, and trends in the ratio of those imports to overall U.S. imports. Second, the Commission estimated the effect of CBERA on U.S. imports, U.S. consumers, and U.S. industries competing with the leading U.S. imports that benefited exclusively from the CBERA program in 2018. Third, the Commission examined trends in production and other economic factors in the U.S. industries identified as likely to be particularly affected by such imports.

In order to analyze imports under CBERA and their trends, the assessment focused on the 20 leading products that benefited from CBERA tariff preferences in 2018 (see chapter 2). Further analysis was directed toward industries for which there was potentially a significant adverse impact on U.S. producers. As in previous years, a single U.S. industry—methanol—met that criterion in 2018.

In assessing the probable future effect of CBERA, the Commission used a qualitative analysis of economic trends and investment patterns in beneficiary countries and in competing U.S. industries. Information on investment in CBERA-related production facilities was obtained

market shares for domestic, CBERA, and foreign producers of the product. The model also considers the degree to which domestic demand for the good responds to price changes, as well as the degree of substitutability between the domestically produced product and imports from other countries. This is a standard economic approach for measuring the impact of a change in the prices of one or more goods. A more detailed explanation of the approach can be found in appendix B.

[13] U.S. imports under CBERA account for a small share of total U.S. imports—0.07 percent in 2018.

mainly from U.S. embassies in the region and other public sources, as well as from testimony provided at the Commission hearing held on May 14, 2019.[14]

In examining the impact of CBERA on the economy of the beneficiary countries, the Commission considered CBERA's goals of encouraging economic growth, economic development, and export diversification.[15] It also looked at the extent to which CBERA beneficiary countries have diversified their economies, complied with labor standards, and used the production of CBERA-eligible exports as part of an overall strategy for attaining sustainable economic growth. The report also presents profiles of two countries: Haiti and Trinidad and Tobago.

Organization of the Report

Chapter 1 describes the analytical approach used in the report and provides an overview of the CBERA program, including amendments made to the original CBERA by CBTPA of 2000, the Trade Act of 2002, the HOPE Acts of 2006 and 2008, and the HELP Act of 2010. Chapter 2 responds to the requirement in section 215(a) of the original act that the Commission report on the economic impact of CBERA on U.S. industries during the two-year period covered by the biennial report (in this case, 2017–18). This chapter includes the Commission's assessment of the actual effect and probable future effect of CBERA on the U.S. economy generally and on specific domestic industries producing like or directly competitive articles. Chapter 3 contains the Commission's report on the economic impact of CBERA on the economy of the beneficiary countries, with a focus on selected beneficiary countries. Finally, chapter 4 gives an overview of U.S. trade with CBERA beneficiaries through 2018.

Appendix A reproduces the notice that the Commission published in the *Federal Register* by which it announced a public hearing to be held on May 14, 2019, and invited public comment for this 24th report. Appendix B explains the economic model used to estimate the effect of the CBERA program on the U.S. economy presented in chapter 2. Appendix C includes a list of the witnesses that appeared at the public hearing. Appendix D presents a list of statements submitted to the Commission in response to the *Federal Register* notice regarding the investigation. Appendix E provides data used for figures. Appendix F includes statistical tables.

Sources

General economic and trade data come from official statistics of the U.S. Department of Commerce (USDOC) and from information developed by country/regional and industry analysts at the Commission. Because this report incorporates the latest official revision of data (as of June 2018) from the U.S. Census Bureau (U.S. Census), data may differ somewhat from those in previous CBERA

[14] A list of witnesses appearing at the hearing is presented in appendix C of this report.
[15] Title II of Trade and Development Act of 2000 (Pub. L. 106-200)

reports and other Commission reports. U.S. trade data do not include U.S. Virgin Islands imports, unlike in previous reports.[16]

Other sources of information include CBERA hearing testimony; U.S. embassies in CBERA beneficiary countries; reports by other U.S. government departments and offices, including the USDOC and the U.S. Department of State; reports by international nongovernmental organizations, including the Inter-American Development Bank, the International Monetary Fund (IMF), the Organization of American States, the United Nations (UN), the UN Conference on Trade and Development (UNCTAD), and the World Bank; official government sources in the CBERA countries; and other published sources of information on CBERA-related investment, production, and exports. The report also incorporates information given to the Commission in written public comments received in response to the Commission's *Federal Register* notice about the investigation.[17]

Summary of the CBERA Program

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

CBERA authorizes the President to grant certain unilateral preferential trade benefits to Caribbean Basin countries and territories. The program permits exporters from designated beneficiaries to receive duty-free or reduced-duty treatment for eligible products imported into the customs territory of the United States (table 1.1 summarizes the major provisions of CBERA). If U.S. importers do not claim this status or some other special status, or if a shipment does not qualify, then duties are charged on their goods using the rates found in the "general rates of duty" column of the Harmonized Tariff Schedule of the United States (HTS). These are the rates charged on goods from countries that have normal trade relations (NTR) with the United States; such rates will be referred to as NTR rates of duty in this report.[18]

[16] The U.S. Virgin Islands is an insular possession of the United States with its own tariff preferences. See general note 3(a)(iv) to the Harmonized Tariff Schedule of the United States (HTS). See also 19 C.F.R. 7.2(c)
[17] A copy of the notice appears in appendix A of this report. A list of written public comment submissions is contained in appendix D.
[18] Normal-trade-relations (NTR) status was formerly known as "most-favored-nation" (MFN) status; MFN is the term still commonly used outside the United States. Goods from a country with NTR status are entitled to normal nondiscriminatory tariff treatment.

Table 1.1 Summary of CBERA program, yearend 2018

CBERA characteristic	Description
History	Enacted 8/5/1983, became effective 1/1/1984 under CBERA. Expanded and made permanent, 8/20/1990, under CBEREA.[a] Enhanced 5/18/2000 under CBTPA.[b] CBTPA was extended 5/22/2008 and 5/24/2010;[c] it was amended by the Trade Act of 2002 on 8/6/2002.[d] Enhanced for Haiti under the HOPE Act 12/20/2006,[e] HOPE II 5/22/2008,[f] HELP Act 5/24/2010;[g] HOPE/HELP were extended 6/29/2015.[h]
Benefits	Duty-free entry and reduced-duty entry granted on a nonreciprocal, non-NTR basis.
Exclusions under original CBERA[i]	Most textiles/apparel, leather, canned tuna, petroleum and derivatives, certain footwear, certain watches/parts; quantities of agricultural goods exceeding various tariff-rate quotas.
Duration (President's authority to proclaim preferential treatment)	CBERA is non-expiring. CBTPA: until 9/30/2020.[j] HOPE and HELP Acts: until 9/30/2025.[f]
Beneficiaries[k]	Beneficiaries (17) in 2018: Antigua and Barbuda, Aruba, The Bahamas, Barbados,* Belize,* British Virgin Islands, Curaçao,* Dominica, Grenada, Guyana,* Haiti,* Jamaica,* Montserrat, Saint Kitts and Nevis, Saint Lucia,* Saint Vincent and the Grenadines, and Trinidad and Tobago.*
Coverage (eligible provisions)	Approximately 5,700 HTS 8-digit tariff lines.
Value of imports under the program	$1,685 million (2018).
U.S. imports under CBERA as a share of total U.S. imports	0.02% (2018).
U.S. imports from beneficiaries that receive program preferences as a share of total U.S. imports from beneficiary countries	27.8% (2018).

Source: Compiled by USITC.

[a] Caribbean Basin Economic Recovery Expansion Act of 1990 (CBERA).

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

[c] Pub. L. 110-234, § 15408; Pub. L. 111-171, § 3.

[d] Pub. L. 107-210, § 3107.

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

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

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

[h] Trade Preferences Extension Act of 2015 (Pub. L. 114-27).

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

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

[k] Asterisk (*) indicates CBTPA beneficiary countries.

As originally enacted, CBERA authorized the President to provide duty-free treatment to qualifying goods from beneficiary Caribbean Basin countries through September 30, 1995. The Caribbean Basin Economic Recovery Expansion Act (CBEREA) of 1990[19] repealed that termination date, made the

[19] CBEREA was signed into law on August 20, 1990, as part of the Customs and Trade Act of 1990 (Pub. L. 101-382,

authority permanent, and expanded CBERA benefits in several ways.[20] In May 2000, CBTPA further expanded the CBERA program and extended trade preferences to textiles and apparel from eligible countries in the region.[21] In August 2002, the Trade Act of 2002 amended CBERA to clarify and modify several CBTPA provisions.[22] In December 2006, HOPE I enhanced benefits under CBERA for Haiti. In May 2008, HOPE II extended and further enhanced benefits for Haiti. In May 2010, the HELP Act of 2010 extended the expiration date of the HOPE Acts from September 30, 2018, to September 30, 2020; extended the expiration date of CBTPA from September 30, 2010, to September 30, 2020; and further expanded benefits for Haiti. The Trade Preferences Extension Act of 2015 extended HOPE/HELP benefits until September 30, 2025.

Beneficiaries

Imports from 17 countries (collectively referred to in this report as "CBERA beneficiary countries" or "CBERA countries"[23]) were eligible for CBERA tariff preferences during all or part of 2017–18, provided that the imports met certain country of origin rules and other requirements.[24] Curaçao was designated a CBERA beneficiary effective January 1, 2014, and designated a CBTPA beneficiary on August 18, 2015.[25] Additional countries that are eligible for designation as CBERA beneficiaries, but are not yet designated, are Anguilla, the Cayman Islands, Sint Maarten, Suriname, and the Turks and Caicos Islands. Suriname requested CBERA beneficiary status in 2009.[26] The Turks and Caicos Islands and Sint Maarten requested CBERA status in 2012.[27] Final determinations on designating the beneficiary status of those countries were pending as of mid-2019.[28]

Title II, 104 Stat. 629, 19 U.S.C. 2101). Presidential Proclamation 6428, 57 Fed. Reg. 19363.

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

[21] CBTPA is described in a separate section of this chapter.

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

[23] For more information, see the "Frequently Used Abbreviations and Acronyms" section in the front of this report.

[24] The 17 CBERA beneficiary countries at the end of 2018 were Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, the British Virgin Islands, Curaçao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and Trinidad and Tobago. See HTS general note 7.

[25] Presidential Proclamation 9072, published 78 Fed. Reg. 80417 (Dec. 23, 2013) and *Federal Register* notice published August 25, 2015 (80 Fed. Reg. 51650). "The Netherlands Antilles dissolved on October 10, 2010. Curaçao and Sint Maarten (the Dutch two-fifths of the island of Saint Martin) became autonomous territories of the Kingdom of the Netherlands. Bonaire, Saba, and Sint Eustatius now fall under the direct administration of the Netherlands." U.S. Dept. of State, "Background Note: Netherlands Antilles," October 10, 2010. Trade data was reported under the Netherlands Antilles through April 2011, after which breakouts for Curaçao and Sint Maartin were put in place. U.S. Census Bureau, Bureau of Economic Analysis. "News: U.S. International Trade in Goods and Services, May 2011," CB11-125, BEA11-35, FT-900 (11-95) July 12, 2011.

[26] 75 Fed. Reg. 17198 (April 5, 2010).

[27] 77 Fed. Reg. 61816 (Oct. 11, 2012).

[28] The Caribbean, Central American, and South American countries and territories eligible for designation as CBERA beneficiaries are listed in 19 U.S.C. 2702(b). Anguilla requested designation as a beneficiary country under CBERA in 1997. 62 FR 62797 (Nov. 25, 1997)

CBERA countries must be separately designated by the President for the enhanced benefits of CBTPA—they are not automatically eligible for CBTPA preferences. Eight CBERA countries were eligible for CBTPA preferences in 2017–18.[29] Seven other countries have requested CBTPA beneficiary status; final determinations were pending as of mid-2019.[30] The President can terminate beneficiary status or suspend or limit a country's CBERA benefits at any time, as explained below.[31]

Trade Benefits under CBERA

CBERA provides duty-free or reduced-duty treatment to qualifying imports from designated beneficiary countries.[32] For some products, duty-free entry under CBERA is subject to statutory conditions in addition to normal program rules. In addition to these basic preference-eligibility rules, certain conditions apply to CBERA duty-free entries of sugar, beef,[33] and—until December 31, 2011, when provisions expired—ethyl alcohol (ethanol).[34] Imports of sugar and beef, like those of some other agricultural products, remain subject to any applicable and generally imposed U.S. tariff-rate quotas (TRQs) and food-safety requirements.[35]

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

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

[31] 19 U.S.C. 2702(e).

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

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

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

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

Under the original CBERA, certain leather handbags, luggage, flat goods (such as wallets and portfolios), work gloves, and leather wearing apparel were eligible to enter at reduced rates of duty.[36] Not eligible for any preferential duty treatment under the original CBERA were cotton, wool, and manmade-fiber textiles and apparel; certain footwear; canned tuna; petroleum and petroleum derivatives; and certain watches and parts.[37]

The CBTPA amended CBERA to authorize duty-free treatment for some products previously ineligible for CBERA preferences, most notably certain apparel. It also authorized treatment equivalent to that given to Mexico under the North American Free Trade Agreement (NAFTA) for other products previously ineligible for duty-free treatment, including certain footwear; canned tuna; the above-mentioned handbags, luggage, flat goods, work gloves, and leather wearing apparel; petroleum and petroleum derivatives; and certain watches and watch parts.[38] Roughly 5,700 HTS 8-digit tariff lines or products are now covered by CBERA trade preferences, of which about 257 were added by CBTPA. CBERA excluded certain products from receiving preferential treatment and, while CBPTA modified those exclusions to add additional products to the preference program, certain textile and apparel articles, certain footwear, and above-quota imports of certain agricultural products subject to TRQs remain not eligible for preferential treatment.

Qualifying Rules of Origin

CBERA generally provides that to receive duty-free entry into the United States, eligible products must either be (1) wholly grown, produced, or manufactured in a designated CBERA country or (2) "new or different" articles made from substantially transformed non-CBERA inputs.[39] The cost or value of the local (CBERA-region) materials, plus the direct cost of processing in one or more CBERA countries, must total at least 35 percent of the appraised customs value of the product at the time of entry.[40] These

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restrictions, such as those administered by the U.S. Department of Agriculture's Animal and Plant Health Inspection Service. There is no exclusion for products of designated beneficiary countries from safeguard measures under the Agreement on Agriculture.

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

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

[38] 19 U.S.C. 2703(b)(3).

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

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

rules of origin allow goods incorporating value from multiple CBERA countries to meet the requirement for "local value content" on an aggregated basis.[41] Also, inputs from Puerto Rico, the U.S. Virgin Islands, and former CBERA countries[42] may count in full toward the value threshold. As an advantage over the GSP program's 35 percent requirement, the CBERA requirement for local value content can also be met when the CBERA content is 20 percent of the customs value and the remaining 15 percent is attributable to U.S.-made (excluding Puerto Rican) materials or components.[43] To encourage production sharing between Puerto Rico and CBERA countries, CBERA allows duty-free entry for articles produced in Puerto Rico that are "by any means advanced in value or improved in condition" in a CBERA country.[44]

CBERA and GSP

The majority of current CBERA countries are also GSP beneficiary countries.[45] The seven exceptions are Antigua and Barbuda, Aruba, The Bahamas, Barbados, Curaçao, Saint Kitts and Nevis, and Trinidad and Tobago.[46]

CBERA and GSP are similar in many ways, and many products may enter the United States free of duty under either program at the choice of the importer.[47] Both programs offer increased access to the U.S. market. Like CBERA, GSP requires that eligible imports (1) be imported directly from beneficiaries into the customs territory of the United States, (2) contain a minimum of 35 percent local value content, and (3) meet the double substantial-transformation requirement for any foreign inputs.[48]

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

[42] The term "former beneficiary country" means a country that is no longer a beneficiary country under CBERA because it became a party to a free trade agreement with the United States. Pub. L. 109-53, § 402.

[43] See 19 U.S.C. 2703(a)(1).

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

[45] The U.S. GSP program was established under Title V of the Trade Act of 1974, Pub. L. 93-618, 88 Stat. 2066 et seq. The statute authorized the President to provide duty-free treatment to eligible articles from beneficiary developing countries for a 10-year period. The President's authority was extended for an additional 10 years under Title V of the Trade and Tariff Act of 1984, Pub. L. 98-573, 98 Stat. 3018 et seq. The President's authority has expired and been renewed several times since then, as summarized later in this section.

[46] These countries were graduated from GSP because they had exceeded the income threshold; they were graduated in 2006, 1998, 1995, 2006, 1998, 2014, 2010, respectively.

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

[48] Both the CBERA and the GSP programs use a "double substantial transformation" rule. Under this rule, to be eligible for benefits, a firm in a beneficiary country must transform a material or component imported from a non-beneficiary country into a new or different article of commerce (such as a part) that, in turn, is incorporated in or transformed to produce a second new or different final product in the beneficiary country.

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

Second, CBERA beneficiary countries are not subject to the competitive-need limitations and country-income graduation requirements set by GSP. Under GSP, products that exceed a specified level of market penetration in the United States (the competitive-need limitation) may be excluded from GSP eligibility.[49] Products so restricted may continue to enter free of duty under CBERA. Moreover, a country may lose all of its GSP privileges once its per capita income grows beyond a specified amount,[50] but it would retain its CBERA eligibility, because there are no income limits in CBERA.

Third, CBERA qualifying rules for individual products are different from those of GSP. GSP requires that 35 percent of the value of the product be added in a single beneficiary country or in a specified association of eligible GSP countries,[51] whereas CBERA allows the value to come from any or all of the countries covered by CBERA (including former CBERA beneficiaries), as well as from limited U.S. content.[52]

Fourth, the President's authority to provide duty-free and reduced-duty treatment to products covered by the original CBERA is not time limited and any treatment given does not expire. By contrast, the President's authority to provide duty-free treatment under GSP is time limited and has in fact expired many times over the life of the program, with the gaps between expiration and renewal ranging from one month to nearly two years.[53] For example, the President' authority to provide duty-free treatment under the GSP program expired on July 31, 2013.[54] Effective July 29, 2015, GSP was extended through December 31, 2017, with a retroactive refund of duties paid on imports from all countries eligible for GSP at the time of the lapse.[55] The President's authority to provide duty-free treatment lapsed again on December 31, 2017. Congress renewed his authority retroactively effective April 22, 2018 and through December 31, 2020 (Pub. L. 115-141).

[49] A beneficiary developing country loses GSP benefits for an eligible product when U.S. imports of the product exceed the competitive-need limitation, which is defined as either a specific value that is adjusted each year ($185 million in 2018) or 50 percent of the value of total U.S. imports of the product in the preceding calendar year. 19 U.S.C. 2463(c)(2); USTR, *U.S. Generalized System of Preferences (GSP) Guidebook*, December 2012, 11.
[50] See 19 U.S.C. 2462(e).
[51] See 19 U.S.C. 2463(a)(2)(A)(ii).
[52] While both GSP and CBERA require eligible imports to contain a minimum of 35 percent local value content, the methodology for calculating the local value content for eligible imports under CBERA allows for content contributed by former CBERA beneficiary countries, Puerto Rico and the U.S. Virgin Islands to be counted.
[53] See USITC, *The Impact of Caribbean Basin Economic Recovery Act, Seventeenth Report, 2003–2004*, September 2005, 1-8.
[54] Pub. L. 112-40.
[55] Pub. L. 114-27.

Importers of goods from CBERA countries that are eligible for duty-free treatment under both programs have always had the option to enter these goods under either program. Because of the periodic lapses in the President's authority to grant duty-free treatment under GSP, Caribbean Basin suppliers generally have preferred to enter such dual eligible goods under CBERA.[56]

Caribbean Basin Trade Partnership Act

The United States-Caribbean Basin Trade Partnership Act (CBTPA), enacted May 18, 2000, expanded the CBERA program in several significant respects.[57] Additional modifications and clarifications were made in the Trade Act of 2002, enacted August 6, 2002.[58] CBTPA became effective on October 2, 2000, as a transitional measure through September 30, 2008, or until the entry into force of the Free Trade Area of the Americas—a proposed Pan-American free trade agreement (FTA)—or any comparable FTA between the United States and individual CBERA countries. As noted previously, in May 2010 CBTPA was extended to September 30, 2020.

CBTPA represents the first time the United States authorized duty-free treatment for imports of qualifying cotton, wool, and manmade-fiber apparel classified in HTS chapters 61 and 62 from CBERA countries. Key apparel provisions are summarized in table 1.2. For the most part, these CBTPA apparel goods must be made wholly of U.S. or CBERA-regional inputs and assembled in an eligible CBTPA country listed in chapter 98 of the HTS. The CBTPA also extended preferential treatment to a number of other products previously excluded from CBERA, including petroleum and petroleum products, certain tuna, certain footwear, and certain watches and watch parts. The rates of duty for these products are identical to those accorded to like goods from Mexico, under the same rules of origin applicable under NAFTA found in HTS general note 12. CBTPA also provided duty-free treatment for textile luggage assembled from U.S. fabrics made of U.S. yarns.[59]

[56] See USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers, Thirteenth Report,* 1997, and *Andean Trade Preference Act: Impact on U.S. Industries and Consumers, Fifth Report, 1997*, September 1998, 22–23.
[57] See Trade and Development Act of 2000 (Pub. L. 106-200, title II).
[58] See Trade Act of 2002 (Pub. L. 107-210).
[59] See HTS 9820.11.21.

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

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

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

Source: Caribbean Basin Trade Partnership Act (CBTPA), as amended by the Trade Act of 2002.
[a] Includes articles ineligible for duty-free treatment under the 1983 Caribbean Basin Economic Recovery Expansion Act (CBERA) (those of cotton, wool, and manmade fibers). The tariff provisions appear in subchapter XX of chapter 98 of the HTS.
[b] See U.S. House of Representatives, *Trade and Development Act of 2000: Conference Report to Accompany H.R. 434,* 106th Cong., 2d sess., H. Rept. 106-606, 77, which explains a substantially identical provision of the African Growth and Opportunity Act that is contained in CBTPA.
[c] Since the implementation of the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) beginning in 2006, the USITC has not provided any advice under the "commercial availability" provisions of the CBTPA. Note that CAFTA-DR parties (treated as "former CBTPA beneficiary countries") accounted for about 95 percent of U.S. imports of textiles and apparel under the CBTPA.

HOPE and HELP Acts

Since 2006, CBERA has been amended three times to expand and enhance trade benefits for Haiti and to give Haitian apparel producers more flexibility in sourcing yarns and fabrics. The first of the three amendments, in effect since March 20, 2007, is also known as the Haitian Hemisphere Opportunity through Partnership Encouragement Act of 2006 (HOPE I).[60] HOPE I provided duty-free treatment for a limited amount of apparel imported from Haiti if at least 50 percent of the value of inputs and/or costs of processing (e.g., assembling an entire garment or knitting it to shape) came from Haiti, the United States, or any country that is an FTA partner with the United States or is a beneficiary of specified U.S. trade preference programs (see box 1.1).[61] The percentage requirements for the value of inputs originating in the countries described above were increased in subsequent years, reaching 60 percent on December 20, 2011.[62]

[60] Pub. L. 109-432, sect. 5001 et seq.
[61] CBTPA, the African Growth and Opportunity Act, and the Andean Trade Promotion and Drug Eradication Act are the specified trade preference programs.
[62] To allow more flexibility in sourcing for Haitian apparel manufacturers, HOPE I also authorized duty-free treatment for three years (2007–10) for a specified quantity of woven apparel imports from Haiti made from fabrics produced anywhere in the world. It also included a single-transformation rule of origin for apparel articles entering under HTS 6212.10 (brassieres), which allows the components of these garments to be sourced from anywhere as long as the garments are both cut and sewn or otherwise assembled in Haiti. For more details, see USITC, *The Impact of the Caribbean Basin Economic Recovery Act, Nineteenth Report, 2007–2008*, September 2009.

Box 1.1: Comparison of the Rules of Origin for Apparel under CBTPA, the HOPE Acts, and the HELP Act[a]

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

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

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

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

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

[a] The tariff provisions are set forth in subchapter XX of chapter 98 of HTS.
[b] The use of U.S. thread is also required if the articles are cut and sewn or otherwise assembled in one or more CBTPA countries.
[c] If a fiber, yarn, or fabric has been determined to be not commercially available in the United States or CBTPA beneficiary countries, apparel using the product may still qualify for duty-free treatment.
[d] As noted in the discussion of HOPE I, the value-added requirement increased from 50 percent to 55 percent in year 4 of the HOPE I Act, and then to 60 percent in year 5 of the act. Beneficiary countries include the United States, Haiti, and any country with which the United States has a free trade agreement (FTA) or preferential trading arrangement.
[e] Certain types of knit apparel (e.g., men's and boys' T-shirts, all sweaters) do not qualify—generally they are given preferential treatment under CBTPA.
[f] As long as the brassieres (as well as luggage, headwear, and certain sleepwear) are wholly assembled or knit to shape in Haiti.
[g] Under HOPE I/HOPE II/HELP, if a fiber, yarn, or fabric has been determined to be not commercially available under any FTA or preference program, apparel using the product may still qualify for duty-free treatment.

On May 22, 2008, Congress further amended CBERA by enacting the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II).[63] HOPE II amended the special provisions for apparel and other textiles from Haiti in section 213(b) of CBERA, including provisions specified by HOPE I. On September 30, 2008, the President issued a proclamation to implement the tariff treatment for apparel and textiles under HOPE II.[64] The tariff treatment under HOPE II was designed to address concerns raised about HOPE I, such as the limited duration of the legislation's benefits, which could deter investment, and HOPE I's complexity and ambiguity, which reportedly delayed and discouraged the use of the trade benefits.[65] HOPE II provided additional ways, under simplified rules, that Haitian apparel might qualify for duty-free treatment. It also authorized a new labor-related capacity-building and monitoring program in the apparel sector, known as the Technical Assistance Improvement and Compliance Needs Assessment and Remediation Program, to benefit Haitian workers with training and worksite safety programs.[66]

The principal provisions in HOPE II relating to apparel and textile trade with Haiti are as follows:[67]

- most apparel preferences provided for in HOPE I were extended for 10 years until September 30, 2018;
- the existing value-added rule (now capped at 60 percent)[68] was retained until the original five-year expiration date, but the quantitative cap was changed to 1.25 percent of total U.S. apparel imports for the duration of the provision;
- the cap for woven apparel in HOPE I was expanded from 50 million square meter equivalents (SMEs) to 70 million SMEs;
- a new cap for knit apparel of 70 million SMEs was created, subject to exclusions for certain men's/boys' T-shirts and sweatshirts;
- an uncapped benefit for certain articles (brassieres, textile luggage, headwear, and certain sleepwear) was created for apparel wholly assembled or knit to shape in Haiti, regardless of the source of the inputs;
- an uncapped benefit was created for apparel wholly assembled or knit to shape in Haiti that meets a “3 for 1” earned import allowance requirement (i.e., for every 3 SMEs of qualifying fabric[69] purchased for apparel production by producers in Haiti, a 1-SME credit was received that can be used in the manufacture of apparel using non-qualifying fabric; the latter may enter the United States free of duty and not be subject to quantitative limitations);

[63] Pub. L. 110-234, § 15401 et seq.
[64] 73 Fed. Reg. 57475 (October 3, 2008).
[65] USITC, Textiles and Apparel: Effects of Special Rules for Haiti on Trade Markets and Industries, June 2008, 3–9 to 3–10.
[66] Pub. L. 110-234, § 15403.
[67] Contained in HOPE II amendments to § 213A(b) of CBERA.
[68] See the description of HOPE I above.
[69] Fabric qualifies if it is from the United States from U.S. FTA partners or from beneficiary countries of certain trade preference programs.

- an uncapped benefit was created for apparel made from non-U.S. fabrics deemed to be in "short supply"; and
- direct shipment from and co-production in the Dominican Republic was allowed.

CBERA was amended a third time when the President, on May 24, 2010, signed the HELP Act into law.[70] The principal aim of the HELP Act was to aid in Haiti's recovery from a major earthquake in January 2010 and to offer additional incentives to make it more cost effective for U.S. companies to import apparel from Haiti.[71] The HELP legislation expanded existing programs under the CBTPA and HOPE Acts and established new preferences, with unlimited duty-free treatment for certain knit apparel and certain home goods.[72]

Key provisions under the HELP Act include:

- extension of CBTPA and the HOPE Acts through September 30, 2020;[73]
- provision of duty-free treatment for additional textile and apparel products that are wholly assembled or knit to shape in Haiti, regardless of the origin of the inputs (as cited above);
- increases in the respective tariff preference levels under which certain Haitian knit and woven apparel products may receive duty-free treatment, regardless of the origin of inputs, from 70 million to 200 million SMEs;
- liberalization of the earned import allowance rule by allowing the duty-free importation of 1 SME of apparel wholly assembled or knit to shape in Haiti, regardless of the origin of the inputs, for every 2 SMEs (previously it was 1 for every 3 SMEs) of qualifying imported fabric from the United States; and
- extension of duty-free treatment until one of three dates: December 20, 2015, for apparel wholly assembled or knit to shape in Haiti with at least 50 percent of the value attributable to Haiti, the United States, or a U.S. FTA partner or preference program beneficiary ("qualifying countries"); December 20, 2017, for Haitian apparel with at least 55 percent of the value from qualifying countries; and December 20, 2018, for Haitian apparel with at least 60 percent of the value of the inputs from qualifying countries.

[70] Pub. L. 111-171, § 2, Haiti Economic Lift Program Act of 2010 (HELP Act).
[71] White House, "The United States Government's Haiti Earthquake Response," June 25, 2010.
[72] The new classifications added to the HTS were HTS subheading 9820.61.45 (certain apparel articles) and HTS subheading 9820.63.05 (certain made-up textiles articles). Articles produced in Haiti imported under these HTS numbers can enter the United States free of duty regardless of the source of the fabric, fabric components, components knit to shape, or yarns from which the articles are made.
[73] If Congress fails to renew CBTPA on time, it is unclear whether or not beneficiary countries will be refunded duties if there is a subsequent renewal. According to U.S. Customs and Border Protection, when GSP expired in 2017 and was renewed in 2018, there were retroactive refunds of duties, albeit without interest. When the Andean Trade Preference Act (ATPA) expired in 2001, it was renewed as part of the Andean Trade Promotion and Drug Eradication Act (ATPDEA). In this case, preferential treatment was again assigned retroactively. Both ATPA and ATPDEA expired in 2013.

On June 29, 2015, the President signed into law Public Law 114-27, the Trade Preferences Extension Act of 2015, which extends preferential access provided under the HOPE and HELP programs through September 20, 2025.

Chapter 2
Economic Impact of CBERA on U.S. Imports, Consumers, and Industries

This chapter reports on the economic impact of CBERA on U.S. imports, industries, and consumers in 2017–18. It includes the Commission's assessment of the program's actual effect during that period on the U.S. economy generally, as well as on those specific domestic industries which produce articles that are like or directly competitive with articles being imported into the United States from beneficiary countries. It also includes the Commission's assessment of the probable future effect the Act will have on the U.S. economy generally, as well as on such specific industries, before the provisions of the Act terminate. The assessment of CBERA's probable future effect is based on analysis of likely economic growth and investment activity in the Caribbean Basin region, as well as on an assessment of the role that foreign investment might play in future U.S. imports under CBERA. Most of this investment information has been collected from international sources such as the United Nations (UN), augmented by information obtained from the hearing (held on May 14, 2019) and informational cables from U.S. embassies in the CBERA countries.

Overall Impact

The overall impact of the CBERA program on the U.S. economy and on U.S. industries, consumers, employment, and operating profits was negligible in 2018. The five leading CBERA imports in 2018 were methanol (methyl alcohol), knitted cotton T-shirts, knitted sweaters made of manmade fibers, knitted cotton sweaters, and knitted T-shirts made of manmade fibers. Of the leading imports, only methanol, the U.S. production of which is increasing rapidly, showed any significant potential for adverse effects on U.S. producers.[74]

In assessing the probable future effect of CBERA, the Commission analyzed 2017–18 CBERA-related investment, as well as investment trends in the CBERA countries for the near-term production and export of CBERA-eligible products. This analysis indicates that 2017–18 investment is unlikely to generate U.S. imports that will have a measurable economic impact on U.S. producers and consumers, as CBERA countries generally are, and are likely to remain, small suppliers to the U.S. market. CBERA likely had its largest effects on the U.S. economy in the past, shortly after the program's implementation in 1984 and shortly after implementation of each of the major enhancements to CBERA; even these effects were minimal. Moreover, information available to the Commission from sources mentioned above indicates that investment in CBERA countries in recent years has focused primarily on services sectors rather than on the production of CBERA-eligible goods for export to the United States.

[74] Any potential adverse effect would be limited to slowing the expansion, rather than causing any contraction, of this rapidly growing U.S. industry.

Economic Impact of CBERA on the U.S. Economy

In this section, the Commission reports the CBERA program's actual effect during the period 2017–18 on the U.S. economy in general, as well as on those industries which produce articles that are like, or directly competitive with, articles that the United States imports from beneficiary countries; on U.S. imports under CBERA preferences; and on U.S. consumers. In addition, estimates are provided for the effects of CBERA preferences on U.S. employment and U.S. operating profits.[75]

Actual Economic Effect of CBERA Preferences on the U.S. Economy in 2017–18

As in earlier years, during 2017–18 the actual effect of CBERA on the U.S. economy was negligible. This was true mainly because the value of U.S. imports that entered under CBERA preferences remained small. In 2018, U.S. imports entered under the CBERA program amounted to $1.7 billion, which amounted to 0.07 percent of total U.S. imports (table 2.1). Although the total value of U.S. imports from CBERA countries increased in 2017–18, those imports also continued to be small, remaining at 0.2 percent of total U.S. imports.

Table 2.1 U.S. imports for consumption from CBERA countries, 2014–18

Year	U.S. imports from CBERA countries (million $)	CBERA countries share of U.S. imports from the world (%)	U.S. imports under CBERA (million $)	Share of U.S. imports under CBERA in total U.S. imports from CBERA countries (%)	Share of U.S. imports under CBERA in total U.S. imports from the world (%)
2014	8,484	0.4	2,427	28.6	0.10
2015	7,052	0.3	2,039	28.9	0.09
2016	5,320	0.2	1,410	26.5	0.06
2017	5,798	0.2	1,544	26.6	0.07
2018	6,071	0.2	1,685	27.8	0.07

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019). Data reflect all official USDOC revisions for 2014–18 as of that date.

Actual Economic Effect of the CBERA Preferences on U.S. Imports, U.S. Consumers, and U.S. Industry, 2017–18

In evaluating the effect of the CBERA program, the Commission distinguished between (a) CBERA-exclusive imports and (b) CBERA-nonexclusive imports. Some products, such as T-shirts and sweaters

[75] See section 215 of CBERA (19 U.S.C. 2704(b)(2)(A)). For this report, the Commission was able to extend the partial equilibrium model to estimate effects on U.S. employment and U.S. operating profit. See appendix B for a detailed description of the model and underlying data.

from Haiti, can only enter the United States free of duty under CBERA preferences and not under GSP. Imports of these products are referred to below as CBERA-exclusive imports. Other products, such as yams and sauces, can enter the United States free of duty under both CBERA and GSP. Imports of these products are referred to as CBERA-nonexclusive imports. For some products that are technically both CBERA and GSP eligible, such as methanol and polystyrene, the sole CBERA exporter may not have preferential access under GSP because they are not a designated beneficiary country. In that case, such products are considered CBERA-nonexclusive.

The Commission's analysis draws on a standard partial equilibrium (PE) model to estimate the effects of CBERA on U.S. imports, U.S. consumer prices, U.S. industry, U.S. employment, and U.S. operating profits.[76] The PE model used to estimate the above effects is described below, together with its limitations.[77] This section is followed by a description of the estimated effects for CBERA-exclusive as well as for CBERA nonexclusive imports.

Partial equilibrium model. The Commission's PE model numerically estimates the effects of changes in trade policy at a product level,[78] in which each market is analyzed separately. In the model, consumers buy differentiated products from firms producing in the U.S. domestic market, CBERA beneficiary countries, and non-CBERA countries. This model estimates price and quantity effects for each market if U.S. tariffs on products imported from CBERA beneficiaries are eliminated as a result of the CBERA program.[79] A tariff reduction or elimination on products from CBERA beneficiaries reduces the domestic price of CBERA imports, leading to increased CBERA imports and lowered prices to U.S. consumers, as well as reduced domestic production due to increased competition.

The model's estimates are based on information about the size of the duty reduction as well as U.S. market shares for domestic and foreign producers of the product. The model also considers the degree of substitutability between the domestic product and imports. In general, if imports under CBERA account for a larger market share in the U.S. domestic market and/or face higher tariff rates and/or are more substitutable with domestic products, then the model will estimate larger increases in U.S. imports, larger decreases in consumer prices, and larger adverse effects on domestic producers following the removal of tariffs. Details of the model, as well as data inputs, are reported in the technical appendix (appendix B).

In contrast to previous Commission reports on CBERA, the Commission also considers the effects on domestic employment and profitability of industry participants as a result of the United States granting CBERA products duty-free access. In order to determine these specific effects, the model assumes that

[76] For modeling purposes, the Commission focused on 2018, but the data for 2017 are largely the same. Chapter 4 describes trade data for 2017–18.
[77] For technical information on the partial equilibrium model used in this analysis, see appendix B.
[78] Typically at the 8-digit tariff code level in the Harmonized Tariff Schedule of the United States (HTS).This is more specific than the HTS 4- or 6-digit level.
[79] Since current U.S. imports from CBERA countries are eligible for preferential treatment, the model starts with initial market shares and initial zero tariffs. It then simulates for 2018 a counterfactual value of quantities and prices that would prevail absent the CBERA preferences, if tariffs were at NTR rates. The estimated impact of CBERA is calculated as the difference between the initial (and prevailing) values of prices and quantities and these counterfactual values (i.e., without CBERA preferences).

firms operate under monopolistic competition, such that each firm has some market power when setting the price for its products.[80] The model assumes that the number of firms in each country is fixed, with firms able to generate positive economic profits in the short run. Further, changes in firm revenue from tariff removal in the model have a direct effect on a firm's demand for variable labor, such as the number of production workers employed within the industry.[81] Thus, along with price and quantity effects, the model also computes the effects on the amount of domestic labor needed in production, as well as profitability of domestic industry, due to the removal of U.S. tariffs on CBERA imports.

Limitations of the Partial Equilibrium Model. The Commission's PE model is designed to take into account certain factors such as tariffs, market shares, elasticities, employment, and operating profits, but it does not take into account other factors such as wages, inventories, capital investments, and profit margins. The model may not be appropriate for industries that deviate from monopolistic competition, such as those characterized by a few firms that each have significant market power. With respect to labor effects, the estimation of the production workers employed by the domestic industry producing the affected HTS 8-digit product assumes that industries classified within a 6-digit sector in the North American Industry Classification System (NAICS) have the same labor productivity.[82] If that is not the case, then differences across labor productivities within NAICS 6-digit sectors will not be reflected in the assignment of production workers and in the subsequent determination of effects on production workers from the elimination of U.S. tariffs on CBERA imports.

With respect to the profitability analysis, the model may also underestimate the effect of duty elimination on an U.S. industry in situations where U.S. firms generate small profits; given low profitability, that industry is less able to adjust to increased foreign competition. Further, this chapter reports only the effects on operating profits, because estimating the effect on net profits requires additional information on initial profit margins, which is generally not publicly available.[83] Another instance in which the model may underestimate the effects of a tariff removal is a situation where an imported product has a small share in the domestic market initially. In that situation, the model is

[80] Krugman, "Scale Economies, Product Differentiation and the Pattern of Trade," 1980. The monopolistic competition assumption is commonly used in trade models; here, it makes it easier to estimate the impact of CBERA on the profitability of U.S. firms by relating changes in operating profits to changes in firm revenues.
[81] These effects are calculated at the industry level, so the PE model cannot determine if affected workers were re-hired or redeployed elsewhere in the economy.
[82] The HTS code is a U.S. classification of international trade data that is based on the World Customs Organization's Harmonized System (HS). In contrast, NAICS is a U.S. classification of domestic economic activity. Thus, there may not always be a perfect match between trade data and production data. The technical appendix (appendix B) provides more details on the Commission's approach to estimating the number of production workers employed in the affected domestic industries.
[83] Operating profits are defined as a firm's total revenue minus variable costs; net profits, as a firm's total revenue minus variable costs and fixed costs; and profit margins, as net profits over total revenue. The Commission has undertaken more extensive profitability investigations that look at net profits, but these require confidential business information from the industry. See, for instance, USITC, *Large Residential Washers*, Investigation No. TA-201-076, Publication 4745, December 2017, and *Crystalline Silicon Photovoltaic Cells*, Investigation No. TA-201-75, Publication 4739, November 2017.

unlikely to estimate a significant effect on the domestic industry after the removal of tariffs.[84] Finally, the model's focus is on goods and does not reflect services linked to the production of goods.

The following section (1) identifies CBERA-exclusive products and (2) presents quantitative estimates of the effect of CBERA on U.S. imports, U.S. consumers, U.S. industries, U.S. employment, and U.S. operating profits.[85] The next section presents a similar analysis for CBERA-nonexclusive products.

Actual Economic Effect of CBERA

U.S. Imports of CBERA-Exclusive Products

The 10 leading products, by value, that are eligible to enter exclusively under the CBERA program are different types of apparel imported from Haiti (table 2.2). These 10 products accounted for 89.0 percent of total U.S. imports of CBERA-exclusive products. The five leading CBERA-exclusive imports in 2018 include T-shirts, sweaters, and women's or girls' trousers.[86] These five apparel imports accounted for 83.0 percent of the value of the 10 leading items in 2018, with cotton T-shirts[87] accounting for 33.5 percent.

Estimated Effect on U.S. Imports

The estimated effect of the CBERA program is a reduction in the domestic price of CBERA imports, leading to an increase in CBERA imports and a decrease in prices to U.S. consumers, as well as a reduction in U.S. production, due to increased competition. Table 2.2 reports the Commission's estimation of the economic effect of the CBERA program on CBERA-exclusive imports. On average, U.S. imports of those 10 leading apparel products increase by 53 percent as a result of CBERA preferential duties.[88] Such imports have average normal trade relations (NTR) duty rates of about 24 percent ad valorem. The largest increase in imports are sweaters and T-shirts, both of manmade fibers,[89] which increase by 72.6 percent and 70.3 percent, respectively. Their NTR duties are 32.0 percent ad valorem. Other apparel imports—men's and boys' trousers, men's and boys' shirts, and women's or girls'

[84] Determining the effect of trade liberalization on imports with small market shares is a well-known issue for applied trade models that specify a constant elasticity of substitution for import demand. According to Kuiper and van Tongeren, "Using Gravity to Move Armington," 2006, the "small shares stay small" problem causes these models to not predict sizable changes in trade flows—even after the elimination of significant barriers—from importers whose initial shares of imports are small before the duties are removed.
[85] The estimated effects shown in table 2.2 and table 2.3 are not a record of actual job losses but rather are the result of simulations of the impact of the CBERA program on employment in 2018. As with all partial equilibrium modeling at the product level, the results across different product categories should not be summed; for textiles and apparel products, workers within individual facilities may produce multiple goods (e.g., both shirts and trousers), so adding the job loss figures may double-count workers.
[86] HTS subheadings 6109.10.00, 6110.30.30, 6110.20.20, 6109.90.10, and 6104.62.20.
[87] HTS subheading 6106.10.00.
[88] Using a specific example, Table 2.2 shows that imports under CEBRA for cotton T-shirts in 2018 was $285 million. As noted above, the model then simulates a counterfactual value of quantities and prices that would prevail absent the preferences, if tariffs were at NTR rates. The model estimates CBERA preferences have generated 33.4 percent (around $95 million) of the import value of cotton T-shirts in 2018. Therefore imports of cotton t-shirts would be around $190 million without CBERA preferences in 2018.
[89] HTS subheadings 6110.30.30 and 6109.90.10.

trousers[90]—increase by about 60 percent as a result of the CBERA preferential program, primarily because their NTR duty rates are high (ranging from 14.9 percent to 28.2 percent ad valorem). While some U.S. apparel firms are in direct competition with CBERA imports, some U.S. textile producers (e.g., yarn) benefit, as they supply inputs to apparel assembled in CBERA countries.[91]

Estimated Effect on U.S. Consumers

For each of the 10 leading CBERA-exclusive imports, table 2.2 reports the percentage changes in consumer prices of these products, which are primarily imported from Haiti. In 2018, the estimated decline in consumer prices as a result of CBERA preferences was 1.1 percent for T-shirts of manmade fibers,[92] followed by men's and boys' shirts of manmade fibers,[93] with a decrease in price of 1.0 percent. These products experienced the largest price reductions primarily because they have high NTR duty rates and make up a larger share of the U.S. domestic market.

Estimated Effect on U.S. Industry

Estimates of potential displacement effects of the CBERA program on the U.S. apparel industry are small for 2018 (table 2.2). The percentage decrease in revenue for the U.S. apparel industry competing with imports under CBERA is between 0.1 percent and 2.3 percent. For most of the U.S. apparel industry, employment effects are also small. Only the estimates for T-shirts, made of cotton and manmade fibers,[94] show more than a negligible (though still small) effect on production workers employed in those industries. As noted above, data on U.S. employment at the tariff line level are generally not available, and estimates rely on the assumption of similar labor productivities within more aggregated NAICS industries. Although the exact impact on employment cannot be determined, these best estimates are reported to show the magnitude of potential employment effects from CBERA, as requested by statute. Regarding operating profits for these industries, they decline but their changes are small, except those of T-shirts. The small effects of apparel imports under CBERA on the U.S. apparel industry are mostly due to their small shares in the U.S. domestic market (between 0.5 and 2.3 percent). However, the import shares of T-shirts made of cotton and manmade fibers[95] are larger, at 6.8 percent and 5.9 percent, respectively.

[90] HTS subheadings 6203.43.90, 6205.30.20, 6104.63.20, and 6103.43.15.
[91] See CBERA provisions in table 1.2 that mandate use of U.S. fabric.
[92] HTS subheading 6109.90.10.
[93] HTS subheading 6205.30.20.
[94] HTS subheadings 6109.10.00 and 6109.10.90.
[95] HTS subheadings 6109.10.00 and 6109.10.90.

Table 2.2 Estimated effect of the CBERA program on CBERA-exclusive imports, consumer prices, and domestic industry, 2018

HTS subheading	Description	Duty rate[a]	Baseline values				Estimated change			Change from baseline values[b]			
			CBERA imports (mil. $)[c]	Revenue (mil. $)[d]	PRW (#)[e]	OP (mil. $)[f,g]	CBERA imports (%)[h]	Consumer prices (%)[h]	Revenue, PRW, OP (%)[g,h]	CBERA imports (mil. $)	Revenue (mil. $)	PRW (#)	OP (mil. $)[g]
6109.10.00	T-shirts of cotton	16.5	285	258	898	86	33.4	-0.8	-1.7	95.2	-4.4	-15	-1.5
6110.30.30	Sweaters of manmade fibers, n.e.s.o.i.	32	142	234	812	78	72.6	-0.5	-0.9	103.1	-2.1	-7	-0.7
6110.20.20	Sweaters of cotton, n.e.s.o.i.	16.5	112	309	1,073	103	35.2	-0.2	-0.4	39.4	-1.2	-4	-0.4
6109.90.10	T-shirts of man-made fibers	32	106	174	606	58	70.3	-1.1	-2.3	74.5	-4.0	-14	-1.3
6104.62.20	Women's/girls' trousers of cotton	14.9	60	93	323	31	30.8	-0.4	-0.9	18.5	-0.8	-3	-0.3
6203.43.90	Men's/boys' trousers (synth fibers)	27.9	48	81	568	27	61.2	-0.7	-1.4	29.4	-1.1	-8	-0.4
6205.30.20	Men's/boys' shirts of manmade fibers, n.e.s.o.i.	27.2	31	34	240	11	58.7	-1	-1.9	18.2	-0.6	-5	-0.2
6203.42.45	Men's/boys' trousers of cotton	16.6	27	417	2,918	139	35.8	-0.1	-0.1	9.7	-0.4	-3	-0.2
6104.63.20	Women's/girls' trousers (synth fibers), n.e.s.o.i.	28.2	20	88	304	29	63.6	-0.2	-0.4	12.7	-0.4	-1	-0.2
6103.43.15	Men's/boys' trousers (synth fibers), n.e.s.o.i.	28.2	18	74	517	25	63.4	-0.3	-0.6	11.4	-0.4	-3	-0.1

Source: Compiled and estimated from official statistics of the U.S. Department of Commerce (USDOC).

Note: N.e.s.o.i. = "not elsewhere specified or included." Import data reflect all official USDOC revisions for 2018 as May 20, 2019.

[a] Harmonized tariff schedule; ad valorem equivalent. Ad valorem is a rate of duty expressed as a percentage of the appraised customs value of the imported good; the actual tariff may be levied in other terms, such as dollars per ton.

[b] Computed as (baseline values*estimated change) for each column

[c] Imports for consumption from CBERA countries, entering under CBERA..

[d] Baseline revenue values were estimated by USITC industry analysts based on industry-specific data (see technical notes in Appendix B). Revenue is from domestic shipments, i.e. domestic production.

[e] Production-related workers (PRW) are estimated at the HTS 8-digit product level using the number of domestic production workers in the corresponding NAICS 6-digit industry level. Similarly, the share of domestic shipments is estimated at the HTS 8-digit product group level using the number of domestic shipments at the NAICS 6-digit industry level. Data on production workers and domestic shipments at the NAICS 6-digit industry level are obtained from the 2016 Annual Survey of Manufactures. See technical appendix (appendix B).

[f] With the assumption of constant markups, initial profits are estimated as revenue divided by the elasticity of substitution of the product.

[g] OP denotes operating profits

[h] Model estimate. Estimates of price and quantity changes from each source are determined using a partial equilibrium model that assumes U.S. consumers differentiate a given HTS-8 product by whether it is a U.S. domestic product, a CBERA-exclusive import, or a non-CBERA import. The model further assumes that the consumers are able to substitute between these varieties at a constant rate because of changes in relative prices. In addition, the model assumes that estimated changes to production workers and operating profits are proportional to changes to revenue.

U.S. Imports of CBERA-Nonexclusive Products

The Commission selected the top 10 leading products, by value, of CBERA-nonexclusive imports (table 2.3). These 10 products accounted for nearly 40 percent of total U.S. imports under CBERA preferences. The five leading nonexclusive CBERA imports in 2018 were methanol (methyl alcohol), polystyrene, light crude petroleum, yams, and fuel oil. These five imports accounted for 91.2 percent of the value of the 10 leading nonexclusive imports in 2018, with methanol alone accounting for 69 percent.

Estimated Effect on U.S. Imports

As noted above, CBERA preferences reduce the domestic price of CBERA imports, leading to an increase in imports under CBERA and a decrease in prices to U.S. consumers, as well as a reduction in U.S. production due to increased competition. Table 2.3 reports the estimated economic effect of the CBERA program on U.S. imports of CBERA-nonexclusive products. The CBERA preferential duties increase U.S. imports of methanol, polystyrene, other food preparations, and sauces and preparation by an average of 13 percent. The NTR duties on these products range between 5.5 and 6.5 percent ad valorem. Melamine imports, with a tariff rate of 3.5 percent ad valorem, increase by 9.5 percent. The largest import under the program, by value, is methanol, which experiences the largest increase in U.S. imports—13.7 percent. U.S. imports under CBERA of methanol accounted for over 50 percent of total U.S. imports of methanol in 2018.[96]

Estimated Effect on U.S. Consumers

For each of the 10 leading CBERA-nonexclusive imports, table 2.3 reports the estimated percentage changes in consumer prices when these products are imported under CBERA preferential duties. For 2018, methanol from Trinidad and Tobago generates the largest decline in consumer prices (0.9 percent). Its NTR duty is 5.5 percent ad valorem. Methanol is followed by polystyrene from The Bahamas (consumer price decline of 0.4 percent) and by melamine from Trinidad and Tobago (0.4 percent). These CBERA imports experienced the largest price reductions primarily because their share of U.S. total imports are large (methanol, 54 percent; melamine, 34.7 percent; and polystyrene, 15.9 percent).

Estimated Effect on U.S. Industries

Table 2.3 reports the estimated percentage changes in revenues for the top 10 CBERA-nonexclusive imports. CBERA preferential duties decreased revenue of the methanol industry by 3.2 percent. The methanol industry is followed by the melamine industry with an estimated decline in revenue of 1.3 percent. Similarly, the estimated effect on employment and operating profits is the largest for the methanol industry.[97] The effect of duty-free access granted to CBERA beneficiaries for the remaining U.S. industries competing with CBERA-nonexclusive imports is small or negligible for both employment and operating profits. This was mostly due to the relatively small shares of those imports in total U.S.

[96] The methanol industry is discussed further in a section below.

[97] As noted previously, data on U.S. employment at the tariff line level are generally not available, and estimates rely on the assumption of similar labor productivities within more aggregated NAICS industries. Although the exact impact on employment cannot be determined, these best estimates are reported in order to show the magnitude of potential employment effects from CBERA, as requested by statute.

imports (ranging from 0.1 percent to 1.3 percent). In contrast, for the methanol industry—discussed in the next section—the share of total imports under CBERA is 26.6 percent.

Table 2.3 Estimated effect of the CBERA program on CBERA-nonexclusive imports, consumer prices, and domestic industry, 2018

HTS subheading	Description	Duty rate[a]	Baseline values				Estimated change			Change from baseline values[b]			
			CBERA imports (mil. $)[c]	Revenue (mil. $)[d]	PRW (#)[e]	OP (mil. $)[f,g]	CBERA imports (%)[h]	Consumer prices (%)[h]	Revenue, PRW, OP (%)[g,h]	CBERA imports (mil. $)	Revenue (mil. $)	PRW (#)	OP (mil. $)[g]
2905.11.20	Methanol (Methyl alcohol)	5.5	448	1,550	754	387	13.7	-0.9	-3.2	61.4	-50.6	-24	-12.7
3903.11.00	Polystyrene	6.5	64	580	334	193	12.5	-0.4	-0.8	8.1	-4.5	-3	-1.5
2709.00.20	Crude petroleum	0.2	34	202,146	64,000	50,537	0.5	0.0	0.0	0.2	-0.2	0	0.0
0714.30.10	Fresh or chilled yams	6.4	24	466	-	233	6.1	-0.3	-0.3	1.5	-1.3	-	-0.6
2710.19.06	Refined petroleum products	0.1	21	30,933	3,271	7,733	0.2	0.0	0.0	0.0	0.0	0	0.0
2933.61.00	Melamine	3.5	19	93	45	23	9.5	-0.4	-1.3	1.8	-1.2	-1	-0.3
2106.90.98	Other food preps n.e.s.o.i.	6.4	18	15,297	22,546	5,099	13.2	0.0	0.0	2.4	-1.6	-2	-0.5
2103.90.90	Sauces and preparations, neosi	6.4	9	4,023	6,824	1,341	13.2	0.0	0.0	1.2	-1.2	-2	-0.4
2008.99.91	Bean cake, other fruit, nuts	6.0	5	286	486	143	6.0	0.0	0.0	0.3	-0.1	0	-0.1
2202.10.00	Waters, including mineral waters	0.1	5	70,459	51,302	23,486	0.2	0.0	0.0	0.0	0.0	0	0.0

Source: Compiled and estimated from official statistics of the U.S. Department of Commerce (USDOC).
Note: N.e.s.o.i. = "not elsewhere specified or included." Import data reflect all official USDOC revisions for 2018 as May 20, 2019.
[a] Harmonized tariff schedule; ad valorem equivalent. Ad valorem is a rate of duty expressed as a percentage of the appraised customs value of the imported good; the actual tariff may be levied in other terms, such as dollars per ton.
[b] Computed as (baseline values*estimated change) for each column
[c] Imports for consumption from CBERA countries, entering under CBERA..
[d] Baseline revenue values were estimated by USITC industry analysts based on industry-specific data (see technical notes in Appendix B). Revenue is from domestic shipments, i.e. domestic production.
[e] Production-related workers (PRW) are estimated at the HTS 8-digit product level using the number of domestic production workers in the corresponding NAICS 6-digit industry level. Similarly, the share of domestic shipments is estimated at the HTS 8-digit product group level using the number of domestic shipments at the NAICS 6-digit industry level. Data on production workers and domestic shipments at the NAICS 6-digit industry level are obtained from the 2016 Annual Survey of Manufactures. See technical appendix (appendix B).
[f] With the assumption of constant markups, initial profits are estimated as revenue divided by the elasticity of substitution of the product.
[g] OP denotes operating profits
[h] Model estimate. Estimates of price and quantity changes from each source are determined using a partial equilibrium model that assumes U.S. consumers differentiate a given HTS-8 product by whether it is a U.S. domestic product, a CBERA-exclusive import, or a non-CBERA import. The model further assumes that the consumers are able to substitute between these varieties at a constant rate because of changes in relative prices. In addition, the model assumes that estimated changes to production workers and operating profits are proportional to changes to revenue.

Highlights of U.S. Industry Most Affected by CBERA

Methanol

Petroleum-related products from Trinidad and Tobago account for a large share of U.S. imports under CBERA. In 2018, Trinidad and Tobago supplied 100 percent of the crude petroleum and 100 percent of the methanol imported by the United States under CBERA. Trinidad and Tobago also figures prominently in the methanol industry worldwide. While Trinidad and Tobago continues to be the primary source, U.S. imports of methanol are becoming less important in the U.S. market as the domestic industry is expanding rapidly and is expected to become a net exporter in 2019. The following section describes methanol trade and production in relation to the United States and Trinidad and Tobago.

Methanol Uses

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

U.S. Methanol Production Capacity and the U.S. Market

During the early 2000s, relatively high North American prices for natural gas made it unprofitable for many U.S. methanol producers to remain operating. The number of operating U.S. plants fell from 17 in the late 1990s to 4 during 2005–12. But discoveries of natural gas in North America and new gas production technologies, such as fracking, lowered natural gas prices and kept them low even after the U.S. economy started recovering from the 2008–09 recession. The abundant supply of relatively cheap natural gas enabled companies to build or restart facilities along the U.S. Gulf Coast and near other sources of natural gas. The number of operating U.S. plants rose to 6 in 2013 and to 10 in 2018. That number is expected to continue growing through 2020, reaching 13 plants that year (table 2.4).

New and revitalized plants have raised capacity in both Canada and the United States. In 2011, for example, the large Canadian firm Methanex restarted a shuttered Canadian facility that is able to serve all of the Canadian market's demand. In 2012, Pandora Methanol restarted an idled Texas methanol facility, and LyondellBasell restarted a separate Texas facility in 2013. Methanex moved two methanol plants from Chile to the United States, with one facility beginning production in 2014 and the other in 2015. In August 2018, Natgasoline announced that its 1.75 million mt plant in Texas had reached full

production.[98] Other new sources of U.S. methanol production are anticipated in the near term, as listed in table 2.4.

As a result, U.S. methanol production rose from 1.0 million mt in 2012 to 6.1 million mt in 2017.[99] The following year U.S. production capacity reached 7.7 million mt in 2018, an increase of 1.6 million mt from 2017. U.S. production capacity is projected to climb to an estimated 11.4 million mt by the end of 2020.[100] The majority of U.S. methanol production is for captive consumption,[101] but a small amount is sold in the merchant market.[102] The abundance of new production capacity will increasingly lessen U.S. demand for methanol imports, including from Trinidad and Tobago under CBERA.

Although current U.S. production capacity does not yet satisfy U.S. demand, the additional production capacity represented by the projects that came online in 2018, plus those listed below, would result in supply exceeding anticipated U.S. demand. If production and consumption trends continue to follow projected estimates, then the United States is likely to become a net exporter of methanol in 2019.[103]

Table 2.4 Anticipated new U.S. methanol production facilities, 2019–20

Production start date	Company name	Location	Project type	Capacity (million mt)
2019	Big Lake Fuels	Louisiana	Greenfield	1.4
2019	Yuhuang Chemical	Louisiana	Greenfield	1.7
2020	U.S. Methanol	West Virginia	Greenfield	0.2
2020	Celanese/Mitsui	Texas	Expansion	0.4 additional

Source: Sriram et al., "Methanol," December 8, 2017, 34; Celanese, "Celanese Expands Methanol Production at Clear Lake Facility," April 17, 2019.

U.S. Demand for Methanol

From its recession-induced low point in 2009, U.S. demand for methanol steadily rose to 6.9 million mt in 2017 and is projected to keep growing by 2.2 percent per year through 2022. Methanol use for acetic acid, biodiesel, and formaldehyde production are forecast to drive the fastest growth in U.S. methanol demand.[104]

U.S. Imports of Methanol

U.S. imports of methanol under HTS 2905.11.20 (methanol other than for use in producing synthetic natural gas or for direct use as a fuel) in 2018 were dutiable at the NTR rate of 5.5 percent ad valorem or were eligible for duty-free or reduced-duty treatment under a number of preferential programs and free trade agreements, including CBERA. U.S. imports of methanol under HTS 2905.11.10 (methanol for use

[98] Cision PR Newswire, "Natgasoline Successfully Ramped Up," August 29, 2018.
[99] Sriram et al., "Methanol," December 8, 2017, 36.
[100] Sriram et al., "Methanol," December 8, 2017, 34, 36; U.S. Methanol, "About: Projects" (accessed April 29, 2019).
[101] Captive consumption is defined as the consumption of the good by the same factory or another factory of the same firm for use in the manufacture of other goods.
[102] Sriram et al., "Methanol," December 8, 2017, 35.
[103] ICIS reported that U.S. exports of methanol exceeded imports in five of the last six months of 2018. ICIS, "Methanol Prices, Markets and Analysis" (accessed April 19, 2019).
[104] Sriram et al., "Methanol," December 8, 2017, 39.

in producing synthetic natural gas or for direct use as a fuel) were subject to an NTR duty rate of free. More than 95 percent of U.S. imports of methanol under HTS 2905.11.20 from Trinidad and Tobago—the only source of methanol to the United States among CBERA beneficiaries during 2017–18—entered under CBERA. Trinidad and Tobago became the primary source of U.S. imports of methanol under HTS 2905.11.20 in 1998, and its share of the value of U.S. imports expanded to 72 percent in 2009 before declining progressively to 50 percent in 2016 and 2017 and increasing to 52 percent in 2018.[105]

The value of total U.S. imports of methanol under HTS 2905.11.20 rose in 2017 and again in 2018. Although import levels had been increasing irregularly overall since the global recession in 2008–09, in 2015 that trend reversed. As more of the rapidly expanding U.S. production capacity became fully operational in 2016, the value of U.S. imports of methanol under HTS 2905.11.20 from all sources fell 52 percent to $516 million. U.S. imports of methanol had not been that low since 1999. The value of methanol imports from all sources increased $108 million (14 percent) in 2018 to $895 million, and those from Trinidad and Tobago increased $73 million (19 percent) to $463 million.[106]

Unit prices accounted for the increase in the total value of U.S. imports the last two years. While the volume was constant from 2016 to 2017 and decreased 3 percent in 2018, unit prices rose approximately 50 percent in 2017 and another 21 percent in 2018.[107]

Global Methanol Production

Countries with significant natural gas sources, such as Trinidad and Tobago, have transformed the geographic composition of the methanol industry over the last two decades by investing in new, large-scale production facilities to leverage their access to cheap natural gas, the main input for most methanol production processes. These countries not only retain the extra value added but also are able to save on logistical costs, as shipping methanol is cheaper and easier than shipping natural gas.[108]

In 2017 and 2018, global methanol production capacity increased because of new facility construction and the expansion/debottlenecking[109] of existing production facilities in China, Southeast Asia, and North America. Most other regions and countries experienced no significant changes.

China is the world's largest methanol producer, consumer, and importer. China is expected to see growth in each of these categories during the next three to five years because of its increased energy demands and abundant reserves of coal (the primary input for Chinese methanol production). North

[105] Venezuela has been the second-largest source of U.S. imports of methanol under HTS 2905.11.20 since 2003, representing 19 percent of U.S. imports by value in 2018. USITC DataWeb/USDOC, HTS statistical reporting line 2905.11.20 (accessed May 22, 2019).
[106] USITC DataWeb/USDOC, HTS statistical reporting line 2905.11.20 (accessed May 22, 2019).
[107] USITC calculations based on value and quantity data from USITC DataWeb. USITC DataWeb/USDOC, HTS statistical reporting line 2905.11.20 (accessed May 22, 2019). These calculations generally agree with Methanex's reported price lists, found in Methanex, "Pricing Data" (accessed May 22, 2019).
[108] Because natural gas has to be cooled significantly (to approximately −162 °C (−260 °F)) before it liquefies, while methanol is a liquid at standard temperature and pressure, liquefied natural gas requires specialized processing facilities at each end and also requires ships with proper refrigeration during transport.
[109] Debottlenecking refers to a company increasing production by improving its process rather than by adding new capital equipment.

American capacity increased with the 2017 debottlenecking of the plant in Canada and the coming online of a U.S. greenfield[110] plant in Texas in 2018, as noted above.

Major Producers

Trinidad and Tobago has multiple methanol producers taking advantage of the enhanced access to the U.S. market through CBERA. Methanol Holdings (Trinidad) Ltd. (MHTL) and Methanex, through full or partial ownership of production facilities, had the largest methanol production capacities in Trinidad and Tobago in 2018. MHTL has five methanol plants in Trinidad and Tobago with a total capacity of 4.1 million metric tons (mt) per year. Two of these plants, with a capacity of 1.0 million mt, have been idle since early 2017 due to a shortage of natural gas feedstock.[111] Methanex is the world's leading producer of methanol and has a global network of production facilities, including two plants with a total capacity of 2.7 million mt in Trinidad and Tobago.[112] Caribbean Gas Chemical Limited (CGCL) is building Trinidad and Tobago's eighth methanol plant, with a capacity of 1.0 million mt, and expects to begin operations later in 2019.[113]

[110] A greenfield plant is a new facility rather than one that has been converted, expanded, or restarted (known as a brownfield plant).
[111] Methanol Holdings (Trinidad) Ltd., "History" (accessed April 19, 2019). MHTL idled two of its smaller plants in Trinidad and Tobago in 2017 due to government-imposed natural gas curtailments. The shutdowns reduced MHTL's capacity by 1 million mt (25 percent). Clark, "Trinidad's MHTL Cutting Methanol Production by 25%," March 6, 2017.
[112] Methanex's capacity elsewhere includes 2.4 million mt in New Zealand, 2.0 million mt in the United States, 1.3 million mt in Egypt, 0.8 million mt in Chile, and 0.6 million mt in Canada. Methanex website, https://www.methanex.com/ (accessed April 19, 2019).
[113] Caribbean Gas Chemical Limited (CGCL) website, http://www.cgcltt.com/ (accessed April 23, 2019). CGCL's shareholders comprise a Mitsubishi consortium (Mitsubishi Gas Chemical Company Inc., Mitsubishi Corporation, Mitsubishi Heavy Industries), National Gas Company of Trinidad and Tobago, and local conglomerate Massy Holdings Ltd.

Assessment of the Probable Future Effect of CBERA

Overview

Average annual economic growth for the past five-year period (2014–18) across CBERA beneficiary countries has exceeded 1.3 percent, albeit with a recent slowdown to 1.1 percent in 2017 and 1.2 percent in 2018.[114] International Monetary Fund (IMF) forecasts suggest higher short-term economic growth for beneficiary economies, with estimated growth rates of 2.7 percent in 2019 and 4.4 percent in 2020.[115] While higher future growth rates have the potential to increase the capacity for beneficiary countries to produce products directly competitive with U.S. domestic industries, an analysis of FDI inflows suggests that most new investments in CBERA beneficiary countries are concentrated in service sectors or in products not typically imported under CBERA. At the same time, IMF forecasts of a near-term growth slowdown in the United States suggests a potential slackening in the growth of future U.S. demand for CBERA imports.

Given the recent emphasis on investments in CBERA-nonexclusive industries, the future effect of the CBERA program on the U.S. economy generally, as well as on domestic industries producing articles like or directly competitive with those imported from beneficiary countries, is likely to remain minimal for most products imported under CBERA from beneficiary countries. This conclusion is based on an analysis of likely economic growth and investment activity in the United States and the Caribbean Basin region, as well as on an assessment of the role foreign investment might play on future U.S. imports under CBERA.

Analytic Framework and Data Sources

Assuming no changes in duties, and no significant changes in other trade constraints such as transportation costs, future U.S. imports under the CBERA program are likely to be determined by future changes in CBERA-exclusive import demand in the United States, along with supply changes in the CBERA countries. As a result, the analysis in this section discusses potential changes in U.S. demand as well as changes in CBERA beneficiary countries' future import supply levels. Beginning with U.S. demand, this section uses U.S. GDP growth projections from the IMF as a proxy for future growth of U.S. imports under CBERA. This analysis assumes that increases in U.S. GDP growth are positively associated with changes in demand for CBERA imports.

Analysis on the supply side focuses on two major determinants of future supply from CBERA countries—economic growth and foreign direct investment (FDI). First, by considering economic growth, this analysis can better approximate growth in supply of CBERA imports due to overall economic expansion in beneficiary countries. All else being equal, GDP growth in CBERA countries is likely to increase each country's production capacity for exports destined for the United States. Like the analysis for U.S.

[114] See table 2.7 for IMF GDP data and forecasts for CBERA countries.
[115] IMF, World Economic Outlook (WEO) database, April 2019.

demand for CBERA imports, this section relies on IMF GDP growth forecasts as a proxy for future supplies of imports from beneficiary countries.

In addition to GDP growth in CBERA countries, FDI flows can serve as an indicator of future levels of U.S. imports under CBERA. FDI inflows can play a key role in building additional capacity in recipient countries. Changes in FDI flows to sectors producing CBERA-exclusive products, such as textiles, are thus likely to result in future supply changes. Unfortunately, investment information and data specific to CBERA are minimal and often irregular in coverage. As a result, the analysis below is based largely on economy-wide trends in FDI flows to individual CBERA countries. The Commission requested and received the assistance of U.S. embassies in the Caribbean Basin region in compiling information on investment related to products eligible for preferable duty treatment under CBERA during 2017–18. Where available, data collected and provided by U.S. embassies in response to the Commission's request served as a primary source of information for this analysis. Data on macroeconomic conditions and forecasts, as well as on investment flows, were obtained from various sources published by international organizations, including the IMF and United Nations Conference on Trade and Development (UNCTAD).

Summary of Macroeconomic Forecasts of Supply and Demand

This analysis assumes that future GDP growth estimates can provide insight into forthcoming trends in both U.S. demand and beneficiary countries' supply of CBERA imports. Changes in the economy-wide growth rate of the United States will result in changes in the demand for CBERA imports, while growth rate changes in CBERA countries can affect supply levels of CBERA imports. Using IMF growth forecasts for the United States and CBERA beneficiary countries can therefore provide some insight into how demand for and supply of CBERA imports will change in the near term. Table 2.5 below contains historical GDP growth data from 2015 to 2017, as well as growth rate forecasts for the 2018–22 period, for both the United States and CBERA beneficiary countries.

Table 2.5 IMF data and forecasts for real GDP in CBERA countries, United States, Latin America and the Caribbean, and the world, 2015–22 (annual percent change)

Country/region	2015	2016	2017	2018[a]	2019[a]	2020[a]	2021[a]	2022[a]
Antigua and Barbuda	4.0	4.8	3.6	5.3	4.0	3.3	2.5	2.0
Aruba	–0.4	0.5	2.3	1.2	0.7	0.9	1.1	1.1
Bahamas	1.0	–1.7	1.4	2.3	2.1	1.6	1.5	1.5
Barbados	2.2	2.3	–0.2	–0.5	–0.1	0.6	1.5	1.8
Belize	3.4	–0.6	1.4	3.0	2.5	2.1	1.8	1.7
British Virgin Islands[b]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Curaçao[b]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dominica	–3.7	2.6	–5.4	–12.0	8.0	7.0	4.3	3.8
Grenada	6.4	3.7	5.1	4.8	4.2	2.4	2.7	2.7
Guyana	3.1	3.4	2.1	3.4	3.8	29.6	23.6	13.0
Haiti	1.2	1.5	1.2	1.5	1.5	1.5	1.5	1.5
Jamaica	0.9	1.5	0.7	1.4	1.7	1.9	2.2	2.3
Montserrat[b]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Saint Kitts and Nevis	2.1	2.3	1.2	3.0	3.5	3.5	3.0	2.7
Saint Lucia	0.3	3.9	3.7	1.0	3.3	2.7	2.1	1.5
Saint Vincent and the Grenadines	0.8	0.8	0.7	2.0	2.3	2.4	2.3	2.3
Trinidad and Tobago	1.9	–6.5	–2.0	0.3	0.0	1.5	2.3	2.0
World	3.4	3.4	3.8	3.6	3.3	3.6	3.6	3.6
Latin America and the Caribbean	0.3	–0.6	1.2	1.0	1.4	2.4	2.6	2.8
CBERA Countries	1.7	1.3	1.1	1.2	2.7	4.4	3.7	2.9
United States	2.9	1.6	2.2	2.9	2.3	1.9	1.8	1.6

Source: IMF, World Economic Outlook (WEO) database, April 2019 edition.

[a] The data shown for the years 2018–22 report projected GDP growth. Projection years vary: 2018 forward in general are forecast years, with exceptions being for Barbados, Dominica, and Haiti, for which actual reported data are shown.

[b] N/a = not available. Country-group composites for growth rates of monetary aggregates are weighted by GDP converted to U.S. dollars at market exchange rates.

Focusing on the demand side, the IMF forecasts predict an economic growth slowdown over the near term in the United States. After reaching an estimated peak of 2.9 percent in 2018, U.S. GDP growth is expected to decline slowly but steadily, eventually falling to 1.6 percent by 2022. For CBERA beneficiary countries, products for export are sensitive to economic growth in their overseas markets, most particularly in the United States. Given the expected decline in U.S. GDP growth, it follows that U.S. growth in the demand for imports from CBERA beneficiary countries will likewise slow in the near term.

Regarding the supply of imports from CBERA beneficiary countries, IMF forecasts estimate near-term GDP growth rate increases for CBERA countries. With most recent growth rates hovering around 1.2 percent, the weighted average growth rate across CBERA countries is expected to rise to 2.7 percent in 2019 and 4.4 percent in 2020 before falling back down to 2.9 percent by 2022. Unlike the 2015–18 period, which featured economic contractions for many CBERA countries, the IMF forecasts GDP growth during the 2020–22 period for all CBERA countries. This is especially the case for Guyana, where GDP is

forecasted to grow 29.6 percent in 2020, when ExxonMobil begins oil production in the country.[116] Given growth forecasts for CBERA beneficiary countries, it is likely that beneficiary countries' capacity to supply imports will increase in the future. This is especially true for specific industries, such as petroleum, which are witnessing significant growth and investment inflows. However, other factors, such as recent declines in the utilization of the preference program for importing petroleum product, will likely impact how increases in supply from beneficiary countries affect future levels of U.S. imports under CBERA.

Summary of Foreign Direct Investment in the Region

Given the limited amount of domestic capital typically available in smaller economies—such as the Caribbean—attracting FDI is important to developing export-oriented projects typically needed to take advantage of preference programs such as CBERA. Limited information is available on CBERA-specific investment on an official or other consistent basis. Therefore, the following discussion relies largely on overall trends in FDI flows to countries in the Caribbean region as indicators of such investment.

Overall, aggregated data from the United Nations show that net foreign investment flows to CBERA countries stagnated or declined over the most recent four years for which data are available. After reaching almost $4.0 billion in 2014, FDI inflows to CBERA countries dropped considerably in 2015 and 2016.[117] In 2017, the most recent year with available data, FDI inflows rebounded to $3.3 billion, slightly below 2014 levels. The below table depicts worldwide annual net FDI flows to CBERA countries over the 2014–17 period (table 2.6).

[116] Inter-American Development Bank, "The Caribbean Economic Outlook in Three Graphs," January 18, 2019.
[117] UNCTAD, UNCTADSTAT database, updated August 9, 2018.

Table 2.6 Worldwide net foreign direct investment flows into CBERA countries, 2014–17 (million U.S. dollars)[a]

CBERA countries	2014	2015	2016	2017
Antigua and Barbuda	40	96	43	59
Aruba	243	–34	28	79
Bahamas	565	238	584	796
Barbados	772	–72	240	314
Belize	130	59	31	77
British Virgin Islands[b]	n/a	n/a	n/a	n/a
Curaçao	25	127	95	24
Dominica	14	23	32	23
Grenada	58	88	90	79
Guyana	255	122	32	212
Haiti	99	106	105	375
Jamaica	584	921	714	845
Montserrat	5	5	8	6
Saint Kitts and Nevis	159	132	88	127
Saint Lucia	20	76	116	70
Saint Vincent and the Grenadines	108	48	90	82
Trinidad and Tobago[c]	679	66	–176	95
TOTAL	3,756	2,001	2,472	3,263

Source: Derived from data from UNCTAD, UNCTADSTAT database, "Foreign Direct Investment: Inward and Outward Flows and Stock, Annual" (accessed May 20, 2019).

[a] Net foreign direct investment flows are derived by subtracting outward from inward flows. Aggregated data for CBERA countries are the sum of the country data available at the time.

[b] N/a = not applicable. Data for the British Virgin Islands are not included in the total due to its role as a Caribbean financial center and resulting investment flow distortions.

[c] Net investment flows for Trinidad and Tobago are measured on an asset/liability basis, while net investment flows for other CBERA beneficiaries in this table are measured on a directional basis.

Constraints on FDI in CBERA Countries

CBERA beneficiary countries can face special challenges in attracting FDI. UNCTAD research in the area of small island states—a description covering many CBERA beneficiary countries—indicates that challenges can include small market size, a narrow resource base, and a high vulnerability to natural disasters.[118]

Economic literature has also shown that host country market size is a major factor in firms' decisions to invest in a foreign country.[119] Firms are more likely to invest in larger and growing markets in order to maximize economies of scale. The small domestic markets that characterize many CBERA countries represent a constraint for FDI inflows into the region. Additionally, a reliance on trade combined with limited export diversification can put these smaller economies at higher risk from external shocks, such as swings in world commodity prices or disruption of the air or sea transport needed for conducting

[118] UNCTAD, *World Investment Report 2014—Investing in the SDGs*, June 24, 2014, 95–104. UNCTAD research addresses a broader grouping of vulnerable states—the so-called Small Island Developing States (SIDS), comprising 29 countries and territories worldwide.

[119] For example, see Chakrabarti, "The Determinants of Foreign Direct Investment," 2001, 129–46.

trade. External shocks, in turn, can deter new investment in CBERA beneficiary countries.[120] These issues, coupled with poor resource endowments in many CBERA countries, can serve as barriers to attracting FDI inflows for many CBERA beneficiary countries.[121]

Macroeconomic Forecasts, Investment, and Future Effect of CBERA in Selected CBERA Countries

The following section focuses on economic growth and recent investment flows to beneficiary countries—and, where available, on any specific CBERA-related investment activities. It suggests that tepid U.S. growth in the near future is likely to slow down growth in demand for imports from these countries under the CBERA program. Consequently, the future effect of CBERA on the United States and U.S. industries is likely to continue to be small. Moreover, country representatives and regional experts have noted that the role of services exports is gaining importance for many CBERA countries. Diversion of investment from goods into services is likely to limit the quantity and value of goods exports from these countries under CBERA. The predominant services within the region are tourism, financial services, and business services.

Trinidad and Tobago[122]

Trinidad and Tobago has experienced an FDI seesaw in recent years. After peaking at $679 million in 2014, net investment flows to Trinidad and Tobago declined for a few years. Net investment flows fell to $66 million in 2015, and Trinidad and Tobago experienced a net FDI outflow of $176 million in 2016. However, net FDI flows were positive in 2017, increasing to $95 million.[123] Furthermore, announcements of significant new investments in petroleum sectors were made in 2017. For example, BP announced plans to invest $5 billion over five years as part of its Angelin gas project.[124] These new investments are likely to increase Trinidad and Tobago's capacity to produce and export light crude petroleum products in the near future.

In its annual consultations with government officials in August 2018, the IMF reported that Trinidad and Tobago is slowly recovering from a deep recession.[125] While making a strong recovery in gas production, other economic activity remained weak in construction, financial services, and trade. Foreign exchange shortages continued, and the pace of public investment in areas outside the energy sector remained

[120] Sally Yearwood, Statement to the United States House of Representatives Committee on Foreign Affairs, February 28, 2017.
[121] Specific information on the investment climates of Trinidad and Tobago, Haiti, and The Bahamas appears in chapter 3.
[122] For information on Trinidad and Tobago's overall investment climate, see the Trinidad and Tobago country profile in chapter 3.
[123] UNCTAD, UNCTADSTAT database, updated August 9, 2018.
[124] United Nations, ECLAC, "Foreign Direct Investment in Latin America and the Caribbean," September 2018, 61. According to ECLAC, the petroleum sector accounts for almost 35 percent of inward FDI to Trinidad and Tobago.
[125] IMF, "IMF Executive Board Concludes 2018 Article IV Consultation with Trinidad and Tobago," September 25, 2018; IMF, *Trinidad and Tobago: 2018 Article IV Consultation—Press Release and Staff Report*, September 25, 2018.

slow.[126] Nonetheless, the IMF projected positive growth beginning in 2018, as economic recovery took hold with stronger energy prices and low inflation supporting non-energy sectors.[127]

Significant investments in the energy sector suggest future light crude petroleum supplies in Trinidad and Tobago will increase. However, given the recent decline in the share of light crude petroleum imported to the United States under CBERA, it is unclear whether increases in future supplies of light crude petroleum will result in increases in U.S. imports under CBERA.[128] At the same time, stagnation in GDP growth and investment flows in other sectors suggest that the impact of CBERA on U.S. imports of other non-petroleum products from Trinidad and Tobago will remain minimal in the near future.

The Bahamas[129]

Net investment flows into The Bahamas have been positive since reaching $565 million in 2014. After falling to $238 million in 2015, FDI to The Bahamas has rebounded and reached a four-year high of $796 million in 2017.[130] Historically, tourism has served as the main sector for FDI inflows. For example, in addition to the opening of the Baha Mar, a large multibillion-dollar vacation resort, Carnival Corporation announced its plans to invest $100 million in The Bahamas to construct a port for its vessels.[131]

Economic growth is also moving in a positive direction. While the IMF reported -1.7 percent growth in GDP in The Bahamas in 2016, growth rose thereafter to a positive 1.4 percent in 2017 and to 2.3 percent in 2018.[132] This encouraging economic performance has been based on growth both in the tourism sector and in construction activity, such as the completion of the Baha Mar resort, new FDI-financed projects, and post-hurricane reconstruction activity.[133] Construction on the Baha Mar resort broke ground initially in 2011, but delays led to a new owner resuming construction in late 2016 until full opening in early 2018.[134]

Given the relative importance of tourism and service sectors in the Bahamian economy, the future impact of U.S. imports of Bahamian goods under CBERA is likely to remain negligible. Most investment inflows into The Bahamas are concentrated in services, specifically the tourism sector, and services are not covered under CBERA. In addition, merchandise-producing sectors, such as agriculture, mining, and

[126] IMF, *Trinidad and Tobago: 2018 Article IV Consultation—Press Release and Staff Report*, September 25, 2018.
[127] IMF, *Trinidad and Tobago: 2018 Article IV Consultation—Staff Report*, August 6, 2018, 4.
[128] USITC DataWeb/USDOC (accessed May 20, 2019). In 2014, over 99.9 percent of all U.S. crude imports from beneficiary countries were imported under CBERA. By 2018, only 26.6 percent of crude imports were imported under CBERA (See chapter 3 for further information). Over this time period, U.S. imports of crude under CBERA declined by $158 million, while total U.S. imports of crude from beneficiary countries declined by $64 million.
[129] For information on The Bahamas' overall investment climate, see for The Bahamas country profile in chapter 3.
[130] UNCTAD, UNCTADSTAT database, "Foreign Direct Investment: Inward and Outward Flows and Stock, Annual," updated August 9, 2018.
[131] United Nations, ECLAC, "Foreign Direct Investment in Latin America and the Caribbean," September 2018, 59.
[132] IMF, World Economic Outlook database, April 2019 edition; IMF, "The Bahamas: Staff Concluding Statement of the 2019 Article IV Mission," April 15, 2019.
[133] IMF, *The Bahamas—Staff Report for the 2018 Article IV Consultation*, April 19, 2018.
[134] IMF, *The Bahamas—Staff Report for the 2018 Article IV Consultation*, April 19, 2018.

manufacturing, continue to represent a small share of the overall economy in The Bahamas.[135] As a result, positive growth forecasts for The Bahamas are unlikely to result in significant increases in the supply of goods eligible for import under CBERA over the near term.

Jamaica

Net investment flows into Jamaica increased over the 2014–17 period. After Jamaica reported net FDI inflows of $584 million in 2014, inflows reached a period high of $921 million in 2015.[136] In 2017, the most recent year with available data, net FDI inflows to Jamaica increased to $845 million. In recent years, Jamaica's mining and tourism sectors have attracted most of the country's foreign investments, representing 25 percent and 19 percent of inflows in 2017.[137] Other major investments have focused on developing Jamaica's energy sector. For example, in 2017 a U.S. energy company announced plans to invest more than $1 billion to develop new power plants.[138]

Jamaica's economy has sustained major macroeconomic improvements, with economic expansion apparent over the past 15 quarters.[139] In addition, IMF forecasts project continued growth over the near future. Between 2018 and 2022, Jamaica's GDP growth rate is expected to increase from 1.4 percent to 2.3 percent. In addition to sustained GDP growth rates, inflation remains subdued, increasing to an average of 2.2 percent in 2018 and projected to fall to 1.6 percent in 2019. Nonetheless, despite jobs growth related to construction, unemployment remains high and is projected to decline only gradually. According to their discussions with officials in May 2018, the IMF reported that the private investment necessary to overcome impediments to growth and job creation were still slow to pick up.[140]

Recent FDI trends and forecasts of economic growth suggest that the future impact of CBERA on U.S. imports from Jamaica is likely to be minimal. FDI inflows into Jamaica are heavily concentrated in sectors that largely do not produce goods imported under CBERA, such as tourism and energy infrastructure. Nevertheless, positive growth forecasts carry the potential for Jamaica to expand its capacity to produce goods imported by the United States under CBERA. Given recent trends, it is possible U.S. imports from Jamaica under CBERA can reach $100 million in the future.[141] According to the U.S. Department of Commerce, several of the best trade and investment prospects with Jamaica are in the following sectors: (1) agriculture; (2) chemicals and related products; (3) machinery and transportation equipment; and (4) mineral, lubricants, and related materials.[142]

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[135] In 2017 agriculture, mining, and manufacturing generated approximately 10.3 percent of total GDP in The Bahamas. UN Statistics Division, National Accounts database (accessed May 22, 2019). For more information, see the country profile of The Bahamas in chapter 3.
[136] UNCTAD, UNCTADSTAT database, "Foreign Direct Investment: Inward and Outward Flows and Stock, Annual," updated August 9, 2018.
[137] United Nations, ECLAC, "Foreign Direct Investment in Latin America and the Caribbean," September 2018, 59.
[138] United Nations, ECLAC, "Foreign Direct Investment in Latin America and the Caribbean," September 2018, 59.
[139] IMF, *Jamaica—Fifth Review under the Stand-By Arrangement—Executive Summary*, March 27, 2019. 1.
[140] IMF, *Jamaica—Fifth Review under the Stand-By Arrangement—Executive Summary*, March 27, 2019. 1.
[141] In 2018, U.S. imports from Jamaica under CBERA grew by 16.9 percent to $84 million, up from $72 million in 2014. USITC DataWeb/USDOC (accessed May 20, 2019).
[142] USDOC, ITA, "Jamaica Country Commercial Guide—Jamaica—Market Overview," April 26, 2019.

Haiti[143]

In recent years, Haiti has witnessed increasing growth in the levels of its net FDI inflows. In 2014 FDI inflows were recorded at $99 million; in 2015, at $106 million; and in 2016, at $105 million. In 2017 inflows nearly tripled compared to 2016, reaching $375 million. Haiti's significant growth in FDI inflows in 2017 can be attributed to a major purchase of a local fuel distributor by a foreign company, as well as continued investments in Haiti's textile and clothing sectors. Overall, the government has designated tourism, agriculture, construction, energy, and manufacturing as key investment sectors, and supports sector-focused investment promotion, public spending, and special economic zones.[144]

Haiti's garment sector remains of significant interest to large-scale manufacturing operations, in particular U.S.-based companies, which find a number of advantages in Haiti. With respect to logistics, Haiti is better off than the other CBERA countries. Sharing the island of Hispaniola with the Dominican Republic, Haiti is able to rely on more developed port facilities located across the land border. In addition, Haiti also exclusively benefits from rules that allow and encourage coproduction with the Dominican Republic. This lets companies rely on Haiti for labor-intensive assembly operations while placing capital investments such as knitting, dyeing, or cutting machinery in the Dominican Republic, where commercial contracts are more reliable and access to adequate financing and insurance is less of a concern.

Other sectors that have attracted foreign investment to Haiti include transport, telecommunications, and oil, as well as, more recently, construction and the manufacture of textiles and automotive components. Haiti has taken significant steps to prepare for natural disasters: public spending rebuilding critical infrastructure increased following Hurricane Matthew in 2016 and the 2017 hurricane season.[145] Such efforts have the potential to increase stability in Haiti's overall investment climate.

In terms of macroeconomic performance, Haiti is expected to maintain slow but positive GDP growth in the near future. IMF forecasts predict that Haiti's GDP growth will remain at 1.5 percent throughout the 2018–22 period. If sustained, Haiti's projected GDP growth has the potential to increase the country's capacity to supply imports to the United States under CBERA.

Given continued investments in textiles and clothing industries, along with projections of positive GDP growth, Haitian exports to the United States under CBERA have the potential to increase over the short term. If recent CBERA export trends continue, U.S. imports from Haiti under CBERA can potentially reach $1 billion in the future, compared to $859 million in 2014 and $957 million in 2018 respectively.[146]

Guyana

Having peaked at $255 million in 2014, net FDI inflows to Guyana have fallen and bounced back in recent years. FDI fell to $122 million in 2015 and to $58 million in 2016, but the most recent data show

[143] For information on Haiti's overall investment climate, see the Haiti country profile in chapter 3.
[144] United Nations, ECLAC, "Foreign Direct Investment in Latin America and the Caribbean," September 2018, 60.
[145] USDOC, ITA, "Haiti Country Commercial Guide—Haiti—Market Overview," February 14, 2019.
[146] USITC DataWeb/USDOC (accessed May 20, 2019).

that 2017 FDI inflows reached $212 million.[147] Energy and mining have attracted the majority of investments, totaling 41 percent and 23 percent of all investment inflows in 2017.[148] In 2017, following a discovery of a major oil reserve off Guyana's coast, ExxonMobil announced its intention to invest an estimated $4.4 billion for new oil production, to begin by 2020.[149]

Many products produced in Guyana receive duty-free or reduced-duty treatment in destination markets,[150] including exports to the United States through CBERA preferences. In addition, there are opportunities to invest in services sectors, such as tourism, call centers, and services enabled by information technology. Nonetheless, despite the government's efforts to promote inbound FDI, these efforts have met with limited success outside the extractive industries sector.[151]

Recent economic growth in Guyana, however, has been strong. Over the 2015–18 period, Guyana has witnessed growth rates between 2.1 and 3.4 percent, exceeding 3 percent growth in three of those years. In addition, IMF projects strong growth in the near future. In 2019, GDP is estimated to grow by 3.8 percent. As a result of ExxonMobil's expected oil production in Guyana beginning in 2020, the IMF forecasts growth to accelerate to 29.6 percent in 2020, 23.6 percent in 2021, and 13.0 percent in 2022.

Significant foreign investments in the energy sector have the potential to drive up Guyana's exports of light crude petroleum. However, recent trends have shown that the share of U.S. imports of light crude petroleum from CBERA beneficiary countries has declined substantially since 2014. In addition, investment inflows to non-petroleum sectors have been limited. If these trends continue, the likely future impact of CBERA on U.S. imports of non-petroleum products from Guyana is minimal.

[147] UNCTAD, UNCTADSTAT database, "Foreign Direct Investment: Inward and Outward Flows and Stock, Annual," updated August 9, 2018.
[148] United Nations, ECLAC, "Foreign Direct Investment in Latin America and the Caribbean," September 2018, 60.
[149] ExxonMobil, "ExxonMobil Makes a Final Investment Decision," June 16, 2017.
[150] USDOS, "2018 Investment Climate Statements: Guyana—Executive Summary," July 19, 2018.
[151] USDOS, "2018 Investment Climate Statements: Guyana—Executive Summary," July 19, 2018.

Chapter 3
Impact of CBERA on the Beneficiary Countries

This chapter addresses the impact of CBERA on the economy of the beneficiary countries during 2017–18. The first section describes some of the economic and noneconomic factors that have influenced the impact of CBERA trade preferences on the beneficiary countries. The second section examines the degree to which CBERA has helped the beneficiary countries meet the goals of the Caribbean Basin Initiative (CBI)—encouraging economic growth and development by promoting the production and export of nontraditional goods. The final section examines the impact of CBERA through economic profiles of the countries that were the leading suppliers of U.S. imports under CBERA during the two-year period 2017–18: Haiti and Trinidad and Tobago.

Overview

The impact of CBERA on the beneficiary countries during 2017–18 has not changed significantly from that reported in previous reports in this series. CBERA preferential trade benefits continue to have small positive effects on Caribbean exports and on the Caribbean economies, with those effects largely concentrated in a few countries. Industries within Caribbean countries have generally focused on exporting only a few products under CBERA, but each country's export niche is relatively unique. Certain Caribbean countries' reliance on volatile export sectors has reduced the impact of CBERA for those countries during the current reporting period, while a smaller number of countries have increased or maintained high utilization of the CBERA program in their exports. In this series of reports, Caribbean government officials and other regional stakeholders have suggested ways in which the CBERA program could be made more effective. Specifically, stakeholders have mentioned expanding product coverage and extending CBERA preferences to trade in services, such as tourism, call centers, and services enabled by information technology.[152]

[152] Sir Ronald Sanders, Ambassador of Antigua and Barbuda to the United States of America, said in testimony before the Commission this year that most of the CBERA countries' economies are services-based; in these countries, services account for more than 75 percent of employment and 66 percent of total output. He noted that services areas that have developed to date include banking, tourism, air and maritime transport, accountancy and auditing, health, and education. Stakeholders did not outline any detailed proposals for preferential access to U.S. services sectors under CBERA. USITC, hearing transcript, May 14, 2019, 13–14.

Factors That Influence the Utilization and Impact of CBERA

Overall, utilization of CBERA provisions by the beneficiary countries—that is, the share of U.S. imports entering under CBERA relative to total U.S. imports from all beneficiary countries—has remained relatively consistent over the past five years, fluctuating between 26.0 and 29.0 percent (table 3.1).[153]

In general, export growth in CBERA countries faces several significant challenges, as highlighted in chapter 2. These challenges can include inadequate infrastructure; shortages of skilled workers; high production costs; high energy and telecommunications costs; inadequate access to investment financing; low levels of innovation; and, often, an underdeveloped private sector. Additionally, many CBERA countries have oriented their economies more toward services, including tourism and financial and business operation services, which CBERA does not cover.

However, most factors that lessen the utilization of the CBERA preference program are more straightforward. First, the majority of U.S. imports from CBERA countries—57.8 percent—enter duty free under normal trade relations. These products include natural gas, ammonia, and ferrous products. Second, except for textile products, most other imports from CBERA countries have relatively low duty rates. In the case of crude petroleum, the duty rate is so low—less than 1 percent—that the majority of these imports to the United States come in duty paid rather than claiming CBERA preference. Indeed, while $34.0 million in crude petroleum imports entered the United States under CBERA in 2018 from Trinidad and Tobago, $145.8 million entered with duties paid.[154]

[153] Refers to all imports entered under CBERA regardless of whether or not they could be entered under another preference program e.g. GSP.
[154] USITC DataWeb/USDOC (accessed July 23, 2019).

Table 3.1 CBERA utilization rates, by country, 2014–18 (percent) [155]

Country [a]	2014	2015	2016	2017	2018
Haiti	95.7	96.2	95.7	95.9	95.1
Jamaica	26.9	28.4	25.0	21.7	22.3
Grenada	4.5	18.9	14.5	20.1	19.8
Bahamas, The	29.8	19.7	23.1	18.6	18.1
Trinidad and Tobago	21.7	19.4	13.2	15.2	15.6
Barbados	10.7	34.1	4.7	7.4	14.0
Saint Kitts and Nevis	32.6	18.5	14.6	10.8	9.9
Belize	62.5	48.9	29.1	4.5	4.7
Saint Lucia	7.5	7.4	5.5	3.3	3.7
Dominica	4.5	4.7	0.9	4.3	2.7
Saint Vincent and the Grenadines	12.9	0.9	1.5	2.1	0.4
Antigua and Barbuda	0.2	1.2	0.2	1.6	0.4
Guyana	2.4	8.1	0.4	0.2	0.3
Curaçao	1.8	0.0	0.0	0.1	0.1
Aruba	0.1	0.3	0.1	0.1	0.1
British Virgin Islands	0.5	0.1	0.0	0.0	0.1
Montserrat	0.0	0.0	0.0	0.0	0.0
CBERA average	28.6	28.9	26.5	26.6	27.8

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 17, 2019). Data reflect all official USDOC revisions for 2014–18 as of that date.

[a] Countries that were CBERA beneficiaries as of December 31, 2018.

Haiti had the highest CBERA utilization rates in 2014–18. As a major exporter of apparel to the United States under CBERA, Haiti averaged above 95 percent utilization of the program during this period.

Jamaica, Grenada, and The Bahamas have also made use of the program's provisions for their exports to the United States. Under the program, Jamaica exports yams, and The Bahamas exports expandable polystyrene (the primary constituent of polystyrene foam). The CBERA utilization rate for Jamaica and The Bahamas averaged 22.0 and 18.4 percent, respectively, in the 2017–18 period. Grenada had an average utilization rate of 20 percent in 2017–18, largely based on exports of certain fresh and frozen fruits under CBERA.

Belize and Saint Kitts and Nevis had the second- and third-largest CBERA utilization rates, respectively, as recently as 2014, but utilization in both countries have dropped substantially. Belize's utilization rate dropped from 62.5 percent in 2014 to less than 5 percent in 2018 due to significant declines in U.S. imports of orange juice and petroleum under the program. Since 2014, Saint Kitts and Nevis has experienced a decline in the export of electrical motors and transformers, as well as transmission apparatus for television. Additionally, while a small portion of measuring instruments imported from Saint Kitts and Nevis into the United States entered under CBERA, the majority entered under no preference program.

[155] The "utilization rate" is the imports under CBERA as a share of all imports eligible for CBERA (%).

Trinidad and Tobago's declining petroleum-related exports to the United States under CBERA contributed to a drop in Trinidad and Tobago's CBERA utilization rate: it averaged 20.6 percent during 2014–15, but fell to an average of 15.4 percent in 2017–18. This reduction is due in part to two key factors: Trinidad and Tobago's declining production of crude petroleum over the past 10 years, and the fact that its petroleum exports under CBERA make up an increasingly small share of its petroleum exports to the United States. As mentioned above, more petroleum exports from Trinidad and Tobago enter duty paid than under CBERA.

Impact of CBERA

As mentioned in chapter 1, CBERA was enacted as the trade component of the Caribbean Basin Initiative. The overarching goal of the initiative is to encourage economic growth and development in beneficiary countries in the Caribbean Basin through the promotion of production and exports of nontraditional products. Therefore, the Commission's evaluation of the economic impact of CBERA in this chapter addresses the extent to which eligible countries are making use of the program to diversify their production and exports as part of an overall strategy to attain sustainable economic growth.

This series of reports has generally found that CBERA has had small positive effects on Caribbean exports. The countries with the highest CBERA utilization rates offer examples of ways in which CBERA has led to the development of export-driven industries that have had positive economic effects in the region. Overall, the top products imported under CBERA provisions most recently have been methanol ($447.7 million in 2018), which is imported from Trinidad and Tobago; T-shirts, tank tops, and similar knit cotton garments ($284.5 million); sweaters, pullovers, and similar garments made of manmade fibers ($141.7 million); sweaters, pullovers, and similar knit cotton garments ($112.0 million); T-shirts, tank tops and similar garments made of manmade fibers ($106.2 million), all of which come from Haiti; and primary forms of polystyrene ($64.4 million), which are imported from The Bahamas. The CBERA beneficiary countries of Haiti and Trinidad and Tobago are covered in the country profiles that follow.

Haiti: Economic Profile

Overview

Haiti's economy grew an estimated 1.5 percent in 2018 to $9.3 billion dollars.[156] Since 2015, real GDP growth has oscillated between 1.2 and 1.5 percent, below the five-year high of 2.8 percent in 2014. With a per capita GDP of $857 in 2018 (table 3.2), Haiti is the poorest CBERA country and remains one of the poorest countries in the world. Haiti ranked 168th of 189 countries in the 2018 United Nations' Human Development Index, a composite index combining figures for life expectancy, educational attainment, and income.[157] With an estimated 11.1 million people in 2018, Haiti also has the highest population of any CBERA country.

[156] EIU, *Country Report, First Quarter 2019: Haiti*, July 19, 2019, estimate.
[157] UNDP, *Human Development Indices and Indicators Report: 2018 Statistical Update*, 2018.

Table 3.2 Haiti: Selected economic indicators, 2014–18

	2014	2015	2016	2017	2018
Real GDP growth (%)	2.8	1.2	1.5	1.2	1.5[a]
Population (million)	10.6	10.7[a]	10.9[a]	11.0[a]	11.1[a]
GDP per capita (U.S. $)[b]	821	785	697	773	838
Goods exports (million U.S. $)	989.2	1,020.6	973.5	1021.0	1,078.5[a]
Goods imports (million U.S. $)	3,632.0	3,300.4	3,233.3	3,900.2	4,484.3[a]
Exports under CBERA (million U.S. $)[c]	858.8	931.0	857.2	879.0	957.4
Merchandise trade balance (million U.S. $)	-2,642.8	-2,279.8	-2,259.8	-2,879.2	-3,405.8
Current account balance (million U.S. $)	-1,199.0	-561.4	-410.8	-665.3	-1,031.2[a]
Total external debt (billion U.S. $)	2.0	2.1	2.2	2.2	2.5[a]

Source: Economist Intelligence Unit (EIU), *Country Report, First Quarter 2019: Haiti*, July 19, 2019.
[a] EIU estimate (April 23, 2019).
[b] USITC calculation.
[c] Data compiled from official statistics of the U.S. Department of Commerce (accessed April 24, 2019).

Nearly 10 years after the devastating 2010 earthquake in Haiti, the country remains vulnerable to natural disasters. In October 2018, a 5.9 magnitude earthquake hit the country, the most devastating disaster since Category 4 Hurricane Matthew hit in October 2016.[158]

According to the Economist Intelligence Unit, instability in political institutions has hindered growth. The slowdown in the agricultural sector has put pressure on infrastructure and public services as the population moves to cities. While the inauguration of a new president in February 2017 was expected to restore some stability, protests persist over a perceived lack of progress toward promised higher living standards and infrastructure development.[159]

Haiti remains highly dependent on international donations, loans, and nongovernmental organizations, particularly foreign ones, to finance its development and import needs.[160] In 2017, the United States gave the World Food Program $4 million to aid the estimated 150,000 Haitians impacted by Hurricane Irma for short-term relief.[161] In 2018, the United States provided $406 million in relief to Haiti.[162]

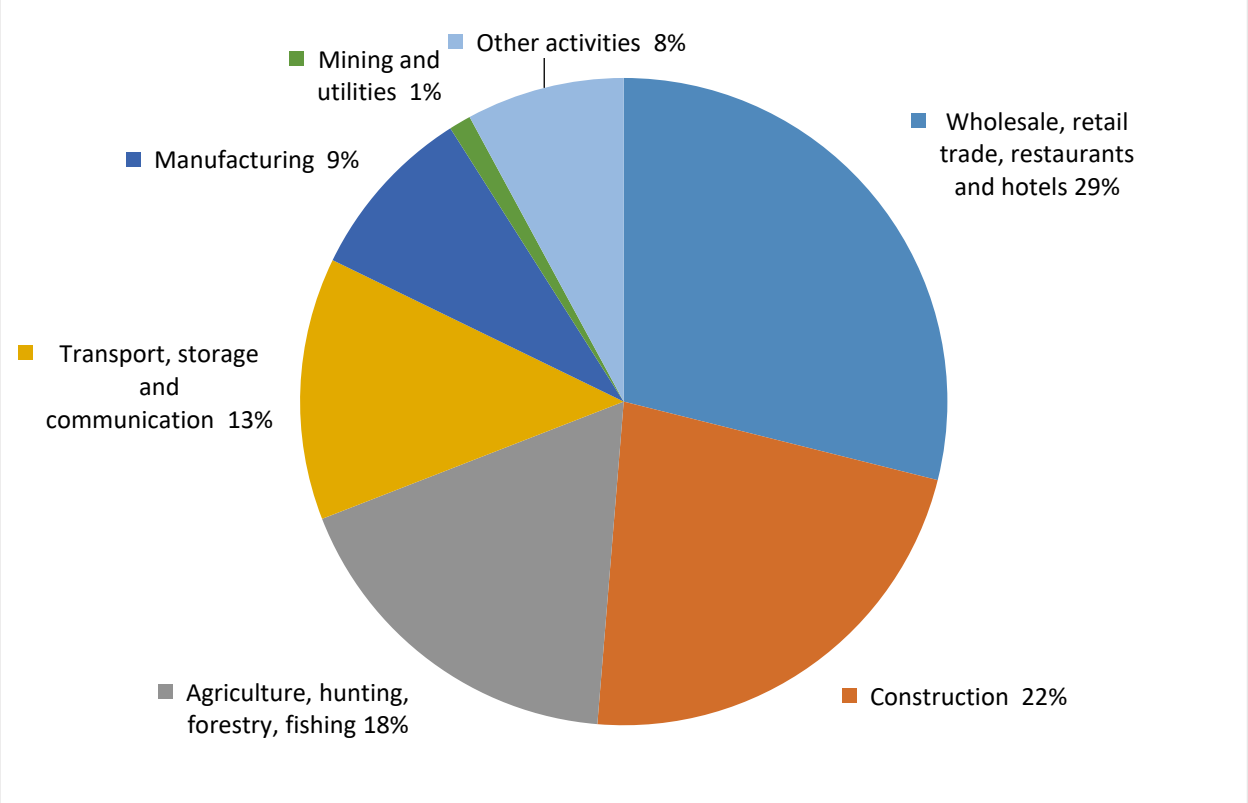
Wholesale/retail trade accounted for 29 percent of the Haitian economy in 2017 (figure 3.1). This was followed by construction, representing 22 percent of GDP as the country continued to rebuild its infrastructure from the earthquake and subsequent natural disasters. Two other product categories—agriculture and transport, storage, and communications—accounted for 18 and 13 percent of GDP, respectively. Mining, manufacturing, and utilities, which together accounted for 10 percent of GDP, remained unchanged as a share of GDP since 2015.

The services sector in Haiti has decreased as a percentage of GDP since 2007, falling from over 40 percent in 2007 to less than 23 percent in 2017 (figure 3.2). At the same time, the share of industry as a proportion of GDP has risen (including mining, manufacturing, construction, electricity, water, and gas).[163] Wholesale and retail trade, hotels, and restaurants was the largest component of Haiti's service

[158] EIU, *Country Report, First Quarter 2019: Haiti,* July 19, 2019.
[159] EIU, *Country Report, First Quarter 2019: Haiti*, February 1, 2019.
[160] EIU, *Country Report, First Quarter 2019: Haiti*, February 1, 2019.
[161] USAID, "Caribbean Hurricane Irma—Fact Sheet #1," September 7, 2017.
[162] USAID, "Caribbean Hurricane Matthew—Fact Sheet #19," April 4, 2017; USTR, "U.S.-Haiti Trade Facts" (accessed May 28, 2019).
[163] World Bank, World Development Indicators database (accessed May 23, 2019).

economy in 2017 (28.2 percent of total services contribution to GDP), followed by other commercial services, including business services (11.8 percent). The transportation and communications services sector saw the largest increase during the same period (11.9 percent).[164]

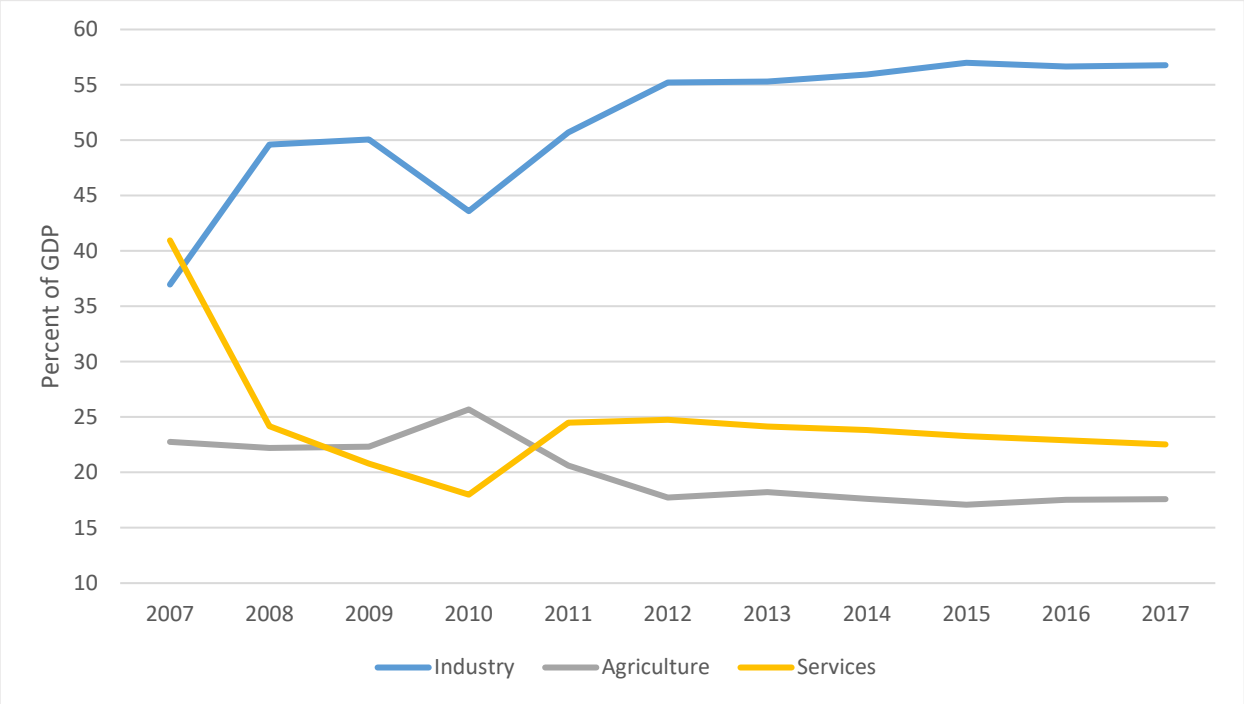
Figure 3.1 Haiti: Composition of GDP, 2017 (percent)



Source: UN Statistics Division, National Accounts database (accessed May 3, 2019).
Note: Underlying data for this figure can be found in appendix table E.1.
Note: Based on most recent data available.

[164] Bank of the Republic of Haiti, *Annual Report 2016*, 2017, 163, table 1.1a.

Figure 3.2 Haiti: Composition of GDP by sector, 2007–17 (percent of GDP)



Source: World Bank, World Development Indicators database (accessed May 23, 2019).
Note: See corresponding data table E.2. Industry includes mining, manufacturing, construction, electricity, water, and gas.

Trade Profile

Haiti's estimated exports to the world rose slightly between 2016 and 2018, from $1,000 million to $1,100 million, of which over $900 million was composed of textiles and apparel exports to the United States.[165] Mining and manufacturing exports to the United States, which included textiles and apparel, rose steadily from just under $875 million in 2016 to over $970 million in 2018. Agriculture exports to the United States increased by about 11 percent, from $12.0 million in 2016 to $13.3 million in 2018; they are slated to continue improving contingent upon the success of measures to improve agricultural productivity.[166]

In 2018, the United States was Haiti's largest export market (table 3.3), accounting for $935.3 million in exports. Articles of knit and woven apparel made up the majority of U.S. imports from Haiti. Other leading U.S. imports included hairnets, edible fruits and nuts, and waters.[167] China was the largest source of imports for Haiti in 2018 at $580.5 million.[168] The United States was Haiti's second-largest source of imports in 2018, supplying $556.2 million worth of goods to Haiti. China and the United States

[165] Global Trade Atlas (accessed May 28, 2019).
[166] Compiled official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019).
[167] USITC DataWeb/USDOC (accessed July 19, 2019).
[168] IMF, Direction of Trade Statistics (accessed July 17, 2019).

were followed by the Netherlands Antilles and Indonesia.[169] Leading U.S. exports to Haiti in 2018 included mineral fuels, electrical machinery, cereals, and meat.[170]

Haiti's overall trade in services has grown in recent years; exports of commercial services rose by 9.5 percent from 2007 to 2017, driven by increases in travel services (37.9 percent)[171] in terms of both tourist arrivals and spending per tourist.[172] Haiti's total exports have become more dependent on services trade in general and travel services in particular in recent years; receipts from international tourism comprised 30.1 percent of Haiti's total goods and services exports in 2017, up from 24.4 percent in 2007.[173]

Table 3.3 Haiti: Main merchandise trading partners, 2018 (million U.S. dollars)

Leading markets for exports and value		Leading sources of imports and value	
United States	935.3	China	580.5
Canada	47.3	United States	556.2
Dominican Republic	45.9	Netherlands Antilles	342.1
France	24.0	Indonesia	159.0

Source: IMF, Direction of Trade Statistics (accessed July 17, 2019).

Investment Profile

According to the U.S. Department of State, Haiti's laws encourage foreign direct investment (FDI). Its import and export policies are nondiscriminatory, and there is no significant public opposition to foreign investment in Haiti. However, Haiti's political instability, weak institutions, and inconsistent economic policies discourage foreign investment.[174] According to the World Bank, in 2018 Haiti ranked 182nd of 190 in the World Bank's Ease of Doing Business Index, placing Haiti among the world's lowest-ranking countries. Haiti ranked far below the next-lowest ranked CBERA country, Grenada, which ranked 147th.[175] Furthermore, the World Bank's Control of Corruption Index estimates Haiti's governance metric as -1.24, putting Haiti in the 10th percentile, indicative of very weak governance.[176]

These low ratings create large hurdles to investment in Haiti. Four particular obstacles cited as detracting from investment are Haiti's lack of infrastructure, weak security, political instability, and opaque labor laws. Various operational difficulties make it infeasible to invest in Haiti. For example, expert testimony at the Commission's public hearing noted that high port fees prevent small U.S.

[169] The Netherlands Antilles is no longer an entity. Constituent countries within the Netherlands Antilles are: Aruba, Curaçao, and Sint Maarten.
[170] USITC DataWeb/USDOC (accessed July 19, 2019).
[171] WTO, WTO Data Portal (accessed May 23, 2019).
[172] World Bank, World Development Indicators database (accessed May 23, 2019).
[173] World Bank, World Development Indicators database (accessed May 23, 2019).
[174] USDOS, "2018 Investment Climate Statements: Haiti," July 19, 2019.
[175] World Bank, *Doing Business 2019*, 2019.
[176] World Bank, Control of Corruption Index (accessed May 23, 2019). The World Bank's Control of Corruption Index tracks "perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as 'capture' of the state by elites and private interests."

businesses who want to invest in the region from entering the market.[177] Investors view Haiti as having little to no competitive advantage in the global apparel manufacturing industry due to the relative high costs electricity and security, which would render it unable to compete without CBERA/HOPE.

However, a number of foreign investors have been attracted to Haiti because of an abundant workforce and increased duty-free access to the U.S. market. In addition, the Haitian government is working to improve Haiti's investment climate. In 2013, for example, the Haitian government enacted legislation in the form of the Anti-Money Laundering Act to strengthen its anti-money-laundering and anti-corruption laws to deter prohibited financial transactions. In 2017, Haiti's parliament made electronic transactions and electronic signatures legally binding in an effort to improve the investment environment. In January 2018, a "one-stop shop" was introduced that facilitates the incorporation process for foreign as well as local companies. Legislation concerning mining, insurance, and incorporation that may improve Haiti's investment atmosphere are still pending parliamentary approval.[178]

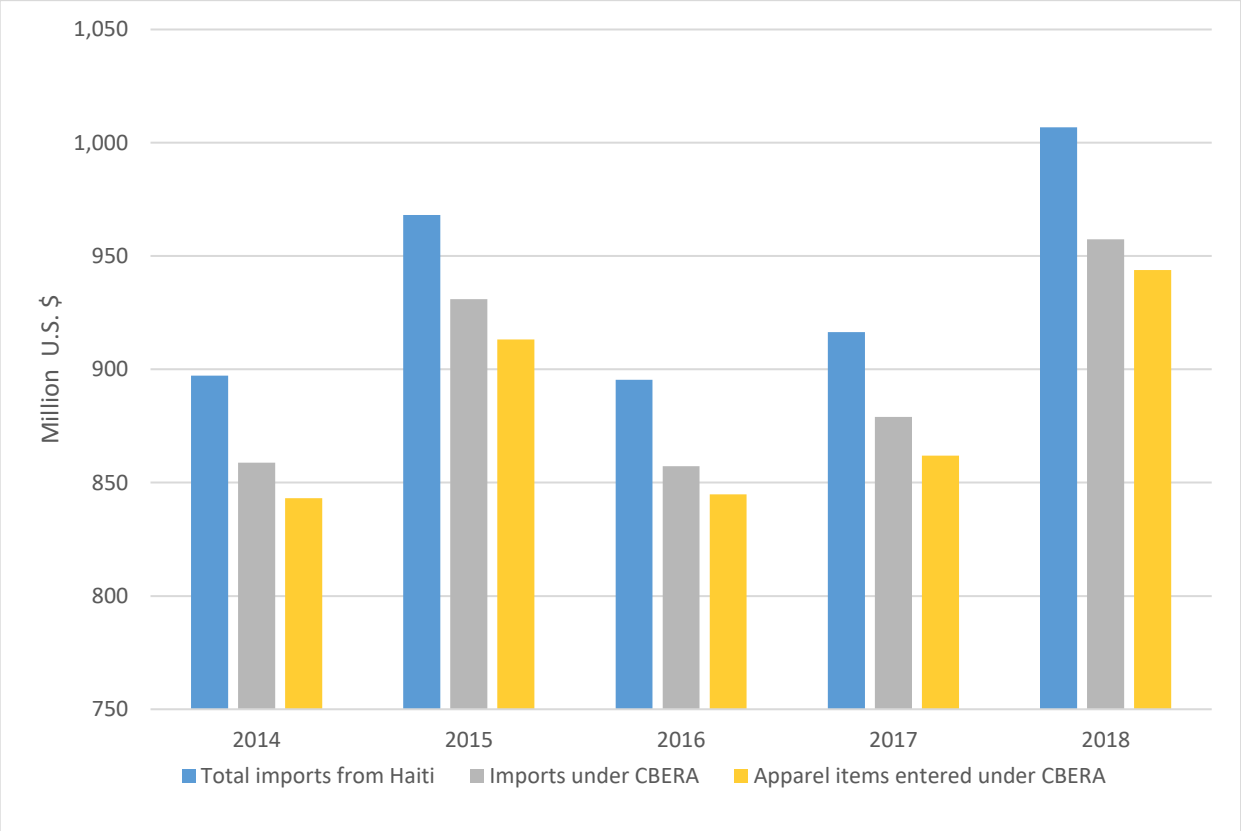
Finally, investment in Haiti's apparel assembly sector is encouraged under CBERA, particularly by the additions of Caribbean Basin Trade Partnership Act (CBTPA) and the HOPE and HELP Acts.[179] The manufacturers surveyed by the U.S. Embassy in Haiti stated that they would not invest (and there would be no compelling reason to invest) in Haiti without the presence of CBERA and the HOPE Acts, namely the duty-free incentives provided by this legislation.

Impact of CBERA

Since 2015, Haiti has been the largest source of U.S. imports under the CBERA program.[180] In 2018, the value of U.S. imports from Haiti under CBERA was $957.4 million out of a total of $1.0 billion in total imports, representing 10.2 percent of Haiti's estimated 2018 GDP.[181] As a consequence, among all beneficiary countries, Haiti had the highest CBERA/CBTPA utilization rate—95.1 percent—in 2018 (table 3.1). This high utilization rate reflects in large part Haiti's longstanding reliance on apparel exports to the United States, given the role of apparel assembly—sewing clothing and other articles made of imported yarn and fabric—as Haiti's leading manufacturing activity and largest export industry. Apparel accounted for 99.4 percent of all U.S. imports from Haiti under CBERA/CBTPA (figure 3.3).[182]

[177] USITC, hearing transcript, May 14, 2019, 97 and 98 (testimony of Dr. Claire Nelson, Institute of Caribbean Studies).
[178] USDOS, "2018 Investment Climate Statements: Haiti," July 19, 2019.
[179] See section on U.S. imports classified by import program in chapter 1 and the section on the HOPE and HELP Acts in chapter 4.
[180] The HOPE and HELP Acts are discussed separately in chapter 4.
[181] USITC DataWeb/USDOC (accessed April 24, 2019); EIU, *Country Report First Quarter 2019: Haiti*, February 1, 2019.
[182] USITC DataWeb/USDOC (accessed April 24, 2019).

Figure 3.3 Haiti: Total U.S. imports and imports under CBERA, 2014–18 (million U.S. dollars)



Source: Compiled from official statistics of the U.S. Department of Commerce (accessed May 20, 2019).
Note: See corresponding data table E.3.

Total U.S. imports from Haiti rose steadily for six years after the 2010 earthquake. Those imports declined from $968.2 million in 2015 to $895.2 million in 2016, a five-year low in the period from 2014–18. However, U.S. imports have risen each year since 2016, topping $1.0 billion in 2018. Haiti's CBERA/CBTPA utilization rate, on the other hand, has remained fairly steady at around 95 percent over the last five years; U.S. imports under CBERA/CBTPA from Haiti followed the same trend as overall imports, increasing steadily except in 2016.[183]

The U.S. trade preference programs for Haiti offer additional benefits. HOPE allows duty-free imports of apparel using yarns and fabrics from any country, whereas CBTPA requires use of yarns from the United States for duty-free treatment. HELP expands preferences for apparel goods and creates new preferences for certain non-apparel textile goods, in addition to extending CBTPA and HOPE preferences through September 2022.[184] (The Trade Preferences Extension Act of 2015 later extended the HOPE Acts to September 30, 2025.[185])

[183] Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019).
[184] USDOC, ITA, OTEXA, "Trade Preferences for Haitian Textiles and Apparel" (accessed May 17, 2019).
[185] Pub. L. 114-27, § 301, Extension of Preferential Duty Treatment Program for Haiti.

The impact of CBERA is not solely defined by the value and quantity of Haitian imports to the United States, as labor standards are an important component of the benefits of CBERA for Haiti. Under HOPE II, Haiti must comply with stringent labor provisions.[186] The core labor standards outlined in HOPE II include the elimination of discrimination related to employment and occupation, freedom of association, recognition of the right to collective bargaining, and the abolition of forced labor and child labor.[187] Since HOPE II was passed in 2008, the national daily minimum wage in Haiti has increased seven separate times from 70 gourdes per day to 350 gourdes per day in 2017.[188]

Nonetheless, noncompliance with several of the core labor standards outlined in the HOPE II provisions has been a recurring issue.[189] Recently, violations have involved the unlawful dismissal of trade unionists. There are comparatively high rates of noncompliance with Haiti's national labor laws as well, particularly those related to social security and benefits payments as well as occupational health and safety standards.[190] However, recent reports by the Better Work Programme, a partnership between the International Labor Organization (ILO) and the International Finance Corporation that is responsible for assessing and helping with Haiti's factory-level compliance, have had no findings of noncompliance with standards bearing on child labor, forced labor, and discrimination, and have continued to find minimum wage compliance.[191] The United States continues to work with the Haitian government as well as other transnational stakeholders to encourage the viability of Haiti's garment industry while enabling company compliance with labor standards and ensuring full execution of the ILO's Technical Assistance Improvement and Compliance Needs Assessment and Remediation (TAICNAR) program.[192]

Gender equity is also an important goal of the CBERA/CBTPA and the HOPE Acts programs. According to the U.S. Department of State, Haitian law requires equal treatment to female business-owners, minorities, and foreign investors.[193] Gender equality has been a key component of the agenda of the Better Work Programme.[194] According to a report on this program, women in Haiti are often "considered second-class citizens," and take on more domestic and agricultural work than their male counterparts.[195] However, since the adoption of HOPE/HELP, women have taken on a larger role in the

[186] USITC, hearing transcript, May 14, 2019, 38 (testimony of Gail Strickler, Brookfield Associates).
[187] Pub. L. 110-234, § 15403. USTR, *Hope II Annual Report*, 2018, 1–3. The key governing bodies representing Haiti in carrying out the HOPE II provisions are the national Labor Ombudsperson's Office, created under the HOPE II legislation, jointly with the Haitian Ministry of Labor and Social Affairs (MAST). Hope II also requires Haiti to implement the Technical Assistance Improvement and Compliance Needs Assessment and Remediation (TAICNAR) program, which is operated by the International Labour Organization (ILO). TAICNAR coordinates with the Labor Ombudsperson to assess compliance with labor standards and provides help in meeting compliance goals. TAICNAR also allows the ILO to conduct firm-level inspection and monitoring of Haitian apparel factories. Although MAST continues to experience resource constraints, support from the ILO has enabled it to continue labor inspections within the garment industry, making 29 unannounced inspections in 2017 alone.
[188] USTR, *Hope II Annual Report*, 2018, 4.
[189] USTR, *Hope II Annual Report*, 2018, 7.
[190] USTR, *Hope II Annual Report*, 2018, 7.
[191] USTR, *Hope II Annual Report*, 2018, 7.
[192] USTR, *Hope II Annual Report*, 2018.
[193] USDOS, "2018 Investment Climate Statements: Haiti," July 19, 2019.
[194] ILO/IFC, *18th Biannual Synthesis Report,* April 2019, 33.
[195] ILO/IFC, *An Impact Evaluation of Better Work,* April 2019, 13.

labor force, and in the garment industry—the key industry in Haiti benefiting from CBERA/CBTPA and the HOPE Acts—65 percent of the 53,000 workers are women.[196]

Since HOPE II's implementation in 2008, the garment industry in Haiti has experienced tremendous growth, more than doubling the number of jobs from 21,000 to over 50,000 in 2018. This can be directly attributed to CBTPA and the HOPE/HELP Acts. These trade preference programs have been cited as indispensable to Haiti's industrial competiveness in the textiles and apparel sector, leading to both investment-driven economic growth and job creation. Moreover, according to the U.S. Department of State, employment in the apparel sector reduces the likelihood that Haitians will attempt undocumented migration to the United States via unsafe watercraft, as has occurred in the past.[197]

Trinidad and Tobago: Economic Profile

Overview

Trinidad and Tobago ranked as the largest CBERA economy in 2018, with an estimated GDP of $22.7 billion.[198] The production of petroleum-related products—crude and refined petroleum products, natural gas, and petrochemicals (methanol, ammonia, urea, and melamine)—is a significant contributor to Trinidad and Tobago's domestic economic output.[199] With abundant supplies of fossil fuels, Trinidad and Tobago is the largest crude oil and natural gas producer in the Caribbean[200] and the world's sixth-largest liquefied natural gas (LNG) exporter in 2018.[201] As natural gas is the feedstock for ammonia and methanol production, Trinidad and Tobago's natural gas resources also offer it a comparative advantage in downstream products; the country is the world's largest exporter of both ammonia and methanol.[202]

Besides petroleum-related products, Trinidad and Tobago also supplies manufactured goods to the Caribbean region—notably food products and beverages, as well as cement. In addition, the country is a regional financial center with a well-regulated and stable financial system.[203] Figure 3.4 shows the major economic sectors of Trinidad and Tobago in 2017, with wholesale and retail trade, manufacturing, and mining and quarrying being the top three sectors contributing to the overall output of the economy.[204]

[196] USTR, *Hope II Annual Report*, 2018, 8. ILO/IFC, *18th Biannual Synthesis Report under the HOPE II Legislation Haiti,* April 2019.
[197] USDOS, U.S. Embassy in Port-au-Price, Diplomatic Cable, June 5, 2019.
[198] EIU, Country Report: Trinidad and Tobago, April 23, 2019, Estimate.
[199] Government of Trinidad and Tobago, Ministry of Trade and Industry, "Submission for the 24th Report on the Caribbean Basin Economic Recovery Act," May 31, 2019.
[200] USDOE, EIA, "Trinidad and Tobago," January 2016. However, due to crude oil production beginning in 2020, Guyana may overtake Trinidad and Tobago in the near future. In addition, Trinidad and Tobago's state-owned petroleum company, Petrotrin, closed at the end of 2018, shutting down operations at the country's only petroleum refinery at the same time. Central Bank of Trinidad and Tobago, *Annual Economic Survey 2018,* 2019, 5.
[201] USDOS, "2018 Investment Climate Statement—Trinidad and Tobago," July 19, 2018.
[202] USDOS, "2018 Investment Climate Statement—Trinidad and Tobago," July 19, 2018.
[203] USDOS, "2018 Investment Climate Statement—Trinidad and Tobago," July 19, 2018.
[204] Central Bank of Trinidad and Tobago, *Annual Economic Survey 2018,* 2019, 58, table A.3.

Table 3.4 Trinidad and Tobago: Selected economic indicators, 2014–18

	2014	2015	2016	2017	2018
Real GDP growth (%)	-0.3	1.5	-6.0	-2.3	1.4[a]
Population (million)	1.4	1.4	1.4	1.4[a]	1.4[a]
GDP per capita (U.S. $)[c]	19,429	17,429	15,929	15,786	16,214
Goods exports (million U.S. $)	14,965	11,414	8,285	9,411	11,418[a]
Goods imports (million U.S. $)	-7,919	-7,530	-7,089	-6,452	-7,156[a]
Petroleum-related exports (million U.S. $)[a]	12,492	8,767	6,431[a]	5,595[b]	n/a
Petroleum-related imports (million U.S. $)[a]	2,868	2,428	3,508[a]	2,532[b]	n/a
Exports under CBERA (million U.S. $)[d]	1,234	830	379	488	550
Merchandise trade balance (million U.S. $)[d]	7,045	3,884	1,197	2,960	4,261[a]
Current account balance (million U.S. $)	4,003	1,856	-858	1,089	1,584[a]
Total external debt (in stock, million U.S. $)	6,627[a]	6,937[a]	9,538[a]	9,504[a]	9,566[a]

Source: EIU, *Country Report: Trinidad and Tobago*, April 23, 2019; Central Bank of Trinidad and Tobago, *Annual Economic Survey 2017*, 2018.
[a] EIU estimate (April 23, 2019).
[b] Data include only January to September 2017.
[c] USITC calculation.
[d] Compiled from official statistics of the U.S. Department of Commerce (accessed May 13, 2019).

Government revenue increased from 2017 to 2018 due to an increase in tax income and petroleum income. This increase led to a sharp decline in the overall fiscal deficit to $5.4 billion (3.4 percent of GDP) at the end of fiscal year 2017/2018, down from $13.5 billion (9.1 percent of GDP) in 2016/2017. Total expenditures fell by roughly $2.1 billion in 2018.[205]

In recent years, the government of Trinidad and Tobago has sought to promote sustainable economic growth. The National Development Strategy for 2016–30, which was released by the country's Ministry of Planning and Development in 2017, targets five "Development Strategies for 2020": (1) developing human capital, (2) delivering good governance, (3) providing quality infrastructure and transport, (4) building globally competitive businesses, and (5) improving its environment.[206]

Trinidad and Tobago's real GDP growth rate declined 6.0 percent in 2016 and fell again by 2.3 percent in 2017 before returning to an estimated 1.4 percent in 2018 (table 3.4).[207] Non-petroleum-related activity declined by 3.5 percent in 2016 and 2017 and remained flat in 2018. The construction sector declined by 4.1 percent in 2017 and continued to fall by 3.3 percent in 2018. On the other hand, financial and insurance activities experienced growth of 0.9 percent in 2017 and 1.1 percent in 2018.[208]

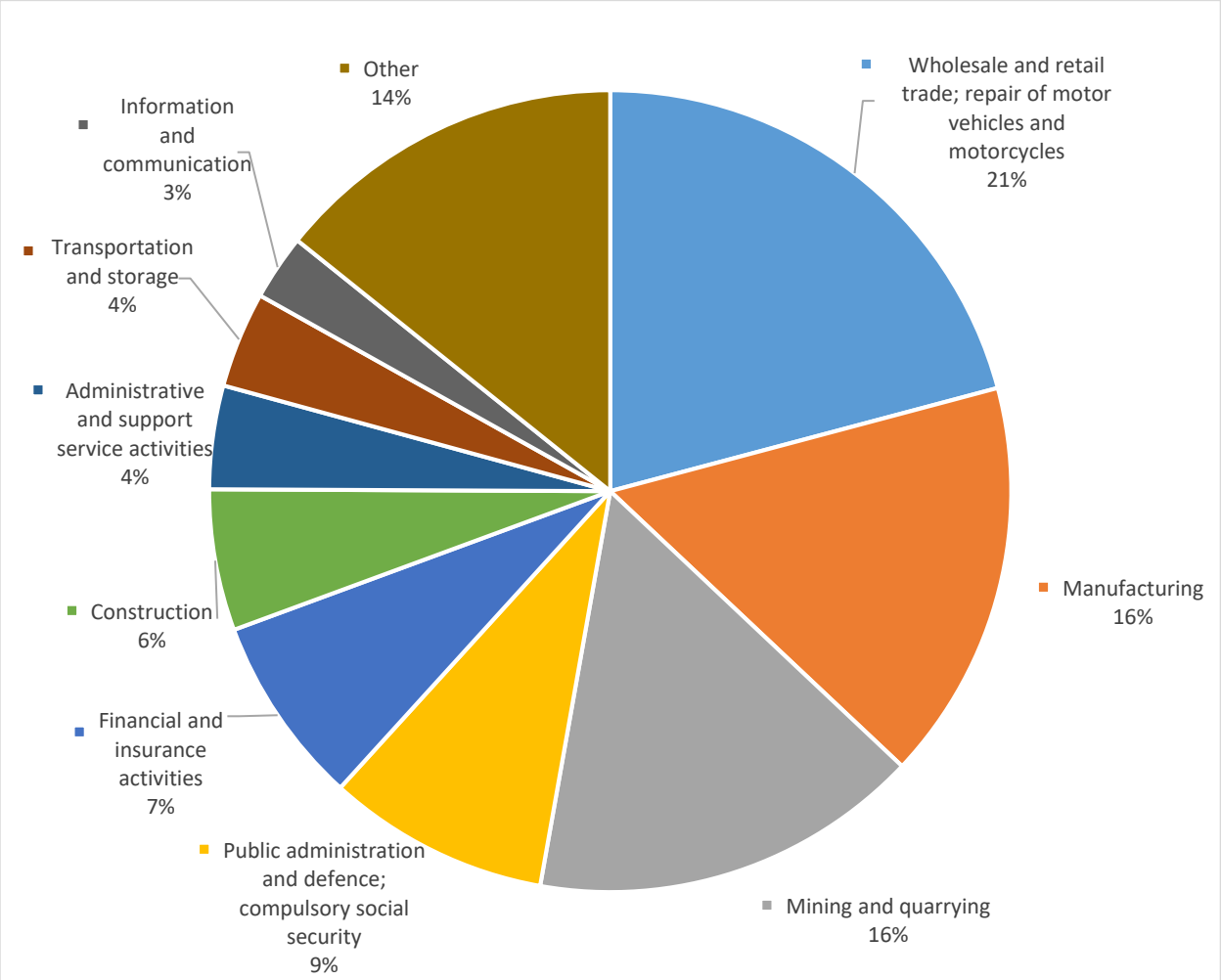
[205] Central Bank of Trinidad and Tobago, *Annual Economic Survey 2018,* 2019, 6.
[206] Government of Trinidad and Tobago, Ministry of Planning and Development, *"*Draft National Development Strategy 2016–2030 (Vision 2030)*,"* April 2017; Government of Trinidad and Tobago, Ministry of Trade and Industry, "Written Submission to the USITC," June 12, 2017.
[207] Trinidad and Tobago's contraction was due to a recession. Government of Trinidad and Tobago, Ministry of Trade and Industry. Written submission to the U.S. International Trade Commission in connection with Inv. No. 332-227, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers and on Beneficiary Countries, 24th Report,* May 31, 2019.
[208] Central Bank of Trinidad and Tobago, *Annual Economic Survey 2018,* 2019, 7.

In the third quarter of 2017, Trinidad and Tobago worked with British Petroleum to launch the Juniper Project to increase petroleum production.[209] This project contributed to a 6.5 percent increase in natural gas production in 2018.[210] However, refinery throughput and crude oil production fell by 9.3 percent and 11.6 percent, respectively, due to the closure of the Petrotrin refinery and stoppages for maintenance at plants throughout the industry.[211]

Trinidad and Tobago's services sector has increased as a proportion of GDP. It comprised 63.0 percent of GDP in 2018, up from just over 54.2 percent in 2008 (figure 3.5). This has corresponded to a fall in mining sector output, which includes petroleum-related products, as a proportion of GDP.[212] Within the services sector, wholesale and retail trade comprised the largest services sector in 2017 (31.7 percent of total services contribution to GDP), followed by finance and insurance (12.8 percent).[213] The administrative and support services and the water supply, sewage, and waste management and remediation activity sectors saw the largest increase from 2014 to 2017, rising 51.6 percent and 43.4 percent, respectively. However, arts, entertainment, and recreation services fell 50.6 percent during the same period.[214]

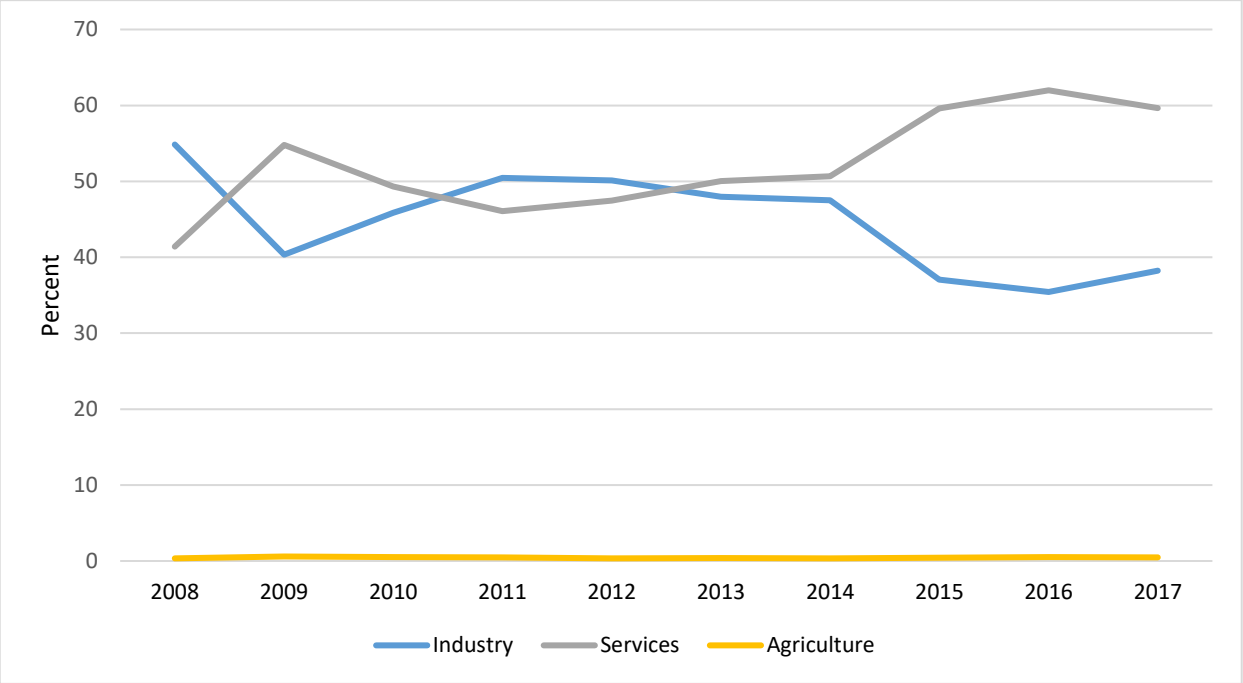
[209] British Petroleum. "Juniper's Journey," February 20, 2017 (accessed May 20, 2019). https://www.bp.com/en/global/corporate/news-and-insights/bp-magazine/juniper-journey-construction-installation-trinidad-tobago.html.
[210] Central Bank of Trinidad and Tobago, *Annual Economic Survey 2018,* 2019, 5.
[211] Central Bank of Trinidad and Tobago, *Annual Economic Survey 2018,* 2019, 5.
[212] Central Bank of Trinidad and Tobago, *Annual Economic Survey 2018,* 2019, 58, 90.
[213] Excluding public administration and defense services. Central Bank of Trinidad and Tobago, *Annual Economic Survey 2018,* 2019, 58.
[214] Central Bank of Trinidad and Tobago, *Annual Economic Survey 2018,* 2019, 57–58.

Figure 3.4 Trinidad and Tobago: Composition of GDP, 2018 (percent)[a]



Source: Central Bank of Trinidad and Tobago, *Annual Economic Survey 2018*, 2019, 59, table A.3.
[a] Data are provisional.
Note: See corresponding data table E.4.

Figure 3.5 Trinidad and Tobago: Composition of GDP, 2008–17 (percent)



Source: World Bank, World Development Indicators database (accessed May 23, 2019).
Note: See corresponding data table E.5. Industry includes mining, manufacturing, construction, electricity, water, and gas.

Trade Profile

Merchandise exports from Trinidad and Tobago to the world totaled nearly $11.4 billion in 2018, an increase from $9.4 billion in 2017 (table 3.4).[215] Petroleum-related products accounted for the majority of Trinidad and Tobago's exports in 2016–18. The increase in crude oil and natural gas prices contributed to petroleum-related exports of $5.6 billion in the first three quarters of 2017, $948.2 million more than the same period in 2016. Non-petroleum-related exports increased from $1.3 billion in January–September 2016 to $1.6 billion in the same period of 2017.[216]

Trinidad and Tobago's merchandise imports totaled $7.2 billion in 2018, an increase from $6.5 billion in 2017 (table 3.4).[217] The country's petroleum-related imports increased in the first nine months of 2018 to $1.6 billion, up $454.4 million from the same period in 2017. Non-petroleum imports increased to $3.7 billion in the first nine months of 2018 from $3.4 billion during the same period in 2017.[218]

Uruguay is Trinidad and Tobago's largest goods export market (table 3.5). Trinidad and Tobago's leading import partner is the United States, followed by Russia. Leading U.S. exports to Trinidad and Tobago in 2018 were animal food, wheat, crude and refined petroleum, and computers.[219]

[215] EIU, *Country Report: Trinidad and Tobago,* July 19, 2019.
[216] Central Bank of Trinidad and Tobago, *Annual Economic Survey 2017*, 2018, 40.
[217] EIU, *Country Report: Trinidad and Tobago,* July 19, 2019.
[218] Central Bank of Trinidad and Tobago, *Annual Economic Survey 2018,* 2019, 43.
[219] USITC DataWeb/USDOC (accessed July 19, 2019).

Table 3.5 Trinidad and Tobago: Main merchandise trading partners, 2018 (million U.S. dollars)

Leading markets for exports and value		Leading sources of imports and value	
Uruguay	2,317.36	United States	1,764.9
Philippines	528.3	Russia	1,005.7
Japan	402.1	China	660.1
Haiti	375.6	Brazil	448.3

Source: IMF, Direction of Trade Statistics (accessed July 17, 2019).

Trinidad and Tobago's exports of commercial services remained relatively stable from 2011 to 2018, hovering at around $1.2 billion (2011 is the earliest year for which data are available). However, some services exports fell off while others grew. Transport services exports decreased by 12.1 percent, largely due to a decline in air transport since 2012. Tourist arrivals have also fallen over the longer term, declining 12.0 percent from 2007–17, though tourist expenditures increased during the same years. Meanwhile, other commercial services and insurance and pension services exports expanded, the latter growing to $407.0 million in 2018 from $111.0 million in 2011.[220]

Investment Profile

Trinidad and Tobago is generally open to foreign direct investment (FDI) and has traditionally welcomed U.S. investors, although certain companies continue to face issues.[221] As of 2017, the stock of U.S. foreign direct investment in Trinidad and Tobago totaled $6.4 billion.[222] The bulk of Trinidad and Tobago's net inflows of FDI is concentrated in its petroleum and gas extraction sector.[223]

Trinidad and Tobago generally ranked higher in ease of doing business factors than most of the other CBERA countries, according to World Bank measures. In 2018, Trinidad and Tobago ranked 105th out of 190 countries in the World Bank's overall Ease of Doing Business Index[224]—the third-highest overall score for CBERA countries. It also ranked 76th of 190 countries in the subcategory "ease of starting a business."[225] Trinidad and Tobago excelled in three categories: "getting electricity," where it ranked 41st; "getting credit," where it ranked 60th; and "protecting minority investors," where it ranked 57th.[226] The latter score most likely reflects the country's status as a regional financial center, an industry that has been built on Trinidad and Tobago's large petroleum-related export earnings.[227]

According to the U.S. Department of State, corruption, complicated government bureaucracy, violent crime, and foreign exchange shortages are among the most serious problems in doing business in

[220] World Bank, World Development Indicators database (accessed July 19, 2019).
[221] USDOS, "2018 Investment Climate Statement—Trinidad and Tobago," July 19, 2018 (accessed April 24, 2019).
[222] BEA, U.S. Direct Investment Abroad: Balance of Payments and Direct Investment Position Data, July 2019.
[223] Trinidad and Tobago's mining, quarrying, and petroleum sector represented more than 80 percent of FDI stock in the country in 2014. UNCTAD, *World Investment Report 2016*, 2016, 83.
[224] World Bank, *Doing Business 2019: Training for Reform—Trinidad and Tobago*, October 31, 2018, 4.
[225] World Bank, *Doing Business 2019: Training for Reform—Trinidad and Tobago*, October 31, 2018, 4.
[226] World Bank, *Doing Business 2019: Training for Reform—Trinidad and Tobago*, October 31, 2018, 18, 30, 34.
[227] World Bank, *Doing Business 2019: Training for Reform—Trinidad and Tobago*, October 31, 2018, 4; USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers and on Beneficiary Countries, 2011–2012,* 2013, 4–21.

Trinidad and Tobago.[228] Trinidad and Tobago ranked worse than most other countries with respect to enforcing contracts (174th) and registering property (158th).[229] According to the U.S. Department of State, the process for tenders and awarding contracts can at times become nontransparent, especially when foreign companies are competing with well-connected local firms. There can also be extensive delays in the court system, making legal resolution time-consuming and foreign firms reluctant to pursue legal remedies.[230]

Impact of CBERA

Trinidad and Tobago registered the fifth-highest CBERA utilization rate in 2017 and 2018. This rate has declined over the years, falling from 21.7 percent in 2014 to 13.2 percent in 2016 and rising slightly to 15.6 percent in 2018 (table 3.1). As reflected in the utilization rate, U.S. imports under CBERA from Trinidad and Tobago fell by 69.3 percent from 2014 to 2016 (table 3.4), but increased by 45.1 percent after 2016, rising to $550 million in 2018. Overall, the value of U.S. imports under CBERA from Trinidad and Tobago fell by more than half between 2014 and 2018. Though Trinidad and Tobago was the leading source of U.S. imports under CBERA in 2014, the country fell behind Haiti from 2015 onward. Exports from Trinidad and Tobago under CBERA represented around 3 percent of Trinidad and Tobago's total exports over this period and were equivalent to 2.4 percent of its GDP in 2018.

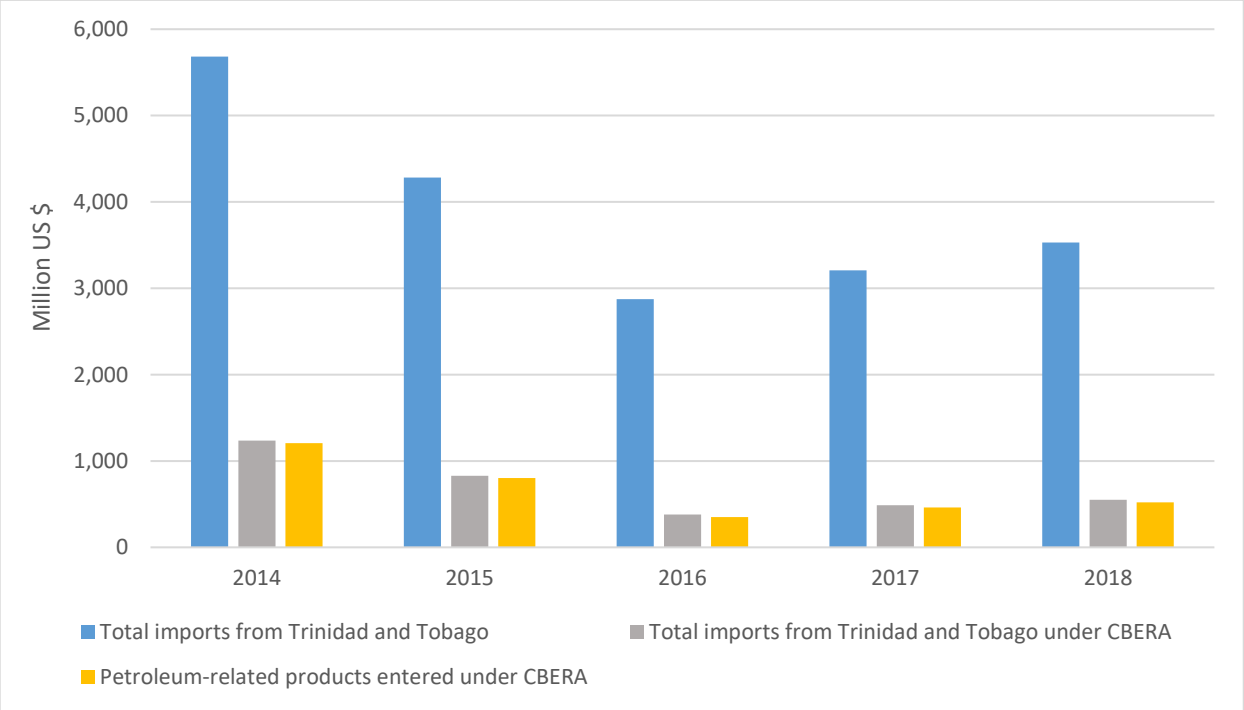
In recent years, U.S. imports under CBERA from Trinidad and Tobago have been primarily composed of petroleum-related products (figure 3.6). Methanol[231] was by far the largest U.S. import from Trinidad and Tobago, accounting for all U.S. imports of this product under CBERA in 2018. U.S. imports of methanol increased in 2017 and 2018, but did not reach the levels recorded in 2014 and 2015. The second-largest import under CBERA was crude petroleum, followed by distillate and residual fuel oil—fuels used for engines in trucks and automobiles, railroad locomotives, agricultural equipment, and steam-powered vessels, as well as for generating electric power.[232] U.S. imports under CBERA of crude petroleum declined 36.6 percent in 2018 to $34.0 million, and have been gradually declining since 2014 (appendix table D.5). On the other hand, distillate and residual fuel imports under CBERA remained low until increasing rapidly to $21.4 million in 2018. Both crude petroleum and distillate and residual fuel oil were imported by the United States from Trinidad and Tobago in large amounts outside of the CBERA program (with duties paid), probably because the rate of duty is so low.[233]

The relative importance of CBERA to Trinidad and Tobago's economy has declined over the past five years as services have become an increasingly important share of the country's economy. Nevertheless, the Ministry of Trade states that CBERA continues to be a "critical factor in providing market access for

[228] USDOS, "2018 Investment Climate Statement—Trinidad and Tobago," July 19, 2018.
[229] World Bank, *Doing Business 2019: Training for Reform—Trinidad and Tobago*, October 31, 2018, 4.
[230] USDOS, "2018 Investment Climate Statement—Trinidad and Tobago," July 19, 2018.
[231] Methanol is classified in HTS 2905.11.20.
[232] U.S. Energy Information Administration, "Petroleum and Other Liquids." (accessed July 22, 2019).
[233] USITC DataWeb/USDOC (accessed July 25, 2019). The normal trade relations (NTR) rate for crude petroleum (HTS 2709.00.20) was 10.5 cents/barrel; for crude petroleum (HTS 2709.00.10) and distillate and residual fuel oil (HTS 2710.19.16), the NTR rates were just 5.5 cents/barrel. (NTR rates are the equivalent of most-favored-nation (MFN) rates elsewhere.)

many of Trinidad and Tobago's energy products."[234] However, the U.S. Department of State notes that CBERA has neither encouraged the development of nontraditional exports nor diversified the economy.[235]

Figure 3.6 Trinidad and Tobago: Total U.S. imports and imports under CBERA, 2014–18 (million U.S. dollars)



Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2018). Data reflect all official USDOC revisions for 2014–18 as of May 13, 2019.
Note: See corresponding data table E.6

[234] Government of Trinidad and Tobago, Ministry of Trade and Industry, "Submission for the 24th Report on the Caribbean Basin Economic Recovery Act," May 31, 2019.
[235] USDOS, Embassy of the United States, Port of Spain, "United States International Trade Commission Biennial Investment Survey Submission," May 31, 2019.

Chapter 4
U.S. Imports under CBERA by Country and Product

This chapter covers U.S. imports under the CBERA program from countries that were designated beneficiary countries for 2017–18.[236] As previously highlighted in chapter 2, U.S. imports from CBERA countries increased for a second consecutive year to $6.1 billion in 2018, up from a low of $5.3 billion in 2016 (table 4.1). The increase was primarily due to sharp increases in the value of U.S. imports of petroleum-related products from the region.[237] The increase in imports to the United States from the region mirrors an overall increase in merchandise imports in the United States.

Table 4.1 U.S. imports for consumption, 2014–18

Year	U.S. imports from all CBERA countries (million $)	U.S. imports under CBERA (million $)	Share of U.S. imports under CBERA in total U.S. imports from CBERA countries (%)[238]
2014	8,484.1	2,424.8	28.6
2015	7,051.7	2,039.0	28.9
2016	5,319.7	1,410.0	26.5
2017	5,798.0	1,544.4	26.6
2018	6,070.9	1,685.3	27.8

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019). Data reflect all official USDOC revisions for 2014–18 as of May 20, 2019.

As this chapter shows below, U.S. imports under the CBERA program increased by 19.5 percent, by value, from 2016 to 2018, including a 9.1 percent increase from 2017 to 2018. The largest contributors to this increase were methanol and cotton T-shirts.

This chapter focuses primarily on 2018, although trends or changes with respect to other years are highlighted when appropriate. Data are reported for 2014–18 (five years). Most data on U.S. imports

[236] The data for U.S. imports under CBERA include U.S. imports under CBERA as amended by both CBTPA and the HOPE and HELP Acts. In USITC's *Caribbean Basin Economic Recovery Act: Impact*; 2017, trade data under HOPE and HELP Acts were reported and analyzed separately in the "Textile and Apparel Products" section. Thus, numbers from the previous report are not comparable to these numbers.
[237] "Petroleum-related products" are crude and refinery petroleum products, natural gas, and certain petrochemicals (methanol). These products fall under heading 27 and subheading 290511 of the international Harmonized Commodity Description and Coding System (HS). In this instance, the two main petroleum-related products responsible for the increase in U.S. imports from CBERA countries were natural gas and crude petroleum.
[238] Share of U.S. imports under CBERA in total U.S. imports from CBERA countries is the CBERA utilization rate.

presented in this chapter are for U.S. imports for consumption, [239] which only includes merchandise that has physically cleared through U.S. customs.[240]

U.S. Imports under CBERA

Products receiving preferential treatment under CBERA totaled $1.7 billion in 2018, an increase of 9.1 percent from $1.5 billion in 2017 (table 4.2). U.S. imports under CBERA declined for five consecutive years in 2012–16, but have increased since then. The change is driven predominantly by increases in the value of imports of two products: methanol from Trinidad and Tobago and cotton T-shirts from Haiti. Petroleum-related products accounted for 29.9 percent of imports under CBERA in 2018, with Trinidad and Tobago's methanol supplying 89.0 percent of such imports. Textiles and apparel, supplied mainly by Haiti, accounted for 56.0 percent of imports under CBERA in 2018, with cotton T-shirts accounting for 30.1 percent of such imports. The remaining imports were agricultural products and other mining and manufacturing products, comprising 7.9 percent and 6.2 percent of imports under CBERA, respectively.

[239] The exceptions are tables 4.4, 4.5, and 4.6, which present U.S. import data as general imports, not imports for consumption. The source data are from the U.S. Department of Commerce, International Trade Administration, Office of Textiles and Apparel (OTEXA), which reports textile and apparel imports as general imports only. "General imports" measure total physical arrivals of merchandise from foreign countries, whether entering consumption channels immediately or entering into bonded warehouses or Foreign Trade Zones under Customs and Border Protection custody. See U.S. Census Bureau, Foreign Trade, "Trade Definitions" (accessed August 14, 2019).

[240] This chapter reflects the Census Bureau's latest revision of trade statistics for 2014–18. All trade under CBERA discussed in the report is merchandise trade, as CBERA does not cover trade in services. "Imports for consumption" measures the total value of merchandise that physically clears U.S. Customs and Border Protection (U.S. Customs) for entry into the United States, as well as goods withdrawn from U.S. Customs bonded warehouses or U.S. foreign-trade zones, which immediately enter U.S. consumption channels. Merchandise held in bonded warehouses or U.S. foreign-trade zones is included in statistics on general imports but is not included in statistics on imports for consumption until it is specifically withdrawn for consumption. To measure U.S. trade with CBERA countries, this report uses imports for consumption because CBERA is a tariff preference program, and tariffs are applied only to imports for consumption. See USDOC, ITA, "Trade Data Basics" (accessed June 3, 2019); USITC, "A Note on U.S. Trade Statistics," August 22, 2014.

Table 4.2 U.S. imports for consumption under CBERA, by source, 2014–18

Source	2014	2015	2016	2017	2018	Change 2017–18
Current CBERA beneficiaries[a]			Million $			%
Haiti	858.8	931.0	857.2	879.0	957.4	8.9
Trinidad and Tobago	1,234.5	830.3	379.0	487.8	550.3	12.8
Jamaica	71.8	81.6	74.6	72.7	83.9	15.3
Bahamas	158.2	88.4	68.4	79.7	66.2	-17.0
Belize	60.6	36.9	17.1	12.4	10.7	-13.9
Barbados	5.3	22.6	2.3	3.6	7.5	109.5
Saint Kitts-Nevis	18.3	10.5	7.2	5.1	5.1	-0.5
Grenada	0.4	1.7	1.8	2.4	2.9	21.1
Guyana	11.9	34.9	1.6	0.7	0.9	20.2
All others	6.9	1.6	0.8	0.8	0.6	-25.4
Total	2,426.7	2,039.4	1,410.0	1,544.4	1,685.3	9.1
Current CBERA beneficiaries			Percent of total			Percentage points
Haiti	35.4	45.7	60.8	56.9	56.8	-0.1
Trinidad and Tobago	50.9	40.7	26.9	31.6	32.6	1.1
Jamaica	3.0	4.0	5.3	4.7	5.0	0.3
Bahamas	6.5	4.3	4.9	5.2	3.9	-1.2
Belize	2.5	1.8	1.2	0.8	0.6	-0.2
Barbados	0.2	1.1	0.2	0.2	0.4	0.2
Saint Kitts-Nevis	0.8	0.5	0.5	0.3	0.3	0.0
Grenada	0.0[b]	0.1	0.1	0.2	0.2	0.0
Guyana	0.5	1.7	0.1	0.0[b]	0.1	0.0
All others	0.3	0.1	0.1	0.1	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	0.0

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019). Data reflect all official USDOC revisions for 2014–18 as of May 20, 2019.

[a] Countries that were CBERA beneficiaries as of December 31, 2018.

[b] Less than $50,000.

Note: Because of rounding, figures may not add up to totals shown.

U.S. Imports by Country under CBERA

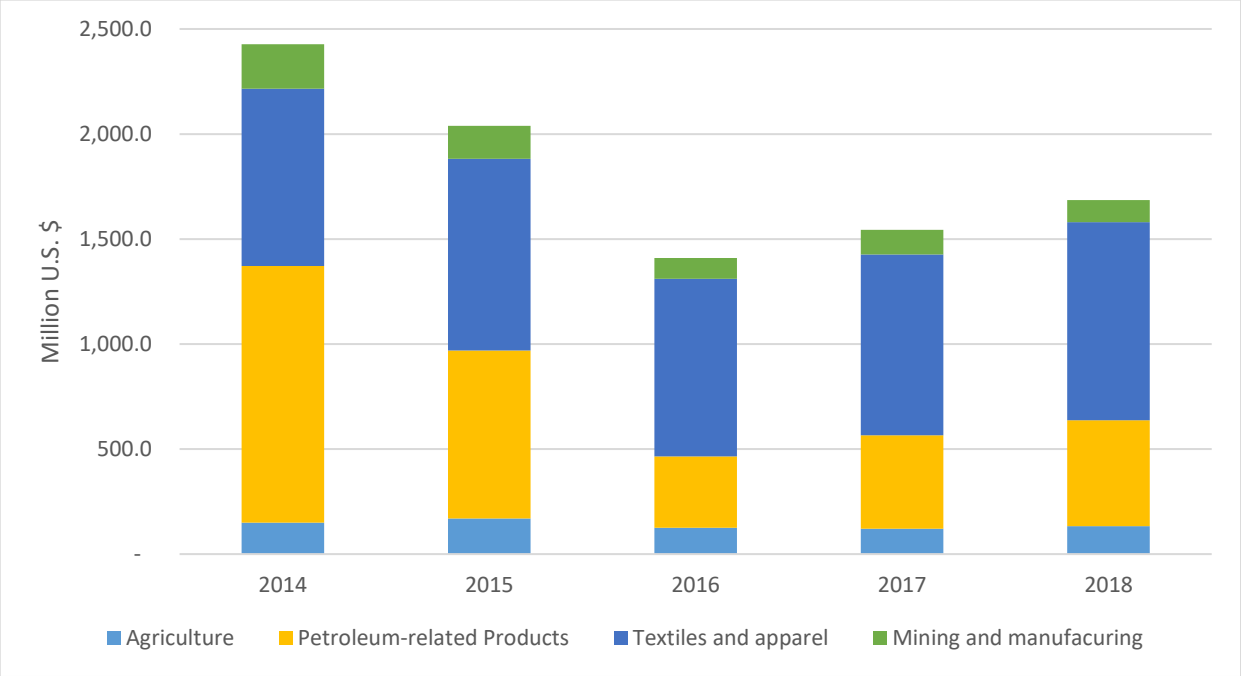
Since 2015, Haiti has been the primary source of U.S. imports under CBERA, accounting for 56.8 percent of total U.S. imports under CBERA in 2018 and for 56.9 percent in 2017 (table 4.2). Haiti eclipsed Trinidad and Tobago in 2015 as the leading supplier of U.S. imports, largely because of apparel items that shipped under CBTPA, HOPE, and HELP.

In 2018, Trinidad and Tobago continued to be a prominent source of CBERA imports, especially petroleum-related products. Methanol from Trinidad ($447.7 million), the single largest CBERA import, was 57.3 percent higher in value than the second-largest import, cotton T-shirts from Haiti ($284.5 million). Jamaica ranks third as a source of CBERA imports, due primarily to the continued increase in U.S. imports of yams.

Product Composition and Leading Imports

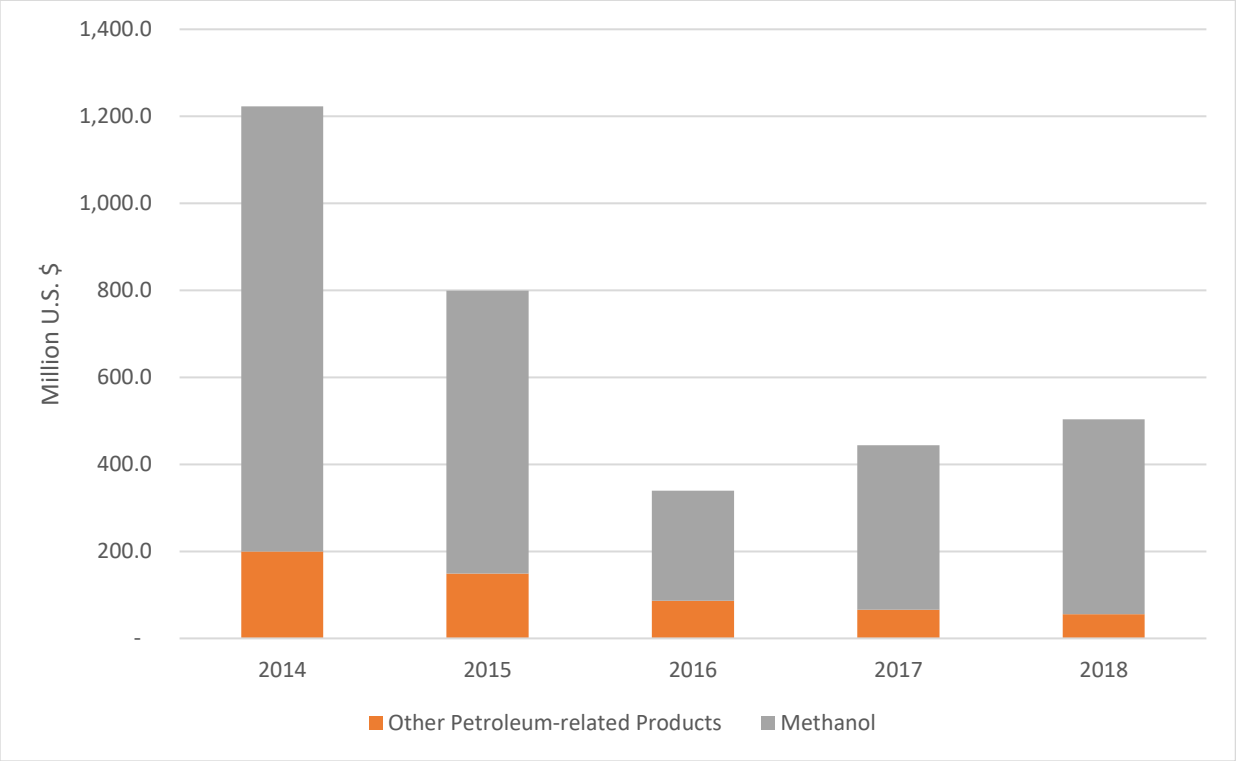
Of the $1.7 billion in imports under CBERA in 2018, petroleum-related products, such as methanol and crude petroleum, accounted for 29.9 percent; textiles and apparel (predominantly apparel), 56.0 percent; agricultural products, 7.9 percent; and other mining and manufacturing products, 6.2 percent (figure 4.1). The four major product categories are analyzed in more detail below.

Figure 4.1: U.S. imports under CBERA, by major product categories, 2014–18 (million U.S. dollars)



Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019). Data reflect all official USDOC revisions for 2014–18 as of May 20, 2019.
Note: Underlying data for this figure can be found in appendix table E.7.
"Textiles and apparel" includes imports from Haiti under CBTPA, HOPE, and HELP.

Figure 4.2 U.S. imports under CBERA, by major petroleum-related categories, 2014-2018 (million U.S. dollars)



Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019). Data reflect all official USDOC revisions for 2014–18 as of May 20, 2019.
Note: See corresponding data table E.8.

Mineral Fuels and Other Petroleum-related Products

In 2018, the value of U.S. imports of petroleum-related products under CBERA was $503.2 million, up from a low of $339.7 million in 2016. As mentioned previously, methanol was the major driver of imports under CBERA generally, and of petroleum-related imports specifically. The value of U.S. imports of petroleum-related products under CBERA rose 13.3 percent, from $444.2 million in 2017 to $503.2 million in 2018. This increase followed a five-year period of decline that began in 2012, when U.S. imports of petroleum-related products under CBERA were $2.4 billion.[241] The decline was due, in part, to falling U.S. methanol prices, which decreased demand for methanol from Trinidad and Tobago.[242]

The total value of U.S. imports of petroleum-related products increased under CBERA from 2017 to 2018. This increase was chiefly due to the increase in total methanol imports from Trinidad and Tobago. In 2018, the value of methanol imports under CBERA totaled $447.7 million, up from a low of $253.2 million in 2016 (figure 4.2). U.S. imports of methanol and crude petroleum accounted for 95.7 percent of all U.S. imports of petroleum-related products under CBERA in 2018.

[241] USITC, *Caribbean Basin Economic Recovery Act: Impact*; 2017
[242] USITC, *Caribbean Basin Economic Recovery Act: Impact*; 2017

The decrease in the value of U.S. imports of crude petroleum under CBERA from 2014 to 2016 resulted from a 53.5 percent decline in price; the price of crude petroleum fell from $93.2 per barrel in 2014 to $43.3 per barrel in 2016. Since 2016, the price of crude has increased, rising to $65.2 per barrel in 2018.[243] Despite this recent increase in price, a decrease in volume of crude imported under CBERA led to a 36.6 percent reduction in the total value of crude petroleum imports from 2017 to 2018, falling from $53.6 million to $34.0 million (table 4.3).[244] While import values for lubricating oils have remained consistently low over the period, hovering between $0.1 million and $0.2 million, the value of distillate and residual fuel oil has increased markedly since 2015, from $0.0 to $21.4 million in 2018 (table 4.3).

Table 4.3 U.S. petroleum-related imports under CBERA, by major product and source, 2014–18 (million U.S. dollars)

Product category (HTS code)	Source	2014	2015	2016	2017	2018
Methanol (methyl alcohol) (HTS 2905.11.20)	Trinidad and Tobago	1,023.6	650.8	253.2	378.3	447.7
	Total	1,023.6	650.8	253.2	378.3	447.7
Petroleum oils and oil from bituminous minerals, crude (HTS 2709.00.20)	Trinidad and Tobago	165.1	144.9	86.2	53.6	34.0
	Belize	27.3	0.0	0.0	0.0	0.0
	Total	192.4	144.9	86.2	53.6	34.0
Distillate and residual fuel oil (HTS 2710.19.06)	Trinidad and Tobago	1.7	0.0	0.2	11.8	21.4
	Total	1.7	0.0	0.2	11.8	21.4
Lubricating oils (HTS 2710.19.30)	Trinidad and Tobago	0.2	0.2	0.1	0.2	0.1
	Total	0.2	0.2	0.1	0.2	0.1
	Subtotal	1,217.8	795.9	339.7	443.9	503.2
All other petroleum-related products		5.3	3.7	0.0	0.3	0.0
	Grand total	1,223.1	799.6	339.7	444.2	503.2

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019). Data reflect all official USDOC revisions for 2014–18 as of May 20, 2019.
Note: HTS = Harmonized Tariff Schedule of the United States.

[243] USDOE, EIA, "Spot Prices" (accessed July 26, 2019).

[244] Although the value and volume of imports of crude petroleum (HTS 2709) that entered the United States under CBERA decreased from 2016 to 2018, imports of crude petroleum from CBERA countries that entered outside of the CBERA program increased in value and volume from 2016 to 2018. USITC DataWeb/USDOC (accessed May 20, 2019); USDOE, EIA, "Spot Prices" (accessed June 4, 2019).

Textile and Apparel Products

The value of total U.S. imports of textiles and apparel from CBERA countries increased 7.7 percent, from $862.8 million in 2017 to $929.2 million in 2018, following a more modest increase of 1.3 percent from 2016 to 2017 (table 4.4). In 2018, practically all U.S. imports of textiles and apparel under CBERA came from Haiti. Guyana, once a smaller supplier of these goods to the U.S. market, experienced a steady decline in exports over the past five years. In 2017, U.S. imports of apparel from Guyana totaled just $335,308, none of which entered the U.S. duty-free, and in 2018, there were no U.S. imports of apparel from Guyana.[245]

Table 4.4 U.S. general imports of textiles and apparel from CBERA countries, by source, 2014–18 (million U.S. dollars)

Country	2014	2015	2016	2017	2018
Current CBERA beneficiaries					
Haiti	854.3	895.5	848.5	862.1	928.1
Guyana	3.8	2.6	2.0	0.3	0.0
All other	1.3	0.4	1.3	0.4	1.1
Total	859.4	898.5	851.8	862.8	929.2

Source: Compiled from official statistics of the U.S. Department of Commerce, International Trade Administration, Office of Textiles and Apparel (OTEXA) (accessed March 27, 2019). Data reflect all official OTEXA revisions for 2014–18.

While the other CBERA countries must rely on the CBTPA program[246] for preferential access to the U.S. apparel market, Haiti alone benefits from the flexibility offered by the HOPE/HELP provisions. For apparel to enter the U.S. duty-free under CBTPA, garments must be made from either U.S.-formed or regionally formed knit fabric, all made from U.S. yarns. On the other hand, Haiti HOPE/HELP preference rules permit the limited use of yarns and fabric of any origin. The fact that Haiti may use both the CBTPA provisions and the HOPE/HELP provisions allows Haitian producers and U.S. buyers to use either U.S. yarns and fabrics or yarns and fabrics of any origin, as needed, to maximize duty-free benefits.[247]

Beyond the challenge posed by the CBTPA preferential rules of origin and the mandate to use U.S. yarns, all of the CBTPA countries struggle with logistics,[248] high energy costs, and inadequate access to investment financing.[249] With respect to logistics, Haiti is reportedly better off than the other countries. Sharing the island of Hispaniola with the Dominican Republic, Haiti is able to rely on more developed

[245] Denmor Garments is Guyana's largest producer of apparel and formerly its largest exporter to the United States. Challenges in meeting the CBTPA preference rules, which rely on the use of U.S. yarns only, were reportedly a major reason Denmor was forced to scale down its operations. Denmor now produces only for the domestic market in Guyana and a few countries in the Caribbean. Government of Guyana, written submission to the USITC, May 8, 2019.
[246] In 2018, Barbados, Belize, Curaçao, Guyana, Haiti, Jamaica, Saint Lucia, and Trinidad and Tobago were eligible for CBTPA benefits.
[247] Preferences granted under CBTPA and HOPE/HELP complement each other and function in an integrated way to support the garment industry, which is Haiti's most important source of employment. Association des Industries d'Haïti (ADIH), written submission to the USITC, May 24, 2019.
[248] Preferential treatment under CBTPA requires goods be imported into the United States directly from a CBTPA or former CBTPA country. The former CBPTA countries are those which entered into subsequent free trade agreements with the United States—Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and Panama. HTS chapter 98 subchapter XXII note 7b.
[249] Government of Guyana, written submission to the USITC, May 8, 2019.

port facilities located across the land border.[250] Logistics are more challenging for the other CBTPA countries because they are island nations without well-developed port facilities.[251] Nonetheless, companies doing business in Haiti still see the high cost of energy and a lack of access to financing and insurance coverage there as top concerns.[252]

In addition to being able to use the port facilities in the Dominican Republic, Haiti also exclusively benefits from rules that allow and encourage coproduction of apparel with the Dominican Republic.[253] This allows companies to rely on Haiti for the labor-intensive assembly operations of apparel production, while placing capital investments such as knitting, dyeing, or cutting machinery in the Dominican Republic, where commercial contracts are more reliable and access to adequate financing and insurance is less of a concern.[254] The weak rule of law in Haiti (e.g., the unreliability of the civil court system), along with ongoing political instability,[255] make large or long-term direct investments unattractive.[256] The linkages to the Dominican Republic in the supply chain are so strong that several Dominican companies are major investors in industrial parks in Haiti.[257]

Table 4.5 Duty-free U.S. general imports of textiles and apparel from CBERA countries, 2014–18 (million U.S. dollars)

	2014	2015	2016	2017	2018
Total imports under CBTPA	400.8	396.8	308.2	276.8	254.6
Imports under CBTPA from Haiti only	397.1	394.9	307.9	276.8	254.5
Total imports under HOPE/HELP	453.4	497.6	535.0	577.0	645.5
Grand total	854.2	894.4	843.3	853.8	900.1

Source: Compiled from official statistics of the U.S. Department of Commerce, International Trade Administration, Office of Textiles and Apparel (OTEXA) (accessed March 27, 2019). Data reflect all official OTEXA revisions for 2014–18.

The value of U.S. imports of textiles and apparel entering under CBPTA trade preferences dropped 8.0 percent, from $276.8 million in 2017 to $254.6 million in 2018 (table 4.5). This decrease followed a

[250] Ports and airports located in the Dominican Republic are widely used to export qualifying Haitian apparel to the United States under HOPE/HELP. ADOZONA, written submission to the USITC, May 14, 2019.
[251] Industry representative, telephone interview by USITC staff, May 22, 2019.
[252] Industry representative, telephone interview by USITC staff, May 22, 2019.
[253] For Haiti alone, duty-free apparel may be produced in either Haiti or the Dominican Republic as long as some production specifically occurs in Haiti.
[254] Coproduction arrangements with the Dominican Republic are advantageous to both countries. Lower assembly costs in Haiti mean that Haiti gains more jobs. The Dominican Republic gains foreign direct investment in spinning, knitting, or dyeing facilities. Investment in Haiti's sewing capacity illustrates the lower cost, but more jobs, associated with standing up a new sewing operation. Regardless of geographic location, on average, it takes $17 million to establish an assembly facility where 100,000 square feet of space may translate to 11,000 or more sewing jobs. A comparably sized fabric cutting facility would require a $400 million investment, but create only 100–150 jobs. Industry representative, telephone interview by USITC staff, May 22, 2019.
[255] Beginning in February 2019 and still ongoing (as of July 2019), a number of political protests and riots have sought to unseat Haitian President Jovenel Moïse. "Haiti's Apparel Exports Seen Rising despite Turmoil," March 26, 2019; ADIH, written submission to the USITC, May 24, 2019.
[256] Industry representative, telephone interview by USITC staff, May 22, 2019.
[257] The Dominican Republic and Haiti have built a robust textile coproduction system that currently supports more than 14,000 direct jobs in the Dominican Republic and more than 40,000 direct jobs in Haiti. In 2019, there were 49 companies based in the Dominican Republic engaged in coproduction of apparel with Haiti. ADOZONA, written submission to the USITC, May 14, 2019.

decline of 10.2 percent from $308.2 million in 2016. By contrast, the value of U.S. imports of textiles and apparel entering under HOPE/HELP trade preferences continued to grow, rising from $577.0 million in 2017 to $645.5 million in 2018. This annual increase of 11.9 percent follows an increase of 7.9 percent from the $535.0 million imported under HOPE/HELP in 2016. Imports that entered free of duty under the HOPE Acts accounted for nearly 72 percent of total U.S. duty-free imports of textiles and apparel goods from the region in 2018.

CBTPA and HOPE/HELP currently have different expiration dates.[258] Industry representatives concur that the revolving expiration dates and relatively short-term past extensions for CBTPA and HOPE/HELP hinder long-term investments and plans for expanded sourcing in Haiti.[259] In particular, the lack of certainty over the continuation of benefits makes it difficult to secure the financing for needed improvements to Haiti's energy infrastructure as well as capital equipment expenditures. For both types of investment, the financing becomes problematic because the amortization schedule for most assets will be longer than the current length of either program.[260]

[258] The Trade Preferences Extension Act of 2015 extended HOPE/HELP provisions until September 30, 2025; CBTPA expires on September 30, 2020.
[259] USITC, hearing transcript, May 14, 2019, 43, 61, 77 (testimony of Chuck Ward, Gildan Activewear), 58–59, 73–74 (Gail Strickler, Brookfield Associates), 70 (Ron Sorini, Sorini, Samet); industry representative, telephone interview by USITC staff, May 22, 2019.
[260] USITC, hearing transcript, May 14, 2019, 39 (testimony of Gail Strickler, Brookfield Associates); industry representative, telephone interview by USITC staff, May 22, 2019.

Table 4.6 Textiles and apparel: U.S. general imports from Haiti, by duty treatment, 2014–18 (million U.S. dollars)

	2014	2015	2016	2017	2018
Duty-free imports					
CBTPA					
Certain apparel of regional knit fabrics of U.S. yarns[a]	217.8	212.7	157.0	124.8	133.6
Certain knit T-shirts of regional fabrics of U.S. yarns[b]	131.5	133.9	103.5	96.9	76.4
Apparel cut and assembled from U.S. fabric[c]	46.0	48.3	47.3	55.1	44.5
Subtotal	395.3	394.9	307.9	276.8	254.5
HOPE Acts					
HOPE knit apparel regional limit[d]	133.7	184.1	201.0	273.8	302.1
HOPE woven apparel regional limit[e]	143.2	141.4	140.4	142.8	151.8
HOPE value-added regional limits[f]	118.2	114.8	134.2	120.8	109.0
HOPE Earned Import Allowance program (EIAP)[g]	58.3	57.4	59.1	36.3	71.4
HOPE home goods[h]	0.0	0.0	0.0	2.7	10.2
All other	0.0	0.0	0.3	0.5	1.2
Subtotal	453.4	497.6	535.0	577.0	645.5
Total	848.7	892.5	842.9	853.8	900.0
Dutiable imports (NTR rates)					
Total	5.6	3.0	5.6	8.3	28.1
Grand total	854.3	895.5	848.5	862.1	928.1

Source: Compiled from official statistics of the USDOC, International Trade Administration, Office of Textiles and Apparel (accessed March 27, 2019). Data reflect all official OTEXA revisions for 2014–18.
Note: Because of rounding, figures may not add to totals shown. NTR = normal trade relations (NTR rates are the same as most-favored-nation rates in other countries).
[a] HTS subheading 9820.11.09.
[b] HTS subheading 9820.11.12.
[c] HTS subheadings 9820.11.06 and 9820.11.18.
[d] HTS subheading 9820.61.35.
[e] HTS subheading 9820.62.05.
[f] HTS subheadings 9820.61.25 and 9820.61.30.
[g] HTS subheading 9820.62.25.
[h] HTS subheading 9820.63.05.

Table 4.6 shows U.S. general imports of textiles and apparel from Haiti by duty treatment. Nearly all U.S. imports of textiles and apparel from Haiti continued to enter under trade preference programs in 2018; only 3 percent of U.S. imports of textiles and apparel were dutiable at normal trade relations (NTR) rates. Of special note are the imports under the HOPE/HELP home goods provision, which first appeared in 2017 and increased fourfold from 2017 to 2018 to $10.2 million.[261]

U.S. imports of textiles and apparel entering under CBERA trade preferences from Haiti are still concentrated in a few products considered to be knit basics: cotton T-shirts and tops; manmade-fiber sweaters, pullovers, and similar articles; cotton sweaters, pullovers, and similar articles; and manmade-fiber T-shirts and tops. Together, these four types of garments accounted for more than two-thirds of U.S. imports of apparel from Haiti in 2018 (see table 4.7).

[261] In November 2018, North Carolina-based Culp, Inc., requested a ruling for country of origin and trade preference eligibility under Haiti HOPE/HELP from U.S. Customs and Border Protection (CBP) for a mattress cover and pillow covers. CBP ruled that these made-up textile articles, being wholly assembled in Haiti and imported directly from Haiti, are eligible for duty-free treatment under HOPE/HELP subheading 9820.63.05. CBP, ruling N301907, December 18, 2019.

Table 4.7 U.S. textile and apparel imports[a] under CBERA, by major product and source, 2014–18 (million U.S. dollars)

Product	Source	2014	2105	2016	2017	2018
T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton (HTS 6109.10.00)	Haiti	345.1	366.2	302.0	258.6	284.5
	All other countries	0.4	0.3	0.0	0.0	0.0
	Total	345.5	366.5	302.0	258.6	284.5
Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, n.e.s.o.i. (HTS 6110.30.30)	Haiti	27.2	42.3	80.8	125.6	141.7
	All other countries	0.0[b]	0.0	0.0[b]	0.0	0.0
	Total	27.2	42.3	80.8	125.6	141.7
Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i. (HTS 6110.20.20)	Haiti	154.1	177.1	128.3	110.4	112.0
	All other countries	0.4	0.1	0.0	0.0	0.0
	Total	154.5	177.3	128.3	110.4	112.0
T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of manmade fibers (HTS 6109.90.10)	Haiti	34.7	43.6	54.3	79.6	106.2
	All other countries	0.0	0.0	0.0	0.0	0.0
	Total	34.7	43.6	54.3	79.6	106.2
	Subtotal	561.8	629.6	565.4	574.3	644.4
All other textile and apparel products		281.4	283.6	279.4	287.6	299.5
	Grand Total	843.2	913.2	844.9	861.9	943.8

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019). Data reflect all official USDOC revisions for 2014–18 as of that date. Data in table 4.7 (U.S. imports for consumption) are not comparable to data in tables 4.3, 4.4, and 4.5 (U.S. general imports).

Note: N.e.s.o.i. = not elsewhere specified or included.

[a] Textile and apparel imports are defined as imports of goods in HTS chapters 50 through 63.

[b] Less than $50,000.

Other Mining and Manufactured Products

U.S. imports of other mining and manufactured products under CBERA totaled $104.6 million in 2018, up from a low of $99.8 million in 2016. In 2018, the value of the four leading U.S. imports of other mining and manufactured products accounted for 84.5 percent of total U.S. imports of these products under CBERA (table 4.8). The remainder of this subsection will focus on trends in imports of these four products under CBERA.

Table 4.8 U.S. other mining and other manufactured product imports under CBERA, by major product and source, 2014–18 (million U.S. dollars)

Product category (HTS code)	Source	2014	2015	2016	2017	2018
Polystyrene, expandable, in primary forms (HTS 3903.11.00)	Bahamas	155.8	86.9	66.6	78.1	64.4
	Total	155.8	86.9	66.6	78.1	64.4
Melamine (HTS 2933.61.00)	Trinidad and Tobago	16.9	4.2	12.3	16.5	19.5
	Total	16.9	4.2	12.3	16.5	19.5
Electrical Transformers other than liquid dielectric (HTS 8504.31.40)	Haiti	0.2	0.5	0.3	0.3	0.3
	Saint Kitts-Nevis	0.0	2.5	3.4	2.5	2.3
	Total	0.2	3.0	3.7	2.8	2.6
Urea resins; thiourea resins (3909.10.00)	Trinidad and Tobago	1.9	1.7	1.4	2.0	1.9
	Total	1.9	1.7	1.4	2.0	1.9
	Subtotal	174.7	95.8	84.0	99.5	88.4
All other mining and manufactured products		36.4	61.0	15.8	17.9	16.2
	Grand total	211.2	156.8	99.8	117.4	104.6

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019). Data reflect all official USDOC revisions for 2014–18 as of that date.

U.S. imports under CBERA of expandable polystyrene (EPS) in primary forms totaled $64.4 million in 2018. With the exception of 2017 levels, imports of EPS have decreased since 2014 (table 4.8). In 2018, such imports accounted for 61.6 percent of total U.S. imports of other mining and manufactured products under CBERA. Among CBERA countries, The Bahamas was the sole source of this product, and Polymers International Ltd. is the country's largest exporter.[262] Total U.S. imports of EPS under CBERA remained relatively steady between 2016 (when they were $66.6 million) and 2018 (when they were $64.4 million), though the value in 2017 was $78.1 million. The stability in import value is largely due to an increase in the price of EPS imports, as volume of EPS steadily fell from 64.2 million kilograms in 2014 to 31.3 million kilograms in 2018. This decrease is likely due to a decrease in major end uses. The two largest users of EPS in the United States are the building and construction market and the packaging sector; the latter includes containers for food and drink. While new home construction has grown slightly,[263] there are an increasing number of regulations, at both the city and state levels, banning the

[262] Pampell and Bryne, "*Chemical Economics Handbook*—Expandable Polystyrene," December 2017. Polymers International, Ltd. Is located in Freeport, Grand Bahama Island, and was potentially damaged in the destruction from Hurricane Dorian on September 1-3, 2019.
[263] U.S. Census, New Residential Construction database (accessed June 5, 2019).

use of containers made of expanded polystyrene, the major commercial use for EPS. For example, effective January 1, 2019, the city of New York restricted the sale or use of expanded polystyrene.[264]

The next leading product in this category, in terms of value, was melamine, used in making resins and coatings, in tanning leather, and as a fertilizer additive. The value of U.S. imports of melamine under CBERA totaled $19.5 million in 2018, up from a low of $4.2 million in 2015 (table 4.8). Trinidad and Tobago is the sole source of U.S. imports under CBERA of this product. The comparatively low volume of U.S. imports of melamine under CBERA from Trinidad and Tobago in 2015 was likely due, in part, to the November 2014 closure of one of two Trinidad-based melamine plants run by Methanol Holdings (Trinidad) Ltd.[265] A second factor was a 2015 Trinidadian shortage of natural gas, the primary input in making the urea and ammonia that are converted into melamine.[266]

In addition, the United States conducted antidumping and countervailing duty investigations between November 2014 and December 2015, creating uncertainty that further reduced the volume of melamine imports in 2015.[267] As a result of these investigations, the United States ultimately imposed antidumping and countervailing duty orders on China, but not on Trinidad and Tobago, improving the competitiveness of Trinidadian melamine relative to Chinese melamine. Since 2018, U.S. imports of melamine under CBERA have surpassed 2014 levels.

U.S. imports under CBERA of electrical transformers totaled $2.6 million in 2018, down from a high of $3.7 million in 2016. Saint Kitts and Nevis was the primary source of such imports, accounting for 88.5 percent of total U.S. imports of such products under CBERA in 2018. U.S. imports under CBERA of urea resins and thiourea resins were $1.9 million in 2018, and, with the exception of a low of $1.4 million in 2016, remained relatively constant over the period from 2014 to 2018. Trinidad and Tobago is the sole import source (table 4.8).

Agricultural Products

In 2018, U.S. imports of agricultural products under CBERA totaled $133.6 million, an increase from $120.9 million in 2017. Though imports of agricultural products rose from 2017 to 2018, their value in 2018 was still 21.4 percent lower than in 2015 ($169.9 million) (table 4.9). In 2018, the four leading agricultural product categories among U.S. imports under CBERA were yams, food preparations, sauces and preparations, and fresh guavas and mangoes.

U.S. imports of yams under CBERA totaled $24.4 million in 2018, a 4.8 percent increase from $23.3 million in 2017. The sole import source was Jamaica. In 2018, 9.7 million kilograms of yams were imported from Jamaica under CBERA, down from 11.4 million kilograms in 2017, indicating that while the overall quantity had decreased, the price of imports increased.[268]

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[264] New York City Council, Local Law 142 of 2013 (accessed July 26, 2019).
[265] ICIS, "Trinidad's MHTL Cutting Methanol by 25%" (accessed July 26, 2019).
[266] The shortage of natural gas was due to several factors: depletion of known gas reserves in Trinidad and Tobago, the installation of safety upgrades after the BP/Deepwater Horizon accident, and lack of investment in natural gas infrastructure in the country. This shortage has now ended, and proven reserves are enough to sustain current production for 10.8 years.
[267] USITC, *Melamine from China and Trinidad and Tobago*, December 2015.
[268] USITC DataWeb/USDOC (accessed June 7, 2019).

Prepared foods, not canned or frozen, ranked second among agricultural imports under CBERA. In 2018, U.S. imports of prepared foods under CBERA totaled $18.4 million, up 23.5 percent from 2017. This increase is primarily due to increasing U.S. imports from Trinidad and Tobago and Jamaica, which accounted for 61.4 percent of imports under the CBERA program for these products.

Sauces and preparations ranked third among U.S. imports of agricultural products under CBERA. Imports increased by 8 percent from 2017 to 2018, totaling $9.4 million. Jamaica was the major source of sauces and preparations imports, accounting for 74.4 percent of overall U.S. imports of such products under CBERA in 2018.

U.S. imports under CBERA of guavas, mangoes, and mangosteens recovered to typical levels in 2017 and 2018, totaling $6.3 million and $5.8 million respectively. Guavas, mangoes, and mangosteens came only from Haiti during these years. In 2016, only $2.1 million of these products was imported after a devastating crop year, due in large part to Hurricane Matthew.[269]

[269] Food and Agriculture Organization of the United Nations, "Haiti: Hurricane Matthew Situation Report" (accessed August 14, 2019).

Table 4.9 U.S. agricultural and agroindustrial imports[a] under CBERA, by major product and source, 2014–18 (million U.S. dollars)

Product category (HTS code)	Source	2014	2015	2016	2017	2018
Yams, fresh or chilled (HTS 0714.30.10)	Dominica	0.0	0.0	0.0	0.0[b]	0.0
	Jamaica	18.2	20.4	21.1	23.3	24.4
	Total, yams	18.2	20.4	21.1	23.3	24.4
Food preparations n.e.s.o.i. (HTS 2106.90.99) 2014–16; (HTS 2106.90.98)	Jamaica	2.4	5.4	5.4	5.7	7.0
	Trinidad and Tobago	7.3	7.9	10.3	9.1	11.3
	All other countries	0.1	0.0	0.0	0.1	0.1
	Total	9.8	13.3	15.7	14.9	18.4
Sauces and preparations therefor, n.e.s.o.i. (HTS 2103.90.90)	Jamaica	4.8	6.3	6.2	6.5	7.0
	Trinidad and Tobago	1.6	1.5	1.4	1.2	1.3
	All other countries	0.7	0.8	0.6	0.9	1.1
	Total	7.1	8.6	8.2	8.6	9.4
Guavas, mangoes, and mangosteens, fresh (HTS 0804.50.60)	Haiti	4.3	5.6	2.1	6.3	5.8
	Jamaica	0.0[b]	0.0	0.0	0.0	0.0
	Total	4.3	5.6	2.1	6.3	5.8
	Subtotal of four major products	39.4	48.0	47.2	53.1	58.0
All other agricultural and agroindustrial products		109.7	121.8	78.3	67.8	75.6
	Grand total	149.1	169.8	125.5	120.9	133.6

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019). Data reflect all official USDOC revisions for 2014–18 as of that date.
Notes: N.e.s.o.i. = not elsewhere specified or included.
[a] Agricultural and agroindustrial imports include imports in HTS chapters 01–24, excluding fuel ethanol.
[b] Less than $50,000.

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Appendix A
Federal Register Notices

Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. If a party seeks exclusion of an article from entry into the United States for purposes other than entry for consumption, the party should so indicate and provide information establishing that activities involving other types of entry either are adversely affecting it or likely to do so. For background, *see Certain Devices for Connecting Computers via Telephone Lines,* Inv. No. 337–TA–360, USITC Pub. No. 2843 (Dec. 1994) (Comm'n Op.).

If the Commission contemplates some form of remedy, it must consider the effects of that remedy upon the public interest. The factors the Commission will consider include the effect that an exclusion order and/or cease and desist orders would have on (1) the public health and welfare, (2) competitive conditions in the U.S. economy, (3) U.S. production of articles that are like or directly competitive with those that are subject to investigation, and (4) U.S. consumers. The Commission is therefore interested in receiving written submissions that address the aforementioned public interest factors in the context of this investigation.

If the Commission orders some form of remedy, the U.S. Trade Representative, as delegated by the President, has 60 days to approve or disapprove the Commission's action. *See* Presidential Memorandum of July 21, 2005, 70 FR 43251 (July 26, 2005). During this period, the subject articles would be entitled to enter the United States under bond, in an amount determined by the Commission and prescribed by the Secretary of the Treasury. The Commission is therefore interested in receiving submissions concerning the amount of the bond that should be imposed if a remedy is ordered.

Written Submissions: Parties to the investigation, interested government agencies, and any other interested parties are encouraged to file written submissions on the issues of remedy, the public interest, and bonding. Such submissions should also address the recommended determination by the ALJ on remedy and bonding. Complainants are also requested to submit proposed remedial orders for the Commission's consideration. Complainants are further requested to state the date that the asserted patent expires and the HTSUS numbers under which the accused products are imported, and to supply the names of known importers of the products at issue in this investigation.

Written submissions and proposed remedial orders must be filed no later than close of business on April 30, 2019. Reply submissions must be filed no later than the close of business on May 10, 2019. No further submissions on any of these issues will be permitted unless otherwise ordered by the Commission.

Persons filing written submissions must file the original document electronically on or before the deadlines stated above and submit eight (8) true paper copies to the Office of the Secretary by noon the next day pursuant to section 210.4(f) of the Commission's Rules of Practice and Procedure (19 CFR 210.4(f)). Submissions should refer to the investigation number (''Inv. No. 337–TA–1088'') in a prominent place on the cover page and/or the first page. (*See* Handbook for Electronic Filing Procedures, *https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf*). Persons with questions regarding filing should contact the Secretary (202–205–2000).

Any person desiring to submit a document to the Commission in confidence must request confidential treatment. All such requests should be directed to the Secretary to the Commission and must include a full statement of the reasons why the Commission should grant such treatment. *See* 19 CFR 201.6. Documents for which confidential treatment by the Commission is properly sought will be treated accordingly. All information, including confidential business information and documents for which confidential treatment is properly sought, submitted to the Commission for purposes of this Investigation may be disclosed to and used: (i) By the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel,[1] solely for cybersecurity purposes. All non-confidential written submissions will be available for public inspection at the Office of the Secretary and on EDIS.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in part 210 of the Commission's Rules of Practice and Procedure (19 CFR part 210).

[1] All contract personnel will sign appropriate nondisclosure agreements.

By order of the Commission.

Issued: April 12, 2019.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2019–07740 Filed 4–17–19; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 332–227]

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

AGENCY: United States International Trade Commission.

ACTION: Scheduling of public hearing and opportunity to submit information in connection with the Commission's 24th report.

SUMMARY: The Commission is inviting the public to appear at the public hearing and or to submit information in writing in connection with the preparation of its 24th report under section 215 of the Caribbean Basin Economic Recovery Act, which requires the Commission to report biennially to the Congress and the President by September 30 of each reporting year on the economic impact of the Act on U.S. industries and U.S. consumers and on the economy of the beneficiary countries. The report is being prepared under Commission investigation No. 332–227, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers and on Beneficiary Countries.* The report will cover trade during calendar years 2017 and 2018, and will be transmitted to Congress and the President by September 30, 2019.

DATES:

May 3, 2019: Deadline for filing requests to appear at the public hearing.

May 8, 2019: Deadline for filing pre-hearing briefs and statements.

May 14, 2019: Public hearing.

May 21, 2019: Deadline for filing post-hearing briefs and statements.

June 3, 2019: Deadline for filing all other written submissions.

September 30, 2019: Transmittal of Commission report to Congress and the President.

ADDRESSES: All Commission offices, including the Commission's hearing rooms, are located in the United States International Trade Commission Building, 500 E Street SW, Washington, DC. All written submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC

20436. The public file for this investigation may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov/.*

FOR FURTHER INFORMATION CONTACT: Project Leader Heather Wickramarachi (202–205–2699 or *Heather.Wickramarachi@usitc.gov*) or Deputy Project Leader Stephanie Fortune-Taylor (202–205–2749 or *Stephanie.Fortune-Taylor@usitc.gov*) for information specific to this investigation. For information on the legal aspects of this investigation, contact William Gearhart of the Commission's Office of the General Counsel (202–205–3091 or *william.gearhart@usitc.gov*). The media should contact Margaret O'Laughlin, Office of External Relations (202–205–1819 or *margaret.olaughlin@usitc.gov*). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202–205–1810. General information concerning the Commission may also be obtained by accessing its website at *https://www.usitc.gov.* Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000.

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

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

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

The report will cover trade with the 17 beneficiary countries: Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, British Virgin Islands, Curaçao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago. Notice of institution of the investigation was published in the **Federal Register** of May 14, 1986 (51 FR 17678). The Commission plans to transmit the 24th report, covering calendar years 2017 and 2018, by September 30, 2019.

Public Hearing: A public hearing in connection with this investigation will be held at the U.S. International Trade Commission Building, 500 E Street SW, Washington, DC, beginning at 9:30 a.m. on May 14, 2019. Requests to appear at the public hearing should be filed with the Secretary no later than 5:15 p.m., May 3, 2019, in accordance with the requirements in the ''Submissions'' section below. All pre-hearing briefs and statements should be filed no later than 5:15 p.m., May 8, 2019; and all post-hearing briefs and statements responding to matters raised at the hearing should be filed not later than 5:15 p.m., May 21, 2019. In the event that, as of the close of business on May 6, 2019, no witnesses are scheduled to appear at the hearing, the hearing will be canceled. Any person interested in attending the hearing as an observer or nonparticipant should contact the Office of the Secretary at 202–205–2000 after May 6, 2019, for information concerning whether the hearing will be held.

Written Submissions: In lieu of or in addition to participating in the hearing, interested parties are invited to file written submissions concerning this investigation no later than 5:15 p.m., June 3, 2019. All written submissions must conform to the provisions of section 201.8 of the Commission's *Rules of Practice and Procedure* (19 CFR 201.8). Section 201.8 and the Commission's Handbook on Filing Procedures require that interested parties file documents electronically on or before the filing deadline of June 3, 2019 and submit eight (8) true paper copies by 12:00 noon eastern time on the next business day. In the event that confidential treatment of a document is requested, interested parties must file, at the same time as the eight paper copies, at least four (4) additional true paper copies in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). Persons with questions regarding electronic filing should contact the Office of the Secretary, Docket Services Division (202–205–1802).

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

The Commission intends to prepare a report that it can release to the public in its entirety, and the Commission will not include any confidential business information in the report it sends to Congress and the President or makes available to the public. However, all information, including confidential business information, submitted in this investigation may be disclosed to and used: (i) By the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel for cybersecurity purposes. The Commission will not otherwise disclose any confidential business information in a manner that would reveal the operations of the firm supplying the information.

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

By order of the Commission.

Issued: April 16, 2019.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2019–07927 Filed 4–17–19; 8:45 am]

BILLING CODE 7020–02–P

Appendix B
Technical Notes to Chapter 2

Chapter 2 reports the Commission's estimates of the effects that the CBERA preferences had on U.S. industries, U.S. imports under the program, U.S. consumers, U.S. employment, and U.S. operating profits. The estimates are based on the partial equilibrium model described in this appendix. Data inputs used to obtain the estimates of the effect of CBERA preferences are provided in the last section of this appendix.

Theory: Partial Equilibrium Model with Monopolistic Competition

The partial equilibrium model assumes that a given product categorized in the Harmonized Tariff Schedule of the United States (HTS) at the 8-digit level (an HTS-8 product) is differentiated by whether it is a U.S. domestic product (subscript *d*), a CBERA-exclusive import (subscript *s*), or a non-CBERA import (subscript *r*). The model assumes that U.S. consumers have a love of variety and substitute between the three product types at a rate of σ, the constant elasticity of substitution (CES) parameter. There are a fixed number of homogeneous firms n_i for $i \in (d, s, r)$ that produce a unique variety of the differentiated product.

Optimal U.S. consumer demand for each differentiated product is given by:

$$q_i = YB_i p_i^{-\sigma} P^{\sigma-1} \quad (1)$$

$$P = [_i\, n_i \beta_i p_i^{1-\sigma}]^{\frac{1}{1-\sigma}} \quad (2)$$

where $q_i\ is$ the quantity demanded from a single firm supplying a differentiated product of type $i \in (d, s, r)$, p_i is the corresponding consumer price of the product, β_i is a parameter that captures shifts in consumer preferences across the different types, E is the level of aggregate expenditure for the industry in the home economy, and P is the industry's CES price index.

Let θ be the price elasticity of total demand and k an aggregate demand parameter for the products of the industry such that:

$$E = kP^{\theta+1} \quad (3)$$

Let V_i be the total U.S. sales of all firms supplying their product of type i:

$$V_i = n_i k B_i P^{\sigma+\theta} p_i^{1-\sigma} \quad (4)$$

As in Krugman's 1980 article,[270] the model assumes that each firm operates under monopolistic competition and has some market power for its produced variety. The producer price received by a firm for its products sold to the U.S. market is:[271]

$$pp_i = \frac{p_i}{(1+T_i)} \quad (5)$$

Here T_i represents the respective tariffs faced by the firms, with $T_d = 0$ for domestic firms supplying the

[270] Krugman, "Scale Economies, Product Differentiation," 1980.
[271] The model assumes a continuum of varieties so each firm prices as if it has no impact on the overall price index.

product to the home market.

In the model, firms use labor as their only variable input during production. Let A_i be the inverse productivity of firms such that each firm's demand for variable labor is given as:

$$L_i(q_i) = A_i q_i \text{ (6)}$$

Assuming that firm productivity is fixed in the short run, then the demand for variable labor such as production workers in the industry moves in proportion to output in this framework ($\hat{L}_i = \hat{q}_i$, where $\hat{L}_i$ and $\hat{q}_i$ are the respective percent changes in labor and quantity).

If w_i are the wages in country i, then all firms have a constant marginal cost:

$$c_i = A_i w_i \text{ (7)}$$

With a CES demand framework, all firms charge a constant markup over their marginal costs such that:

$$pp_i = \frac{\sigma}{\sigma-1} c_i \text{ (8)}$$

Let f_i be the fixed cost a firm in i needs to pay in order to sell to the home market. Then a firm's net profits from selling to the home market is computed as:

$$\pi_i = pp_i q_i - c_i q_i - f_i \text{ (9)}$$

A firm's operating profits $\pi_i + f_i$ are then proportional to its revenue R_i , since we can show:

$$\pi_i + f_i = pp_i q_i - c_i q_i = \frac{1}{\sigma} R_i \text{ (10)}$$

This relationship between revenue and operating profits can be used to calculate the change in the operating profits of domestic firms, in both percentage and level terms, from changes in their revenues due to the elimination of tariffs. However, additional information on the initial profit margins of the firms is required in order to use this framework to estimate the effect on net profits.[272]

The initial number of firms is assumed to be fixed in the short run, with no zero-profit condition required for equilibrium. The model is solved using the demand equations in (3) and calibrating the product of initial number of firms and the preference parameters for each type with initial sales.[273]

It is important to note that this model can estimate only the short-run effects on market participants from changes in tariffs. Further, there may be some mitigating positive effects on the value of domestic shipments, including an increase in U.S. exports of intermediate goods to CBERA countries or in domestic exports of final goods to third countries. However, these effects are not calculated by the model, nor are the complex set of general equilibrium effects that result from the CBERA preferences.

[272] Note that $\hat{\pi}_i = \frac{1}{\sigma}\left(\frac{R_i}{\pi_i}\right)\hat{R}_i$ is the predicted percent change in the net profits in this framework.

[273] Ahmad, "Conducting Profitability Analysis," 2019, provides more details on calibrating models of monopolistic competition to initial market shares.

Data Inputs

U.S. Production Worker Estimates

Information on the initial number of production workers employed in each industry comes from the 2016 Annual Survey of Manufactures (ASM) published by the U.S. Census Bureau (U.S. Census). Conducted by the U.S. Census during intercensal periods, the ASM provides the best measure of current U.S. manufacturing industry outputs, inputs, and operating status.[274] Notably, the ASM includes the number of U.S. production workers employed in industrial sectors categorized in the North American Industry Classification System (NAICS) at the 6-digit level (NAICS-6 sectors). Assuming that industries within a NAICS-6 sector have the same labor productivity, then the share of domestic shipments of the HTS-8 product over total shipments at the NAICS 6-digit level can be used to estimate the number of production workers for that industry:

$$\frac{\text{Production workers in HTS 8-digit}}{\text{Production workers in NAICS sector}} = \frac{\text{Domestic shiments of HTS 8-digit}}{\text{Domestic shipments in NAICS sector}}$$

U.S. Production/Revenue Estimates

Because domestic production and revenue data are not usually reported by industries at the HTS-8 level categories, industry analysts estimated these revenues based on available industry-specific data, including official U.S. import and export statistics.

For the textile products, revenue estimates rely on U.S. import data, as industry literature indicate that imported apparel items supply a significant share of the U.S. market.[275] Using U.S. imports data for 2018 at HTS-8 levels, the domestic market size and domestic supply (equivalent to domestic revenue) were estimated. A similar method was used to estimate domestic revenue of polystyrene, but using export data.[276]

For certain agriculture products (for example, sweet potatoes, used as a proxy for yams), Commission analysts relied on industry-specific data available through USDA's Natural Agriculture Statistics Service data tools. For broader HTS-8 residual or "basket" categories (for example, 2008.99.91), analysts used publicly available literature to estimate the domestic market size of the most relevant products within these categories, and subtracted the value of U.S. imports in 2018. Analysts also used the ASM for corresponding NAICS-6 industry shipment data to approximate revenues for the HTS-8 items.

For other items in which HTS-8 categories fit well with industry-specific production data, particularly certain chemicals and energy related items, publicly available data sources were used, including the IHS Markit Chemical Economics Handbooks (used for methanol and melamine) and the U.S. Department of Energy (for crude petroleum and distillates).

[274] https://www.census.gov/programs-surveys/asm.html
[275] Imports supply 95 percent of the U.S. domestic market for apparel (leaving 5 percent for U.S.-produced items), and imported non-apparel articles account for about 90 percent (leaving 10 percent for U.S.-produced items).
[276] Where industry trends suggest 25 percent of U.S. production is exported.

The following four tables report the inputs for modeling the effects of U.S. imports of (a) CBERA-exclusive products (table B.1 and table B.2), and (b) CBERA-nonexclusive products (table B.3 and table B.4).

Table B.1 U.S. ad valorem rates, total imports, CBERA imports for CBERA-exclusive products, third-party imports, domestic exports and production, and initial production workers

HTS subheading	Description	Ad valorem rate (%)	Total U.S. imports (1,000 $)	CBERA imports (1,000 $)	Third-party imports (1,000 $)	U.S. domestic exports (1,000 $)	U.S. production (1,000 $)	Initial production workers
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	16.5	4,179,214	284,494	3,894,720	201,780	460,000	898
6110.30.30	Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, n.e.s.o.i.	32.0	6,171,639	141,677	6,029,962	91,434	325,000	812
6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	16.5	7,525,004	112,035	7,412,970	91,414	400,000	1,073
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of man-made fibers	32.0	1,813,916	106,166	1,707,750	25,764	200,000	606
6104.62.20	Women's or girls' trousers, breeches and shorts, knitted or crocheted, of cotton	14.9	1,535,298	59,931	1,475,367	7,172	100,000	323

HTS subheading	Description	Ad valorem rate (%)	Total U.S. imports (1,000 $)	CBERA imports (1,000 $)	Third-party imports (1,000 $)	U.S. domestic exports (1,000 $)	U.S. production (1,000 $)	Initial production workers
6203.43.90	Men's/boys' trousers, breeches, shorts, not k/c, synth fibers, con under 15% wt down etc., cont und 36% wt wool, n/water resist, not rec perf outwear	27.9	1,223,278	48,373	1,174,905	18,974	100,000	568
6205.30.20	Men's or boys' shirts, not knitted or crocheted, of manmade fibers, n.e.s.o.i.	27.2	582,201	31,341	550,860	15,785	50,000	240
6203.42.45	Men's/boys' trousers & shorts, not bibs, not knit/crochet, cotton, not containing 15% or more by weight of down, etc., o/than rec perf outwear	16.6	5,209,154	26,881	5,182,273	83,529	500,000	2,918
6104.63.20	Women's or girls' trousers, breeches and shorts, knitted or crocheted, of synthetic fibers, n.e.s.o.i.	28.2	1,653,093	19,578	1,633,515	12,523	100,000	304

HTS subheading	Description	Ad valorem rate (%)	Total U.S. imports (1,000 $)	CBERA imports (1,000 $)	Third-party imports (1,000 $)	U.S. domestic exports (1,000 $)	U.S. production (1,000 $)	Initial production workers
6103.43.15	Men's or boys' trousers, breeches and shorts, knitted or crocheted, of synthetic fibers, n.e.s.o.i.	28.2	1,169,044	17,593	1,151,451	6,274	80,000	517

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 9, 2019). Data reflect all official USDOC revisions for 2018 as of that date. Production data were estimated by USITC; initial production workers are estimated at the 8-digit HTS product level using the number of production workers employed at the corresponding 6-digit NAICS industry level times the share of domestic shipments estimated for the 8-digit product group to the 6-digit NAICS industry level. Data on production workers and domestic shipments at the 6-digit NAICS industry level are obtained from the U.S. Census Bureau's 2016 Annual Survey of Manufactures (accessed May 20, 2019).
Note: N.e.s.o.i. and n.e.s.i. = not elsewhere specified or included.

Table B.2 Substitution elasticity and total industry price elasticity of demand

HTS subheading	Description	Elasticity of substitution between domestic products and CBERA imports	Total industry price elasticity of demand
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	3.0	-1.0
6110.30.30	Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, n.e.s.o.i.	3.0	-1.0
6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	3.0	-1.0
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of man-made fibers	3.0	-1.0
6104.62.20	Women's or girls' trousers, breeches and shorts, knitted or crocheted, of cotton	3.0	-1.0
6203.43.90	Men's/boys' trousers, breeches, shorts, not k/c, synth fibers, con under 15% wt down etc., cont und 36% wt wool, n/water resist, not rec perf outwear	3.0	-1.0
6205.30.20	Men's or boys' shirts, not knitted or crocheted, of manmade fibers, n.e.s.o.i.	3.0	-1.0
6203.42.45	Men's/boys' trousers &shorts, not bibs, not knit/crochet, cotton, not containing 15% or more by weight of down, etc., o/than rec perf outwear	3.0	-1.0
6104.63.20	Women's or girls' trousers, breeches and shorts, knitted or crocheted, of synthetic fibers, n.e.s.o.i.	3.0	-1.0
6103.43.15	Men's or boys' trousers, breeches and shorts, knitted or crocheted, of synthetic fibers, n.e.s.o.i.	3.0	-1.0

Source: Elasticities were estimated by USITC based on the observation that the apparel industry in Haiti uses similar technology and labor requirements across the production of items exported under the CBERA program.
Note: The abbreviations n.e.s.o.i. and n.e.s.i. = not elsewhere specified or included.

Table B.3 U.S. ad valorem rates, total imports, CBERA imports for CBERA-nonexclusive products, third-party imports, domestic exports and production, and initial production workers

HTS subheading	Description	Ad valorem rate (%)	Total U.S. imports (1,000 $)	CBERA imports (1,000 $)	Third-party imports (1,000 $)	U.S. domestic exports (1,000 $)	U.S. production (1,000 $)	U.S. Initial production workers
2905.11.20	Methanol (methyl alcohol), other than imported only for use in producing synthetic natural gas (SNG) or for direct use as fuel	5.5	894,657	447,733	446,924	850,129	2,400,000	754

HTS subheading	Description	Ad valorem rate (%)	Total U.S. imports (1,000 $)	CBERA imports (1,000 $)	Third-party imports (1,000 $)	U.S. domestic exports (1,000 $)	U.S. production (1,000 $)	U.S. Initial production workers
3903.11.00	Polystyrene, expandable, in primary forms	6.5	406,125	64,394	341,731	183,246	763,609	334
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	0.2	46,508,743	34,030	46,474,713	45,853,868	248,000,000	64,000
0714.30.10	Fresh or chilled yams (Dioscorea spp.), whether or not sliced or in the form of pellets	6.4	69,957	24,401	45,555	187,798	654,060	20,000
2710.19.06	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing < 25 degrees A.P.I.	0.1	24,663,690	21,389	24,642,301	9,066,764	40,000,000	3,271
2933.61.00	Melamine	3.5	56,234	19,497	36,737	27,005	120,000	45
2106.90.98	Other food preps n.e.s.o.i., incl preps for the manufacture of beverages, nondairy coffee whiteners, herbal teas and flavored honey	6.4	4,981,250	18,425	4,962,825	4,702,746	20,000,000	22,546
2103.90.90	Sauces and preparations therefor, n.e.s.o.i.	6.4	739,997	9,449	730,548	976,715	5,000,000	6,824

HTS subheading	Description	Ad valorem rate (%)	Total U.S. imports (1,000 $)	CBERA imports (1,000 $)	Third-party imports (1,000 $)	U.S. domestic exports (1,000 $)	U.S. production (1,000 $)	U.S. Initial production workers
2008.99.91	Bean cake, bean stick, miso, other fruit, nuts and other edible parts of plants, prepared or preserved	6.0	472,418	5,134	467,284	13,670	300,000	486
2202.10.00	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	0.1	2,417,725	4,664	2,413,061	402,186	70,861,534	51,302

Source: Compiled from official statistic of the U.S. Department of Commerce (USDOC) (accessed May 9, 2019). Data reflect all official USDOC revisions for 2018 as of that date. Production data were estimated by USITC. Initial production workers are estimated at the 8-digit HTS product level using the number of production workers employed at the corresponding 6-digit NAICS industry level times the share of domestic shipments estimated for the 8-digit product group to the 6-digit NAICS industry level. Data on production workers and domestic shipments at the 6-digit NAICS industry level is obtained from the U.S. Census Bureau's 2016 Annual Survey of Manufactures (accessed May 20, 2019).
Note: N.e.s.o.i. and n.e.s.i. = "not elsewhere specified or included."

Table B.4 Substitution elasticity and total industry price elasticity of demand

HTS subheading	Description	Elasticity of substitution between domestic products and CBERA imports	Total industry price elasticity of demand
2905.11.20	Methanol (methyl alcohol), other than imported only for use in producing synthetic natural gas (SNG) or for direct use as fuel	4.0	-0.5
3903.11.00	Polystyrene, expandable, in primary forms	3.0	-1.0
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	4.0	-0.5
0714.30.10	Fresh or chilled yams (*Dioscorea* spp.), whether or not sliced or in the form of pellets	2.0	-1.0
2710.19.06	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing < 25 degrees A.P.I.	4.0	-0.5
2933.61.00	Melamine	4.0	-1.0
2106.90.98	Other food preps n.e.s.o.i., incl preps for the manufacture of beverages, nondairy coffee whiteners, herbal teas and flavored honey	3.0	-1.0
2103.90.90	Sauces and preparations therefor, n.e.s.o.i.	3.0	-0.5
2008.99.91	Bean cake, bean stick, miso, other fruit, nuts and other edible parts of plants, prepared or preserved	2.0	-1.0
2202.10.00	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	3.0	-1.0

Source: Elasticities were estimated by USITC.
Note: N.e.s.o.i. and n.e.s.i. = "not elsewhere specified or included."

Appendix C
List of Witnesses Appearing at Hearing

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers and on Beneficiary Countries, 24th Report

Inv. No.: 332-227

Date and Time: May 14, 2019 - 9:30 a.m.

A session was held in connection with this investigation in the Main Hearing Room (Room 101), 500 E Street, S.W., Washington, DC.

EMBASSY APPEARANCE:

Embassy of Antigua and Barbuda
Washington, DC

His Excellency Sir Ronald Sanders, Ambassador of Antigua and Barbuda to the United States of America

ORGANIZATION AND WITNESS:

Manchester Trade Limited, Inc.
Washington, DC

Stephen Lande, President

The Caribbean Association of Industry and Commerce
Trinidad & Tobago

Dr. Claire Nelson, President, Institute of Caribbean Studies

Brookfield Associates, LLC
Washington, DC

Gail W. Strickler, President, Global Trade

Sorini, Samet & Associates
Washington, DC
on behalf of

Gildan Activewear Inc.

Chuck Ward, Vice President, Yarn Spinning, Gildan Activewear Inc.

Ron Sorini, Principal, Sorini, Samet & Associates

Appendix D
Written Submissions

In Commission fact–finding reports, this appendix normally contains either summaries of positions submitted by interested parties, or lists the names of parties who filed a written submission but did not provide a written summary. For this investigation, no summaries were submitted, so the appendix lists only the names of the nineteen interested parties who submitted positions. Please see the Commission's Electronic Document Information System (EDIS) for full submissions (https://edis.usitc.gov/).

Interested Parties

American Firms Manufacturing in St. Kitts and Nevis

Asociación Dominicana de Zonas Francas, Inc. (ADOZONA)

Association des Industries d'Haiti

Caribbean Community (CARICOM) Secretariat

Embassy of Antigua and Barbuda

Embassy of Barbados

Embassy of Guyana

Gildan Activewear

Government of the Cooperative Republic of Guyana

Government of the Republic of Trinidad and Tobago

Grupo M

HanesBrands Inc.

Manchester Trade, Ltd

Ministry of Foreign Affairs and Foreign Trade, Jamaica

Ministry of Investment, Trade and Commerce (Belize)

National Council of Textile Organizations

Network of Caribbean Chambers of Commerce

Trinidad and Tobago– American Chamber of Commerce

Trinidad and Tobago Manufacturers' Association

Appendix E
Data Tables Corresponding to Figures in the Report

In compliance with Section 508, a 1998 amendment to the United States Rehabilitation Act of 1973, this report makes the content of its figures, graphs, and charts more accessible to people with disabilities. First, it provides alternative text where the figures first appear; second, it provides this appendix to show all data used to construct the figures. As noted below each table, these tables correspond to figures in chapters 3 and 4 of this report.

Table E.1 Haiti: Composition of gross domestic product (GDP), 2017 (percentages)

	Share
Agriculture, hunting, forestry, fishing	17.8
Mining and utilities	1.1
Manufacturing	8.8
Construction	22.4
Wholesale, retail trade, restaurants and hotels	28.9
Transport, storage, and communication	13.1
Other activities	7.9

Source: United Nations, Department of Economic and Social Affairs, Statistics Division, National Accounts—Analysis of Main Aggregates, https://unstats.un.org/unsd/snaama/ (accessed May 3, 2019).
Note: Table E.1 corresponds to figure 3.1.

Table E.2 Haiti: Composition of gross domestic product (GDP) (percent of GDP), 2012–17

	2012	2013	2014	2015	2016	2017
Industry	55.2	55.3	55.9	57.0	56.7	56.8
Services	17.7	18.2	17.6	17.1	17.5	17.6
Agriculture	24.8	24.1	23.8	23.3	22.9	22.5

Source: World Bank, World Development Indicators (accessed May 23, 2019).
Note: table E.2 corresponds to figure 3.2.

Table E.3 Haiti: Total U.S. imports from Haiti and total imports under the Caribbean Basin Economic Recovery Act (CBERA), 2014–18 (million U.S. dollars)

	Total imports from Haiti	Total imports under CBERA	Apparel items entered under CBERA
2014	897.3	858.8	843.2
2015	968.2	931.0	913.2
2016	895.4	857.2	844.9
2017	916.5	879.0	861.9
2018	1006.9	957.4	943.8

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019).
Note: Table E.3 corresponds to figure 3.3.

Table E.4 Trinidad and Tobago: Composition of GDP, 2018

	2018
Wholesale and retail trade; repair of motor vehicles and motorcycles	20.5
Manufacturing	15.9
Mining and quarrying	15.5
Public administration and defense; compulsory social security	8.8
Financial and insurance activities	7.5
Construction	5.6
Administrative and support service activities	4.1
Transportation and storage	3.8
Information and communication	2.6
Other	14.0

Source: Central Bank of Trinidad and Tobago, *Annual Economic Survey 2018*, 2019, 59.
Note: Table E.4 corresponds to figure 3.4.

Table E.5 Trinidad and Tobago: Composition of gross domestic product (GDP) (percent of GDP), 2012–17

	2012	2013	2014	2015	2016	2017
Industry	50.1	48.0	47.5	37.0	35.4	38.2
Services	47.5	50.1	50.7	59.6	62.0	59.6
Agriculture	0.4	0.4	0.3	0.4	0.5	0.5

Source: World Bank Development Indicators (accessed May 23, 2019).
Note: Table E.5 corresponds to figure 3.5.

Table E.6 Trinidad and Tobago: Total U.S. imports and imports under CBERA, 2014–18 (customs value, million U.S. dollars)

	Total imports from Trinidad and Tobago	Total imports under CBERA	Petroleum-related products entered under CBERA
2014	5,684.1	1,234.5	1,190.6
2015	4,282.6	830.3	799.6
2016	2,874.3	379.0	339.7
2017	3,206.7	487.8	444.2
2018	3,351.7	550.3	503.2

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 13, 2019). Data reflect all official USDOC revisions for 2014–18 as of that date.
Note: Because of rounding, figures may not add to totals shown.
Note: Table E.6 corresponds to figure 3.6.

Table E.7 U.S. imports under the Caribbean Basin Economic Recovery Act (CBERA), by major product categories, 2014–18 (million U.S. dollars)

	2014	2015	2016	2017	2018
Agriculture	149.2	169.9	125.6	120.9	133.6
Petroleum-related products	1,223.1	799.6	339.7	444.2	503.2
Textile and apparel	843.2	913.2	844.9	861.9	943.8
Mining and manufacturing	211.2	156.8	99.8	117.4	104.6
Total	2,426.7	2,039.4	1,410.0	1,544.4	1,685.3

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019). Data reflect all official USDOC revisions for 2014–18 as of that date.
Note: Because of rounding, figures may not add to totals shown.
Note: Table E.7 corresponds to figures 4.1 and ES.2.

Table E.8 U.S. imports under the Caribbean Economic Recovery Act (CBERA), by major energy product, 2014–18 (million U.S. dollars)

	Million $				
	2014	**2015**	**2016**	**2017**	**2018**
Crude petroleum	199.5	148.8	86.5	65.9	55.5
Methanol	1,023.6	650.8	253.2	378.3	447.7
Total petroleum-related products	1,223.1	799.6	339.7	444.2	503.2

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019). Data reflect all official USDOC revisions for 2014–18 as of that date.
Note: Because of rounding, figures may not add to totals shown.
Note: Table E.8 corresponds to figure 4.2.

Appendix F
Statistical Tables

Table F.1 U.S. imports for consumption from CBERA countries, by source, 2014–18

	2014 (million $)	2015 (million $)	2016 (million $)	2017 (million $)	2018 (million $)	Change, 2017–18 (%)
Current CBERA beneficiaries						
Antigua and Barbuda	7.7	6.5	15.4	9.8	4.4	–55.1
Aruba	70.4	31.6	16.2	30.9	30.6	-0.8
Bahamas	531.2	448.9	296.6	427.6	365.6	–14.5
Barbados	49.5	66.1	48.9	48.0	53.1	10.5
Belize	97.0	75.4	58.9	276.0	226.5	–17.9
British Virgin Islands	10.7	16.0	31.0	6.5	33.5	413.7
Curaçao	292.5	348.5	271.9	150.6	105.0	–30.3
Dominica	1.5	1.6	2.6	1.1	1.3	17.8
Grenada	9.8	9.1	12.5	12.0	14.7	22.5
Guyana	491.9	431.4	434.0	313.5	252.9	–19.3
Haiti	897.3	968.2	895.4	916.5	1006.9	9.9
Jamaica	266.7	287.5	297.9	335.0	376.5	12.4
Montserrat	0.7	2.3	0.5	1.0	1.2	16.8
Saint Kitts and Nevis	56.2	56.6	49.0	47.4	51.7	9.0
Saint Lucia	15.5	17.6	11.5	10.4	10.2	-2.5
Saint Vincent and the Grenadines	1.4	1.7	3.1	4.9	5.3	7.2
Trinidad and Tobago	5,684.1	4,282.6	2,874.3	3,206.7	3,531.7	10.1
Grand total	8,484.1	7,051.7	5,319.7	5,798.0	6,070.9	4.7

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019). Data reflect all official USDOC revisions 2014–18 as of that date.

Table F.2 U.S. imports for consumption under CBERA countries, by source, 2014–18

	2014 (million $)	2015 (million $)	2016 (million $)	2017 (million $)	2018 (million $)	Change, 2017–18 (%)
Current CBERA beneficiaries						
Antigua and Barbuda	0.0[a]	0.1	0.0[a]	0.2	0.0[a]	–88.2
Aruba	0.1	0.1	0.0[a]	0.0[a]	0.0[a]	–55.0
Bahamas	158.2	88.4	68.4	79.7	66.2	–17.0
Barbados	5.3	22.6	2.3	3.6	7.5	109.5
Belize	60.6	36.9	17.1	12.4	10.7	–13.9
British Virgin Islands	0.1	0.0[a]	0.0[a]	[(b)]	0.0[a]	–
Curaçao	5.4	0.0[a]	0.1	0.1	0.1	–4.5
Dominica	0.1	0.1	0.0[a]	0.0[a]	0.0[a]	–25.9
Grenada	0.4	1.7	1.8	2.4	2.9	21.1
Guyana	11.9	36.9	1.6	0.7	0.9	20.2
Haiti	858.8	931.0	857.2	879.0	957.4	8.9
Jamaica	71.8	81.6	74.6	72.7	83.9	15.3
Saint Kitts and Nevis	18.3	10.5	7.2	5.1	5.1	–0.5
Saint Lucia	1.2	1.3	0.6	0.3	0.4	8.9
Saint Vincent and the Grenadines	0.2	0.0[a]	0.0[a]	0.1	0.0[a]	–78.4
Trinidad and Tobago	1,234.5	830.3	379.0	487.8	550.3	12.8
Grand total	2,426.7	2,039.4	1,410.0	1,544.4	1,685.3	9.1

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019). Data reflect all official USDOC revisions for 2014–18 as of that date.

Note: Montserrat had no imports for consumption under CBERA during this time period.

[a] Less than $50,000.

[b] Data not reported.

Table F.3 Leading U.S. imports for consumption under CBERA, by HTS chapter, 2014–18

HTS chapter	Description	2014 (million $)	2015 (million $)	2016 (million $)	2017 (million $)	2018 (million $)
61	Articles of apparel and clothing accessories, knitted or crocheted	631.3	723.1	679.0	698.5	775.6
29	Organic chemicals	1,040.5	655.1	265.5	394.8	467.2
62	Articles of apparel and clothing accessories, not knitted or crocheted	211.8	190.0	165.8	160.7	157.9
39	Plastics and articles thereof	158.2	89.6	69.6	82.6	68.8
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	199.5	148.8	86.5	65.9	55.5
21	Miscellaneous edible preparations	26.4	28.6	30.0	29.1	33.6
07	Edible vegetables and certain roots and tubers	21.9	26.9	26.0	27.2	28.3
20	Preparations of vegetables, fruit, nuts or other parts of plants	25.6	25.5	25.8	19.5	22.8
08	Edible fruit and nuts; peel of citrus fruit or melons	24.0	27.2	17.3	19.8	16.7
22	Beverages, spirits, and vinegar	14.1	13.2	11.6	12.8	14.2
63	Other made up textile articles; sets; worn clothing and worn textile articles; rags	0.1	0.0 [a]	0.0 [a]	2.7	10.2
	All other	73.3	111.4	32.9	30.8	34.4
	Total	2,426.7	2,039.4	1,410.0	1,544.4	1,685.3
				Percent of total		
HTS chapter	**Description**	**2014**	**2015**	**2016**	**2017**	**2018**
61	Articles of apparel and clothing accessories, knitted or crocheted	26.0	35.5	48.2	45.2	46.0
29	Organic chemicals	42.9	32.1	18.8	25.6	27.7
62	Articles of apparel and clothing accessories, not knitted or crocheted	8.7	9.3	11.8	10.4	9.4
39	Plastics and articles thereof	6.5	4.4	4.9	5.3	4.1
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	8.2	7.3	6.1	4.3	3.3
21	Miscellaneous edible preparations	1.1	1.4	2.1	1.9	2.0
07	Edible vegetables and certain roots and tubers	0.9	1.3	1.8	1.8	1.7
20	Preparations of vegetables, fruit, nuts or other parts of plants	1.1	1.3	1.8	1.3	1.4
08	Edible fruit and nuts; peel of citrus fruit or melons	1.0	1.3	1.2	1.3	1.0
22	Beverages, spirits and vinegar	0.6	0.6	0.8	0.8	0.8
63	Other made up textile articles; sets; worn clothing and worn textile articles; rags	0.0 [b]	0.0 [b]	0.0 [b]	0.2	0.6
	All other	3.0	5.5	2.3	2.0	2.0
	Total	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019). Data reflect all official USDOC revisions for 2014–18 as of that date.
Note: Because of rounding, figures may not add to totals shown.
[a] Less than $50,000.
[b] Less than 0.05%.

Table F.4 Leading U.S. imports for consumption under CBERA, 2014–18 (million U.S. dollars)

HTS number	Description	2014 (million $)	2015 (million $)	2016 (million $)	2017 (million $)	2018 (million $)
2905.11.20	Methanol (methyl alcohol), other than imported only for use in producing synthetic natural gas (SNG) or for direct use as fuel	1,023.6	650.8	253.2	378.3	447.7
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	345.5	366.5	302.0	258.6	284.5
6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	154.5	177.3	128.3	110.4	112.0
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	192.4	144.9	86.2	53.6	34.0
3903.11.00	Polystyrene, expandable, in primary forms	155.8	86.9	66.6	78.1	64.4
6110.30.30	Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, n.e.s.o.i.	27.2	42.3	80.8	125.6	141.7
6109.90.10	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of manmade fibers	34.7	43.6	54.3	79.6	106.2
6104.62.20	Women's or girls' trousers, breeches and shorts, knitted or crocheted, of cotton	14.8	34.4	40.8	39.8	59.9
6203.42.40	Men's or boys' trousers and shorts, not bibs, not knitted or crocheted, of cotton, not containing 15% or more by weight of down, etc.	78.3	62.6	38.5	0.0 ([a])	0.0 ([a])
6205.30.20	Men's or boys' shirts, not knitted or crocheted, of manmade fibers, n.e.s.o.i.	19.7	18.7	22.4	20.6	31.3
0714.30.10	Fresh or chilled yams (*Dioscorea* spp.), whether or not sliced or in the form of pellets	18.2	20.4	21.1	23.3	24.4
6203.42.45	Men's/boys' trousers & shorts, not bibs, not knit/crochet, cotton, not containing 15% or more by weight of down, etc., o/than rec perf outwear	0.0 ([a])	0.0 ([a])	21.3	56.3	26.9
	All other	362.1	391.2	294.5	320.0	352.2
	Total	2,426.666	2,039.43	1,410.031	1,544.358	1,685.33

Source: Compiled from official statistics of the U.S. Department of Commerce (USDOC) (accessed May 20, 2019). Data reflect all official USDOC revisions for 2014–18 as of that date.
Note: Because of rounding, figures may not add to totals shown.
[a] Less than $50,000.

Table F.5 Leading U.S. imports for consumption under CBERA, by source, 2014–18
(thousand U.S. dollars)

Source	HTS number	Description	2014 (1,000 $)	2015 (1,000 $)	2016 (1,000 $)	2017 (1,000 $)	2018 (1,000 $)
Antigua and Barbuda	2103.90.90	Sauces and preparations therefor, n.e.s.o.i.	9.0	8.4	19.9	17.0	15.1
	9506.99.60	Athletic and sports articles and equipment n.e.s.o.i., and parts and accessories thereof n.e.s.o.i.	0.0[b]	0.0[b]	0.0[b]	0.0[b]	3.9
	2208.40.20	Rum and tafia, in containers each holding not over 4 liters, valued not over $3/proof liter	0.0[b]	72.7	0.0[b]	108.1	0.0[b]
	7318.29.00	Iron or steel, nonthreaded articles similar to rivets, cotters, cotter pins, washers and spring washers	0.0[b]	0.0[b]	0.0[b]	18.6	0.0[b]
	3923.29.00	Sacks and bags (including cones) for the conveyance or packing of goods, of plastics other than polymers of ethylene	0.0[b]	0.0[b]	0.0[b]	13.0	0.0[b]
		Other	10.0	0.6	17.6	4.5	0.0[b]
		Grand total	19.0	81.6	37.4	161.3	19.0
Aruba	8544.20.00	Insulated (including enameled or anodized) coaxial cable and other coaxial conductors	0.0[b]	0.0[b]	0.0[b]	0.0[b]	8.5
	3307.20.00	Personal deodorants and antiperspirants	10.8	7.8	0.0[b]	8.2	7.1
	3924.90.20	Picture frames of plastics	0.0[b]	0.0[b]	0.0[b]	0.0[b]	0.6
	1518.00.40	Animal or vegetable fats and oils, n.e.s.i., oxidized, dehydrated or otherwise chemically modified; inedible mixtures of fats and oils n.e.s.i.	29.0	74.7	0.0[b]	22.9	0.0[b]
	8518.40.20	Audio-frequency electric amplifiers, other than for use as repeaters in line telephony	0.0[b]	0.0[b]	0.0[b]	5.0	0.0[b]
		Other	34.8	10.3	14.7	0.0[b]	0.0[b]
		Grand total	74.6	92.8	14.7	36.1	16.2
Bahamas	3903.11.00	Polystyrene, expandable, in primary forms	155,766.0	86,879.9	66,624.9	78,148.7	64,393.9

Source	HTS number	Description	2014 (1,000 $)	2015 (1,000 $)	2016 (1,000 $)	2017 (1,000 $)	2018 (1,000 $)
	2403.19.20	Smoking tobacco, whether or not containing tobacco substitutes, prepared for marketing directly to consumer as packaged	0.0[b]	0.0[b]	0.0[b]	0.0[b]	988.3
	0511.99.36	Natural sponges of animal origin	144.7	108.5	179.0	194.6	211.4
	0306.33.20	Crabmeat, fresh or chilled	0.0[b]	0.0[b]	0.0[b]	0.0[b]	155.6
	0306.14.20	Crabmeat, frozen	976.8	99.4	0.0[b]	65.0	147.9
		Other	1,303.9	1,300.8	1,599.5	1,336.1	283.7
		Grand total	158,191.4	88,388.6	68,403.4	79,744.4	66,180.8
Barbados	2208.40.60	Rum and tafia, in containers each holding over 4 liters, valued not over $0.69/proof liter	939.6	96.5	1,086.6	2,241.7	3,174.8
	1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. U.S. 5 to Ch.17	3,347.4	3,901.0	0.0[b]	0.0[b]	2,288.6
	9030.31.00	Multimeters for measuring or checking electrical voltage, current, resistance or power, without a recording device	0.0[b]	0.0[b]	0.0[b]	0.0[b]	911.6
	2208.40.20	Rum and tafia, in containers each holding not over 4 liters, valued not over $3/proof liter	0.0[b]	17.9	138.3	132.2	628.7
	2103.90.90	Sauces and preparations therefor, n.e.s.o.i.	3.8	0.0[b]	0.0[b]	48.4	104.2
		Other	1,004.0	18,554.9	1,095.6	1,135.4	344.9
		Grand total	5,294.8	2,2570.2	2,320.5	3,557.7	7,452.8
Belize	2009.19.00	Orange juice, not frozen, of a Brix value exceeding 20, unfermented	6,681.3	7,912.1	6,475.8	4,708.6	4,494.8
	2009.11.00	Orange juice, frozen, unfermented and not containing added spirit	9,126.3	5,997.6	4,819.1	2,807.5	3,212.1
	2308.00.98	Vegetable materials and vegetable waste, vegetable residues and byproducts, of a kind used in animal feeding, n.e.s.o.i.	1,903.9	2,043.8	1,809.9	1,218.1	1,062.8
	2103.90.90	Sauces and preparations therefor, n.e.s.o.i.	344.2	295.4	172.6	585.7	635.5

Source	HTS number	Description	2014 (1,000 $)	2015 (1,000 $)	2016 (1,000 $)	2017 (1,000 $)	2018 (1,000 $)
	0807.20.00	Papayas (papaws), fresh	6,444.1	6,349.3	1,970.9	605.0	392.0
		Other	36,081.8	14,283.4	1,888.2	2,473.0	878.8
		Grand total	60,581.5	36,881.5	17,136.4	12,397.9	10,675.9
British Virgin Islands	8414.51.30	Ceiling fans for permanent installation, with a self-contained electric motor of an output not exceeding 125 W	0.0[b]	0.0[b]	0.0[b]	([a])	16.6
	5607.41.10	Binder or baler twine of wide nonfibrillated strip, of polyethylene or polypropylene	0.0[b]	0.0[b]	0.0[b]	([a])	5.7
	4203.10.0	Articles of apparel, of leather or of composition leather, n.e.s.i.	0.0[b]	8.9	9.1	([a])	0.0[b]
	7326.90.85	Iron or steel, articles, n.e.s.o.i.	49.1	0.0[b]	0.0[b]	([a])	0.0[b]
	3926.90.99	Other articles of plastic, n.e.s.o.i.	1.0	0.0[b]	0.0[b]	([a])	0.0[b]
		Other	0.0[b]	0.0[b]	0.0[b]	([a])	0.0[b]
		Grand total	50.1	8.9	9.1	([a])	22.3
Curaçao	2208.90.80	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 percent vol., n.e.s.i.	0.0[b]	0.0[b]	0.0[b]	49.5	49.1
	3401.30.10	Organic surface-active products for wash skin, in liquid or cream, contain any aromatic/mod aromatic surface-active agent, put up for retail	0.0[b]	0.0[b]	0.0[b]	0.0[b]	34.6
	3920.10.00	Nonadhesive plates, sheets, film, foil and strip, noncellular, not reinforced or combined with other materials, of polymers of ethylene	0.0[b]	0.0[b]	0.0[b]	10.9	19.1
	9603.90.80	Brooms & brushes n.e.s.o.i., mops, hand-operated mechanical floor sweepers, squeegees and similar articles, n.e.s.o.i.	0.0[b]	0.0[b]	0.0[b]	0.0[b]	7.2
	2208.40.20	Rum and tafia, in containers each holding not over 4 liters, valued not over $3/proof liter	5.9	0.0[b]	0.0[b]	0.0[b]	4.6
		Other	5,359.6	2.6	85.5	64.0	4.2
		Grand total	5,365.4	2.6	85.5	124.4	118.8

Source	HTS number	Description	2014 (1,000 $)	2015 (1,000 $)	2016 (1,000 $)	2017 (1,000 $)	2018 (1,000 $)
Dominica	0714.40.10	Fresh or chilled taro (*Colocasia* spp.), whether or not sliced or in the form of pellets	0.0[b]	4.8	0.0[b]	38.4	31.8
	3307.10.20	Pre-shave, shaving or after-shave preparations, containing alcohol	7.8	16.5	6.6	3.0	3.9
	0714.30.10	Fresh or chilled yams (*Dioscorea* spp.), whether or not sliced or in the form of pellets	0.0[b]	0.0[b]	0.0[b]	6.7	0.0[b]
	0714.90.10	Fresh or chilled dasheens, whether or not sliced or in the form of pellets	40.0	51.8	12.2	0.0[b]	0.0[b]
	2103.90.80	Mixed condiments and mixed seasonings, not described in add U.S. note 3 to Ch. 21	0.0[b]	3.5	3.5	0.0[b]	0.0[b]
		Other	18.2	0.0[b]	0.0[b]	0.0[b]	0.0[b]
		Grand total	66.0	76.5	22.2	48.1	35.7
Grenada	0810.90.46	Fruit, not elsewhere specified or included, fresh	101.0	1,116.8	1,149.8	1,172.7	1,613.8
	0811.90.25	Cashew apples, mameyes colorados, sapodillas, soursops and sweetsops, frozen, in water or containing added sweetening	221.2	434.9	651.4	936.1	860.9
	0811.90.80	Fruit, n.e.s.i., frozen, whether or not previously steamed or boiled	0.0[b]	21.9	5.0	290.3	362.5
	0809.40.40	Plums, prunes and sloes, fresh, if entered during June 1–December 31, inclusive	0.0[b]	0.0[b]	0.0[b]	3.4	63.7
	0709.99.05	Jicamas and breadfruit, fresh or chilled	0.0[b]	5.2	0.0[b]	0.0[b]	7.0
		Other	120.4	149.1	3.1	3.0	4.4
		Grand total	442.6	1,727.9	1,809.3	2,405.4	2,912.3
Guyana	21039090	Sauces and preparations therefor, n.e.s.o.i.,	175.9	179.2	165.5	179.0	186.8
	22029990	Nonalcoholic beverages, n.e.s.o.i., excluding fruit or vegetable juices of heading 2009	0.0[b]	0.0[b]	0.0[b]	0.0[b]	118.2
	15171000	Margarine, excluding liquid margarine	49.6	70.1	65.3	77.7	77.7

Source	HTS number	Description	2014 (1,000 $)	2015 (1,000 $)	2016 (1,000 $)	2017 (1,000 $)	2018 (1,000 $)
	19023000	Pasta n.e.s.i.	18.6	52.5	59.9	33.7	76.6
	20089991	Bean cake, bean stick, miso, other fruit, nuts and other edible parts of plants, prepared or preserved	0.0[b]	0.0[b]	0.0[b]	5.4	65.6
		Other	11613.4	34616.4	1260.6	435.9	354.8
		Grand total	11857.4	34918.2	1551.2	731.7	879.6
Haiti	6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	345,089.1	366,173.0	301,986.7	258,646.9	284,494.1
	6110.30.30	Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, n.e.s.o.i.	27,186.2	42,255.5	80,790.3	125,575.6	141,677.2
	6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	154,096.5	177,132.6	128,310.9	110,440.3	112,034.5
	6109.90.10	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of manmade fibers	34,660.8	43,576.5	54,302.2	79,641.0	106,166.2
	6104.62.20	Women's or girls' trousers, breeches and shorts, knitted or crocheted, of cotton	14,773.7	34,446.3	40,782.4	39,791.0	59,930.9
		Other	282,978.5	267,426.4	251,050.8	264,909.6	253,098.1
		Grand total	858,784.7	931,010.3	857,223.3	879,004.4	957,401.0
Jamaica	0714.30.10	Fresh or chilled yams (*Dioscorea* spp.), whether or not sliced or in the form of pellets	18,244.0	20,379.4	21,118.6	23,274.0	24,401.1
	2103.90.90	Sauces and preparations therefor, n.e.s.o.i.	4,820.0	62,270.2	6,234.7	6,513.6	7,026.2
	2106.90.98	Other food preps n.e.s.o.i., incl preps for the manufacture of beverages, nondairy coffee whiteners, herbal teas and flavored honey	0.0[b]	0.0[b]	0.0[b]	5,664.5	7,024.7
	2008.99.91	Bean cake, bean stick, miso, other fruit, nuts and other edible parts of plans, prepared or preserved	0.0[b]	0.0[b]	0.0[b]	4,134.3	4,732.3

Source	HTS number	Description	2014 (1,000 $)	2015 (1,000 $)	2016 (1,000 $)	2017 (1,000 $)	2018 (1,000 $)
	2005.99.97	Vegetables n.e.s.o.i.,& mixtures of vegetables, prepared or preserved otherwise than by vinegar or acetic acid, not frozen, not preserved by sugar	3,991.7	4,089.6	5,175.4	3,268.4	4,339.4
		Other	44,723.2	50,843.8	42,042.3	29,894.1	36,351.2
		Grand total	71,778.9	81,583.0	74,571.0	72,748.8	83,874.9
Saint Kitts and Nevis	8504.31.40	Electrical transformers other than liquid dielectric, having a power handling capacity less than 1 kVA	0.0[b]	2,514.6	3,358.5	2,511.3	2,320.8
	8537.10.60	Boards, panels, etc., equipped with apparatus for electric control, for a voltage not exceeding 1,000 V, motor control centers	0.0[b]	271.3	522.3	796.4	858.0
	8537.10.91	Other boards, panels, consoles, desks, cabinets, etc., equipped with apparatus for electric control, for a voltage not exceeding 1,000 V, n.e.s.i.	0.0[b]	0.0[b]	134.7	399.3	805.2
	8537.20.0(b)0	Boards, panels, consoles, desks, cabinets and other bases, equipped with apparatus for electric control, for a voltage exceeding 1,000 V	0.0[b]	722.0	346.9	299.9	577.0
	9031.80.80	Measuring and checking instruments, appliances and machines, n.e.s.o.i.	0.0[b]	163.2	201.6	50.3	178.4
		Other	18,341.3	6,810.1	2,593.7	1,065.6	355.5
		Grand total	18,341.3	10,481.1	7,157.7	5,122.8	5,094.9
Saint Lucia	2103.90.90	Sauces and preparations therefor, n.e.s.o.i.	249.6	343.9	180.2	108.5	188.8
	8536.90.85	Other electrical apparatus n.e.s.i., for switching or making connections to or in electrical circuits, for a voltage not exceeding 1,000 V, n.e.s.o.i.	0.0[b]	0.0[b]	159.3	100.8	82.5
	0810.90.46	Fruit, not elsewhere specified or included, fresh	0.0[b]	0.0[b]	0.0[b]	0.0[b]	76.3

Source	HTS number	Description	2014 (1,000 $)	2015 (1,000 $)	2016 (1,000 $)	2017 (1,000 $)	2018 (1,000 $)
	8438.90.90	Parts of machinery for the industrial preparation or manufacture of food or drink, other than sugar manufacturing, n.e.s.i.	0.0[b]	0.0[b]	0.0[b]	0.0[b]	16.3
	2007.99.45	Jams, n.e.s.i.	0.0[b]	4.5	0.0[b]	3.3	6.0
		Other	912.6	952.2	287.8	129.9	2.9
		Grand total	1,162.2	1,300.5	627.4	342.4	372.9
Saint Vincent and the Grenadines	0714.40.10	Fresh or chilled taro (*Colocasia* spp.), whether or not sliced or in the form of pellets	0.0[b]	0.0[b]	2.2	78.8	22.0
	0714.90.39	Fresh or chilled arrowroot/salep/Jerusalem artichokes/similar roots & tubers, n.e.s.i.	0.0[b]	0.0[b]	0.0[b]	16.2	0.0[b]
	3926.90.99	Other articles of plastic, n.e.s.o.i.	0.0[b]	0.0[b]	0.0[b]	4.7	0.0[b]
	0709.60.40	Fruits of the genus capsicum (peppers) (e.g., chili peppers) or of the genus pimenta (e.g., allspice), fresh or chilled	0.0[b]	0.0[b]	0.0[b]	2.0	0.0[b]
	0714.90.10	Fresh or chilled dasheens, whether or not sliced or in the form of pellets	182.3	6.4	40.7	0.0[b]	0.0[b]
		Other	0.0[b]	9.3	2.2	0.0[b]	0.0[b]
		Grand total	182.3	15.7	45.1	101.7	22.0
Trinidad and Tobago	2905.11.20	Methanol (methyl alcohol), other than imported only for use in producing synthetic natural gas (SNG) or for direct use as fuel	1,023,570.1	650,812.5	253,212.8	378,273.0	447,732.9
	2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	165,104.5	144,871.3	86,199.9	53,647.5	34,029.9
	2710.19.06	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing < 25 degrees A.P.I.	1,659.4	0.0(b)	155.4	11,755.9	21,388.7
	2933.61.00	Melamine	16,917.5	4,236.0	12,257.0	16,511.6	19,496.6

Source	HTS number	Description	2014 (1,000 $)	2015 (1,000 $)	2016 (1,000 $)	2017 (1,000 $)	2018 (1,000 $)
	2106.90.98	Other food preps n.e.s.o.i., incl preps for the manufacture of beverages, nondairy coffee whiteners, herbal teas and flavored honey	0.0[b]	0.0[b]	0.0[b]	9,137.1	11,317.7
		Other	27,222.9	30,371.1	27,191.8	18,506.0	16,285.5
		Total	1,234,474.3	830,290.9	379,016.9	487,831.0	550,251.2

Note: Because of rounding figures may not add to totals shown. n.e.s.o.i. = "not elsewhere specified or included"; n.e.s.i. = "not elsewhere included."

[a] Data not reported.

[b] Less than $50,000.