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

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Abbreviations and Acronyms

Acronym	Term
AGOA	African Growth and Opportunity Act
ASM	Annual Survey of Manufactures
ATPA	Andean Trade Preference Act
CAFTA-DR	Central America-United States-Dominican Republic Free Trade Agreement
CAGR	compound annual growth rate
CARICOM	Caribbean Community
CBD	Caribbean Development Bank
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 (CBTPA 2000, 2020) United States-Caribbean Basin Trade Partnership Act of 2000 (CBTPA)
CES	constant elasticity of substitution
CEPAL	Naciones Unidas Comisión Económica para América Latina y el Caribe (United Nations Economic Commission for Latin America and the Caribbean)
CGCL	Caribbean Gas Chemical Ltd.
CTO	Caribbean Tourism Organization
EB	Bureau of Economic and Business Affairs (U.S. Department of State)
EEPGL	Esso Exploration and Production Guyana Limited
ECLAC	Economic Commission for Latin America and the Caribbean (United Nations)
EIAP	Earned Import Allowance Program
EPS	expandable polystyrene
EIU	Economist Intelligence Unit
EU	European Union
FATCA	Foreign Account Tax Compliance Act
FDI	foreign direct investment
FPSO	Floating Production, Storage and Offloading
FTA	free trade agreement
FTZ	Foreign Trade Zones
GDP	gross domestic product
GSP	Generalized System of Preferences
HDI	Human Development Index
HELP Act	Haiti Economic Lift Program Act of 2010
HHI	Herfindahl-Hirschman index
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 Labour Organization
IMF	International Monetary Fund
ITA	International Trade Administration (U.S. Department of Commerce)
LNG	liquefied natural gas
MHTL	Methanol Holdings Trinidad Ltd.
MFN	most-favored-nation status (see also NTR)
MTBE	methyl tertiary-butyl ether
NAFTA	North American Free Trade Agreement

Acronym	Term
NAICS	North American Industry Classification System
n.e.s.o.i.	not elsewhere specified or included
NGC	National Gas Company of Trinidad and Tobago
NGLs	natural gas liquids
NRF	Natural Resource Fund
NTR	normal trade relations (U.S. term; same as MFN elsewhere)
NTPP	Nepal Trade Preference Program
OEC	The Observatory of Economic Complexity
OTEXA	Office of Textiles and Apparel (U.S. Department of Commerce)
PE	partial equilibrium
PRW	production-related worker
PTA	preferential free trade agreement
ROOs	rules of origin
SMEs	square meter equivalents
TRQ	tariff-rate quota
TAICNAR	Technical Assistance Improvement and Compliance Needs Assessment and Remediation Program
UN	United Nations
UNCTAD	UN Conference on Trade and Development
UNDP	UN Development Program
URAA	Uruguay Round Agreements Act
USAID	U.S. Agency for International Development
U.S. Census	U.S. Census Bureau
USDOC	U.S. Department of Commerce
USDOE	U.S. Department of Energy
USDOL	U.S. Department of Labor
USDOS	U.S. Department of State
USEIA	U.S. Energy Information Administration (U.S. Department of Energy)
USMCA	United States-Mexico-Canada Agreement
USTR	The Office of the United States Trade Representative
WDI	World Development Indicators
WEO	World Economic Outlook
WTO	World Trade Organization

Executive Summary

The Caribbean Basin Economic Recovery Act (CBERA) was enacted in 1983 to encourage economic growth and development in the Caribbean Basin countries by promoting increased production and exports of nontraditional products. Section 215 of CBERA (19 U.S.C. § 2704), as amended, requires the Commission to report biennially to the President and Congress by September 30 of each reporting year on the impact of CBERA on the U.S. economy generally and on U.S. industries and consumers, as well as on the economies of the beneficiary countries.[1]

This report is the 26th in the series and covers the period 2021–22. It provides a retrospective analysis of U.S. imports that entered under the CBERA program.[2] Using a partial equilibrium model approach, the report assesses the economic impact of the CBERA program on U.S. industries and consumers and on beneficiary countries in 2021–22. The report in addition assesses the probable future economic effect using a qualitative approach. The Commission conducted a public hearing on March 9, 2023, and accepted written submissions to investigate the economic importance of the CBERA program to U.S. industries and consumers and beneficiary countries.

After a decline between 2019 and 2020 due to the COVID-19 pandemic and decreased oil prices, imports from CBERA beneficiaries[3] returned to their upward trend. U.S. imports from CBERA beneficiaries increased from 2020 levels by 70.6 percent to $8.7 billion in 2021 and by an additional 33.7 percent to $11.6 billion in 2022.[4] U.S. imports under the CBERA program grew by 21.4 percent to $2.2 billion in 2021 and by another 19.2 percent to $2.6 billion in 2022.

The impact of the CBERA program on the U.S. economy was small in 2021–22; U.S. imports under the program remained a minor share (less than 0.1 percent) of total U.S. imports. The impact of the CBERA program is likely to remain negligible in the near future, based on assessments that take into account pertinent supply and demand factors.

The CBERA program continues to have a positive impact on a number of Caribbean Basin countries. Haiti has been the leading exporter under CBERA program trade preferences in recent years, supported by greater product coverage and more flexible rules of origin for apparel items enacted in 2006.[5] During 2021–22, Haiti accounted for, on average, 42.5 percent of total U.S. imports under the CBERA program.

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[1] The 17 CBERA beneficiaries at the end of 2022 were 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.

[2] Throughout this report, the term "CBERA program" refers to CBERA as amended by the Caribbean Basin Trade Partnership Acts of 2000 and 2020 (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.

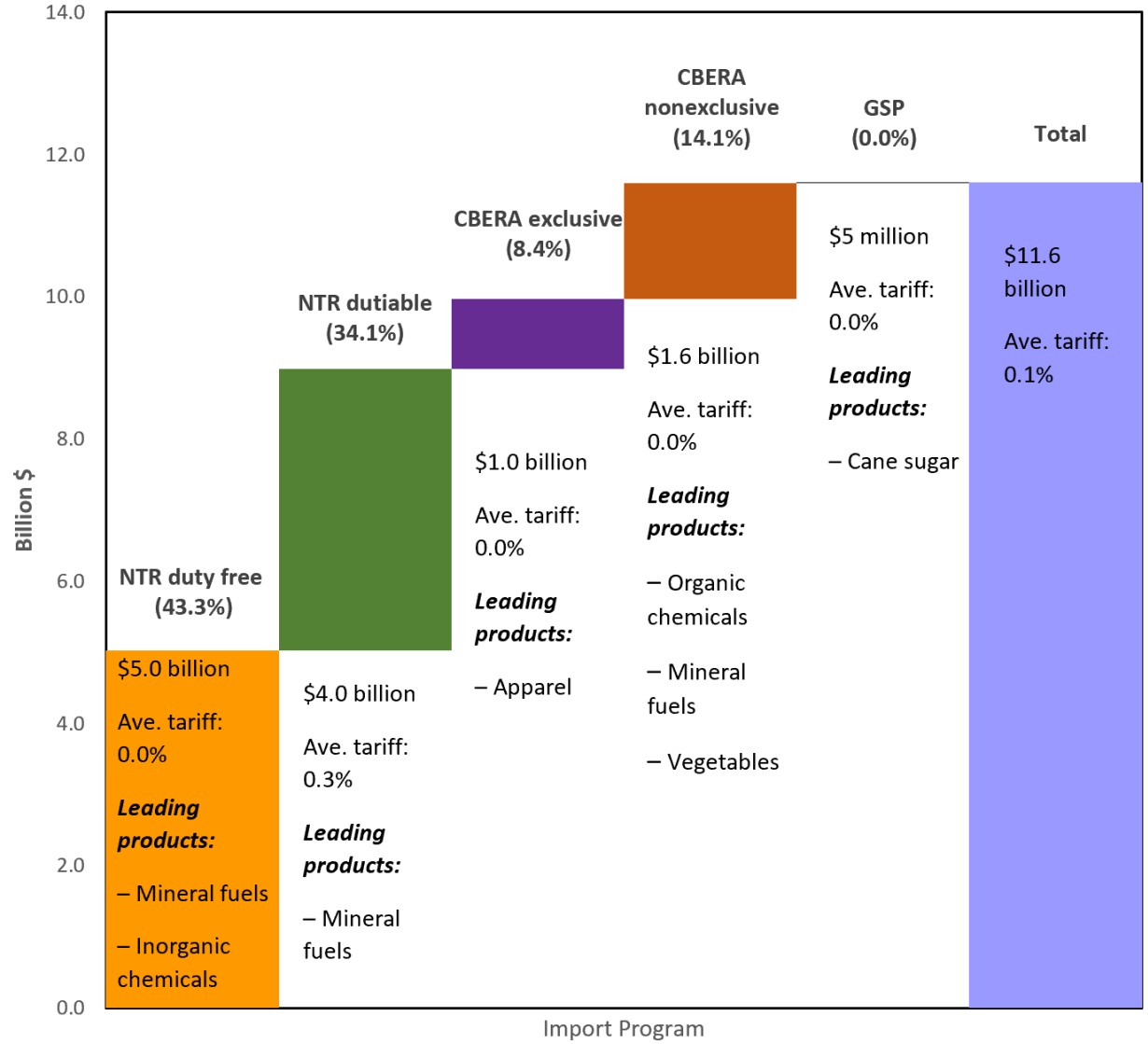
[3] Throughout this report, the term "CBERA beneficiary" or "CBERA beneficiary country" refers to a country or territory for which a proclamation is in effect designating it as a beneficiary. 19 U.S.C. § 2702(a)(1)(A).

[4] The Commission focused on the last three years of data to report changes since the last report. Please note the benchmark year in this report is 2020, which experienced a drop in trade as a result of COVID-19. For this reason, we have included additional information on longer-term trends in places.

[5] 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.

Figure ES.1 U.S. imports for consumption from CBERA beneficiaries, by import program and as a share of total imports from those countries, 2022

In billions of dollars and percentages. Underlying data for this figure can be found in appendix table E.1.



Source: USITC DataWeb/Census, accessed February 9, 2023.
Note: "NTR" refers to normal trade relations (the U.S. term that has the same meaning as most-favored-nation status or "MFN"). 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 the CBERA program. "CBERA-nonexclusive" imports are imports of products that entered the United States under the CBERA program but were also eligible for entry under the Generalized System of Preferences (GSP). GSP authorization expired on December 31, 2020, so duty-free entry under GSP was not available for 2022, the year corresponding to the figure. Following past instances of GSP authorization lapsing, legislation renewing the President's authority to grant duty-free treatment under GSP allowed importers to apply for refunds of duties if the article was otherwise eligible for GSP and the importer had claimed the GSP preference at the time of entry. Thus, during 2022, importers had the option of claiming GSP preferences in the event GSP is renewed with retroactive relief. "Ave. 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.

As shown in figure ES.1, imports under the CBERA program comprised less than one-quarter (8.4 + 14.1 = 22.5 percent) of U.S. imports from CBERA beneficiaries in 2022.[6] All CBERA beneficiaries enjoy normal trade relations (NTR) with the United States, and NTR duty-free imports are the largest import category from the countries (43.3 percent). Imports entering the United States subject to NTR rates face a small average duty rate (0.3 percent) and make up the second-largest import category from the CBERA region (34.1 percent). U.S. imports of goods from CBERA beneficiaries are more likely to enter as qualified products under the CBERA program than under the GSP program. Only $5 million worth (0.04 percent) of U.S. imports from CBERA beneficiaries entered under the GSP program in 2022.[7]

Based on analysis from the previous Commission report, the CBERA program has stimulated a modest degree of export diversification in the region overall since the inception of the program, driven by trends in the 2006–20 period, although the degree of diversification has varied by country. During the current reporting period from 2020 to 2022, exports of some CBERA beneficiary countries to the United States became more diverse in terms of the number of exported products, although as in prior years, the degree of export diversification ranges widely across beneficiaries. During 2021 and 2022, the number of products exported by the top five beneficiaries under the CBERA program (Haiti, Trinidad and Tobago, Guyana, Jamaica, and The Bahamas) increased by 13.6 percent.[8] Trinidad and Tobago, Jamaica, and Haiti had the highest diversification as measured by the number of products exported among beneficiaries in 2021 and 2022.

U.S. Imports under the CBERA Program

U.S. imports from CBERA beneficiaries increased steadily after a small dip in 2020, continuing the upward trend from 2019. Imports claiming CBERA program preferences totaled $2.2 billion in 2021 and $2.6 billion in 2022, an increase of 21.4 percent and 44.7 percent, respectively, from $1.8 billion in 2020 (figure ES.2).

U.S. Imports by Country under the CBERA Program

During 2021–22, the top three sources of U.S. imports under the CBERA program, in the order of amount, were Haiti, Trinidad and Tobago, and Guyana, jointly accounting for 90 percent of the total each year. The increases in U.S. imports from CBERA beneficiaries and under the CBERA program in 2021 were primarily driven by higher U.S. imports of textiles and apparel, mostly from Haiti, and by methanol and energy products, mostly from Trinidad and Tobago and Guyana, in 2022. U.S. imports of textiles and apparel under the CBERA program decreased by 3.0 percent between 2021 and 2022; methanol and

[6] This includes shares of both CBERA-exclusive imports and CBERA-nonexclusive imports. “CBERA-exclusive” imports are imports of products that can receive preferential entry only under the CBERA program. “CBERA-nonexclusive” imports are imports of products that entered the United States under the CBERA program but were also eligible for entry under the Generalized System of Preferences (GSP). GSP authorization expired on December 31, 2020, so duty-free entry under GSP was not available for 2022, the year corresponding to the figure. Following past instances of GSP authorization lapsing, legislation renewing the President’s authority to grant duty-free treatment under GSP allowed importers to apply for refunds of duties if the article was otherwise eligible for GSP and the importer had claimed the GSP preference at the time of entry. Thus, during 2022, importers had the option of claiming GSP preferences in the event GSP is renewed with retroactive relief.

[7] Because GSP expired on December 31, 2020, importers who claim the preference while the program is expired pay duties pending program renewal.

[8] Products refers to goods at the Harmonized Tariff Schedule of the United States (HTS) 6-digit subheading.

energy products increased by 43.7 percent between 2021 and 2022.[9] U.S. imports from Guyana entered under the CBERA program have increased significantly since discovery of an oil field off the Guyanese coast in 2019. In 2022, methanol and energy products displaced textiles and apparel products as the largest CBERA program import.

Mining and Manufactured Products

U.S. imports of mining and manufacturing products under the CBERA program increased from 2020 through 2022, reversing the downward trend from 2018 to 2020 (figure ES.2). The product accounting for the largest share of imports in this category is expandable polystyrene, which comes from The Bahamas. The product accounting for the second-largest share is melamine, which comes from Trinidad and Tobago. U.S. demand for both products is forecast to grow.

Methanol and Energy Products

U.S. imports of methanol and energy products under the CBERA program have increased yearly since 2018. Utilization rates of the CBERA program for these imports, however, vary from year to year and were relatively low in 2021 and 2022. Total U.S. imports of methanol and energy products from CBERA beneficiaries more than tripled from 2020 to 2022, supported by Guyana's growing crude oil production and rising global crude oil prices.

Methanol imports from Trinidad and Tobago—the largest supplier of methanol under the CBERA program—declined, both in absolute terms and in relative importance to the U.S. methanol market, because of increasing U.S. methanol production, predominantly due to inexpensive natural gas, as well as declines in Trinidad and Tobago's methanol production. Methanol consumption continued to increase in the U.S. market, but methanol import quantities from Trinidad and Tobago, which had been fairly stable during 2018–21, declined by 34.4 percent in 2022. U.S. methanol production rose from 6.4 million metric tons (mt) in 2019 to an estimated 8.2 million mt in 2022. U.S. production capacity, which has increased 2.2 million mt since 2019 and was 10.0 million mt in 2022, is projected to climb to 13.5 million mt by the end of 2025.

Textiles and Apparel

The total value of U.S. imports of textiles and apparel under the CBERA program increased 30.6 percent, from $740.3 million in 2020 to $967.0 million in 2022. Nevertheless, the value of imports in 2022 was lower than in 2019, and between 2021 and 2022, imports of textiles and apparel under the CBERA program decreased 3.0 percent. The decrease in U.S. apparel imports from CBERA beneficiaries is related to a number of factors, including the political instability and a cholera outbreak in Haiti, the largest apparel producer in the CBERA region, and the uncertainty surrounding renewal of HOPE and HELP, which are set to expire in 2025. In 2022, 99.9 percent of imports of textiles and apparel from CBERA beneficiaries were from Haiti.

Agricultural Products

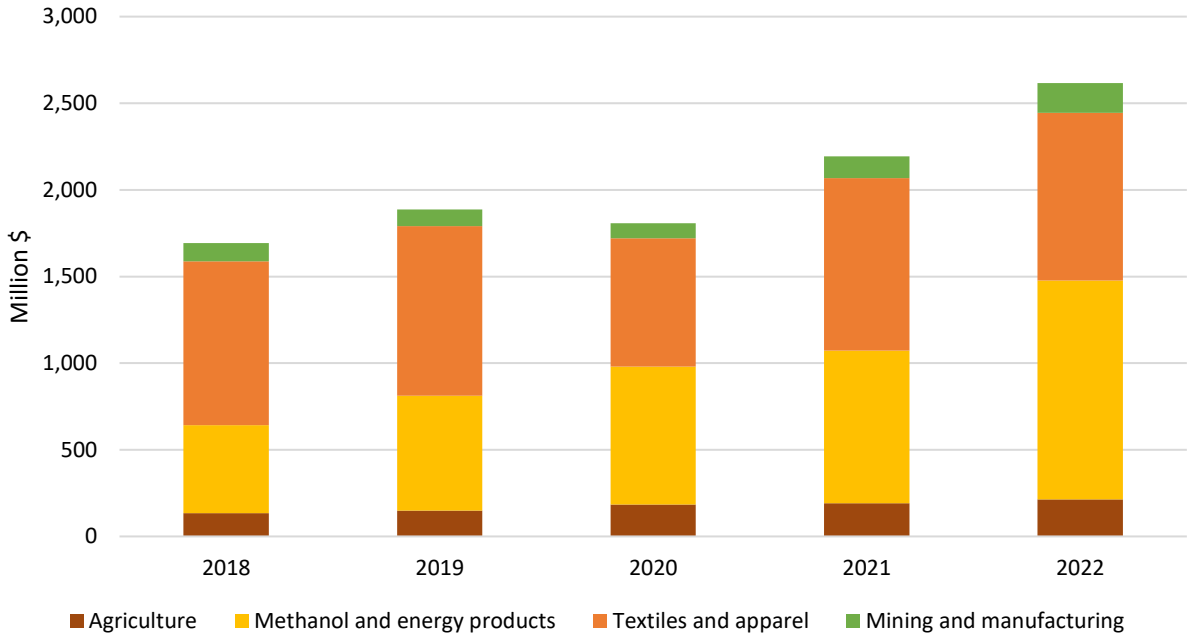
U.S. imports of agricultural products under the CBERA program continued a longer term upward trend and reached $214.0 million in 2022, an increase of 15.9 percent since 2020 (figure ES.2). Imports of food preparations and sauces and preparations contributed the most growth, each increasing by

[9] Throughout the report, "methanol and energy products" is defined as goods imported under HTS subheading 2905.11.20 (methanol other than for use in producing synthetic natural gas or for direct use as a fuel) and products imported under HS chapter 27 (mineral fuels).

approximately 12 percent during the two-year period. In particular, growth in the sauces and preparations category was driven by rising popularity of Jamaican products—hot sauces and jerk seasoning are popular products in this category. Imports of fresh or chilled yams under the CBERA program—which increased only slightly by 1.4 percent—were hindered by insufficient supply despite growing demand. Imports of raw cane sugar under CBERA increased by 54.4 percent since 2020, driven by higher Guyanese sugar prices and higher utilization rates.

Figure ES.2 U.S. imports under the CBERA program, by major product categories, 2018–22

In millions of dollars. Underlying data for this figure can be found in appendix table E.2.



Source: USITC DataWeb/Census, accessed February 9, 2023.
Note: Agriculture products are imported under HS chapters 1 through 24; methanol and energy products are imported under HTS subheading 2905.11.20 (methanol other than for use in producing synthetic natural gas or for direct use as a fuel) and energy products imported under HS chapter 27 (mineral fuels); textile and apparel products are imported under HS chapters 50 through 63; mining and manufactured products are products not included under other major product categories.

Impact of CBERA Program on the United States in 2021–22

Effect on the U.S. Economy

Overall, the effect of the CBERA program on the U.S. economy, imports, industries, and consumers continues to be small, primarily because U.S. imports under the CBERA program comprise a small share of total U.S. imports (0.08 percent in 2022). The effect of the CBERA program on domestic production, employment, and operating profits was negligible for most U.S. industries. Without duty-free treatment under the CBERA program, however, the price U.S. consumers would have paid for certain imports from CBERA beneficiaries, such as manmade fiber T-shirts and methanol, would likely have been slightly higher.

Economic Effect on U.S. Imports

Imports of T-shirts and methanol increased noticeably. According to the Commission's partial equilibrium model results, the CBERA program increased imports of T-shirts of manmade fibers from Haiti by an estimated $53.5 million (48.4 percent) in 2022 as a result of the program's preferential treatment. The CBERA program also increased methanol imports from Trinidad and Tobago by an estimated $23.9 million (6.7 percent). Overall, T-shirts (either made from cotton or from manmade fibers), methanol, and petroleum products were the largest imports under CBERA program preferences, accounting for 64 percent of total U.S. imports under the CBERA program in 2022.

Economic Effect on U.S. Industries

Imports of T-shirts and methanol may have displaced some U.S. production. According to the Commission's partial equilibrium model results, the CBERA program primarily impacted two domestic industries: T-shirts and methanol. For 2022, the CBERA program was estimated to have reduced revenues to the U.S. T-shirt industry by 2.1 percent for manmade-fiber T-shirts and 0.9 percent for cotton T-shirts. The program's effect on the U.S. methanol industry's revenues was an estimated reduction of 0.8 percent. The CBERA program is estimated to have resulted in the loss of 26 workers producing T-shirts and 10 workers producing methanol. The loss is negligible for the other products imported under CBERA program preferences in 2022.

Economic Effect on U.S. Consumers

Consumers paid slightly lower prices. In 2022, it is estimated that average U.S. consumer prices were slightly lowered due to imports under CBERA program preferences. For textiles, the largest effect of CBERA program preferences on prices was for T-shirts of manmade fibers, with an estimated decline of 1.4 percent. For men's/boys' shirts of manmade fibers, the estimated decrease in price was 0.9 percent. For methanol, the estimated decline in consumer prices was 0.6 percent. These imports under CBERA program preferences resulted in some of the largest declines in prices, either because, in the case of textiles, they would otherwise face high NTR tariff rates, or because, in the case of methanol, they account for nontrivial shares of the U.S. domestic market.[10]

Probable Future Effect

The future effect of the CBERA program on the U.S. economy and domestic industries will likely remain small. CBERA beneficiaries are in general small suppliers to the U.S. market. This analysis focuses on U.S. import demand and export supply capacity. On the import demand side, U.S. real GDP is projected to continue growing from 2023 to 2027, albeit at generally lower rates than before the

[10] The NTR duty rate for T-shirts of manmade fibers is 32 percent, and the NTR duty rate for men's/boys' shirts of manmade fibers is 25.9 percent. According to USITC calculations, methanol entering under CBERA (2905.11.20) comprised 24.5 percent of the U.S. market in 2021 and 15.7 percent of the U.S. market in 2022. USITC calculation based on the share of Trinidad and Tobago imports in U.S. consumption of non-fuel use methanol. Estimate of total U.S. methanol consumption sourced from *Chemical Economics Handbook* (CEH), with methanol used to make biodiesel and octane enhancers (fuel uses) removed. Bescond, Smith, "Methanol," March 2021.

pandemic. Export supply capacity depends to a great degree on domestic output and foreign direct investment (FDI). CBERA beneficiary economies have grown recently because tourism has rebounded since the COVID-19 pandemic and oil prices rose in 2021 and 2022. The International Monetary Fund, however, forecasts that lower commodity prices in the future may restrain future Caribbean growth. In turn, such restrained growth may reduce future CBERA program import growth.

Investment in the CBERA Region. Recent and planned investments in CBERA beneficiaries, with the exception of substantial recent and proposed investments in Guyana, are predominantly concentrated in the services sector. They are not expected to increase future exports into the United States under the CBERA program, which only applies to goods trade. Global FDI stock in CBERA beneficiaries totaled $1.1 trillion in 2021, a 4.1 percent increase since 2020. From 2020 to 2021, Guyana experienced the largest growth in investment at 14.6 percent. This was driven primarily by investment in oil exploration and production, a substantial portion of which is from U.S.-owned ExxonMobil, including a planned investment of $12.7 billon that was approved in April 2023.

Impact of the CBERA Program on the Beneficiary Countries

To analyze the impact of the CBERA program on the economies of the beneficiary countries, the Commission examined the utilization of the CBERA program and export specialization pattern of CBERA beneficiary countries over time. Utilization and diversification have increased for some beneficiaries but decreased for others, resulting in an inconclusive overall effect since the last reporting period. One factor that affected utilization was duty rate (countries that export products with high NTR rates utilize the program heavily); another factor that affected diversification was marked growth in a few strongly demanded products (e.g., petroleum products).

Utilization

Utilization of CBERA program trade preferences is affected by the extent to which importers of products eligible for CBERA program preferences took advantage of the available preferences, as well as the extent to which CBERA beneficiaries are able to supply products eligible for CBERA program preferences. The CBERA program utilization rate focuses solely on the rate at which CBERA beneficiaries claim CBERA program benefits and has varied over time and across countries. Although the utilization rates for some countries, such as Haiti, have remained high during 2020–22, the utilization rates for several other CBERA exporters, including Barbados and Guyana, have declined. Several persons who appeared at the Commission's public hearing or filed written submissions suggested that several factors may contribute to the overall level of utilization of the CBERA program, including trade preferences available to competing suppliers; available productive resources and the ability to attract investment; and knowledge of the program, transparency, and flexibility of CBERA program rules of origin and other U.S. import requirements.

Export Diversification

One objective of CBERA was to encourage diversification of exports from CBERA beneficiaries into more advanced products that would support these countries' overall economic development.[11] As noted above, the CBERA program has stimulated a modest degree of export diversification in the region since the inception of the program, driven by trends during the 2006–20 period, with differences across countries. The CBERA program has led to more export diversification in certain countries. For example, Haiti has expanded its operations into producing more complex garments and textile products. Some CBERA beneficiaries moved away from supplying raw materials and into downstream products. For example, Trinidad and Tobago diversified its exports from natural gas into methanol and Jamaica diversified from aluminum ore into aluminum oxide. The last two years saw an increase in the variety of goods exported from some CBERA beneficiaries to the United States and a decrease for other CBERA beneficiaries. Growth in bulk commodity exports, notably petroleum products, corresponded with less diversified exports in several countries, such as Guyana and The Bahamas, between 2020 and 2022. According to hearing testimony, high costs of production, uncertainty that deters investment, and challenges with export requirements can limit export growth and diversification for CBERA program beneficiaries.

Economic Profiles of Selected Countries

Guyana

Following an offshore oil discovery in 2015, Guyana has quickly become the fastest-growing economy in the CBERA region. Despite the COVID-19 pandemic and related declines in non-oil and gas exports, Guyana's real GDP surged by 43.5 percent in 2020 and has maintained double-digit growth through 2022. As Guyana's largest trade partner in terms of total trade, the United States has received a growing portion of the country's petroleum exports, but the share of such exports claiming CBERA program preferences has fluctuated significantly between 2020 and 2022. This inconsistency in Guyana's utilization of the CBERA program has been attributed to a lack of awareness of the program's many requirements and restrictions, as well as the decline in oil imports claiming CBERA preferences.

Trinidad and Tobago

Trinidad and Tobago ranked as the largest CBERA economy in 2022, with an estimated GDP of $27.9 billion. Because of the significant disruptions related to the COVID-19 pandemic, the real GDP of Trinidad and Tobago contracted by 7.7 percent in 2020 and 1.0 percent in 2021. In 2022, the real GDP growth was estimated at 2.5 percent after the government reduced pandemic-related measures.

Trinidad and Tobago is generally open to FDI. As of 2021, the U.S. direct investment position in Trinidad and Tobago was $4.1 billion, an increase of 12 percent from 2020. Energy is the critical sector driving the economy of Trinidad and Tobago. This sector attracts the most FDI and usually contributes to more than half of its GDP and 80 percent of its export revenue.

[11] See, e.g., The Administration's Proposed Trade and Tax Measures Affecting the Caribbean Basin: Hearing Before the H. Comm. on Ways and Means, 97th Cong. 134–35 (1982).

The United States was Trinidad and Tobago's largest goods export market and the leading import partner. Leading U.S. imports from Trinidad and Tobago in 2022 were methanol and energy products; leading U.S. exports to Trinidad and Tobago in 2022 included aircraft. Trinidad and Tobago registered the tenth-highest CBERA program utilization rate in 2022, at 54.5 percent, 11.9 percentage points lower than its highest level at 66.4 percent in 2019. Exports of Trinidad and Tobago to the United States under the CBERA program became more diversified. The Trinidad and Tobago Ministry of Trade affirmed the important role that the CBERA program plays in the country's overall trade and in supporting poverty reduction and employment generation.

Haiti

The CBERA program, particularly the provisions under the HOPE and HELP Acts, has played a significant role in shaping Haiti's export profile during the past five years when most of Haiti's exports to the world were textile and apparel exports to the United States under the CBERA program. The United States remained Haiti's top export destination, accounting for 87.0 percent of Haiti's total exports in 2022. Notably, Haiti had the highest utilization rate among CBERA beneficiaries at 98.5 percent in 2022. During that year, products entered under the CBERA program accounted for 95 percent of U.S. imports from Haiti. Of those U.S. imports of products entered under the CBERA program from Haiti, textiles and apparel accounted for 97.3 percent in 2022. The CBERA program has helped improve economic conditions in Haiti. Employment has increased in Haiti's female dominant textile and apparel sector since the passage of the HOPE/HELP Acts. An industry representative said that, in the absence of these programs, the economic situation in the Caribbean and migration issues could have been worse.

Since 2020, in addition to the global pandemic, Haiti has faced numerous challenges that have disrupted its economy. These include protests, repercussions associated with the assassination of President Jovenel Moïse, increased gang violence, the 2021 earthquake, the 2022 cholera outbreak, and the weakened government management. These challenges have negatively affected Haiti's economic growth, current account balance, services trade (mainly travel services), and FDI during the 2020–22 period. Though Haiti had one of the lowest reported rates of COVID-19 infections of any CBERA beneficiary country, pandemic-related business closures, sourcing challenges, and reduced demand affected Haiti's apparel exports in 2020. In 2021 and 2022, however, Haitian exports to the world and to the United States under the CBERA program increased compared to 2020, though those values were less than 5 percent higher than they were in 2018.

Chapter 1
Introduction

This report contains the assessment by the U.S. International Trade Commission (USITC or Commission) of the economic impact of the Caribbean Basin Economic Recovery Act program (CBERA program) on the U.S. economy, imports, industry, and consumers, as well as on the economy of the beneficiary countries during 2021–22.[12] In 2021–22, the impact of the CBERA program on the U.S. economy and industries continued to be small, primarily because the value of U.S. imports under the program is small compared to total U.S. imports—less than 0.1 percent. In the same period, the Commission's model estimates that the CBERA program increased U.S. imports and decreased consumer prices slightly.[13]

This chapter describes the scope and approach, organization, and sources of information of the report. The chapter presents an overview of the Generalized System of Preferences (GSP) program and the CBERA program (which was first implemented on January 1, 1984), including beneficiary and eligibility requirements, trade benefits, and qualifying rules of origin.[14] The chapter also covers amendments to CBERA that have expanded the original preference program, including the Caribbean Basin Trade Partnership Act (CBTPA, authorized in 2000 and reauthorized in 2020), the Haitian Hemispheric Opportunity through Partnership Encouragement Act 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.[15] Throughout this report—the 26th in the series—the term "CBERA program" refers to CBERA as amended by these acts.

[12] Throughout this report, the term "CBERA beneficiary" or "CBERA beneficiary country" refers to a country or territory for which there is a proclamation in effect designating it as a beneficiary. 19 U.S.C. § 2702(a)(1)(A). The 17 CBERA beneficiaries at the end of 2022 were 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. HTS general note 7(a). Throughout this report, the term "CBERA program" refers to CBERA as amended by the Caribbean Basin Trade Partnership Acts of 2000 and 2020 (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.

[13] The average change in U.S. imports of CBERA-eligible products from CBERA beneficiaries was 37.2 percent; the average change in average consumer prices was 0.5 percent (see tables 3.3 and 3.4 for more on percentage changes in imports and prices).

[14] "CBERA-eligible products" are products eligible for preferences under the CBERA program (CBERA, CBERA as amended, CBTPA, HOPE/HELP). For CBERA-eligible products to receive duty free treatment, the importer must claim the preference and the product must meet certain country of origin rules and other requirements as discussed in chapter 1. Eligibility is country specific in addition to being product specific. A subset of CBERA beneficiaries are also CBTPA beneficiaries. For a full list of which CBERA beneficiary countries were eligible for which CBERA program preferences, see the section on "Beneficiaries and Eligibility" in chapter 1. Throughout the report, the terms "imports under CBERA," "imports under the CBERA program," and "CBERA imports" refer to CBERA-eligible products that claim preference under the CBERA program.

[15] Preferences provided in the CBTPA, HOPE, and HELP Acts have expiration dates, as detailed in the Summary of the CBERA Program section to follow and in table 1.1.

Scope and Approach of the Report

This year's report assesses the economic impact of the CBERA program on U.S. industries and consumers and on beneficiary countries for 2021 and 2022.[16] The Commission's report includes an assessment of the effect of the CBERA program on the U.S. economy generally, as well as on those specific domestic industries that produce articles that are like, or directly competitive with, articles being imported into the United States from beneficiary countries.[17]

This report assesses the economic impact of the CBERA program 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 the CBERA program on U.S. industry employment and profitability.[18] This assessment was made by comparing actual 2022 market conditions with a hypothetical case in which normal trade relations (NTR)[19] duties were imposed on CBERA program imports for 2022. The effect of duty-free treatment of U.S. imports entered under the CBERA program on most U.S. industries and U.S. consumers is estimated to be small.

As originally enacted in 1983, and as amended, the CBERA program provides for the duty-free or reduced-duty treatment of imports of qualifying products from designated beneficiary countries.[20] In general, the direct effect on the U.S. economy of such a duty elimination would be expected in the short term to consist primarily of increased U.S. imports from beneficiary countries, resulting from a diversion of trade to take advantage of lower duties in the U.S. market. In general, this effect is likely to have occurred within a short period (a year or two) after the duty elimination. It is therefore likely that this effect has already been fully realized for the CBERA program.

Over a longer period, the effects of the CBERA program likely flow mostly from investment in industries in beneficiary countries that benefit from the duty-free treatment, creating opportunities to grow production and expand exports to the United States. The small size of the CBERA beneficiaries' economies limits both short-term and long-term effects on the U.S. economy.[21] The long-term effects are 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 to detect the trends in, and composition of, investment in the region and is examined in this report as well.[22]

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[16] 19 U.S.C. § 2704(a)(1).
[17] 19 U.S.C. § 2704(b)(1).
[18] Because of data availability and the development of appropriate analytical tools, the Commission has been able to extend the partial equilibrium model to estimate effects on employment and profit margins for the past three reports.
[19] Normal-trade-relations (NTR) status was formerly known as "most-favored-nation" (MFN) status; MFN is the term commonly used outside the United States. Goods from a country with NTR status are entitled to normal nondiscriminatory tariff treatment.
[20] Caribbean Basin Economic Recovery Act, Title II of Pub. L. No. 98-67, 97 Stat. 369, 384–98 (1983) (codified as amended at 19 U.S.C. § 2701 et seq.)
[21] U.S. imports under the CBERA program account for a small share of total U.S. imports; in 2022, it was 0.08 percent (see table 1.1).
[22] The impacts of external forces such as the COVID-19 pandemic, earthquakes, hurricanes, and political instability are discussed, as applicable, in each respective economic profile in chapter 4.

The Commission assessed the economic impact of the CBERA program in 2021–22 on the U.S. economy generally and on specific U.S. industries producing articles that are like or directly competitive with articles imported under the CBERA program in several ways. First, the Commission analyzed imports that entered under the program and trends in the ratio of those imports to overall U.S. imports. Second, using a partial equilibrium model, the Commission estimated the effect of the CBERA program on U.S. imports, consumers, and industries competing with the leading U.S. imports that benefited exclusively from the CBERA program in 2022. Third, the Commission examined trends in production in any U.S. industry identified as likely to be particularly affected by such imports.

To analyze imports under the CBERA program and their trends, the assessment focused on the 10 leading CBERA-exclusive products and the 10 leading CBERA-nonexclusive products that benefited from CBERA program tariff preferences in 2022 (see chapter 3).[23] Further analysis was directed toward industries with potential for an adverse impact on U.S. producers. As in previous years, a single U.S. industry—methanol—met that criterion in 2022 (see chapter 2).

In assessing the probable future effect of the CBERA program, 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-region production facilities was obtained mainly from sources such as the International Monetary Fund (IMF) and the World Bank, as well as from testimony provided at the Commission hearing held on March 9, 2023.[24]

In examining the impact of the CBERA program on the economy of the beneficiary countries, the Commission considered CBERA's goals of encouraging economic growth, economic development, and export diversification. Chapter 4 includes sections that discuss the CBERA program's utilization rates and export diversification in the region. It also examines the extent to which CBERA beneficiaries have diversified their economies 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 three countries: Haiti, Trinidad and Tobago, and Guyana. These three countries were the top sources of imports under the CBERA program by volume in 2022.

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 the CBTPA, the Trade Act of 2002, the HOPE Acts, and the HELP Act. Chapter 2 gives an overview of U.S. imports from CBERA beneficiaries through 2022. Chapter 3 reports on the economic impact of the CBERA program on U.S. industries during the two-year period covered by the biennial report (in this case, 2021–22). This chapter also

[23] "CBERA-exclusive" imports are imports of products that can receive preferential entry only under the CBERA program. "CBERA-nonexclusive" imports are imports of products that entered the United States under the CBERA program but were also eligible for entry under the Generalized System of Preferences (GSP). GSP authorization expired on December 31, 2020, so duty-free entry under GSP was not available for 2022. Following past instances of GSP authorization lapsing, legislation renewing the President's authority to grant duty-free treatment under GSP allowed importers to apply for refunds of duties if the article was otherwise eligible for GSP and the importer had claimed the GSP preference at the time of entry. Thus, during 2022, importers have the option of claiming GSP preferences in the event GSP is renewed with retroactive relief.

[24] A list of witnesses appearing at the hearing is presented in appendix C of this report.

includes the Commission's assessment of the probable future effect of the CBERA program on the U.S. economy generally, on specific domestic industries producing similar or directly competitive articles, and on U.S. consumers. Chapter 4 contains the Commission's report on the impact of the CBERA program on the economies of the beneficiary countries, with a focus on selected beneficiary countries.

Appendix A reproduces the notice that the Commission published in the *Federal Register* by which it announced a public hearing to be held on March 9, 2022, and invited public comment for this 26th report. Appendix B explains the economic model used to estimate the effect of the CBERA program on the U.S. economy presented in Chapter 3. Appendix C includes a list of the witnesses who 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 presented in the report. Appendix F includes statistical tables of imports for consumption. Appendix G includes information on certain special import preference programs.

Sources

General economic and trade data come from official statistics of the U.S. Census Bureau (U.S. Census) and from information developed by country/regional and industry analysts at the Commission. Because this report incorporates official revisions of data from the U.S. Census, data may differ somewhat from those in previous CBERA reports and other Commission reports.

Other sources of information include testimony at and submitted statements for the Commission's hearing; reports by other U.S. government departments and offices, including the U.S. Department of Commerce and the U.S. Department of State; reports by international nongovernmental organizations, including the Inter-American Development Bank, the IMF, the Organization of American States, the United Nations (UN), the UN Conference on Trade and Development, and the World Bank; official government sources in the CBERA beneficiary countries; and other published sources of information on CBERA program-related investment, production, and exports. The report also incorporates information provided in written public submissions received in response to the Commission's *Federal Register* notice about the investigation.

Summary of the CBERA Program

As originally enacted, CBERA authorizes the President to grant duty-free treatment or other preferential treatment for all qualifying articles from CBERA beneficiaries. CBERA has been amended and expanded over time. The following subsections describe CBERA program provisions concerning beneficiaries, trade benefits, qualifying rules, and the relationship between the CBERA and GSP programs. The expansion of CBERA—through provisions added to CBERA by the CBTPA, the HOPE Acts, and the HELP Act, as well as the evolution of labor provisions—is described at the end of this section.

Under the CBERA program, if U.S. importers do not claim—or if a shipment does not qualify for—this or some other special status, then duties are charged on their goods using the rates found in the "general" rates of duty column of the Harmonized Tariff Schedule of the United States (HTS) (table 1.1 summarizes the major provisions of the CBERA program). These are the rates charged on goods from countries that have NTR status with the United States; such rates will be referred to as NTR duty rates in this report.

Table 1.1 Summary of the CBERA program, year end 2022

Characteristic	Description
History	Enacted 8/5/1983, became effective 1/1/1984. Expanded and made permanent, 8/20/1990, under CBEREA. Enhanced 5/18/2000 under the CBTPA. The CBTPA was extended 5/22/2008, 5/24/2010, and 10/10/2020; it was amended by the Trade Act of 2002 on 8/6/2002. Enhanced for Haiti under the HOPE Act 12/20/2006, HOPE II 5/22/2008, and HELP Act 5/24/2010. HOPE and HELP were last extended 6/29/2015.
Benefits	Duty-free entry or reduced-duty entry granted on a nonreciprocal, non-NTR basis.
Eligibility criteria	CBERA has mandatory criteria addressing issues of governance, economic policy, and taking steps to provide internationally recognized worker rights, as well as discretionary criteria on economic conditions, WTO commitments, and intellectual property. CBTPA eligibility criteria further elaborate some of those under CBERA (e.g., WTO commitments, protecting intellectual property, and providing internationally recognized worker rights), and CBTPA adds new criteria on U.S. counter-narcotics policies, anticorruption, government procurement policies, and customs procedures. The HOPE and HELP Acts require that Haiti has established, or is making continual progress, on eligibility criteria covering governance, economic policy, and internationally recognized worker rights. HOPE/HELP programs also have a requirement that individual producers participate in a labor-monitoring program.
Duration (of trade benefits)	CBERA is non-expiring. The CBTPA: until 9/30/2030. HOPE and HELP Acts: until 9/30/2025.
Beneficiaries	Seventeen in 2022: 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. Eight beneficiaries under the CBTPA in 2022: Barbados, Belize, Curaçao, Guyana, Haiti, Jamaica, Saint Lucia, and Trinidad and Tobago. Haiti is the lone beneficiary under the HOPE and HELP Acts.
Coverage (eligible products)	5,674 HTS 8-digit tariff lines under CBERA and another 259 under the CBTPA.
Value of imports under the program	$2.6 billion (2022).
U.S. imports under CBERA as a share of total U.S. imports for consumption	0.08 percent (2022).
U.S. imports from beneficiaries that receive program preferences as a share of total U.S. imports from beneficiary countries	22.5 percent (2022).

Source: Compiled by the USITC.

Notes: Caribbean Basin Economic Recovery Expansion Act of 1990 (CBEREA). Caribbean Basin Trade Partnership Act (CBTPA) of 2000. Normal trade relations (NTR) status was formerly known as "most-favored-nation" (MFN) status; MFN is the term commonly used outside the United States. Goods from a country with NTR status are entitled to normal nondiscriminatory tariff treatment. Most HOPE and HELP provisions provide special rules and not preferential treatment for additional tariff lines; these products enter under HTS chapter 98. HOPE and HELP treatment in the HTS is described in detail in section "Comparison of the Rules of Origin for Apparel under CBTPA, the HOPE Acts, and the HELP Act" and appendix G.

As originally enacted, CBERA authorized the President to provide duty-free treatment to qualifying goods from CBERA beneficiaries through September 30, 1995.[25]

The Caribbean Basin Economic Recovery Expansion Act (CBEREA) of 1990 repealed that termination date, extended preferential treatment to certain products, and expanded labor provisions, among other changes.[26] In May 2000, the CBTPA further expanded the CBERA program, notably extending trade preferences to textiles and apparel from eligible countries in the region.[27] In August 2002, the Trade Act of 2002 clarified and modified several CBTPA provisions.[28] In December 2006, HOPE I enhanced benefits under the CBERA program for Haiti; in 2008, HOPE II extended and further enhanced these benefits for Haiti.[29] In May 2010, the HELP Act of 2010 extended the expiration date of benefits under the HOPE Acts from September 30, 2018, to September 30, 2020; extended the expiration date of benefits under the CBTPA from September 30, 2010, to September 30, 2020; and further expanded benefits for Haiti.[30] The Trade Preferences Extension Act of 2015 extended HOPE and HELP benefits until September 30, 2025.[31] The Caribbean Basin Economic Recovery Extension Act (CBEREA) of 2020 extended CBTPA benefits through September 30, 2030.[32]

Beneficiaries and Eligibility

To be eligible for duty-free treatment under CBERA, a CBERA country must be designated as a beneficiary. Seventeen countries and territories have been designated as CBERA beneficiaries (collectively referred to in this report as "CBERA beneficiaries").[33] Imports from these 17 countries and territories were eligible for CBERA tariff preferences during 2021–22.[34] Curaçao was the most recent country to be designated a CBERA beneficiary, effective January 1, 2014, and to be designated a CBTPA

[25] Caribbean Basin Economic Recovery Act, Title II of Pub. L. No. 98-67, § 218(b), 97 Stat. 369, 395 (1983).
[26] Caribbean Basin Economic Recovery Expansion Act of 1990, Title II of Pub. L. No. 101-382, §§ 211–227, 104 Stat. 629, 655–661 (codified as amended primarily at 19 U.S.C. § 2703 and in the related notes). For a comprehensive description of the 1990 act, see USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Sixth Report 1990–1991*, September 1991, 1–1 to 1–5.
[27] United States-Caribbean Basin Trade Partnership Act, Title II of Pub. L. No. 106-200, § 211(a), 114 Stat. 251, 276-88 (2000) (codified as amended at 19 U.S.C. § 2703 and the related notes). CBTPA and its 2002 Trade Act amendments are described in a separate section of this chapter.
[28] Pub. L. No. 107-210, § 3107, 116 Stat. 933, 1035–38 (2002) (codified as amended at 19 U.S.C. § 2703 and the related notes).
[29] Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE I Act), Pub. L. No. 109-432, §§ 5001–6, 120 Stat. 2922, 3181–90. Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II Act), Pub. L. No. 110-246, §§ 15401–12, 122 Stat. 2289–309. Preferences specific to Haiti are described in a separate section of this chapter.
[30] Haiti Economic Lift Program of 2010, Pub. L. No. 111-171, §§ 1–10, 124 Stat. 1194–1208.
[31] Trade Preferences Extension Act of 2015, Pub. L. No. 114-27, § 301, 129 Stat. 373.
[32] Extension of the Caribbean Basin Economic Recovery Act, Pub. L. No. 116-164, § 2, 134 Stat. 758 (2020) (amending 19 U.S.C. § 2703).
[33] HTS General Note 7(a).
[34] See 19 U.S.C. § 2702(b) for requirements and considerations for eligibility and designation. To receive the tariff preference, however, in addition to being a good covered by the CBERA program from a designated beneficiary, the importer must claim the preference and the imports must meet certain country of origin rules and other requirements as discussed below.

beneficiary,[35] on August 18, 2015.[36] Additional CBERA countries and territories 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.[37] Suriname requested CBERA beneficiary status in 2009.[38] The Turks and Caicos Islands and Sint Maarten requested CBERA status in 2012.[39] Between 2006 and 2011, several CBERA countries became ineligible for the program after entering into trade agreements with the United States, such as the Dominican Republic-Central America-U.S. Free Trade Agreement and the U.S.-Panama Trade Promotion Agreement.[40]

Countries designated as CBERA beneficiaries are not automatically eligible for CBTPA preferences.[41] To be eligible for CBTPA preferences, the President must separately designate the country as a CBTPA beneficiary. During the 2021–22 period covered by this report, eight CBERA beneficiaries had designations for CBTPA preferences.[42] CBTPA provides that all designated CBERA beneficiaries are potentially eligible for CBTPA beneficiary status; however, some did not request beneficiary status until 2012.[43] The President can terminate beneficiary status or suspend or limit a country's CBERA or CBTPA benefits at any time, as explained below.[44]

CBERA has eligibility conditions and other factors the President must consider when designating CBERA beneficiaries.[45] The eligibility conditions include, among other things, avoiding the nationalization/appropriation of U.S.-citizen property and expropriation of intellectual property and

[35] Throughout this report, the term "CBTPA beneficiary" refers to a country or territory that is a CBERA beneficiary and for which a proclamation designating it as a beneficiary under CBTPA is also in effect. 19 U.S.C. § 2703(b)(5)(B).
[36] Proclamation No. 9072, 78 Fed. Reg. 80417 (Dec. 31, 2013), 80 Fed. Reg. 51650 (August 25, 2015).
[37] The CBERA countries and territories eligible for designation as CBERA beneficiaries is based on the list in 19 U.S.C. § 2702(b); HTS General Note 7(a); *see also supra* footnote 43. Anguilla requested designation as a beneficiary under CBERA in 1997. 62 Fed. Reg. 62797 (November 25, 1997).
[38] 75 Fed. Reg. 17198 (April 5, 2010).
[39] 77 Fed. Reg. 61816 (October 11, 2012). Curaçao and Sint Maarten became successor political entities of the Netherlands Antilles, which was dissolved in 2010, and eligible to receive benefits as such. Although both countries requested beneficiary status in 2012, as noted in the CBTPA discussion below, only Curaçao has been granted such status as of July 2023. Previously in 1986, Aruba became a successor entity to the Netherland Antilles and was proclaimed a CBERA beneficiary that same year. Pres. Proclamation 5458, 51 Fed. Reg. 12681 (April 15, 1986).
[40] 19 U.S.C. § 2702 note (listing CBERA termination dates for countries); HTS General Note 7(b)(i)(C). These countries are Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.
[41] 19 U.S.C. § 2703(b)(5)(B).
[42] The eight countries designated as CBTPA beneficiaries are Barbados, Belize, Curaçao, Guyana, Haiti, Jamaica, Saint Lucia, and Trinidad and Tobago. See HTS general note 17 and U.S. notes in HTS subchapters II and XX of chapter 98. Imports from these eight countries are eligible for CBTPA preferences.
[43] 19 U.S.C. § 2703(b)(5)(B) (providing that countries eligible for CBERA under 19 U.S.C. § 2702(a)(1)(A) are eligible for designation under the CBTPA). Countries that requested designation under the CBTPA only in 2012 include Aruba, The Bahamas, Dominica, Grenada, Montserrat, Saint Kitts and Nevis, and Saint Vincent and the Grenadines. 77 Fed. Reg. 61816 (October 11, 2012). In Proclamation No. 9072, the President designated Curaçao as a beneficiary for CBERA and the CBTPA, but also directed the U.S. Trade Representative (Trade Representative) to make a further determination that Curaçao's custom procedures satisfied the requirements of the CBTPA before implementation of these benefits. 78 Fed. Reg. 80417 (December 31, 2013). The Trade Representative made such a determination in 2015, and Curaçao's CBTPA benefits went into effect on August 18, 2015. 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 the CBTPA unless first granted CBERA status. 19 U.S.C. § 2703(b)(5)(B).
[44] 19 U.S.C. § 2702(e)(1)(A)–(B).
[45] 19 U.S.C. § 2702(b–c).

respecting worker rights.[46] CBERA also prohibits the President from designating countries as beneficiary countries if they do not meet certain criteria, such as having an extradition agreement with the United States in place.[47] The President, however, can designate a country a CBERA beneficiary "if such designation will be in the national economic or security interest of the United States and reports such determination to the Congress with his reasons therefor."[48] These provisions are mostly unchanged from the original CBERA. CBEREA of 1990 amended the labor provision of CBERA to require beneficiaries to take steps to afford "internationally recognized worker rights" as defined under GSP.[49] CBTPA required that beneficiaries satisfy both the eligibility criteria for CBERA as well as new criteria, including a commitment to eliminating the worst forms of child labor.[50] The CBTPA gives the President authority to withdraw beneficiary designation if the President finds that, after a change in circumstances, the performance of eligibility criteria is not satisfactory.[51] The President has delegated to the U.S. Trade Representative the authority to designate beneficiary countries under CBERA, and GSP requires that the U.S. Department of Labor (USDOL) submit annual reports to Congress on GSP beneficiaries' implementation of internationally recognized worker rights and the elimination of the worst forms of child labor.[52]

HOPE II (along with HOPE I and HELP) expanded preferential treatment of imports of certain apparel and textile items for Haiti. HOPE II requires as a condition of maintaining eligibility for HOPE benefits that Haiti establish, in cooperation with the International Labour Organization (ILO), a labor-related capacity-building and monitoring program in the apparel sector. This is known as the Technical Assistance Improvement and Compliance Needs Assessment and Remediation (TAICNAR) Program.[53] In addition, to remain eligible for preferential treatment under the HOPE Acts, Haiti is required to make progress toward "establishing the protection of internationally recognized worker rights." To achieve this, Haiti must establish a Labor Ombudsperson's Office, require producers desiring preferential treatment to participate in the TAICNAR Program, and establish a producer registry.[54]

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[46] 19 U.S.C. § 2702(c). For discussion of the mandatory and discretionary criteria considered in designating beneficiaries, see chapter IV of the *Thirteenth Report to Congress on the Operation of the Caribbean Basin Economic Recovery Act*, USTR, December 31, 2019.
[47] 19 U.S.C. § 2702(b)(6).
[48] 19 U.S.C. 2702(b) (allowing the President to designate a country as a beneficiary even if factors at 19 U.S.C. 2702(b)(1–3, 5, & 7) are not satisfied).
[49] CBERA relies on the definition of "internationally recognized worker rights" in 19 U.S.C. § 2467(4), which provides that they include the right of association; the right to organize and bargain collectively; a prohibition on forced labor; a minimum age for the employment of children and prohibition on the worst forms of child labor as defined under 19 U.S.C. § 2467(6); and acceptable conditions of work with respect to minimum wage, hours of work, and occupational safety and health.
[50] 19 U.S.C. § 2703(b)(5)(B). The United States is a signatory of the International Labor Organization (ILO)'s Worst Forms of Child Labor Convention No. 182, which defines such forms of labor as including child slavery, child prostitution, use of child for illicit activities, and work which is likely to harm children. Worst forms of child labor is also defined under GSP at 19 U.S.C. § 2467(6).
[51] United States-Caribbean Basin Trade Partnership Act, Title II of Pub. L. No. 106-200, § 211(a) 114 Stat. 251, 285 (codified as amended at 19 U.S.C. § 2702(e)).
[52] 19 U.S.C. § 2464 (GSP provision on USDOL reports); Presidential Proc. 7351, 65 Fed. Reg. 59329 (October 4, 2000). See, e.g., USTR, *Thirteenth Report to Congress on the Operation of the Caribbean Basin Economic Recovery Act*, December 31, 2019; USDOL, *2019 Findings on the Worst Forms of Child Labor*, September 2019.
[53] 19 U.S.C. § 2703a(e)(1), (3).
[54] 19 U.S.C. § 2703a(e)(1–2).

Unlike other CBERA products, to be eligible for preferential treatment under the HOPE Acts, textile and apparel producers in Haiti must individually comply with core labor standards and be included on a registry of eligible producers.[55] The ILO and the U.S. government assist the government of Haiti in implementing the TAICNAR Program and helping producers meet the requirements of HOPE II.[56]

Trade Benefits under the CBERA Program

CBERA provides duty-free or reduced-duty treatment to qualifying imports from designated beneficiary countries.[57] For some products, duty-free entry under CBERA is subject to statutory conditions, such as those for sugar and beef, in addition to normal program rules.[58] 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).[59]

Under the original CBERA, certain articles, including textile and apparel articles subject to textile agreements, canned tuna, petroleum and petroleum derivatives, and certain watches and parts, were not eligible to receive preferential treatment.[60] The original CBERA also did not permit preferential treatment for certain articles, including certain leather handbags, luggage, flat goods (such as wallets and portfolios), work gloves, and leather wearing apparel, that had not been designated before August 5, 1983, as GSP-eligible articles.[61] CBTPA amended CBERA to authorize duty-free treatment for some products for CBTPA beneficiary countries, such as certain apparel articles, previously ineligible for CBERA

[55] 19 U.S.C. § 2703a(e)(1–3); see also 2022 Annual HOPE II Report to Congress, USTR, 2022.
[56] See USTR, *2022 USTR Annual Report on the Implementation of the Technical Assistance Improvement and Compliance Needs Assessment and Remediation (TAICNAR) Program and Assessment of Producer Eligibility*, accessed July 17, 2023.
[57] 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.
[58] Sugar (including syrups and molasses) and beef (including veal) are eligible for duty-free entry only if the exporting CBERA beneficiary submits a stable food production plan to the United States, assuring that its agricultural exports do not interfere with its domestic food supply or nutritional level of the population. See 19 U.S.C. §§ 2703(c)(1)(B) (requirements for plan) & 2703(c)(2) (conditioning duty-free treatment of sugar and beef on Presidential review of plan).
[59] 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; 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). The URAA also amended CBERA by excluding from duty preferences any imports from beneficiaries in quantities exceeding the new TRQs' global trigger levels or individual country allocations; in other words, only within-quota imports from CBERA beneficiaries qualify for duty-free treatment. No products of designated beneficiaries are excluded from safeguard measures under the Agreement on Agriculture. Pub. L. No. 103-465, §§ 401, 404, 108 Stat. 4809, 4957−58, 4959–61 (1994).
[60] Pub. L. No. 98-67, § 213(b), 97 Stat. 369, 388 (1983). 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.
[61] Pub. L. No. 98-67, § 213(b)(2), 97 Stat. 369, 388 (1983). These are articles that were not designated for GSP duty-free entry as of August 5, 1983. Under amendments in 1990, duties on these goods were reduced up to 20 percent in five equal annual stages starting on January 1, 1992. Pub. L. No. 101-382, § 212(a), 104 Stat. 629, 655–56 (1990) (codified at 19 U.S.C. § 2703(h)).

preferences.[62] It also authorized treatment equivalent to that given to Mexico under the North American Free Trade Agreement (NAFTA) for import-sensitive articles otherwise excluded from CBERA, such as petroleum products.[63] Among HTS 8-digit subheadings, 5,674 are now covered by CBERA trade preferences and an additional 259 are covered under the CBTPA.[64] CBERA excluded certain products from receiving preferential treatment, and although the CBTPA 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 ineligible for preferential treatment.[65]

Qualifying Rules of Origin

CBERA generally provides that to receive duty-free entry into the United States, eligible products must be imported directly from a beneficiary country and either be (1) wholly grown, produced, or manufactured in a designated CBERA beneficiary or (2) "new or different" articles made from substantially transformed non-CBERA inputs in a designated CBERA beneficiary.[66] In addition, the cost or value of the local materials (i.e., materials produced in one or more CBERA beneficiaries) used to produce the product, plus the direct cost of processing in one or more CBERA beneficiaries, must total at

[62] United States-Caribbean Basin Trade Partnership Act, Title II of Pub. L. No. 106-200, § 211, 114 Stat. 251, 276–88 (codified as amended at 19 U.S.C. § 2703(b)(2)(A)).

[63] United States-Caribbean Basin Trade Partnership Act, Title II of Pub. L. No. 106-200, § 211, 114 Stat. 251, 282 (codified as amended at 19 U.S.C. §§ 2702, 2703(b)(2)(E)). The CBTPA was an amendment to CBERA and provided an expansion of duty-free access to the U.S. market for the subset of CBERA beneficiaries designated as CBTPA beneficiaries. The CBTPA's amendments to CBERA were codified at 19 U.S.C. §§ 2701 note, 2702–04, 3202, and 3204. In 2020, the United States-Mexico-Canada Agreement (USMCA) superseded NAFTA and CBERA's references to NAFTA were updated to refer to the USMCA. See Pub. L. No. 116-260, § 602(b), 134 Stat. 1182, 2152 (amending 19 U.S.C. § 2703(b)). CBTPA benefits are available for a "transition period," which CBTPA initially defined as the earlier of September 30, 2008, or the date of a beneficiary entering into a free trade agreement with the United States. Pub. L. No. 106-200, § 211, 114 Stat. 251, 285-86 (2000). This period has been extended and is currently the earlier of September 30, 2030, or entering into a free trade agreement. 19 U.S.C. § 2703(b)(5)(D). For most goods excluded from CBERA as import-sensitive articles, the CBTPA provides for the application of Mexico's special rates of duty under the USMCA, where goods from CBTPA countries meet USMCA rule-of-origin criteria. The exceptions are agricultural and textile/apparel products. Certain apparel and non-apparel textile products, such as 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-USMCA parity is not accorded. 19 U.S.C. § 2703(b)(3)(A).

[64] USITC, 2023 Harmonized Tariff Schedule of the United States (HTS) Item Count, accessed May 23, 2023.

[65] Note that a 2004 amendment to the CBERA program allowed for certain subheadings of footwear to be eligible for duty-free treatment for CBTPA beneficiaries if they meet certain requirements. Pub. L. No. 108-429, § 1558(2)(A), 118 Stat. 2434, 2579−80 (2004) (codified as amended at 19 U.S.C. § 2703(b)(3)(A)(iii)).

[66] 19 U.S.C. § 2703(a)(2); see also 19 C.F.R. §§ 10.191–99. Certain products do not qualify for duty-free entry into the United States. 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); 19 C.F.R. § 10.195(a)(2). However, articles that are not textiles and apparel or petroleum and petroleum products and that are assembled or processed in CBERA beneficiary countries wholly from U.S. components or materials are eligible for duty-free entry under note 2 to subchapter II, chapter 98, of the HTS. Articles produced through operations such as enameling, simple assembly or finishing, and certain repairs or alterations may qualify for CBERA duty-free entry under changes made in 1990. For more information, see USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers, 1991*, September 1992, 1–4.

least 35 percent of the appraised customs value of the product at the time of entry.[67] These rules of origin allow goods incorporating value from multiple CBERA beneficiaries to meet the requirement for "local value content" on an aggregated basis.[68] Inputs from Puerto Rico, the U.S. Virgin Islands, and former CBERA beneficiaries may count in full toward the value threshold.[69] As an advantage over the GSP program's 35 percent requirement, the CBERA requirement for local value content also can be met when the CBERA beneficiary 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.[70] To encourage production sharing between Puerto Rico and CBERA beneficiary 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 beneficiary country, easing the substantial transformation requirement.[71]

The CBERA and GSP Programs

The Trade Act of 1974 established the GSP program, authorizing the President to grant duty-free treatment to eligible articles from beneficiary developing countries for a 10-year period.[72] Both the CBERA and GSP programs offer increased access to the U.S. market.[73] Similar to the CBERA program, GSP requires that eligible imports (1) be imported directly from beneficiaries into the customs territory of the United States, (2) be wholly the growth, product, or manufacture of a beneficiary country or a "new or different" article made from substantially transformed non-beneficiary country materials in a beneficiary country, and (3) contain a minimum of 35 percent local value content.[74] Furthermore, like the CBERA program, non-beneficiary country materials from which eligible imports are made must meet

[67] 19 U.S.C. § 2703(a)(1)(B); 19 C.F.R. §§ 10.196–97. Non-beneficiary materials from which eligible imports are made must meet a double substantial-transformation requirement if they are to be counted toward meeting the 35 percent local content requirement. See infra footnote 64. The qualifying rules for duty-free importation of apparel are complex and are summarized in the CBTPA section of this chapter.
[68] 19 U.S.C. § 2703(a)(1)(B). The Commission is not aware of any articles imported under CBERA that take advantage of the aggregated local-value-content requirement.
[69] 19 U.S.C. § 2703(a)(1)(B). 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. 19 U.S.C. § 2702(a)(1)(F). In 2022, former beneficiaries were El Salvador, Guatemala, Honduras, Nicaragua, the Dominican Republic, Costa Rica, and Panama. See 2023 HTS US (released 12/30/2022), Section XXII, Chapter 98, Note 7(b).
[70] 19 U.S.C. § 2703(a)(1).
[71] Additionally, any materials added to such Puerto Rican articles must be of U.S. or CBERA-beneficiary-origin. The final product must be imported directly into the customs territory of the United States from the CBERA beneficiary. 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.
[72] Trade Act of 1974, Pub. L. No. 93-618, §§ 501–5, 88 Stat. 1978, 2066–71 (1975) (codified at 19 U.S.C. §§ 2461–67). The President's authority to extend duty-free treatment under GSP has expired and been renewed several times, as discussed later in this chapter. It most recently expired on December 31, 2020, and remains expired as of August 11, 2023. 19 U.S.C. § 2465.
[73] With the exception of 11 tariff lines, none of the products excluded from permanent CBERA provisions (see 19 U.S.C. § 2703(b)) is eligible for normal GSP treatment (see 19 U.S.C. § 2463 for GSP exclusions). 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 beneficiaries and does not produce those products.
[74] 19 U.S.C. § 2463(a)(2); 19 C.F.R. §§ 10.171–78.

a double substantial-transformation requirement if they are to be counted toward meeting the 35 percent local content requirement.[75]

Ten current CBERA beneficiary countries are also GSP beneficiary countries: Belize, British Virgin Islands, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Lucia, and Saint Vincent and the Grenadines.[76] The other seven CBERA beneficiaries were graduated from GSP after exceeding the income threshold.[77]

The programs differ in several ways that make U.S. imports of goods from beneficiaries more likely to be able to enter qualified products under the CBERA program than under GSP. First, the CBERA program preferences apply to more tariff categories and products than the GSP program. The CBERA program 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 to a more limited number of products in tariff categories that the President has designated as eligible for duty-free treatment after an interagency review process.[78] For example, certain textile and apparel products are eligible for duty-free treatment under the CBERA program but not under GSP.[79]

Second, CBERA program 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.[80] Any products so restricted under GSP may nevertheless continue to enter free of duty under the CBERA program. A country may lose its GSP privileges once its per capita income grows beyond a

[75] Both the CBERA and the GSP programs use a "double substantial transformation" rule (for CBERA, see 19 C.F.R § 10.196(a)(2), for GSP see 19 C.F.R. § 10.177(a)(2)).)). Under this rule, to be eligible toward meeting the 35 percent local content requirement, a material or component imported from a non-beneficiary country must be transformed into a new or different article of commerce (such as a part) in the beneficiary country that, in turn, is incorporated in or transformed to produce a second new or different final product in the beneficiary country. A simple combining or packaging operation, or dilution with water, is not considered a transformation. 19 C.F.R. § 10.176(a)(2).

[76] See HTS U.S. General Note 4(a) for GSP beneficiaries.

[77] Antigua and Barbuda, Aruba, The Bahamas, Barbados, Curaçao, Saint Kitts and Nevis, and Trinidad and Tobago were graduated in 2006, 1998, 1995, 2006, 1998, 2014, and 2010, respectively. Graduations are announced by presidential proclamation. See, e.g., Proclamation No. 8272, 73 Fed. Reg. 38297 (July 3, 2008) (finding Trinidad and Tobago to be a "high income" country for GSP and terminating GSP designation effective January 1, 2010).

[78] Compare 19 U.S.C. § 2703(a)(1) (providing duty-free treatment for articles from CBTPA beneficiaries unless otherwise excluded) with 19 U.S.C. § 2463(a)(1)(A) (providing President authority to designate articles as eligible for GSP).

[79] In the 2022 HTS, 5,674 lines are eligible for CBERA program preferences. GSP authorization lapsed on December 31, 2020. According to the entries that importers claimed under GSP in 2021 in anticipation of retroactive authorization, 3,614 lines were eligible under GSP beneficiary developing countries.

[80] 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 ($195 million in 2020) 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, November 2020, 9. Note that certain apparel articles made eligible for duty-free treatment under the CBERA program—the CBTPA—are restricted in quantity. 19 U.S.C. § 2703(b)(2)(A)(iii).

specified amount, but it would retain its eligibility under the CBERA program, which has no income limits.[81]

Third, CBERA program–qualifying rules for individual products are different from those of GSP. GSP requires that 35 percent of the value of the product be contributed in a single beneficiary country or in a specified association of eligible GSP countries, whereas the CBERA program allows the value to come from any beneficiary country or combination of beneficiary countries as well as from former CBERA beneficiaries, in addition to allowing limited U.S. content.[82]

Fourth, the President's authority to provide duty-free and reduced-duty treatment for some products under the CBERA program is not time limited. In particular, benefits under CBERA do not expire, but benefits under CBTPA and HOPE and HELP are time limited, with CBTPA set to expire in 2030 and HOPE/HELP to expire in 2025.[83] 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 more than two years.[84] Most recently, the President's authority under GSP expired on December 31, 2020, and had not been renewed as of August 11, 2023.[85]

Importers of goods from CBERA beneficiary countries that are eligible for duty-free treatment under both programs have 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.[86]

Caribbean Basin Trade Partnership Act

The CBTPA, enacted May 18, 2000, expanded the CBERA program to provide preferential access to many products originally excluded under CBERA.[87] Additional modifications and clarifications of the CBTPA were made in the Trade Act of 2002, enacted August 6, 2002.[88] The CBTPA became effective on October 2, 2000, and was intended as a transitional measure effective through either September 30, 2008, or

[81] See 19 U.S.C. § 2462(e).
[82] See 19 U.S.C. § 2463(a)(2)(A)(ii). Although both the GSP and CBERA programs 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 the CBERA program allows for content contributed by former CBERA beneficiaries, Puerto Rico, and the U.S. Virgin Islands to qualify (see preceding section on Qualifying Rules of Origin).
[83] As previously noted, 1990 amendments eliminated the termination date of duty-free treatment for CBERA. Pub. L. No. 101-382, § 211, 104 Stat. 629, 655 (1990).
[84] For example, the President's authority to provide duty-free treatment under the GSP program expired on July 31, 2013. 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. GSP expired again on December 31, 2017, and was renewed, again with retroactive refund, on April 22, 2018, through December 31, 2020. Pub. L. No. 115-141, § 501, 132 Stat. 348, 1050 (2018) (amending 19 U.S.C. § 2465).
[85] 19 U.S.C. § 2465.
[86] 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.
[87] United States-Caribbean Basin Trade Partnership Act, Title II of Pub. L. No. 106-200, §§ 201–13, 114 Stat. 251, 275–88 (codified as amended at 19 U.S.C. §§ 2702–33).
[88] See Trade Act of 2002, Pub. L. No. 107-210, § 3107, 116 Stat. 933, 1035–38.

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 beneficiaries.[89] Unlike CBERA, the provisions available to CBTPA beneficiaries are time limited. As previously noted, the CBTPA has been extended twice—first in May 2010 and again in October 2020—with benefits currently set to expire on December 31, 2030.[90]

The CBTPA is the first instance in which the United States authorized duty-free treatment for imports of qualifying cotton, wool, and manmade-fiber apparel from CBERA beneficiary countries.[91] Key apparel provisions are summarized in table 1.2. For the most part, the CBTPA requires that qualifying apparel goods be made wholly of U.S. or CBERA-regional inputs (i.e., inputs from CBERA beneficiary countries) and assembled in a CBTPA beneficiary country, a list of which is maintained in chapter 98 of the HTS.[92] The CBTPA also temporarily allowed that certain import-sensitive articles excluded from CBERA could receive treatment equivalent to that for goods from Mexico under NAFTA, and subsequently the United States-Mexico-Canada Agreement (USMCA).[93] The rates of duty for these products are the same as those accorded to similar goods from Mexico, under the same rules of origin applicable under the USMCA.[94] The CBTPA also provided duty-free treatment for textile luggage assembled from U.S. fabrics made of U.S. yarns.[95]

[89] United States-Caribbean Basin Trade Partnership Act, Title II of Pub. L. No. 106-200, § 211, 114 Stat. 251, 285–86.

[90] 19 U.S.C. § 2703. The CBTPA was first renewed in 2010 as part of the HELP Act. Pub. L. No. 111-171, § 3, 124 Stat. 1194, 1195 (2010). In 2020, the CBTPA expired on September 30 before being renewed on October 10, and this extension permitted retroactive refunds of duties. Extension of the Caribbean Basin Economic Recovery Act, Pub. L. No. 116-164, § 2, 134 Stat. 758 (2020). Before the renewal, whether beneficiaries would be refunded duties in the case of subsequent renewal was uncertain. The uncertain precedent is for retroactively refunding duties when an expired preference program is renewed. When GSP expired in 2017 and was renewed in 2018, duties were retroactively refunded, albeit without interest (see discussion in GSP section).

[91] The qualifying apparel is classified under HTS chapters 61 (articles of apparel and clothing accessories, knitted or crocheted) and 62 (articles of apparel and clothing accessories, not knitted or crocheted).

[92] For CBTPA beneficiaries eligible for preferential treatment for apparel items, see U.S. notes to HTS subchapter II and XX of chapter 98. 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.

[93] United States-Caribbean Basin Trade Partnership Act, Title II of Pub. L. No. 106-200, § 211(a), 114 Stat. 251, 282–83 (codified as amended at 19 U.S.C. § 2703(b)(3)(A)).

[94] 19 U.S.C. § 2703(b)(3)(A)). The original statutory language referred to NAFTA, which was superseded by the USMCA when it entered into force in July 2020.

[95] See HTS subheading 9820.11.21.

Table 1.2 Textiles and apparel made in CBTPA beneficiary 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	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 (HTS 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 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.
Apparel cut and assembled in eligible CBTPA countries, otherwise deemed to be "originating goods" under then applicable rules of origin (such as are now found in HTS general note 11(o) for the USMCA) but containing fabrics or yarns determined under Annex 4-B to the USMCA 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.
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.
Handloomed, handmade, or 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), the U.S. Department of Commerce.

Source: Caribbean Basin Trade Partnership Act (CBTPA), as amended by the Trade Act of 2002 (19 U.S.C. § 2703(b)(2)–(5)).
Note: Some articles eligible for preferential treatment under the CBTPA were ineligible for duty-free treatment under the 1983 Caribbean Basin Economic Recovery Expansion Act (CBERA). The tariff provisions appear in subchapter XX of chapter 98 of the HTS. For additional discussion, see USITC, *The Impact of the Caribbean Basin Economic Recovery Act, Sixteenth Report, 2001–2002*, September 2003.

HOPE and HELP Acts

The U.S. Congress has a history of assisting Haiti's economic development and providing humanitarian assistance to the country; the HOPE and HELP Acts are examples of those efforts.[96] Since 2006, the CBERA program 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 known as the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE I).[97] HOPE I provided duty-free treatment for a limited amount of apparel produced in and imported from Haiti with more flexible sourcing rules than under CBTPA, where at least 50 percent (initially) of the value of inputs 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 one of three specified U.S. trade preference programs.[98] The value-added percentage requirements for the sum of value of inputs originating in the countries described plus the processing costs in Haiti above were increased in the following years, reaching 60 percent on December 20, 2011.[99]

[96] CRS, "The Haitian Economy and the HOPE Act," June 24, 2010.
[97] HOPE I Act, Title V of Pub. L. No. 109-432, §§ 5001–66, 120 Stat. 2922, 3181–90 (amending 19 U.S.C. § 2703a).
[98] HOPE I Act, Title V of Pub. L. No. 109-432, § 5002, 120 Stat. 2922, 3184. The CBTPA, the African Growth and Opportunity Act, and the Andean Trade Preference Act are the three specified trade preference programs.
[99] 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 as long as the garments are assembled in Haiti. It also allowed apparel articles entering under HTS subheading 6212.10 (brassieres) to comprise components sourced from anywhere as long as the garments are both cut and sewn or otherwise assembled in Haiti. Under HOPE I, no value-added requirement applies to either the specified quantity of woven apparel imports or brassieres. For more details, see USITC, *The Impact of the Caribbean Basin Economic Recovery Act, Nineteenth Report, 2007–2008*, September 2009.

Table 1.3 HOPE and HELP Acts: Requirements concerning origin of inputs and processes, value added 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	Yes
Knit apparel	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
Certain non-apparel textile goods (luggage, towels, bedspreads and quilts, headgear)	Any country	Any country	Haiti	Haiti	No	No
Apparel of yarns/fabrics in short supply	Any country	Any country	Haiti	Haiti	No	No

Source: USITC, *HTS 2023,* April 2023, chapter 98, subchapter XX, U.S. note 6 (j)(ii).
Note: Under the HOPE and HELP Acts, 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. Brassieres and certain non-apparel textile goods (luggage and headgear) have no quantitative limits as long as they are wholly assembled or knit to shape in Haiti.

On May 22, 2008, Congress further amended the CBERA program through the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II).[100] HOPE II amended the special provisions for apparel and other textiles from Haiti, including provisions specified by HOPE I. The tariff treatment under HOPE II was designed to address concerns raised about HOPE I, such as the limited duration of the law's benefits, which could deter investment, and the law's complexity and ambiguity, which reportedly delayed and discouraged the use of the trade benefits.[101] 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 (TAICNAR) Program, to benefit Haitian workers with training and worksite safety programs.[102] HOPE II also extended most HOPE I apparel preferences for 10 years.

The principal provisions in HOPE II relating to apparel and textile trade with Haiti are as follows:[103]

[100] HOPE II Act, Title XV, Subtitle D, Part I of Pub. L. No. 110-246, § 15401 et seq., 122 Stat. 1651, 2289 (amending 19 U.S.C. § 2703a).
[101] USITC, *Textiles and Apparel: Effects of Special Rules for Haiti on Trade Markets and Industries*, June 2008, 3–9 to 3–10.
[102] See discussion of labor provisions in a preceding section of this chapter. HOPE II Act, Pub. L. No. 110-246, § 15403(e) (amending 19 U.S.C. § 2703a).
[103] 19 U.S.C. § 2703a (notes).

- The existing value-added rule (now capped at 60 percent) 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.[104]
- The cap for woven apparel in HOPE I was expanded from 50 million square meter equivalents (SMEs) to 70 million SMEs.
- A new limit 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, headgear, 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 three SMEs of qualifying fabric purchased by a producer for apparel production in Haiti, one SME of apparel made by that producer using non-qualifying fabric qualifies for duty-free treatment and is not subject to quantitative limits).[105]
- An uncapped benefit was created for apparel made from non-U.S. fabrics deemed to be in "short supply."
- Direct shipment from and coproduction in the Dominican Republic was allowed.

The HELP Act amended the CBERA program a third time.[106] The principal aim of the HELP Act was to aid 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.[107] The HELP Act expanded existing programs under the HOPE Acts and established new preferences, with unlimited duty-free treatment for certain knit apparel and certain home goods.[108] The HELP Act provided a 10-year extension of the CBTPA and the HOPE Acts and extended duty-free treatment until one of three dates, depending on the value attributable to a qualifying country.[109] Key provisions under the HELP Act relating to apparel and textiles include:

- 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).[110]

[104] See the description of HOPE I above.
[105] Fabric qualifies if it is from the United States. Knit fabric from U.S. FTA partners and beneficiaries of certain preference programs qualifies if it is made using U.S. yarn. See 19 U.S.C. § 2703a(b)(4).
[106] Haiti Economic Lift Program Act of 2010 (HELP Act), Pub. L. No. 111-171, 124 Stat. 1194 (amending the CBERA program, which is codified as amended at 19 U.S.C. § 2701 et seq.).
[107] White House, "The United States Government's Haiti Earthquake Response," June 25, 2010.
[108] The goods identified as eligible for HOPE benefits are classified under HTS subheadings 9820.61.45 (certain apparel articles) and 9820.63.05 (certain made-up textiles articles). Articles produced in Haiti entered 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.
[109] Specifically, 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.
[110] Haiti Economic Lift Program Act of 2010 (HELP Act), Pub. L. No. 111-171, § 4(a), 124 Stat. 1194, 1195 (amending 19 U.S.C. § 2703a(b)(3)).

- Increases in the respective tariff preference levels under which certain Haitian knit and woven apparel products may receive duty-free treatment, regardless of the origin of inputs, from 70 million to 200 million SMEs.[111]
- Liberalization of the earned import allowance requirement by allowing the duty-free importation of one SME of apparel wholly assembled or knit to shape in Haiti, regardless of the origin of the inputs, for every two SMEs (previously it was one for every three SMEs) of qualifying fabric.[112]

The Trade Preferences Extension Act of 2015 extended the preferential access provided under the HOPE and HELP Acts through September 30, 2025.[113]

Comparison of Apparel Provisions under CBTPA, the HOPE Acts, and the HELP Act

The tariff provisions for CBTPA are set forth in subchapter XX of chapter 98 of the HTS.[114] In general, apparel imported into the United States under the CBTPA must be made from U.S. yarn that is made into fabric in either the United States or a beneficiary country.[115] The approach of HOPE I is to allow these inputs from nonbeneficiary countries, as long as a portion of the value-added content of the garment is from Haiti, the United States, any country with which the United States has an FTA, or countries meeting certain criteria for various preferential trading arrangements.[116] The required value-added portion increased over time.[117] Rules of origin and value-added requirements also vary for different types of apparel and the applicable requirements differ as between CBTPA and the HOPE/HELP Acts (tables 1.3 and 1.4). As noted in the discussion of HOPE I, the value-added requirement increased from 50 percent to 55 percent in year 4 of HOPE I and then to 60 percent in year 5 of the act.[118] Amendments under HOPE II allow for coproduction arrangements between Haiti and the Dominican Republic and allow shipments from Haiti or the Dominican Republic through an intermediary country to the United States to be considered direct shipments in certain circumstances, as permitted under the CBTPA.[119] The HELP Act expands and extends existing U.S. trade preferences for Haiti (especially duty-free treatment for certain qualifying apparel) established under the CBTPA and the HOPE Acts.[120] Under both the CBTPA and the HOPE and HELP Acts, if a fiber, yarn, or fabric has been determined to be not

[111] Haiti Economic Lift Program Act of 2010 (HELP Act), Pub. L. No. 111-171, § 5, Stat. 1194, 1202 (amending 19 U.S.C. § 2703a(b)).
[112] Haiti Economic Lift Program Act of 2010 (HELP Act), Pub. L. No. 111-171, § 6, Stat. 1194, 1204 (amending 19 U.S.C. § 2703a(b)(4)(B)(ii)(I)).
[113] Trade Preferences Extension Act of 2015, Pub. L. No. 114-27, § 301, 129 Stat. 362, 373 (amending 19 U.S.C. § 2703a).
[114] USITC, *HTS 2023,* April 2023, chapter 98, subchapter XX.
[115] USITC, *HTS 2023,* April 2023, chapter 98, subchapter XX, U.S. note 1; general note 17(a).
[116] 19 U.S.C. § 2703a(b)(1)(B)(i–iii); USITC, *HTS 2023,* April 2023, chapter 98, subchapter XX, U.S. note 6.
[117] 19 U.S.C. § 2703a(b)(1)(B)(v)(I).
[118] HOPE I Act, Pub. L. No. 109-432, § 5002, 120 Stat. 2922, 3184 (codified at 19 U.S.C. § 2703a(b)(1)(B)(v)(I)).
[119] HOPE II Act, Pub. L. No. 110-246, § 15402, 122 Stat. 1651, 2289–90, 2300 (amending 19 U.S.C. § 2703a(a)(5)); USITC, *HTS 2023,* April 2023, chapter 98, subchapter XX, U.S. note 5(b).
[120] Haiti Economic Lift Program Act of 2010 (HELP Act), Pub. L. No. 111-171, §§ 3–8, 124 Stat. 1194, 1195–205 (amending the CBERA program, which is codified as amended at 19 U.S.C. § 2701 et seq.).

commercially available under any FTA or preference program, apparel using the product may still qualify for duty-free treatment.[121]

Table 1.4 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	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. (at least 75%)	U.S./CBTPA	U.S./CBTPA	No	No
Textile luggage	U.S.	U.S.	U.S./CBTPA	CBTPA	No	No
Apparel of yarns/fabrics in short supply	Any country	Any country	CBTPA	CBTPA	No	No

Source: USITC, *HTS 2023,* April 2023, chapter 98, subchapter XX, U.S. note 2.

[121] 19 U.S.C. § 2703(b)(2)(A)(v); 19 U.S.C. § 2703a(b)(1)(B)(vii).

Chapter 2
U.S. Imports under the CBERA Program by Country and Product

This chapter gives an overview of U.S. imports for consumption under the CBERA program during the last five years, with the focus on 2021–22. It then covers U.S. imports under the CBERA program by source countries. It further provides in-depth analysis of the main U.S. import products under the CBERA program: methanol and energy products, textiles and apparel, mining and manufactured products, and agricultural products.

During 2018–22, the value of U.S. merchandise imports from CBERA beneficiaries averaged $7.4 billion, with 46.7 percent of them being CBERA eligible (table 2.1).[122] Of the CBERA-eligible products, on average 58.9 percent—or $2.0 billion worth—were imported under CBERA in five years.[123] Note that these numbers do not include U.S. imports of services from CBERA beneficiaries because services are not covered under CBERA.[124]

The value of U.S. imports from CBERA beneficiaries increased markedly in 2021 and 2022. From 2020 to 2022, the value of CBERA-eligible imports increased by 118.5 percent and imports claiming CBERA program preferences increased by 44.7 percent.

[122] "CBERA-eligible products" are products eligible for preferences under the CBERA program (CBERA, CBERA as amended, CBTPA, HOPE/HELP). For CBERA-eligible products to receive duty-free treatment, the importer must claim the preference and the product must meet certain country of origin rules and other requirements as discussed in chapter 1. Eligibility is country specific in addition to being product specific. A subset of CBERA beneficiaries are also CBTPA beneficiaries. For a full list of which CBERA beneficiaries were eligible for which CBERA program preferences, see the section on "Beneficiaries and Eligibility" in chapter 1. Throughout the report, the terms "imports under CBERA," "imports under the CBERA program," and "CBERA imports" refer to CBERA-eligible products that claim preference under the CBERA program.

[123] The preference program utilization rate is calculated by dividing U.S. imports that claimed preferences under that program (i.e., received duty elimination or reduction) by imports of the universe of products that were covered by that program. The universe of products covered by the program comprises the products (HTS codes) that are eligible for program preferences. In the case of CBERA as amended, three country groups have different products that are covered by the CBERA program (CBERA-eligible products). The three groupings include (1) beneficiaries of the original CBERA preferences; (2) beneficiaries of the original CBERA preferences plus the expanded CBPTA preferences; and (3) beneficiaries of the original CBERA preferences, the expanded CBTPA preferences, and the country-specific Haiti HOPE preferences (i.e., Haiti). For more detail, see the section "Utilization of CBERA Program Preferences" in chapter 4.

[124] USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Twenty-Fifth Report 2019–20*, September 2021.

Table 2.1 U.S. imports for consumption by year, 2018–22
In millions of dollars.

Program	2018	2019	2020	2021	2022
CBERA eligible: Claimed CBERA	1,692	1,887	1,808	2,194	2,616
CBERA eligible: Did not claim CBERA	833	452	692	2,288	2,849
Total, CBERA eligible	2,525	2,339	2,501	4,482	5,465
Not CBERA eligible	3,569	3,228	2,589	4,200	6,143
Total imports from CBERA beneficiary countries	6,094	5,567	5,089	8,682	11,608

Source: USITC DataWeb/Census, accessed February 9, 2023.

U.S. Imports by Country under the CBERA Program

Table 2.2 U.S. imports for consumption under the CBERA program, by source and year, 2018–22
In millions of dollars and percentage change, ** = rounds to zero.

Source	2018 (million $)	2019 (million $)	2020 (million $)	2021 (million $)	2022 (million $)	Percentage change 2020–22 (%)
Haiti	959	999	768	1,033	993	29.3
Trinidad and Tobago	552	696	579	754	885	52.8
Guyana	1	4	265	188	476	79.4
Jamaica	84	93	109	122	134	22.7
Bahamas	66	61	57	71	79	38.5
Belize	15	21	15	16	21	35.4
St Kitts-Nevis	5	4	3	5	7	102.8
Grenada	3	3	2	3	4	59.9
St Lucia	**	**	1	1	1	52.2
All other sources	8	6	8	1	17	117.9
Total	1,692	1,887	1,808	2,194	2,616	44.7

Source: USITC DataWeb/Census, accessed February 9, 2023. Values rounded to the nearest million dollars; percent change calculated prior to rounding.

Between 2018 and 2022, Haiti and Trinidad and Tobago were the two largest sources of imports under the CBERA program, with Haiti accounting for an average of 47.4 percent and Trinidad and Tobago accounting for an average of 33.9 percent of the value of total U.S. imports that entered under the CBERA program. Guyana was the next-largest source of imports under the CBERA program in each of the last three years, with a five-year average of 8.3 percent of total U.S. imports that entered under the CBERA program (table 2.3). The increase in imports under the CBERA program from Guyana during the last three years is attributable to ExxonMobil's discovery and export of oil from a field off the Guyanese coast in 2019.[125] In 2020, U.S. imports from Guyana under the CBERA program increased more than 60-fold from 2019. Because of this increase, Guyana displaced Jamaica as the third-largest source of CBERA program imports. More oil was discovered off the Guyanese coast in January 2023, which may indicate that imports from Guyana will continue to increase.[126]

Imports from many CBERA beneficiaries decreased between 2019 and 2020, with total imports under the CBERA program dropping 4.2 percent by value (table 2.2). Belize experienced the largest decrease in imports under the CBERA program, falling 25.2 percent, followed by Haiti. The decline in imports under

[125] ExxonMobil, "Guyana Project Overview," accessed March 16, 2023.
[126] Cavcic, "ExxonMobil's New Oil Discovery off Guyana Could Underpin Future Development," January 26, 2023.

the CBERA program from Belize is due to a reduction in primary activity related to the COVID-19 pandemic, poor weather, and disease.[127] Imports under the CBERA program from Haiti fell 23.1 percent between 2019 and 2020 (table 2.2). Haiti's decrease was due to the COVID-19 pandemic response as well as other domestic challenges, including political turmoil, deteriorating security, and economic uncertainty.[128]

Table 2.3 U.S. imports for consumption under the CBERA program, by source and year, 2018–22
In percentages and percentage point change (ppt). — (em dash) = not applicable.

Source	2018 (% of total)	2019 (% of total)	2020 (% of total)	2021 (% of total)	2022 (% of total)	Percentage point change 2020–22 (ppt)	Percentage point change 2020–21 (ppt)	Percentage point change 2021–22 (ppt)
Haiti	56.6	52.9	42.5	47.1	38.0	−4.5	4.6	−9.1
Trinidad & Tobago	32.6	36.9	32.0	34.4	33.8	1.8	2.3	−0.5
Guyana	0.1	0.2	14.7	8.6	18.2	3.5	−6.1	9.6
Jamaica	4.9	4.9	6.0	5.6	5.1	−0.9	−0.4	−0.5
Bahamas	3.9	3.2	3.1	3.3	3.0	−0.1	0.1	−0.3
Belize	0.9	1.1	0.9	0.7	0.8	−0.1	−0.1	0.1
St. Kitts-Nevis	0.3	0.2	0.2	0.2	0.3	0.1	0.0	0.0
Grenada	0.2	0.2	0.1	0.1	0.2	0.0	0.0	0.0
All other import sources	0.5	0.3	0.4	0.1	0.7	0.2	−0.4	0.6
Total imports	100.0	100.0	100.0	100.0	100.0	—	—	—

Source: USITC DataWeb/Census, accessed February 9, 2023.

Between 2020 and 2022, total imports under the CBERA program increased 44.7 percent (table 2.2). The increase in the value of CBERA program imports aligns with higher prices for key Latin American and Caribbean export products like oil and sugar, which drove up the value of exports coming from the region during 2021 and 2022.[129] Higher oil prices explain the large increase in CBERA program imports from Saint Kitts and Nevis, which increased 102.8 percent between 2020 and 2022.[130] These higher prices are associated with the recovery from the COVID-19-related downturn, inflation, and geopolitical and financial shocks.[131]

[127] Primary activity refers to the collection, harvesting, or extraction of natural resources. Of all U.S. imports for consumption of CBERA-exclusive goods from Belize, HTS 2709.00.20 (crude petroleum oils and oils from bituminous minerals) experienced the largest decline between 2019 and 2020. Source: USITC DataWeb/Census, CBERA-exclusive products, accessed March 16, 2023; ECLAC, CEPAL, *Belize*, 2021; ECLAC, CEPAL, *Belize*, 2020; Breaking Belize News (BBN), "Exports Start off 2020 with a Huge Decline, Imports Barely Affected," February 26, 2020.
[128] ECLAC, CEPAL, *Haiti*, 2020.
[129] IDB, "Exports from Latin America and the Caribbean Grow More than World Trade Despite Slowdown," November 10, 2022.
[130] Saint Kitts and Nevis's primary export to the United States is refined petroleum. OEC, "United States (USA) and Saint Kitts and Nevis (KNA) Trade," accessed March 20, 2023.
[131] Rosenblatt, Clayton, and Mooney, "Headwinds Facing the Post-Pandemic Recovery in the Caribbean," January 9, 2023.

U.S. Imports by Product under the CBERA Program

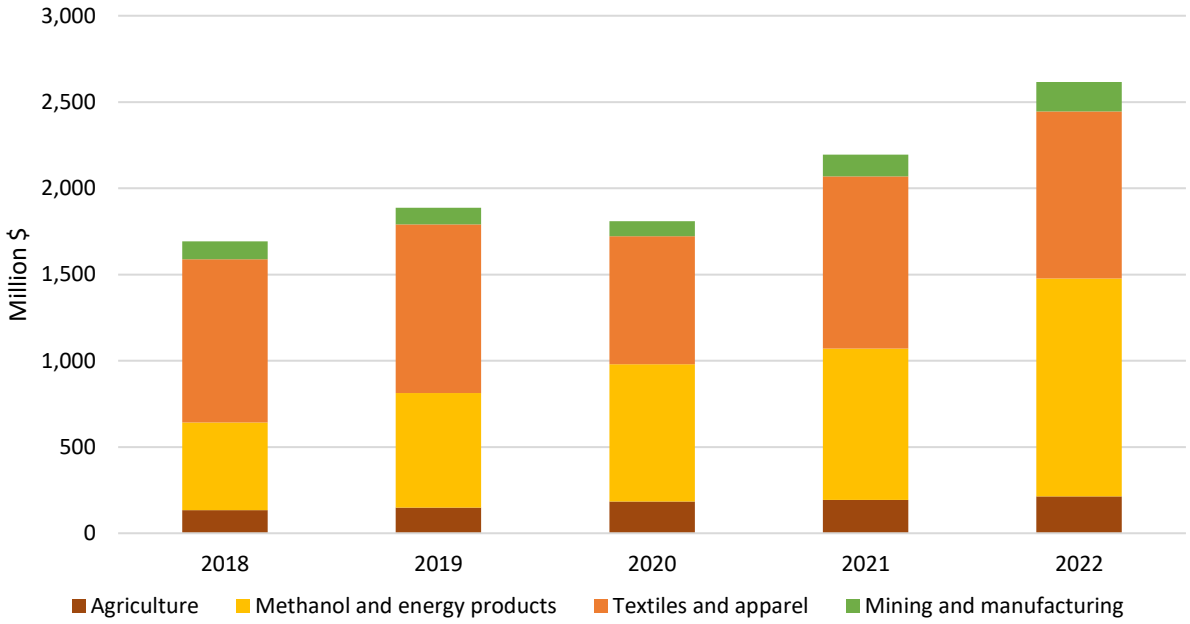
Imports of textiles and apparel products under the CBERA program averaged $926 million during 2018–22 (figure 2.1), followed by methanol and energy products, at $822 million; agricultural products, at $175 million; and mining and manufacturing products, at $117 million.[132] Textiles and apparel products averaged 45.4 percent of CBERA program imports; methanol and energy products averaged 40.3 percent. Agricultural products and mining and manufacturing products made up 8.6 percent and 5.7 percent, respectively. In 2020, methanol and energy products displaced textiles and apparel products as the largest CBERA program import. This change coincided with the discovery of oil off Guyana's coast.

2020 saw an overall decline in imports under the CBERA program, from $1.9 billion to $1.8 billion. This decline was driven by a dip in textiles and apparel imports, which fell from $979 million in 2019 to $740 million in 2020, then rose to $997 million in 2021. Economic shocks in Haiti such as COVID-19-related measures, political instability, and a cholera outbreak explain the decline in textile and apparel imports in 2020.[133] Despite a decline in 2020, textiles and apparel imports under the CBERA program maintained an average 0.6 percent compound annual growth rate (CAGR) between 2018 and 2022. CBERA program imports of agricultural products averaged a 12.5 percent CAGR between 2018 and 2022, and mining and manufacturing products averaged a 13.1 percent CAGR during the same period. As a result of the discovery of oil in Guyana, methanol and energy products averaged a 25.5 percent CAGR during the same period.

[132] Throughout the report, "methanol and energy products" is defined as goods imported under HTS subheading 2905.11.20 (methanol other than for use in producing synthetic natural gas or for direct use as a fuel) and products imported under HS chapter 27 (mineral fuels). USITC DataWeb/Census, accessed February 9, 2023.
[133] Haiti is the primary source of textile and imports under the CBERA program. For more information, see *Textiles and Apparel.*

Figure 2.1 U.S. imports under the CBERA program, by major product categories, 2018–22

In millions of dollars. Underlying data for this figure can be found in appendix table E.2



Source: USITC DataWeb/Census, accessed February 9, 2023.
Note: Data in this figure may not equal data presented in tables 2.6 and 2.7 because U.S. Department of Commerce, International Trade Administration, Office of Textiles and Apparel (OTEXA) data are based on general imports rather than imports for consumption. General imports include all merchandise from foreign countries, including those that enter U.S. customs territory immediately or entered into bonded warehouses or foreign-trade zones (FTZs) under U.S. Customs and Border Protection custody. Imports for consumption measures the total merchandise that has physically cleared through U.S. customs immediately or after withdrawal for consumption.

Methanol and Energy Products[134]

Overview

U.S. imports of methanol and energy products under the CBERA program averaged $822 million between 2018 and 2022. Together these imports increased every year between 2018 and 2022, from $509 million in 2018 to $1.3 billion in 2022 (figure 2.2).

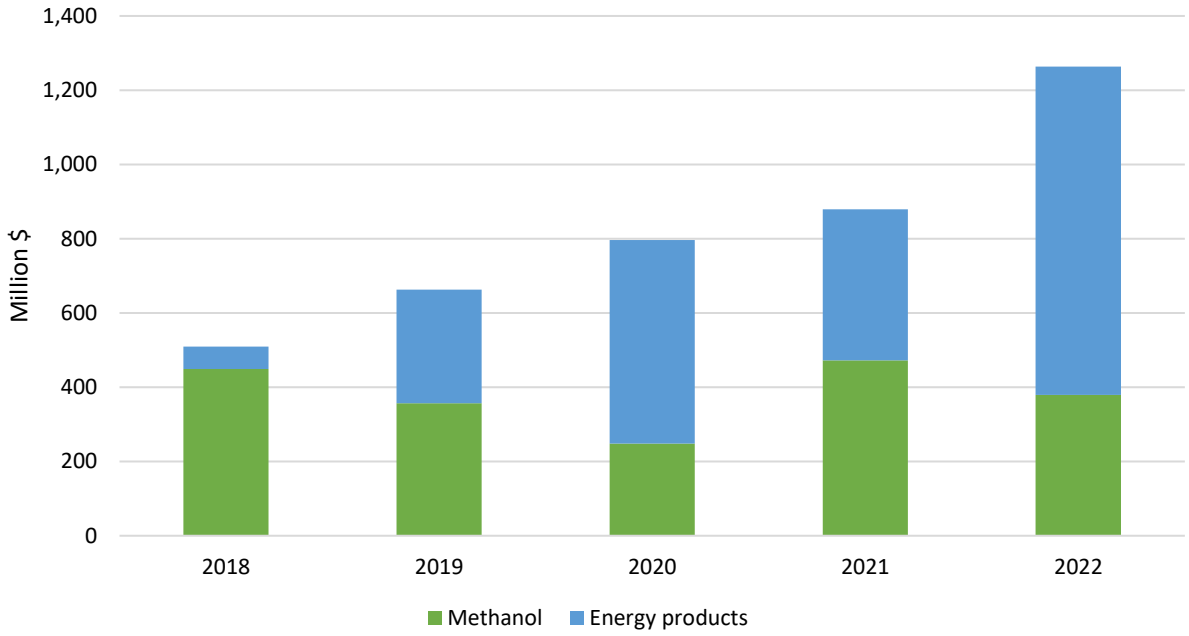
[134] Methanol and energy products are defined in this report as goods imported under HTS subheading 2905.11.20 (methanol, other than for use in producing synthetic natural gas or for direct use as a fuel) and energy products imported under HS chapter 27 (mineral fuels); see Table 2.4.

U.S. imports of methanol alone, however, declined from 2018 to 2022.[135] These imports came from Trinidad and Tobago only. They declined from 2018 to 2020, coinciding with a decrease in total U.S. imports of methanol and an increase in U.S. production of methanol.[136] U.S. methanol imports under CBERA rebounded to $472 million in 2021 but then dropped to $380 million in 2022 (table 2.4). The fluctuations in import value were mostly driven by prices but also reflected a decline in the quantity of U.S. methanol imports from Trinidad and Tobago from 2021 to 2022. Methanol will be discussed further in the section "Methanol: A U.S. Industry Affected by CBERA."

U.S. imports under CBERA of energy products increased most years between 2018 and 2022, rising from $60 million in 2018 to $884 million in 2022. This trade consisted of mostly U.S. imports of crude oil from Trinidad and Tobago and Guyana (from 2020), with small amounts of heavy fuel oil (table 2.4). These imports rose to $547 million in 2020, dipped to $407 million in 2021, and then spiked to $884 million in 2022 (figure 2.2).

Figure 2.2 U.S. imports for consumption of methanol and energy products under the CBERA program, by product, 2018–22

In millions of dollars. Underlying data for this figure can be found in appendix table E.3.



[135] Although methanol has multiple major uses in the United States—including the production of formaldehyde and acetic acid, as well as direct use as a fuel—this report does not include methanol used as a fuel in the discussion of methanol imports because those imports already have duty-free access under column 1-general rates of duty. According to USITC calculations, methanol entering under CBERA (2905.11.20) comprised 24.5 percent of the U.S. market in 2021 and 15.7 percent of the U.S. market in 2022. USITC calculation based on the share of Trinidad and Tobago imports in U.S. consumption of non-fuel use methanol. Estimate of total U.S. methanol consumption sourced from Chemical Economics Handbook (CEH), with methanol used to make biodiesel and octane enhancers (fuel uses) removed. Bescond, Smith, "Methanol," March 2021, 21.

[136] USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Twenty-Fifth Report 2019–20*, September 2021, 112.

Source: USITC DataWeb/Census, accessed February 9, 2023.

Low utilization rates in 2021 and 2022 significantly limited growth in U.S. imports under CBERA of methanol and energy products. CBERA utilization for these products fell from 33 percent in 2020 to 19 percent in 2021 and 22 percent in 2022.[137] One reason for fluctuating and often low utilization is that crude oil and heavy fuel oil are subject to very low normal trade relation (NTR) duty rates, ranging from 5.25 cents per barrel to 10.5 cents per barrel (typically between 0.1 and 0.2 percent in ad valorem equivalent terms).[138] These tariffs are so low that companies may not be incentivized to file for duty preferences. In addition, U.S. crude oil importers can also use programs other than CBERA, such as the duty drawback program or U.S. foreign-trade zone program, to save on the tariffs.[139] Total U.S. imports of crude oil and heavy fuel oil from Guyana and Trinidad and Tobago steadily grew from 2020 to 2022, more than tripling from $1.1 billion to $3.6 billion.[140] Guyana started producing crude oil in late 2019 and has quickly scaled up output and exports.[141] Global crude oil prices also more than doubled from 2020 to 2022, further contributing to this rapid growth in the dollar value of crude oil imports.[142] Furthermore, the CBERA duty preference for crude oil and heavy oil is only available to CBTPA beneficiaries—a subset of CBERA beneficiary countries that excludes some CBERA beneficiary petroleum exporters such as The Bahamas.[143]

Table 2.4 U.S. imports for consumption under the CBERA program of methanol and energy products, by major product, source, and year, 2018–22

In millions of dollars; ** = rounds to zero.

Product (HTS subheading)	Source	2018	2019	2020	2021	2022
Crude oil ≥ 25 degrees API (2709.00.20)	Guyana	0	0	263	185	453
Crude oil ≥ 25 degrees API (2709.00.20)	Trinidad and Tobago	34	158	101	0	62
Crude oil ≥ 25 degrees API (2709.00.20)	Belize	5	10	0	0	0
Crude oil ≥ 25 degrees API (2709.00.20)	Total, 2709.00.20	39	168	364	185	515
Methanol (2905.11.20)	Trinidad and Tobago	449	357	249	472	380
Methanol (2905.11.20)	Total, 2905.11.20	449	357	249	472	380
Crude oil < 25 degrees API (2709.00.10)	Trinidad and Tobago	0	135	183	222	336
Crude oil < 25 degrees API (2709.00.10)	Total, 2709.00.10	0	135	183	222	336
Fuel oil < 25 degrees API (2710.19.06)	Jamaica	0	3	0	0	18
Fuel oil < 25 degrees API (2710.19.06)	Curaçao	0	0	0	0	15
Fuel oil < 25 degrees API (2710.19.06)	Trinidad and Tobago	21	0	0	0	0
Fuel oil < 25 degrees API (2710.19.06)	Total, 2710.19.06	21	3	0	0	33
Top 4 products	All sources	509	663	796	879	1,264
All other energy products	All sources	**	**	**	**	**
Total imports	All sources	509	663	796	879	1,264

Source: USITC DataWeb/Census, accessed February 9, 2023.

[137] USITC calculation, based on USITC DataWeb/Census, imports for consumption, HTS 2905.11.20, 2709.00.10, 2709.00.20, and 2710.19.06, accessed March 30, 2023.
[138] USITC DataWeb/Census, imports for consumption, HTS 2709.00.10 and 2709.00.20, accessed April 6, 2023.
[139] USITC, *Foreign Trade Zones (FTZs)*, April 2023, 202, 204, 207–10; USITC, *AGOA: Program Usage, Trends, and Sectoral Highlights*, April 2023, 70.
[140] USITC DataWeb/Census, general imports, HTS 2709.00.10, 2709.00.20, and 2710.19.06, accessed June 13, 2023.
[141] USITC, hearing transcript, March 9, 2023, 7–8 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana); Parraga and Marks, "Guyana's Oil Exports Double," January 14, 2023.
[142] USEIA, "Spot Prices for Crude Oil and Petroleum Products," March 29, 2023.
[143] For more information on CBTPA beneficiaries, see the section on utilization in chapter 4.

Note: Methanol and energy products refer to methanol (other than for use in producing synthetic natural gas or for direct use as a fuel) imported under HTS subheading 2905.11.20 and energy products imported under HS chapter 27 (mineral fuels).

Methanol: A U.S. Industry Affected by CBERA

Methanol from Trinidad and Tobago accounts for a large share of U.S. imports under CBERA. In 2022, Trinidad and Tobago supplied 100 percent of the methanol imported by the United States under CBERA. Trinidad and Tobago also figures prominently in the methanol industry worldwide.[144] Trinidad and Tobago continues to be the primary source of U.S. methanol imports, but U.S. imports of methanol have become less important in the U.S. market. The domestic industry has expanded capacity sufficiently such that the United States became a net exporter of methanol in 2021. The following section describes methanol trade and production in relation to the United States and Trinidad and Tobago.

Methanol Uses

Methanol is a basic, commodity chemical that is used primarily as a feedstock to manufacture numerous other chemicals. Major uses of methanol in the United States include the production of formaldehyde and acetic acid, as well as direct use as a fuel.[145] 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 tert-butyl ether, tertiary-amyl methyl ether, dimethyl ether, and biodiesel. Methanol has recently emerged as one of the favored greenhouse gas (GHG)-reducing fuels of the maritime industry.[146] Because the global maritime industry has been estimated to contribute approximately 3 percent of global GHG emissions, significant abatement in this industry is being pursued.[147] In the past two years, multiple shipping lines and even cruise ships have announced plans to convert existing ships to use methanol and to purchase new ships fueled by methanol.[148] Although methanol used as a fuel is not covered by this report, growing demand for methanol in this application could affect the industry as a whole.

[144] Bescond, Smith, "Methanol," March 2021, 16–17.
[145] This report does not include methanol used as a fuel in the discussion of methanol imports because those imports already have duty-free access under column 1-general rates of duty. Bescond, Smith, "Methanol," March 2021, 21.
[146] Using methanol as the fuel immediately reduces the GHG emissions and mitigates other environmental damage in case of a spill since methanol is up to 240 times less toxic to marine life. Proman, "Proman, NGC Agree New Methanol Partnership," February 18, 2022.
[147] Paris, "Methanol Takes Lead in Shipping's Quest for Green Fuel," February 6, 2023; Northam, "Shipping Industry Is Pressured to Cut Pollution," December 1, 2021.
[148] American Journal of Transportation, "A.P. Moller - Maersk and SunGas Renewables Sign," accessed March 20, 2023; Mandra, "Costa Group, Proman to Drive Adoption of Methanol," February 16, 2023; Mackrell, Zacharakis, "Renewable Methanol Drives Maritime Industry Decarbonization," February 15, 2023; Margaronis, "MPC Container Ships, North Sea Container Line," August 17, 2022; American Journal of Transportation, "Six Companies Forming Strategic Alliance to Develop Japan's First Methanol-Fueled Domestic Tanker," March 11, 2022.

U.S. Methanol Production Capacity

Early in the 21st century, relatively high North American prices for natural gas, the primary feedstock to manufacture methanol, made domestic production generally unprofitable.[149] The number of operating U.S. methanol plants fell from 17 in the late 1990s to 4 during 2005–12. Subsequently, improvements in gas production technologies in North America, such as combining fracking with horizontal drilling, lowered natural gas prices. The abundant supply of relatively cheap natural gas facilitated the restart, relocation, or construction of facilities along the U.S. Gulf Coast and near other sources of natural gas.[150] The number of plants operating in the United States reached 12 in 2022.[151] By the end of 2025, three more plants are expected to become operational and one existing plant is expected to add capacity (table 2.5). Total U.S. methanol capacity reached an estimated 10.0 million metric ton (mt) in 2022 and is projected to expand to approximately 13.5 million mt by the end of 2025.

Table 2.5 Anticipated new/expanded U.S. methanol production capacity, 2023–25
In million metric tons.

Production start year	Company name	Location	Project type	Capacity
2023	Fairway Methanol	Texas	Expansion	0.32
2024	Methanex (Geismar 3)	Louisiana	Greenfield	1.8
2025	Big Lake Fuels	Louisiana	Greenfield	1.4
2025	Alpont	Ohio	Greenfield	0.09

Source: Celanese Corp., "Celanese and Mitsui & Co., Ltd. To Form Food Ingredients Joint Venture," February 23, 2023; Mosbrucker, "Major Methanol Plant Construction Back on Track," July 19, 2021; Chen, "New Alpont Plant Plans to Keep Distribution Local," July 3, 2019; Carmen, "Proman USA Lake Charles Complex," October 22, 2021.
Note: The Fairway Methanol expansion and the Big Lake Fuels plant opening were delayed from earlier reporting because of COVID-19 impacts.

U.S. methanol production continues to climb from its low point of 1.0 million mt in 2012 and reached approximately 8.2 million mt in 2022. Since 2021, two more plants began producing methanol in the U.S. market: (1) a greenfield plant Koch Methanol St. James (Louisiana) (formerly YCI Methanol One), which reached full production capacity of 1.7 million mt in August 2021,[152] and (2) US Methanol's Liberty One plant near Charleston, West Virginia, which began operations in the third quarter of 2022. The latter, relocated from Brazil, has an initial capacity of 200,000 mt, with the potential to expand to 350,000 mt.[153]

[149] USEIA, "Henry Hub Natural Gas Spot Price," accessed February 27, 2023. Eastman Chemical was not affected by natural gas prices because it uses coal to make methanol.
[150] USEIA, "New Methanol Plants Expected to Increase," February 21, 2019.
[151] Bescond, Smith, "Methanol," March 2021, 36; US Methanol LLC, "US Methanol," accessed February 27, 2023; Koch Methanol St. James, "Who We Are," accessed February 27, 2023.
[152] Petras, "YCI Methanol One Facility Resumes Production," August 11, 2021; "Koch Methanol St. James," accessed February 27, 2023.
[153] US Methanol, "US Methanol," accessed February 27, 2023.

U.S. Demand for Methanol

U.S. demand for methanol continues to grow. With the exception of the COVID-19 pandemic-induced downturn, U.S. demand has risen steadily from its low point of 5.5 million mt in 2009 to an estimated 7.1 million mt in 2022.[154] U.S. consumption is estimated to continue growing by 5.7 percent per year.[155]

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 2022 were dutiable at the NTR rate of 5.0 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.[156] More than 95 percent of U.S. imports of methanol under HTS 2905.11.20 from Trinidad and Tobago entered under CBERA in 2022. Trinidad and Tobago—the only supplier of methanol to the United States among CBERA beneficiaries during 2021–22—became the primary source of U.S. imports under HTS subheading 2905.11.20 in 1998. Its share of U.S. imports expanded to 71.7 percent by value in 2009 before declining progressively to between 50 and 60 percent in each year since 2016. It accounted for 58.5 percent of U.S. methanol imports in 2022.[157]

The value of total U.S. imports of methanol under HTS subheading 2905.11.20 rose in 2021 but fell in 2022. Although import levels had been increasing irregularly overall since the global recession in 2008–09, that trend reversed in 2015. As more of the rapidly expanding U.S. production capacity became fully operational, the value of U.S. imports under HTS subheading 2905.11.20 from all sources in 2016 fell 52.5 percent to $516 million. U.S. imports had not been that low since 1999. Although the value of imports from all sources increased by $360 million (71.6 percent) from $503 million in 2020 to $863 million in 2021, total imports by quantity increased 5.2 percent. In 2022, the value of imports declined by $214 million (24.8 percent) to $650 million, reflecting the 34.4 percent decline in quantity. The value of methanol imports from Trinidad and Tobago followed a trend similar to that of total imports, increasing $223 million (89.9 percent) from $249 million to $472 million in 2021, before falling $93 million (19.6 percent) to $380 million in 2022.[158]

Global Methanol Production

The global methanol industry continues to concentrate production in countries with significant natural gas sources, such as Trinidad and Tobago, where large-scale production facilities can leverage the access to cheap natural gas. These countries not only retain the extra value added but also are able to save on logistical costs, because shipping methanol is cheaper and easier than shipping natural gas.[159] The exception to this rule is China, where production is growing rapidly even though most plants in the

[154] Sriram et al., *Methanol*, December 8, 2017, 39. Bescond, Smith, "Methanol," March 2021, 37.
[155] Bescond, Smith, "Methanol," March 2021, 38. This estimate includes methanol for use in fuel applications.
[156] U.S. imports of methanol under HTS 2905.11.10 (methanol only for use in producing synthetic natural gas or for direct use as a fuel) were subject to an NTR duty rate of free. Harmonized Tariff Schedule of the United States (2022), Chapter 29.
[157] USITC DataWeb/Census, HTS 2905.11.20, accessed March 31, 2023.
[158] USITC DataWeb/Census, HTS 2905.11.20, accessed July 27, 2023.
[159] Natural gas is liquefied for shipping, resulting in a price significantly higher than that of pipeline natural gas. USITC, "The 2021 Commodity Price Surge: Causes and Impacts on Trade Flows," accessed June 16, 2023. Since methanol is a liquid at standard conditions, it does not require any additional processing for shipment.

country use coal to produce methanol. Between 2018 and 2020, global methanol production capacity increased the most in the Middle East, China, and the United States. Other regions and countries did not experience significant changes.[160] The United States and China are projected to have the greatest capacity growth in the near term.[161] 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 few years because of its increasing energy demands, drive to achieve greater chemical self-sufficiency, and abundant reserves of coal.[162]

Major Producers in Trinidad and Tobago

Trinidad and Tobago continues to be a significant producer of methanol, although some of the island nation's eight methanol plants have been idled because of insufficient inputs caused by its moves into other businesses that require large volumes of natural gas.[163] Increased exports of liquefied natural gas (LNG) from Trinidad and Tobago and the development of the nation's ammonia and urea businesses have increased demand for natural gas at a time when nearby existing gas fields are becoming exhausted. The current natural gas production rate is estimated at just under 3 billion ft^3/day, down significantly from the peak of 4.2 billion ft^3/day in 2010.[164] Recent discoveries are mitigating further declines in production but are insufficient to restore production to previous levels.[165] Trinidad and Tobago's Atlantic LNG, the only LNG facility in the region, has turned to Venezuela to source additional natural gas in its efforts to operate at full capacity.[166]

Proman owns five methanol plants in Trinidad and Tobago at the Methanol Holdings Trinidad Ltd. (MHTL) site with a collective capacity of 4.0 million mt.[167] It has idled three of its plants, however, because of insufficient natural gas or COVID-19 pandemic-related effects. Two of these plants, with an aggregate capacity of 1.0 million mt, have been idle since early 2017 because of a shortage of natural gas feedstock.[168] Another MHTL plant, with a capacity of 0.6 million mt, was idled in March 2020 because of the global slowdown brought about by the COVID-19 pandemic. Proman even idled its two largest plants for about a month in the spring of 2021 due to gas supply issues.[169] In July 2021, Proman secured a new contract with National Gas Company (NGC) of Trinidad and Tobago to supply natural gas to the entire MHTL site.[170] Previously, contracts were drawn up on a per-plant basis.

[160] Bescond, Smith, "Methanol," March 2021, 16.
[161] Bescond, Smith, "Methanol," March 2021, 16.
[162] China is using its abundant coal reserves to make methanol, which it is further processing via methanol-to-olefins and methanol-to-propylene (MTO/MTP) to produce downstream chemicals. Bescond, Smith, "Methanol," March 2021, 9, 16, 19, 22, 80–95.
[163] Proman, "Our Products," July 13, 2022.
[164] Ferrie, "Trinidad's Tax Reforms Receive Mixed Reviews," October 25, 2022.
[165] Ferrie, "Trinidad's Tax Reforms Receive Mixed Reviews," October 25, 2022.
[166] Parker, "Letter from South America," February 21, 2023.
[167] Proman, "Our Products," July 13, 2022.
[168] Clark, "Trinidad's MHTL Cutting Methanol Production by 25%," March 6, 2017.
[169] Energy Chamber of Trinidad and Tobago, "NGC and Proman Announce Interim Gas Supply Agreement," April 27, 2021; Energy Chamber of Trinidad and Tobago, "New Contracts in the Downstream Petrochemical Sector," May 24, 2021.
[170] Trinidad and Tobago Newsday, "NGC, Methanol Holdings Sign Gas Supply Contract," August 4, 2021; Proman, "Proman, NGC Agree New Methanol Partnership," February 18, 2022.

Methanex, with two plants in Trinidad and Tobago, has also been affected by the lack of sufficient natural gas and the diversion of natural gas to other, higher-value-added businesses. Methanex idled one of its plants with a capacity of 0.9 million mt in March 2020 as a result of the COVID-19 pandemic-related global slowdown, but it has left the plant idled as the gas supply contract for the plant expired.[171] Methanex has reportedly continued to negotiate with NGC over gas supply to the plant, but no new contract has been announced.[172] Methanex's operating methanol plant has a capacity of 1.8 million mt.

Caribbean Gas Chemical Ltd. (CGCL) owns a methanol plant in Trinidad and Tobago, with a capacity of 1.0 million mt, that began commercial operations in January 2021.[173] In addition to having NGC as one of its joint venture owners, the plant receives its feedstock from a different natural gas field.

Textiles and Apparel

The total value of U.S. imports of textiles and apparel under the CBERA program increased 30.6 percent, from $740.3 million in 2020 to $967.0 million in 2022 (table 2.6). Between 2021 and 2022, however, the value of imports of textiles and apparel under the CBERA program decreased 3.0 percent. The decrease in U.S. apparel imports from CBERA program beneficiaries is related to political instability and a cholera outbreak in Haiti, the largest apparel producer in the CBERA region.[174] In 2022, 99.9 percent of textiles and apparel from CBERA program beneficiaries were from Haiti.

Table 2.6 U.S. imports for consumption under the CBERA program of textiles and apparel, by source and year, 2018–22

In millions of dollars; ** = rounds to zero.

Country	2018	2019	2020	2021	2022
Haiti	945	979	740	997	967
Jamaica	**	0.1	**	0.1	0.1
All other import sources	**	**	**	**	0
Total imports	945	979	740	997	967

Source: USITC DataWeb/Census, accessed February 9, 2023.

Note: Textile and apparel products are imported under HS chapters 50 through 63. Values rounded to the nearest million dollars.

The CBTPA established duty-free benefits for certain apparel from CBERA beneficiaries designated as CBTPA eligible, provided garments are made from fabrics formed in either the region or the United States, both requiring the exclusive use of U.S. yarns. In 2020, the CBTPA was extended until September 30, 2030.[175] Additional amendments to CBERA expanded the duty-free benefits available to Haiti only through the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE I

[171] Methanex, "Methanex Reduces Production Levels In Trinidad and Chile," March 16, 2020; Methanex, "Methanex Provides Update on Trinidad Operations," January 7, 2021.

[172] Methanex Corporation, "Methanex Reports Fourth Quarter 2022 Results," accessed February 24, 2023.

[173] CGCL is a joint venture of a Mitsubishi consortium (70 percent), National Gas Company (NGC) of Trinidad and Tobago (20 percent), and Massy Holdings (10 percent). The Mitsubishi consortium comprises Mitsubishi Gas Chemical (MGC) (26.25 percent), Mitsubishi Corp. (26.25 percent), and Mitsubishi Heavy Industries Engineering (MHIE) (17.5 percent). Bridglal, "CGCL's Di-Methyl Ether Plant Starts Commercial Operations," January 13, 2021; Market Report Company, "Caribbean Gas Chemical JV Starts Up," January 20, 2021.

[174] USITC, hearing transcript, March 9, 2023, 36 (testimony of Gail Strickler, Brookfield Associates).

[175] 19 U.S.C. § 2701 (notes). CBP, "Caribbean Basin Trade Partnership Act (CBTPA)," November 23, 2021.

Act) and of 2008 (HOPE II Act) (collectively referred to as the HOPE Acts) and the Haitian Economic Lift Program of 2010 (HELP Act).[176] These benefits give Haitian producers more flexibility in sourcing yarns and fabrics beyond the preferences available under the CBTPA for apparel. HELP added benefits for some home goods and headgear.[177] Without reauthorization, the Haiti-specific benefits under HOPE and HELP will expire on September 30, 2025.[178]

Civil unrest after the assassination of Haitian President Jovenel Moïse in 2021, as well as the COVID-19 pandemic, a cholera outbreak, and fuel shortages caused by gangs seizing the main fuel terminal for months have significantly affected companies operating in Haiti.[179] Companies report that they have difficulty transporting their goods because of gangs taking over the highways and intercepting shipments. Employees are also reportedly afraid to leave their homes because of gang violence and civil unrest.[180] Other factors that continue to make the investment climate in Haiti's apparel industry a challenge are poor infrastructure (roads, ports), expensive and unreliable electricity, and the risk of severe weather events.[181] In addition, the uncertainty of potential expiration of both the CBTPA and HOPE and HELP programs adds to companies' reluctance to make any additional investment in Haiti.[182]

The Dominican Republic also plays a role in the supply chain for Haitian textiles and apparel because coproduction arrangements between the two countries are common. Yarn, fabric, and cut component inputs from textile firms in the Dominican Republic supply Haiti's apparel assembly operations and Dominican port locations transport the finished goods to the United States.[183] The Dominican Republic is a partner in the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR), which has more flexible rules of origin requirements than the CBERA program for qualifying apparel, with the exception of HOPE/HELP.[184]

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[176] Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006, 19 U.S.C. § 2703a; The Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (Pub. L. No. 110-234, § 15401 et seq., amending 19 U.S.C. § 2703a); Haiti Economic Lift Program Act of 2010, 19 U.S.C. § 2701 (notes).
[177] See discussion of preferences under the CBTPA and HOPE and HELP and the corresponding rules of origin in chapter 1. See appendix G for detailed information on product coverage for the CBTPA and HOPE and HELP.
[178] The Trade Preferences Extension Act of 2015 extended the HOPE and HELP Acts preferences through September 30, 2025. Pub. L. No. 114-27, § 301, amending 19 U.S.C. § 2703a.
[179] USITC, hearing transcript, March 9, 2023, 37, 85 (testimony of Gail Strickler, Brookfield Associates); USITC, hearing transcript, March 9, 2023, 41 (testimony of Wilhelm Lemke, Association des Industries d'Haïti).
[180] USITC, hearing transcript, March 9, 2023, 84–85 (testimony of Gail Strickler, Brookfield Associates); Gildan, written submission to the USITC, March 28, 2023, 4–5; Cintas, written submission to the USITC, March 27, 2023, 3; WHO, "Cholera-Haiti," February 13, 2022.
[181] Under the HOPE II Act, direct shipment of final goods to the United States is allowed from either Haiti or the Dominican Republic, which share a border. Gildan, written submission to the USITC, March 28, 2023; Cintas, written submission to USITC, March 27, 2023, 3; USITC, hearing transcript, 73 (testimony of Gail Strickler, Brookfield Associates); CRS, *The Haitian Economy and the HOPE Act*, June 24, 2010.
[182] Cintas, written submission to the USITC, March 27, 2023.
[183] The Dominican Republic and Haiti have built a robust textile coproduction system that includes industrial parks situated on the border between the countries. USITC, hearing transcript, 99–100 (testimony of Georges B. Sassine, Association des Industries d'Haïti); Gildan, written submission to the USITC, March 28, 2023, 3.
[184] For example, CAFTA-DR rules of origin for apparel allows fabrics to be sourced in any one of the member countries and be exported to the United States duty-free. CBTPA requires apparel to use U.S. formed fabric made of U.S. yarn in order to qualify, with the exception of HOPE and HELP. 19 U.S.C. § 4033(b); USDOC, OTEXA, "Summary of the U.S. - CAFTA-DR Free Trade Agreement," accessed June 14, 2023.

The value of U.S. imports of textiles and apparel entering under CBTPA trade preferences increased 32.5 percent, from $174.6 million in 2020 to $231.2 million in 2022 (table 2.7). This increase was due to a slight recovery in 2021 after COVID-19 pandemic-related shutdowns ended, but imports in 2022 were still under pre-pandemic amounts. The value of U.S. imports of textiles and apparel entering under HOPE and HELP trade preferences also increased 26.5 percent in 2022 from 2020 because trade rebounded following the height of the COVID-19 pandemic. Imports of textile and apparel under HOPE and HELP trade provisions, however, decreased 1.8 percent from 2021 to 2022, from $739 million in 2021 to $725 million in 2022. The HOPE and HELP share of duty-free trade under the CBERA program increased from 71.8 percent in 2018 to 75.8 percent in 2022. This share increase reflects the more flexible program requirements under HOPE and HELP compared to the CBTPA.[185]

Table 2.7 Duty-free U.S. general imports of textiles and apparel under CBTPA and HOPE/HELP, 2018–22
In millions of dollars.

Program	2018	2019	2020	2021	2022
Total imports under the CBTPA	254	246	175	254	231
Total imports under HOPE and HELP	646	722	573	739	725
Total imports	900	968	748	993	956

Source: Compiled from official statistics of the U.S. Department of Commerce, International Trade Administration, Office of Textiles and Apparel (OTEXA), accessed February 15, 2023. Data reflect all official OTEXA revisions for 2018–22.
Notes: Because of rounding, figures may not add to totals shown. Data in this table may not equal data presented in figure 2.1 and Table 2.6 because Office of Textiles and Apparel (OTEXA) data are based off general imports rather than imports for consumption. General imports include all merchandise from foreign countries, including those that entered U.S. customs territory immediately or entered into bonded warehouses or foreign-trade zones (FTZs) under U.S. Customs and Border Protection custody. Imports for consumption measures the total merchandise that has physically cleared through U.S. customs immediately or after withdrawal for consumption.

Table 2.8 shows U.S. general imports of textiles and apparel from Haiti receiving preferential duty treatment, broken out by CBTPA or HOPE and HELP provision. Nearly all U.S. imports of textiles and apparel from Haiti continued to enter under these trade preference programs in 2022. Only 1.5 percent of U.S. imports of textiles and apparel were dutiable at NTR rates. Knit apparel saw growth in 2022 despite the difficult situations in Haiti, and imports under the Earned Import Allowance Program (EIAP) increased 45.7 percent in 2022 compared to 2020.[186] Several provisions, however, saw decreases, particularly apparel items entered under the value-added trade quotas (down 13.7 percent in 2022 from 2020) and apparel cut and assembled from U.S. fabric (down 27.9 percent from 2020). Between 2021 and 2022, duty-free imports from Haiti in most product groupings declined except for EIAP imports (up 51.4 percent), knit apparel cut and assembled from U.S. fabric (up 7.5 percent), and certain knit T-shirts of regional fabrics (up 4.1 percent).

[185] AAFA, written submission to the USITC, March 28, 2023, 1.
[186] The Earned Import Allowance Program (EIAP) provides duty-free entry for certain apparel from Haiti. For every two or three square meter equivalents (SMEs) of qualifying fabric, one SME may enter the U.S. duty free using third-party yarn and fabric. USDOC, OTEXA, "Haiti Earned Import Allowance Program," accessed March 30, 2023.

Table 2.8 Textiles and apparel: U.S. general imports from Haiti, by duty treatment, 2018–22
In millions of dollars and percentages.

Product/duty treatment (HTS subheading(s))	2018 (million $)	2019 (million $)	2020 (million $)	2021 (million $)	2022 (million $)	Percentage change, 2020–22 (%)
Certain apparel of regional knit fabrics of U.S. yarns (9820.11.09)	134	134	94	148	129	36.2
Certain knit T-shirts of regional fabrics of U.S. yarns (9820.11.12)	76	71	58	83	87	49.5
Apparel cut and assembled from U.S. fabric (9820.11.06 and 9820.11.18)	45	41	22	23	16	−27.9
Subtotal, CBTPA	**254**	**246**	**175**	**254**	**231**	**32.4**
Knit apparel regional limit (9820.61.35)	302	331	243	334	359	47.7
Value-added regional limits (9820.61.25 and 9820.61.30)	109	122	113	142	97	−13.7
Woven apparel regional limit (9820.62.05)	152	122	108	151	132	22.7
Earned Import Allowance Program (EIAP) (9820.62.25)	71	127	82	79	119	45.7
Home goods (9820.63.05)	10	15	17	16	2	−85.5
Headgear (9820.65.05)	1	5	9	16	12	36.7
All other	1	1	2	1	3	37.5
Subtotal, HOPE and HELP Acts	**646**	**722**	**573**	**739**	**725**	**26.5**
Total duty-free imports	900	968	748	993	956	27.9
Total dutiable imports	28	23	17	31	14	−13.0
Total imports	928	991	764	1,023	971	27.1

Source: Compiled from official statistics of the U.S. Department of Commerce, International Trade Administration, Office of Textiles and Apparel (OTEXA), accessed February 15, 2023. Data reflect all official OTEXA revisions for 2018–22.
Notes: Values rounded to the nearest million dollars; percent change calculated prior to rounding. Because of rounding, values may not add to totals shown. Data in this table may not equal data presented in figure 2.1 because the OTEXA data are based on general imports rather than imports for consumption. General imports include all merchandise from foreign countries, including those that enter U.S. customs territory immediately or entered into bonded warehouses or foreign-trade zones (FTZs) under U.S. Customs and Border Protection custody. Imports for consumption measures the total merchandise that has physically cleared through U.S. customs immediately or after withdrawal for consumption.

Apparel production in Haiti remains concentrated in high-volume, basic commodity garments such as knit T-shirts, pullovers, and undergarments, which have relatively predictable U.S. consumer demand and require few styling changes.[187] In recent years, however, Haiti has leveraged the use of advanced machinery to help move up the apparel supply chain from simple assembly operations to more complex garments.[188] In 2022, the leading duty-free apparel imports from Haiti were cotton T-shirts and tops (6109.10.00); manmade-fiber T-shirts and tops (6109.90.10); manmade-fiber sweaters, pullovers, and similar articles (6110.30.30); and cotton sweaters, pullovers, and similar articles (6110.20.20). Together, these four types of garments accounted for more than two-thirds of U.S. imports of apparel from Haiti in 2022 under the CBERA program (table 2.9).

[187] In 2022, 84 percent by value of the U.S. imports of apparel from Haiti were of knit garments (HTS chapter 61). The remaining 16 percent by value of the U.S. imports of apparel from Haiti were woven or non-knit garments. Woven garments are typically considered higher value, require more advanced skills for assembly, and typically higher manufacturing wage rates. The split between knit and woven or non-knit is consistent when compared to 2021 (83 percent knit vs. 17 percent woven or non-knit). USITC DataWeb/Census, accessed March 30, 2023.
[188] USITC, *U.S.-Haiti Trade: Impact of U.S. Preference Programs on Haiti's Economy and Workers*, December 2022.

Table 2.9 U.S. textile and apparel imports for consumption under the CBERA program, by major product, source and year, 2018–22

In millions of dollars; n.e.s.o.i. = not elsewhere specified or indicated.

Product (HTS subheading)	Source	2018	2019	2020	2021	2022
T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton (6109.10.00)	Haiti	285	281	203	261	286
T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of manmade fibers (6109.90.10)	Haiti	106	173	97	132	164
Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, n.e.s.o.i. (6110.30.30)	Haiti	141	152	110	142	112
Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i. (6110.20.20)	Haiti	112	87	62	106	86
Top 4 products	All sources	645	693	473	640	648
All other textile and apparel products	All sources	299	286	267	357	319
Total imports	Total	945	979	740	997	967

Source: USITC DataWeb/Census, accessed February 9, 2023. Data reflect all official Census revisions for 2018–22, as of that date.
Note: Because of rounding, values may not add to totals shown. Textile and apparel products are imported under HS chapters 50 through 63.

Mining and Manufactured Products

U.S. imports of mining and manufactured products under the CBERA program increased between 2018 and 2022 at an average 13.1 percent CAGR. After a small decline (down 9.4 percent) between 2019 and 2020, CBERA imports of mining and manufacturing products rebounded between 2020 and 2021 (up 44.5 percent) and maintained strong growth through 2022 (up 36.2 percent).[189] As shown in Table 2.10, the top four products constituted 88.8 percent of U.S. imports of mining and manufactured products under the CBERA program.

The most significant mining and manufactured product imported under the CBERA program is expandable polystyrene (EPS). U.S. imports under CBERA of EPS in primary forms increased from $55 million in 2020 to $70 million in 2021 and $77 million in 2022 (table 2.10). All EPS imports came from The Bahamas. EPS is primarily used in construction and packaging.[190] Following environmental initiatives across the United States banning EPS packaging, imports of EPS are on the decline since a 2014 high of $155 million.[191] The increase in EPS imports in 2021 and 2022 may be driven by demand from the construction and packaging sectors, as well as the growth in e-commerce and packaged foods following

[189] Mining and manufactured products are products not included under other major product categories: agriculture (Harmonized system (HS) chapters 1–24), textile and apparel (HS chapters 50–63), and methanol and energy products (HTS subheading 2905.11.20 and HS chapter 27 (mineral fuels)).
[190] Omnexus, "Key Applications of Expanded Polystyrene (EPS)," accessed March 16, 2023.
[191] USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Twenty-Fifth Report 2019–20*, September 2021.

the COVID-19 outbreak.[192] The U.S. EPS market is expected to grow between 2023 and 2030.[193] This growth may be counteracted, however, by state- and municipality-level decisions to phase out EPS.[194]

The second-most imported mining and manufactured product under the CBERA program is melamine. Melamine imports under CBERA increased from $8 million in 2020 to $20 million in 2021 and to $59 million in 2022 (table 2.10). All U.S. imports of melamine under CBERA came from Trinidad and Tobago. Melamine is used to make resins, coatings, leather, and fertilizer. Growing imports of melamine aligns with high global demand for melamine between 2018 and 2022. This demand is driven by the construction sector and lightweight and low-emissions vehicle manufacturing.[195]

U.S. imports under the CBERA program of hats and other headgear, all coming from Haiti, increased from $1 million in 2018 to $15 million in 2021 before decreasing to $12 million in 2022 (table 2.10). U.S. imports under CBERA of electrical transformers, from Haiti and Saint Kitts and Nevis, increased from $3 million in 2020 to $4 million in 2022.

[192] Grand View Research, *Expanded Polystyrene Market Share Analysis Report, 2030*, 2022.
[193] Grand View Research, *Expanded Polystyrene Market Share Analysis Report, 2030*, 2022.
[194] Some regulations banning EPS for certain food packaging applications include phaseout periods (see, e.g., the State of Washington EPS ban, the City of Los Angeles EPS ban). These phaseout periods may reduce the immediate effect of EPS bans on EPS imports under CBERA.
[195] GlobeNews, "Melamine Market to Be Worth USD 11.57 Billion by 2028, Witnessing a CAGR of 5.1% - Report by Market Research Future (MRFR)," January 17, 2023.

Table 2.10 Mining and manufactured product imports for consumption under the CBERA program, by major product and source and year, 2018–22
In millions of dollars; ** = rounds to zero.

Product (HTS subheading)	Source	2018	2019	2020	2021	2022
Polystyrene, expandable, in primary forms (3903.11.00)	Bahamas	64	58	55	70	77
Polystyrene, expandable, in primary forms (3903.11.00)	Total, 3903.11.00	64	58	55	70	77
Melamine (2933.61.00)	Trinidad and Tobago	19	15	8	20	59
Melamine (2933.61.00)	Total, 2933.61.00	19	15	8	20	59
Hats and headgear, of man-made fibers, made up from felt or of textile material, not knitted or crocheted, not in part of braid (6505.00.80)	Haiti	1	4	8	15	12
Hats and headgear, of man-made fibers, made up from felt or of textile material, not knitted or crocheted, not in part of braid (6505.00.80)	Total, 6505.00.80	1	4	8	15	12
Electrical transformers other than liquid dielectric (8504.31.40)	St. Kitts-Nevis	2	2	2	3	3
Electrical transformers other than liquid dielectric (8504.31.40)	Haiti	**	1	1	1	2
Electrical transformers other than liquid dielectric (8504.31.40)	Total, 8504.31.40	3	3	3	4	4
Subtotal top 4 products	All sources	87	80	75	109	152
All other mining and manufactured products	All sources	17	16	12	17	19
Total for all products	All sources	105	96	87	126	171

Source: USITC DataWeb/Census, accessed February 9, 2023.
Notes: Because of rounding, values may not add to totals shown. Mining and manufactured products are products not included under other major product categories: agriculture (Harmonized system (HS) chapters 1–24), textile and apparel (HS chapters 50–63), and methanol (other than for use in producing synthetic natural gas or for direct use as a fuel) imported under HTS subheading 2905.11.20 and energy products imported under HS chapter 27 (mineral fuels). "Hats" represents Hats and headgear, of man-made fibers, made up from felt or of textile material, not knitted or crocheted, not in part of braid. Electrical represents transformers other than liquid dielectric. Polystyrene represents polystyrene expandable, in primary forms.

Agricultural Products

In 2022, U.S. agricultural imports for consumption under CBERA reached $213.8 million (table 2.11), an increase of 15.9 percent since 2020. Imports increased both in 2021 (4.2 percent) and 2022 (11.2 percent). The top four products imported—certain raw cane sugar imported under the WTO tariff-rate quota (TRQ), fresh or chilled yams, certain food preparations not elsewhere specified or included, and certain sauces and preparations—accounted for approximately 50 percent of agricultural products imported under CBERA. [196]

[196] The United States and other sugar-importing countries have a sugar quota governed by the WTO Agreement. The United States Department of Agriculture establishes the in-quantity quota each fiscal year, and the USTR determines the country allocations. USTR, "Sugar," accessed May 15, 2023.

The value of U.S. imports under CBERA of raw cane sugar within the WTO TRQ increased 54.4 percent from $21 million in 2020 to $33 million in 2022.[197] Imports decreased 42.8 percent in 2021 but then increased by 170.0 percent in 2022. Raw cane sugar imports subject to the WTO TRQ constituted 6.3 percent and 15.4 percent of agricultural imports under CBERA in 2021 and 2022, respectively. In order of their 2022 import values, Guyana, Belize, Jamaica, Barbados are the only CBERA beneficiary suppliers of raw cane sugar imported under the WTO TRQ. U.S. imports from Jamaica faced back-to-back annual decreases in 2021 and 2022 as a result of an ongoing decrease in sugarcane production and the related closure of many sugar mills, which cut supplies available for export.[198] The value of imports from Guyana under CBERA increased in part because of high 2022 sugar prices.[199] In addition, the 2022 CBERA utilization rate for raw cane sugar imports from Guyana was 100 percent, compared to zero percent in 2020 and 45 percent in 2019, which also impacted the amount of imports claiming CBERA preference.[200]

[197] Imports of raw cane sugar under 1701.14.10 require certificates issued by the USDA under the WTO TRQ allocations as determined by the USTR. WTO TRQ allocations are issued annually according to historical allocations. The following CBERA beneficiary countries received initial allocations during 2018–22: Barbados, Belize, Guyana, Haiti, Jamaica, Saint Kitts and Nevis, and Trinidad and Tobago. Initial allocations have not changed during 2018–22. Unused initial allocations may be reallocated. For initial 2022 allocations, see 86 Fed. Reg. 51713 (September 16, 2021). For final allocations and actual quantities entered, see USDA, ERS, "Sugar and Sweeteners Yearbook Tables, Table 57," April 18, 2023.

[198] The decrease in sugarcane production has been attributed to increasing production costs (e.g., fertilizer costs), labor shortages (e.g., sugarcane cutters), as well as reallocation of lands (e.g., from sugarcane production to housing or other crops). In addition, sugar mills in Jamaica tend to operate inefficient and outdated machinery, negatively impacting performance. The combination of the above factors has resulted in low returns, causing all but two sugar mills in the country to close operations in recent years. USDA, FAS, *Sugar Annual*, April 15, 2022, 2, 4; USDA, FAS, *Sugar Annual*, April 14, 2021, 2.

[199] The unit value of other raw cane sugar imports from Guyana averaged $1.21 per kg in 2022, which is 124.1 percent higher than the 2018–20 average of $0.54 per kg. The sharp increase in sugar prices was likely due to a shortage of Guyanese sugar production caused by flooding in 2021 and 2022. Guyana is an important producer of higher value Demerara sugar. USITC DataWeb/Census, accessed March 30, 2023. Stabroek News, "GuySuCo Falls below First Crop Target," June 13, 2022. Henry, "Guyana Will Have First Priority as Sugar Production," August 7, 2022. GuySuCo (Guyana Sugar Corporation), a state-owned entity, is the largest producer of sugar cane in Guyana. Guyana Sugar Corporation, "About Us," accessed June 14, 2023.

[200] The preference program utilization rate is calculated by dividing U.S. imports that claimed preferences under that program (i.e., received duty elimination or reduction) by imports of the universe of products that were covered by that program. The universe of products covered by the program comprises the products (HTS codes) that are eligible for program preferences. In the case of CBERA as amended, three country groups have different products that are covered by the CBERA program (CBERA eligible products). The three groupings include (1) beneficiaries of the original CBERA preferences; (2) beneficiaries of the original CBERA preferences plus the expanded CBPTA preferences; and (3) beneficiaries of the original CBERA preferences, the expanded CBTPA preferences, and the country-specific Haiti HOPE preferences (i.e., Haiti). For more detail, see the section "Utilization of CBERA Program Preferences" in chapter 4. Between 2014 and 2022, CBERA utilization rates for other raw sugarcane from Guyana averaged 40 percent and the median was 23 percent. It is unclear why utilization rates vary so widely from year to year and product to product. USITC calculation, based on USITC DataWeb/Census, Imports for Consumption, accessed March 30, 2023.

Fresh or chilled yams accounted for approximately 15 percent of agricultural imports under CBERA in 2021 and 2022.[201] Jamaica is the sole CBERA supplier and the United States' largest source of yams (in terms of value) across all import sources (table 2.11). After an annual increase of 23.6 percent—driven by higher prices—in 2020, the growth rate of U.S. yam imports under CBERA slowed to 1.4 percent in 2021 and the value of imports remained virtually unchanged in 2022. This overall slower growth can be characterized by somewhat increasing volumes (3.4 percent average annual growth during 2021–22) being offset by decreasing unit values (−3 percent average). [202] Reports indicate that, despite increasing production, Jamaican yam producers have not been able to keep up with growing international demand for Jamaican yams.[203]

U.S. food preparation imports under CBERA increased from $26.9 million in 2020 to $30.1 million in 2022, an increase of 11.8 percent. Imports decreased by 5.8 percent in 2021—driven by lower average unit values—and increased by 18.7 percent in 2022—driven by higher average unit values and an increase in volume.[204] This product category accounted for roughly 14 percent of CBERA agricultural product imports in 2021 and 2022. Trinidad and Tobago and Jamaica are the two main CBERA suppliers. During 2020–22, Trinidad and Tobago represented about 73 percent of CBERA imports of food preparations—which was composed of mostly sugar-containing beverages—and Jamaica represented around 27 percent.[205]

U.S. imports of sauces and preparations under CBERA increased by 12.1 percent since 2020 to $21.8 million in 2022 (see table 2.11). Imports increased 31.3 percent in 2021 and decreased 14.6 percent in 2022. In 2021 and 2022, the sauces and preparations category comprised about 12 percent of CBERA agricultural imports. Jamaica is the largest CBERA supplier of sauces and preparations, contributing about 82 percent of such imports in 2020–22 under CBERA, followed by Trinidad and Tobago (8 percent). The United States is Jamaica's largest export market.[206] Imports from Jamaica under this category likely include hot sauce (e.g., pepper sauce and jerk sauce), tomato ketchup, and other

[201] Not to be confused with sweet potatoes. Though the word "yam" is often used interchangeably with "sweet potato" in the United States, yams and sweet potatoes are in fact completely different products that come from different plant families. Sweet potatoes typically have smooth skin, orange flesh, and are moist and sweet; yams have rough skin, white flesh, and are starchy. Yams are produced in tropical climates, particularly Africa, the Caribbean, and Latin America. The United States does not produce yams. U.S. yam imports are typically distributed to international grocery stores. The conflating of yams and sweet potatoes has a long history dating back to the transatlantic slave trade, but it was not until a 1930s marketing campaign for the Louisiana Sweet Potatoes trade association that the interchanging of yams and sweet potatoes became mainstream in American culture. Lifsey Barnes, "I Yam Not a Sweet Potato," February 7, 2022; Eby, "The Difference Between Yams and Sweet Potatoes," October 10, 2022; Labyak, "A Sweet Potato Isn't a Potato," April 18, 2018.
[202] USITC DataWeb/Census, accessed March 31, 2023.
[203] Ewing-Chow, "Trelawny Is Jamaica's 'Yam Belt,'" March 31, 2021. Morris, "Agriculture Minister Urges Farmers to Increase Yam Production for Export," February 18, 2023. FAOSTAT database, accessed June 14, 2023.
[204] USITC DataWeb/Census, accessed March 30, 2023.
[205] The 10-digit statistical reporting numbers show different products being supplied by Trinidad and Tobago and Jamaica. Trinidad and Tobago primarily supplied 2106.90.9872 and 2106.90.9972, which cover preparations for the manufacture of beverages containing sugar derived from sugarcane or sugar beets. Jamaica supplied 2106.90.9898 and 2106.90.9998, which cover preparations not elsewhere specified or included, not canned or frozen. In 2022, HTS subheading 2106.90.99 (Food preparations n.e.s.o.i., not canned or frozen) replaced HTS subheading 2106.90.98 (Food preparations n.e.s.o.i., other). USITC DataWeb/Census, accessed March 30, 2023.
[206] World Bank, WITS, "Jamaica Trade," accessed March 31, 2023.

condiments.[207] Prior to 2022, imports of this product category had steadily increased, particularly as Jamaican sauces grew in popularity in the United States.[208]

Table 2.11 U.S. imports for consumption under CBERA of agriculture products, by major product, source, and year, 2018–22

In thousands of dollars; ** = rounds to zero.; n.e.s.o.i. = not elsewhere specified or indicated.

Product (HTS subheading)	Source	2018	2019	2020	2021	2022
Cane sugar (1701.14.10)	Guyana	0	2,936	0	0	20,285
Cane sugar (1701.14.10)	Belize	49	6,283	8,489	8,108	9,258
Cane sugar (1701.14.10)	Jamaica	0	7,133	6,373	4,071	3,338
Cane sugar (1701.14.10)	Barbados	2,289	1,406	6,428	0	0
Cane sugar (1701.14.10)	Total, 1701.14.10	2,338	17,757	21,291	12,179	32,880
Yams (0714.30.10)	Jamaica	24,401	24,352	30,108	30,526	30,516
Yams (0714.30.10)	Total, 0714.30.10	24,401	24,352	30,108	30,526	30,516
Other food (2106.90.98 (2018–21), 2106.90.99 (2022))	Trinidad & Tobago	11,318	15,818	20,992	16,729	22,268
Other food (2106.90.98 (2018–21), 2106.90.99 (2022))	Jamaica	7,025	7,554	5,807	8,457	7,658
Other food (2106.90.98 (2018–21), 2106.90.99 (2022))	All other import sources	83	156	103	156	143
Other food (2106.90.98 (2018–21), 2106.90.99 (2022))	Total, 2106.90.98 & 2106.90.99	18,425	23,528	26,903	25,342	30,069
Sauces (2103.90.90)	Jamaica	7,026	8,452	16,001	21,212	17,530
Sauces (2103.90.90)	Belize	636	840	633	1,527	1,731
Sauces (2103.90.90)	Trinidad & Tobago	1,293	1,408	1,775	1,832	1,377
Sauces (2103.90.90)	All other import sources	495	366	995	909	1,112
Sauces (2103.90.90)	Total, 2103.90.90	9,449	11,066	19,403	25,480	21,750
Top 4 products	All import sources	54,614	76,703	97,704	93,527	115,215
All other agriculture products	All import sources	78,794	72,850	86,839	98,823	98,606
Total imports	All import sources	133,408	149,554	184,543	192,349	213,820

Source: USITC DataWeb/Census, accessed February 9, 2023.

Note: Because of rounding, values may not add to totals shown. Agriculture products are imported under HS chapters 1–24. Cane sugar represents other cane sugar, raw, in solid form, without added flavoring or coloring, subject to additional U.S. note 5. Yams represents fresh or chilled yams (Dioscorea spp.), whether or not sliced or in the form of pellets. Other food represents food preparations n.e.s.o.i., including preparations for the manufacture of beverages, non-dairy coffee whiteners, herbal teas and flavored honey. Sauces represents sauces and preparations therefor, n.e.s.o.i.

[207] May also include cheese sauce base from Jamaica. Ruling category tariff no. NY I89044. USITC, *Harmonized Tariff Schedule (2022), Rev. 11*, October 2022, chapter 21.

[208] Chambers, "New Jamaican Sauce, Pedro Plains Hits U.S. Grocery Stores," January 29, 2017. Ewing-Chow, "Caribbean Scotch Bonnet Is So 'Hot,'" November 26, 2020.

Chapter 3
Economic Impact of the CBERA Program on the U.S. Economy

This chapter reports on the economic impact of the Caribbean Basin Economic Recovery Act (CBERA) program on U.S. imports, industries, and consumers in 2021–22. It includes the quantitative assessment on the program's effect during that period on the U.S. economy generally, as well as on those specific domestic industries that produce articles similar to 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 that the CBERA program will have on the U.S. economy generally, as well as on specific industries. The assessment of the program's probable future effect is based on a qualitative 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 the CBERA program. Most of this investment information has been collected from international sources such as the United Nations (UN) and the International Monetary Fund (IMF), and augmented by information obtained from the Commission hearing (held on March 9, 2023).

Summary of Overall Impact

The effects of the CBERA program on U.S. imports, U.S. consumers, and the U.S. industry are grouped into two categories: CBERA-exclusive goods and CBERA-nonexclusive goods. CBERA-exclusive goods are only eligible to enter the United States with a reduced duty or duty free under the CBERA program, and CBERA-nonexclusive goods can enter the United States with a reduced duty or duty free under multiple preference programs.[209]

For both CBERA-exclusive and CBERA-nonexclusive products, the Commission model estimates that the economic impact of the CBERA program on the U.S. economy and on U.S. industries is small. Imports of CBERA-exclusive products are estimated to reduce revenue, profits, and employment in competing U.S. industries by 0.8 percent (table 3.5). Imports of CBERA-nonexclusive products are estimated to reduce revenue, profits, and employment in competing U.S. industries by 0.3 percent (table 3.8).[210] The economic effect of the CBERA program on U.S. industries is small because the value of U.S. imports under the CBERA program remains a small share of total U.S. imports, at 0.08 percent of all U.S. imports in 2022 (table 3.1).

Measured in U.S. dollars of lost revenue, the economic effects of the CBERA program for CBERA-exclusive products were largest for cotton T-shirts, at $5.9 million (0.9 percent of the industry's operating revenue). Measured in U.S. dollars of lost revenue, the economic effects of the CBERA

[209] For more information on CBERA-exclusive goods versus goods that can enter under other preference programs, such as GSP, see chapter 1.
[210] This estimate is based on economic modeling methodologies analyzing the economic impact of the top 10 CBERA-exclusive imports by value and the top 10 CBERA-nonexclusive imports by value. For more information on the economic modeling methodologies used in this report, see appendix B.

program for CBERA-nonexclusive products were largest for the methanol-producing industry, at $21.6 million (0.8 percent of the industry's operating revenue). Complete tables of economic effects can be found in the sections below.

The probable future effect of the CBERA program on the U.S. economy, including on U.S. domestic industries and U.S. consumers, is likely to remain minimal for most products. Despite expectations of higher demand for many products covered under the CBERA program and growth in the stock of foreign direct investment (FDI) in CBERA beneficiaries, CBERA program imports make up a small share of U.S. imports.[211] Therefore, it is unlikely that changes in CBERA program imports will have a notable effect on U.S. industries or consumer prices.

In examining future supply and demand for imports under the CBERA program, the Commission analyzed 2021–22 CBERA-related investment, as well as investment trends in the CBERA beneficiaries for the near-term production and export of CBERA-eligible products. This analysis indicates that 2021–22 investment is unlikely to generate U.S. imports that will have a measurable economic impact on U.S. producers and consumers because CBERA beneficiaries generally are, and are likely to remain, small suppliers to the U.S. market. Moreover, information available to the Commission from sources mentioned above indicates that investment in CBERA beneficiaries in recent years has focused primarily on services sectors not eligible for CBERA program preferences rather than on the production of CBERA-eligible goods for export to the United States. An analysis of future effects of the CBERA program can be found in the second half of this chapter.

Estimated Economic Impact of the CBERA Program on U.S. Imports, Consumers, and Industry

As in earlier years, the effect of CBERA on the U.S. economy in 2021–22 was small. This was true mainly because the value of U.S. imports that claimed CBERA preferences remained small during that period. In 2022, U.S. imports entered under the CBERA program amounted to $2.6 billion, which equaled 0.08 percent of total U.S. imports (table 3.1). Although the total value of U.S. imports from CBERA beneficiaries increased in 2022 to $11.6 billion, those imports also continued to be relatively small, remaining at 0.4 percent of total U.S. imports.

[211] The terms CBERA imports, CBERA exports, and CBERA program preference in this chapter are referring to imports, exports, and preferences under the CBERA program, inclusive of CBERA, CBTPA and HOPE/HELP.

Table 3.1 U.S. imports for consumption from CBERA beneficiaries, 2018–22

Year	U.S. imports from the world (million $)	U.S. imports from all CBERA beneficiaries (million $)	CBERA beneficiaries' share of U.S. imports from the world (%)	U.S. imports under the CBERA program (million $)	Share of U.S. imports under the CBERA program in total U.S. imports from CBERA beneficiaries (%)	Share of U.S. imports under the CBERA program in total U.S. imports from the world (%)
2018	2,547,787	6,094	0.2	1,692	27.8	0.07
2019	2,495,687	5,567	0.2	1,887	33.9	0.08
2020	2,330,836	5,089	0.2	1,808	35.5	0.08
2021	2,822,516	8,682	0.3	2,194	25.3	0.08
2022	3,229,623	11,608	0.4	2,616	22.5	0.08

Source: USITC DataWeb/Census, accessed February 9, 2023.

The rest of this section reports the estimated economic effects of the CBERA program on U.S. imports, U.S. consumers, and the U.S. industries that produce products that are similar to, or directly competitive with, products that the United States imports from the CBERA beneficiaries. The analysis uses a partial equilibrium (PE) model (described below) of the U.S. market for the top imported products from the CBERA beneficiaries to simulate the hypothetical scenario where imports under the CBERA program are returned to their permanent normal trade relations (NTR) duty rates.[212] Economic effects under the CBERA program are calculated as the difference between actual and simulated outcomes.

In evaluating the effect of the CBERA program, the Commission distinguished between CBERA-exclusive imports and CBERA-nonexclusive imports. Some products, such as T-shirts and sweaters from Haiti, can only enter the United States duty free under CBERA program preferences and not under GSP, for example. Imports of these products are referred to below as CBERA-exclusive imports. Other products, such as prepared sauces, can enter the United States duty free under multiple preference programs. Imports of these products are referred to as CBERA-nonexclusive imports. For the modeling, only the top 10 CBERA-exclusive and CBERA-nonexclusive products were chosen by value of 2022 imports (table 3.2).[213] Products are specified at the 8-digit tariff code level in the HTS; more details on the trade data for 2021–22 are provided in chapter 2.

[212] More technical details on the partial equilibrium (PE) model are provided in appendix B.
[213] The Commission also ran model estimates with 2021 data, but results were largely the same.

Table 3.2 Top 10 CBERA-exclusive and top 10 CBERA-nonexclusive products modeled
In millions of dollars and percentages. n.e.s.o.i. = not elsewhere specified or included.

HTS subheading	Description	Product category	Duty rate (%)	U.S. imports under the CBERA program in 2022 (million $)
6109.10.00	T-shirts of cotton	CBERA-exclusive	16.5	286
6109.90.10	T-shirts of manmade fibers	CBERA-exclusive	32.0	164
6110.30.30	Sweaters of manmade fibers, n.e.s.o.i.	CBERA-exclusive	32.0	112
6110.20.20	Trousers of cotton, Sweaters of cotton, n.e.s.o.i.	CBERA-exclusive	16.5	86
6203.43.90	Men's/boys' trousers (synth fibers)	CBERA-exclusive	27.9	50
6104.62.20	Women's/girls' trousers of cotton	CBERA-exclusive	14.9	44
6104.63.20	Women's/girls' trousers (synth fibers, knitted), n.e.s.o.i.	CBERA-exclusive	28.2	44
6205.30.20	Men's/boys' shirts of manmade fibers, n.e.s.o.i.	CBERA-exclusive	25.9	38
6211.43.10	Women's/girls' track suits, n.e.s.o.i.	CBERA-exclusive	16.0	15
6204.63.90	Women's/girls' trousers, n.e.s.o.i.	CBERA-exclusive	28.6	13
2709.00.20	Petroleum oils, light	CBERA-nonexclusive	0.1	515
2905.11.20	Methanol	CBERA-nonexclusive	5.5	380
2709.00.10	Petroleum oils, heavy	CBERA-nonexclusive	0.1	336
3903.11.00	Polystyrene	CBERA-nonexclusive	6.5	77
2933.61.00	Melamine	CBERA-nonexclusive	3.5	59
2710.19.06	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals	CBERA-nonexclusive	0.1	33
2106.90.99	Other food preparations n.e.s.o.i., including for the manufacture of beverages, nondairy coffee whiteners, herbal teas and flavored honey	CBERA-nonexclusive	6.4	30
2103.90.90	Sauces and preparations, n.e.s.o.i.	CBERA-nonexclusive	6.4	22
2008.99.91	Bean cake, bean stick, miso, other fruit, nuts	CBERA-nonexclusive	6.0	10
2005.99.97	Vegetables n.e.s.o.i. and mixtures of vegetables, prepared or preserved other than by vinegar or acetic acid, not frozen, not preserved by sugar	CBERA-nonexclusive	11.2	8

Source: USITC DataWeb/Census, accessed February 9, 2023.
Note: The duty rate is the ad valorem equivalent from the harmonized tariff schedule for normal trade relations with partner countries.

Description of the Economic Model

A modeling framework previously developed for the Commission's 2021 CBERA report was applied to the latest available data to estimate the effects of the CBERA program on U.S. imports, U.S. consumer prices and revenues, operating profits, and employment of the U.S. domestic industry.[214] The model used to estimate these effects is described below together with its limitations.[215] Details on estimated effects for CBERA-exclusive as well as for CBERA-nonexclusive imports follow this discussion.

[214] For modeling purposes, the Commission focused on 2022. Chapter 2 describes trade data for 2021–22.
[215] For technical information on the partial equilibrium model used in this analysis, see appendix B.

The Commission's PE model provides quantitative assessment of the effects of changes in U.S. trade policy at a product level—more specifically at the HTS 8-digit tariff level—in which each market is analyzed separately. In the model, consumers purchase both domestically produced and imported varieties of products from countries that receive CBERA program preferences and countries that do not. Imports from the various sources and domestic production are assumed to be imperfectly substitutable.[216] Producers are assumed to operate in an industry where the number of firms is fixed. Each firm produces a unique variety of the product and thus has some degree of market power when setting the price for its product in the domestic market.[217] Producers can generate positive or negative profits in the short run, allowing the model to calculate nonzero changes in operating profits.[218] Changes in firm revenue can have a direct effect on a firm's demand for variable labor, allowing the model to also calculate changes in the number of production-related workers.[219] Accordingly, along with price and quantity effects, the model is able to determine the effects on production workers as well as operating profits of the domestic industry from potential changes in tariffs.

The model estimates economic effects of the CBERA program by simulating a hypothetical scenario where products from CBERA beneficiaries are no longer eligible for CBERA program preferences. The model's baseline is first developed using the current market shares of these products entering the U.S. market under the CBERA program. It then simulates for 2022 a counterfactual value of quantities and prices that would prevail if CBERA program preferences are eliminated and duty rates return to their higher NTR rates. The estimated impact of the CBERA program is calculated as the difference between the values of prices and quantities that are observed under the CBERA program and those counterfactual values without CBERA program preferences.

In the model, tariff reduction or elimination on CBERA program imports reduces the domestic price of CBERA program imports, leading to increased CBERA program imports and lower prices to U.S. consumers, as well as reduced domestic production as a result of increased competition. The amount by which domestic prices and quantity fall depends on the domestic market share of CBERA program imports, the preference margin, and the substitutability of domestic and imported products.[220] In general, if imports under the CBERA program account for a larger market share in the U.S. domestic market, face higher tariff rates, or are more substitutable with domestic products, then the model will estimate larger increases in U.S. imports, larger decreases in consumer prices, or larger adverse effects on domestic producers as a result of CBERA program preferences. The model is run for each of the 20 products (both CBERA-exclusive and CBERA-nonexclusive products) shown in table 3.2.

[216] Several approaches are available in the economics literature to estimate the elasticity of substitution between foreign and domestically sourced varieties of a given product. This study follows Ahmad and Riker, "A Method For Estimating The Elasticity Of Substitution," May 2019, to estimate the elasticity of substitution for all the products modeled. See appendix B for more details.
[217] The assumption of firms operating under monopolistic competition to model international trade flows was first introduced in Krugman, "Increasing Returns, Monopolistic Competition, and International Trade," 1979, and is a good characterization of the industries modeled in this chapter such as the U.S. apparel industry, with highly differentiated products by brand. This assumption also allows the model to estimate effects on operating profits.
[218] Operating profits are defined here as a firm's total revenue minus total variable costs.
[219] Employment effects are calculated at the product level, so the model cannot determine if the workers who become unemployed are then rehired by a firm that produces in a different HTS subheading.
[220] Domestic production and employment data were estimated for each product by the Commission's industry analysts at the 8-digit level to match the level of aggregation of imports.

Limitations of the Partial Equilibrium Model. The model is designed to take into account certain factors such as tariffs, market shares, elasticities, employment, and operating profits; it does not examine the impact of CBERA program preferences on wages, inventories, capital investments, and profit margins.

The model is a partial equilibrium model, which means it considers the impact on each product in isolation, without taking into account any linkages between a product's industry and other industries in the economy. Thus, the model cannot determine if the workers who become unemployed in the production of one product are then rehired by a firm that produces in a different HTS subheading. Similarly, the model does not include any impact on industries that are upstream or downstream from the directly affected industry. The purpose of the model is to capture the direct impact of CBERA program preferences on the production of the affected goods.

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. The 20 industries modeled in this chapter, however, are not generally characterized as having individual firms with significant market power.

The model uses data on production workers, which are generally available for U.S. industries that are classified at a more aggregate level—such as under the North American Industry Classification System (NAICS) 6-digit level—than the HTS 8-digit subheading level at which imports under the CBERA program are classified.[221] To estimate the number of production workers in domestic industries competing with each of the 20 products modeled, the Commission assumed that labor productivities were the same for all industries classified within an NAICS 6-digit industry corresponding to a particular HTS-8 subheading.

The model can only estimate the short-run effects on market participants from changes in tariffs; long-term changes arising in the industry from firm entry/exit, investments, and offshoring are not considered. Also, the model does not take into account any potential increase in U.S. exports of intermediate goods to CBERA beneficiaries due to CBERA program preferences.[222] With respect to the profitability analysis, the model may also underestimate the effect of duty elimination on a U.S. industry in situations where U.S. firms operate under small profit margins; low profitability may indicate that the industry is less able to adjust to increased competition from imports. Furthermore, 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.[223] Finally, the model's focus is on goods and does not reflect services linked to the production of goods.

[221] 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, trade data and production data may not always match.
[222] For example, the United States exported around $16.5 million worth of yarn and fabric products to Haiti in 2022. USITC DataWeb/Census (accessed April 25, 2023). These products were primarily used as intermediate inputs by firms in Haiti for their apparel exports to the United States. Gildan, written Submission to the USITC, March 28, 2023; American Apparel & Footwear Association, written submission to the USITC, March 28, 2023.
[223] Operating profits are defined as a firm's total revenue minus variable costs; net profits, as a firm's total revenue minus both variable costs and fixed costs; and profit margins, as net profits over total revenue. The Commission has undertaken more extensive profitability analysis in other investigations that look at net profits, but they required confidential business information from the industry.

The following section identifies CBERA-exclusive products and presents quantitative estimates of the effect of the CBERA program on U.S. imports, consumers, and industries. The next section presents a similar analysis for CBERA-nonexclusive products.

Effect on CBERA-Exclusive Products

The 10 leading products, by value, that are eligible to enter exclusively under the CBERA program are apparel products imported from Haiti (table 3.3). These 10 products accounted for around 87 percent of total U.S. imports of CBERA-exclusive products. The five leading CBERA-exclusive apparel imports in 2022 include T-shirts, sweaters, and men's or boys' trousers[224] and accounted for around 71 percent of the value of total U.S. imports of CBERA-exclusive products.

The economic effects reported in table 3.3 are the difference between actual values in 2022 and a simulated counterfactual scenario where CBERA program preferences are removed, and tariff rates return to the NTR rate. For example, as shown in table 3.3, actual imports under the CBERA program for cotton T-shirts were $286.4 million in 2022. As noted above, the model simulates a counterfactual value of quantities and prices that would prevail absent the preferences, if tariffs were at NTR rates. The model estimates that imports of cotton T-shirts would have been $229.7 million without CBERA program preferences in 2022, with NTR of 16.5 percent. Hence, the model estimates that, in 2022, U.S. imports of cotton T-shirts were $56.7 million, or 24.7 percent, higher than they would have been in the absence of CBERA program preferences.

Estimated Effect on U.S. Imports. Table 3.3 reports the estimated economic effect of the CBERA program on CBERA-exclusive imports. On average, U.S. imports of those 10 leading apparel products from CBERA beneficiaries were increased by 37.2 percent with CBERA program preferences in place that removed the average tariff of 24 percent. The largest increase in imports, in percentage terms, was in sweaters of manmade fibers, which increased by 50.8 percent when a NTR tariff of 32 percent was removed. The largest increase in imports, by value, was in cotton T-shirts, which increased by around $56.7 million when a tariff of 16.5 percent was removed. High NTR duties are a key factor behind the increase in imports in CBERA-exclusive apparel products, imported primarily from Haiti, experiencing such large gains in 2022 from the CBERA program.

The model predicts CBERA program preferences having significant effects on U.S. imports from Haiti; however, it is important to note here that these estimates are only for the short run. As noted above, the model cannot determine the long-term changes arising in the industry as a result of new firms entering the market and from current firms exiting. In their testimony to the Commission, apparel manufacturers stated that the preferential treatment of Haiti's exports to the United States under the CBERA program was a major reason for the growth of Haiti's apparel industry and that any reduction of these benefits would prove to be a grave threat to these operations.[225] Thus, it is likely that the long-run effects of the removal of CBERA program preferences on Haiti's apparel industry may be more deleterious than what is predicted by the modeling.

[224] These apparel products were imported under HTS subheadings 6109.10.00, 6110.30.30, 6110.20.20, 6109.90.10, and 6104.62.20.
[225] USITC, hearing transcript, May 26, 2022, 148 (testimony of Beth Hughes, American Apparel & Footwear Association); USITC, hearing transcript, May 26, 2022, 227 (testimony of Jerry Cook, HanesBrands Inc).

Table 3.3 Estimated effect of the CBERA program on U.S. imports, CBERA-exclusive products, 2022
In millions of dollars and percentages. — (em dash) = not applicable; n.e.s.o.i. = not elsewhere specified or included; NTR = permanent normal trade relations (also called most-favored-nation status).

HTS subheading	Description	NTR duty rate (%)	Actual CBERA imports (million $)	Estimated imports without CBERA (million $)	Change in CBERA imports (million $)	Change in CBERA imports (%)
6109.10.00	T-shirts of cotton	16.5	286.4	229.7	56.7	24.7
6109.90.10	T-shirts of manmade fibers	32.0	164.1	110.6	53.5	48.4
6110.30.30	Sweaters of manmade fibers, n.e.s.o.i.	32.0	112.0	74.3	37.7	50.8
6110.20.20	Trousers of cotton, sweaters of cotton, n.e.s.o.i.	16.5	85.9	68.4	17.5	25.5
6203.43.90	Men's/boys' trousers (synth fibers)	27.9	50.2	35.0	15.2	43.6
6104.63.20	Women's/girls' trousers (synth fibers, knitted), n.e.s.o.i.	28.2	44.0	30.5	13.5	44.3
6104.62.20	Women's/girls' trousers of cotton	14.9	43.5	35.5	8.0	22.7
6205.30.20	Men's/boys' shirts of manmade fibers, n.e.s.o.i.	27.2	37.5	26.5	11.0	41.5
6211.43.10	Women's/girls' track suits, n.e.s.o.i.	16.0	15.4	12.3	3.0	24.6
6204.63.90	Women's/girls' trousers, n.e.s.o.i.	28.6	13.2	9.1	4.1	45.4
Average	—	**24.0**	**85.2**	**63.2**	**22.0**	**37.2**

Source: USITC DataWeb/Census, accessed April 21, 2023. Estimated effects are obtained from the USITC's modeling analysis.
Notes: Actual imports are based on the imports for consumption that qualified for trade preferences under the CBERA program. The duty rate is the ad valorem equivalent from the harmonized tariff schedule for permanent normal trade relations partner countries. Economic effects are estimated using a partial equilibrium model of the U.S. industry for each product, where the estimated import value is the modeled outcome from a hypothetical scenario where CBERA preferences are removed. The estimated change is calculated as (baseline import value—estimated import value)/estimated import value. Because the estimated percentage changes in this table are calculated in the model using unrounded outcomes, small differences may occur if reproducing with rounded outcomes.

Estimated Effect on U.S. Consumers from Imports from Haiti. For the 10 leading CBERA-exclusive imports, table 3.4 reports the percentage changes in the aggregate price that U.S. consumers pay for each of these products as a result of the CBERA program.[226] In 2022, T-shirts of manmade fibers saw the largest decline in consumer prices of 1.4 percent resulting from the CBERA program, followed by men's and boys' shirts with a decrease in price of 0.9 percent. Those CBERA program products provided the largest decreases in consumer prices primarily because they face high NTR tariff rates (32 percent and 27.2 percent, respectively) and have larger shares in the U.S. domestic market than the other apparel products (around 6 percent and 4.5 percent, respectively). Overall, the primary effect of the CBERA program on U.S. consumers is a slight reduction in the average consumer prices (0.5 percent) for apparel products.

[226] The aggregate price includes prices for imports from CBERA beneficiaries, imports from the rest of the world, and domestic varieties. See technical appendix B for more details.

Table 3.4 Estimated effect of the CBERA program on U.S. consumers, CBERA-exclusive products, 2022
In percentages. — (em dash) = not applicable; n.e.s.o.i. = not elsewhere specified or included; NTR = permanent normal trade relations (also called most-favored-nation status).

HTS subheading	Description	NTR duty rate (%)	Change in consumer prices (%)
6109.10.00	T-shirts of cotton	16.5	−0.6
6109.90.10	T-shirts of manmade fibers	32.0	−1.4
6110.30.30	Sweaters of manmade fibers, n.e.s.o.i.	32.0	−0.4
6110.20.20	trousers of cotton, sweaters of cotton, n.e.s.o.i.	16.5	−0.1
6203.43.90	Men's/boys' trousers (synth fibers)	27.9	−0.5
6104.63.20	Women's/girls' trousers (synth fibers, knitted), n.e.s.o.i.	28.2	−0.4
6104.62.20	Women's/girls' trousers of cotton	14.9	−0.3
6205.30.20	Men's/boys' shirts of manmade fibers, n.e.s.o.i.	27.2	−0.9
6211.43.10	Women's/girls' track suits, n.e.s.o.i.	16.0	−0.2
6204.63.90	Women's/girls' trousers, n.e.s.o.i.	28.6	−0.2
Average	—	24.0	−0.5

Source: USITC DataWeb/Census, accessed April 21, 2023. Estimated effects are obtained from the USITC's modeling analysis.
Note: The duty rate is the ad valorem equivalent from the harmonized tariff schedule for permanent normal trade relations partner countries. Economic effects are estimated using a partial equilibrium model of the U.S. industry for each product. The estimated change is calculated as (baseline consumer price – estimated consumer price)/estimated consumer price.

Estimated Effect on U.S. Industry. Estimates of potential adverse effects on the U.S. domestic apparel industry from an increase in CBERA-exclusive imports in 2022 were small (table 3.5). The average decrease in revenue for U.S. domestic industries competing with the top 10 CBERA-exclusive imports was around 0.8 percent. Among the products modeled, the largest impact was seen for domestic industries producing T-shirts of manmade fibers and men's/boys' shirts of manmade fibers with a decrease in revenues of 2.1 percent and 1.4 percent, respectively. Similarly, operating profits exhibited a relatively small decline for these industries, with an average decrease of around $0.6 million. For employment, estimated effects were also small with the largest decline in production workers as a result of higher CBERA-exclusive imports found for T-shirts of cotton and T-shirts of manmade fibers with a loss of 15 and 11 workers, respectively.[227] Note that for each product modeled, the decrease in percentage terms for operating profits and production workers is estimated to be the same as the percentage decrease in revenues, by assumption. The small effects of CBERA-exclusive apparel imports on U.S. industries are a direct result of these products comprising a very small share of the U.S. domestic market (around 2.6 percent).

[227] Workers in the cut and sew apparel manufacturing industry in 2022 are 67.6 percent women, 30.9 percent Nonwhite, 34.6 percent Hispanic, 65.6 percent over the age of 40, 8.9 percent rural, and 50.2 percent have obtained a high school diploma or less education.
University of Minnesota, IPUMS-CPS, accessed June 8, 2023. As noted before, partial equilibrium models do not account for the possibility of displaced workers being rehired or redeployed elsewhere.

Table 3.5 Estimated effect of the CBERA program on U.S. industries, CBERA-exclusive products, 2022

In millions of dollars, percentages, and numbers. — (em dash) = not applicable; n.e.s.o.i. = not elsewhere specified or included.

HTS subheading	Description	Duty rate (%)	Actual revenues (million $)	Actual operating profits (million $)	Actual workers (#)	Change in revenues (million $)	Change in operating profits (million $)	Change in workers (#)	Change in revenue, profits, workers (%)
6109.10.00	T-shirts of cotton	16.5	693.7	277.5	1,773	−5.9	−2.4	−15	−0.9
6109.90.10	T-shirts of manmade fibers	32.0	131.2	52.5	499	−2.9	−1.1	−11	−2.1
6110.30.30	Sweaters of manmade fibers, n.e.s.o.i.	32.0	321.5	128.6	1,222	−1.9	−0.8	−7	−0.6
6110.20.20	Trousers of cotton, sweaters of cotton, n.e.s.o.i.	16.5	511.6	204.7	1,946	−0.9	−0.4	−3	−0.2
6203.43.90	Men's/boys' trousers (synth fibers)	27.9	103.3	41.3	759	−0.8	−0.3	−6	−0.8
6104.63.20	Women's/girls' trousers (synth fibers, knitted), n.e.s.o.i.	28.2	121.1	48.5	253	−0.7	−0.3	−1	−0.6
6104.62.20	Women's/girls' trousers of cotton	14.9	107.5	43	224	−0.4	−0.2	−1	−0.4
6205.30.20	Men's/boys' shirts of manmade fibers, n.e.s.o.i.	27.2	42.1	16.9	309	−0.6	−0.2	−4	−1.4
6211.43.10	Women's/girls' track suits, n.e.s.o.i.	16.0	51.4	20.6	107	−0.2	−0.1	0	−0.3
6204.63.90	Women's/girls' trousers, n.e.s.o.i.	28.6	62.8	25.1	131	−0.2	−0.1	0	−0.3
Average	—	**24.0**	**214.6**	**85.9**	**722.3**	**−1.5**	**−0.6**	**−5**	**−0.8**

Source: USITC DataWeb/Census, accessed April 21, 2023 and staff estimates. Estimated effects are obtained from the USITC's modeling analysis.

Notes: The duty rate is the ad valorem equivalent from the harmonized tariff schedule for permanent normal trade relation partner countries. The number of workers refers to an estimate of the number of domestic production-related workers for each product. Profits refer to operating profits computed as total revenues minus total variable costs. Because the estimated changes in this table are calculated in the model using unrounded outcomes, small differences may occur if reproducing with rounded outcomes.

Effect on CBERA-Nonexclusive Products

The top 10 CBERA-nonexclusive products by value that are modeled in this section include petroleum oils, methane, polystyrene, melamine, prepared vegetables, and sauces (table 3.2). These modeled products constitute around 90 percent of CBERA-nonexclusive products and around 56 percent of total U.S. imports under CBERA program preferences.[228] The five leading CBERA-nonexclusive imports in 2022 were light crude petroleum, methanol, heavy crude petroleum, polystyrene, and melamine.[229] These five imports accounted for 84 percent of the value of total CBERA-nonexclusive imports in 2022, with light crude petroleum alone accounting for 31 percent.

This section focuses on the estimated effect of the CBERA program on specific domestic industries that produce articles that compete directly with imports from beneficiaries. Using this criterion, two products in the 10 leading CBERA-nonexclusive imports in 2022 by value were not modeled.[230] Other raw cane sugar (HTS subheading 1704.14.10)—the seventh-leading CBERA-nonexclusive import by value—was not modeled because the in-quota quantities allocated to individual CBERA beneficiary countries do not affect the total quantity of raw cane sugar imported under the WTO tariff rate quota (TRQ). TRQ quantities that suppliers in individual countries are unable to fill are typically reallocated by the U.S. government. Thus, the total quantity of raw cane sugar imported under the WTO raw cane sugar TRQ is likely to be unaffected by changes in CBERA program preferences. Therefore, a change in the import source has no impact on the U.S. domestic raw cane sugar industry.[231] Fresh and chilled yams (HTS 0714.30.10)—the eighth-largest CBERA-nonexclusive import by value—was also not modeled because of a lack of any associated U.S. domestic industry. Without a domestic industry, the effects on the industry would be zero.[232]

Estimated Effect on U.S. Imports. CBERA program preferences, by reducing the price of CBERA program imports, should lead to an increase in imports under the CBERA program. Table 3.6 reports the estimated economic effect of the CBERA program on U.S. imports of the 10 leading CBERA-nonexclusive products modeled. U.S. imports of these CBERA-nonexclusive products were expected to increase on average by 8.3 percent from the removal of average NTR duties of 4.3 percent. In percentage terms,

[228] These results are likely overestimates of the impact because removing CBERA preferences would not remove the ability to import under another preference program.
[229] These products were imported under HTS subheadings: 2709.00.20, 2905.11.20, 2709.00.10, 3903.11.00, and 2933.61.00.
[230] Instead, the Commission added bean cakes (HTS subheading 2008.99.91), which were the 11th highest CBERA-nonexclusive imports in 2022, and vegetables n.e.s.o.i. and mixtures of vegetables (HTS subheading 2008.99.91), which were the 12th highest CBERA-nonexclusive imports, in its modeling analysis on the effects of CBERA-nonexclusive products.
[231] Raw cane sugar classified under HTS subheading 1704.14.10 is subject to a total quantity restriction set by the U.S. Secretary of Agriculture and allocated to individual countries by the Office of the U.S. Trade Representative. The total quantity of the WTO raw cane sugar TRQ is set to eliminate any impact on the U.S. domestic sugar industry, usually at the WTO required minimum. Country allocations are based on historical suppliers. Sugar producers in the United States are allocated their marketing allotments before the total import quantity is set and TRQs are allocated to TRQ countries. Without CBERA program preferences, import sourcing may shift under the TRQ, but the net effects on the domestic industry are likely to be zero.
[232] Although this product is not modeled, it is clear that the CBERA program preferences would lower prices, providing a benefit to U.S. consumers of this product.

prepared vegetables saw the largest increase in imports in 2022 of 23.6 percent from the removal of NTR tariffs of 11.2 percent. In value terms, methanol saw the largest increase in imports in 2022 of $23.9 million from the removal of NTR tariffs of 5 percent.[233] Because of low NTR duty rates, imports of crude petroleum saw small gains as a result of CBERA preferences, with light petroleum oils seeing an increase in imports of $2.3 million and heavy petroleum oils an increase of $0.9 million. These gains in imports are negligible compared to the size of the U.S. crude oil market.

Table 3.6 Estimated effect of the CBERA program on U.S. imports, CBERA-nonexclusive products, 2022
In millions of dollars and percentages. — (em dash) = not applicable; n.e.s.o.i. = not elsewhere specified or included; NTR = permanent normal trade relations (also called most-favored-nation status).

HTS subheading	Description	NTR duty rate (%)	Actual CBERA imports (million $)	Estimated imports without CBERA (million $)	Change in CBERA imports (million $)	Change in CBERA imports (%)
2709.00.20	Petroleum oils, light	0.11	515.0	512.7	2.3	0.5
2905.11.20	Methanol	5.00	379.6	355.7	23.9	6.7
2709.00.10	Petroleum oils, heavy	0.06	336.0	335.1	0.9	0.3
3903.11.00	Polystyrene	6.00	77.2	69.0	8.2	11.9
2933.61.00	Melamine	3.00	58.7	56.9	1.8	3.2
2710.19.06	Fuel oils (including blends) derived from petroleum or oils from bituminous minerals, testing < 25 degrees A.P.I.	0.06	33.1	33.0	0.1	0.2
2106.90.99	Other food preparations n.e.s.o.i., including for the manufacture of beverages, nondairy coffee whiteners, herbal teas and flavored honey	6.00	30.1	26.8	3.3	12.4
2103.90.90	Sauces and preparations, n.e.s.o.i.	6.00	21.7	19.4	2.4	12.3
2008.99.91	Bean cake, bean stick, miso, other fruit, nuts	6.00	9.8	8.8	1.1	12.3
2005.99.97	Vegetables n.e.s.o.i. and mixtures of vegetables, prepared	11.20	8.3	6.7	1.6	23.6
Average	—	4.30	147.0	142.4	4.6	8.3

Source: USITC DataWeb/Census, accessed April 21, 2023. Estimated effects are obtained from the USITC's modeling analysis.
Notes: Actual imports are based on the imports for consumption that qualified for trade preferences under the CBERA program. The duty rate is the ad valorem equivalent from the harmonized tariff schedule for normal trade relations partner countries. Economic effects are estimated using a partial equilibrium model of the U.S. industry for each product, where the estimated import value is the modeled outcome from a hypothetical scenario where CBERA preferences are removed. These results are likely overestimates of the impact because removing CBERA preferences would not remove the ability to import under another preference program. The estimated change is calculated as (baseline import value – estimated import value)/estimated import value). The estimated percent changes in this table are calculated in the model using unrounded outcomes, so there may be small differences if reproducing with rounded outcomes.

Estimated Effect on U.S. Consumers. Table 3.7 reports the percentage changes in prices for consumers on the leading CBERA-nonexclusive imports. Because of their relatively small share in the U.S. domestic market, these imports had a small effect on consumer prices, with an average reduction of only 0.2 percent in 2022. The largest decline in these consumer prices was melamine (0.9 percent), followed by methanol (0.6 percent) and polystyrene (0.2 percent). For the remaining products, the effect on consumer prices in the U.S. domestic market in 2022 was almost negligible.

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

Table 3.7 Estimated effect of the CBERA program on U.S. consumers, CBERA-nonexclusive products, 2022

In percentages. — (em dash) = not applicable; n.e.s.o.i. = not elsewhere specified or included; NTR = permanent normal trade relations (also called most-favored-nation status).

HTS subheading	Description	NTR duty rate (%)	Change in consumer prices (%)
2709.00.20	Petroleum oils, light	0.11	0.0
2905.11.20	Methanol	5.00	−0.6
2709.00.10	Petroleum oils, heavy	0.06	0.0
3903.11.00	Polystyrene	6.00	−0.2
2933.61.00	Melamine	3.00	−0.9
2710.19.06	Fuel oils (including blends) derived from petroleum or oils from bituminous minerals, testing < 25 degrees A.P.I.	0.06	0.0
2106.90.99	Other food preparations n.e.s.o.i., including for the manufacture of beverages, nondairy coffee whiteners, herbal teas and flavored honey	6.00	0.0
2103.90.90	Sauces and preparations, n.e.s.o.i.	6.00	0.0
2008.99.91	Bean cake, bean stick, miso, other fruit, nuts	6.00	0.0
2005.99.97	Vegetables n.e.s.o.i. and mixtures of vegetables, prepared	11.20	0.0
Average	—	**4.30**	**−0.2**

Source: USITC DataWeb/Census, accessed April 21, 2023. Estimated effects are obtained from the USITC's modeling analysis.
Note: The duty rate is the ad valorem equivalent from the harmonized tariff schedule for permanent normal trade relations partner countries. Economic effects are estimated using a partial equilibrium model of the U.S. industry for each product. The estimated change is calculated as (baseline consumer price – estimated consumer price)/estimated consumer price.

Estimated Effect on U.S. Industry. Similar to consumer prices, CBERA preferences in 2022 had a small effect on U.S. domestic industries for the 10 CBERA-nonexclusive products modeled (table 3.8). The average decrease in revenues, operating profits, and production workers for the 10 U.S. industries competing with CBERA-nonexclusive imports was around 0.3 percent. In value terms, the highest decline in revenue, as a result of CBERA preferences, is for the U.S. methanol industry, followed by the polystyrene sector, with losses of $21.6 million and $5.9 million, respectively. In percentage terms, the U.S. melamine industry had the largest declines in revenue, operating income, and production-related workers at 1.3 percent. Methanol also has the greatest decline in the number of production-related U.S. workers, with 10 workers losing employment from CBERA's preferential treatment of methanol imports.[234] Overall, the negligible effects of CBERA-nonexclusive imports on U.S. industries, apart from methanol and melamine, are primarily due to these imports comprising a very small share of the U.S. domestic market (around 0.7 percent).

[234] Workers in the industrial and miscellaneous chemicals industry (which includes methanol) in 2022 were 27.6 percent women, 20.6 percent Nonwhite, 13.7 percent Hispanic, 61.6 percent over the age of 40, 11.5 percent rural, and 29.0 percent have obtained a high school diploma or less education. University of Minnesota, IPUMS-CPS, accessed June 8, 2023.

Table 3.8 Estimated effect of the CBERA program on the U.S. industries, CBERA-nonexclusive products, 2022

In millions of dollars, percentages, and numbers. — (em dash) = not applicable; n.e.s.o.i. = not elsewhere specified or included; OP = operating income.

HTS subheading	Description	NTR duty rate (%)	Actual revenues (million $)	Actual profits (million $)	Actual workers (#)	Change in revenues (million $)	Change in profits (million $)	Change in workers (#)	Change in revenues, profits, workers (%)
2709.00.20	Petroleum oils, light	0.11	288,901.4	57,780.3	44,780	−1.8	−0.4	0	0.0
2905.11.20	Methanol	5.5	2,605.1	1,302.5	1,211	−21.6	−8.6	−10	−0.8
2709.00.10	Petroleum oils, heavy	0.06	10,493.7	2,098.7	3,229	−0.1	0.0	0	0.0
3903.11.00	Polystyrene	6.00	1,298.7	649.4	601	−5.9	−2.0	−3	−0.5
2933.61.00	Melamine	3.00	60.3	24.1	28	−0.8	−0.3	−1	−1.3
2710.19.06	Fuel oils (including blends) derived from petroleum or oils from bituminous minerals, testing < 25 degrees A.P.I.	0.06	2,909.4	581.9	582	0.0	0.0	0	0.0
2106.90.99	Other food preparations n.e.s.o.i., including for the manufacture of beverages, nondairy coffee whiteners, herbal teas and flavored honey	6.00	44,930.4	14,976.8	44,918	−2.8	−0.9	−3	0.0
2103.90.90	Sauces and preparations, n.e.s.o.i.	6.00	8,193.6	2,731.2	11,117	−2.1	−0.7	−3	0.0
2008.99.91	Bean cake, bean stick, miso, other fruit, nuts	6.00	2,174.1	724.7	2,880	−0.9	−0.3	−1	0.0
2005.99.97	Vegetables n.e.s.o.i. and mixtures of vegetables, prepared	11.20	1,145.1	381.7	1,517	−1.0	−0.3	−1	−0.1
Average	—	**4.3**	**36,271.2**	**8,125.1**	**11,086**	**−3.7**	**−1.4**	**−2**	**−0.3**

Source: USITC DataWeb/Census, accessed April 21, 2023 and staff estimates. Estimated effects are obtained from USITC's modeling analysis.

Note: The duty rate is the ad valorem equivalent from the harmonized tariff schedule for normal trade relation partner countries. The number of workers refers to an estimate of the number of domestic production-related workers for each product. Profits refer to operating profits computed as total revenues minus total variable costs. The estimated changes in this table are calculated in the model using unrounded outcomes, so there may be small differences if reproducing with rounded outcomes.

Assessment of the Probable Future Effect of the CBERA Program

Overview

The probable future effect of the CBERA program on the U.S. economy, including on U.S. domestic industries and U.S. consumers, is likely to remain minimal for most products. CBERA beneficiaries are small producers in the global context and small suppliers of U.S. imports. This is unlikely to change following current and projected changes in supply and demand for imports under the CBERA program. This assessment includes a qualitative analysis of investment activity in the Caribbean Basin region and the role such investment might play on future supply of U.S. imports under CBERA.

This section begins with a description of the analytical framework and data sources for this assessment, followed by a summary of macroeconomic variables in the CBERA beneficiary countries and an overview of worldwide investment in selected CBERA beneficiary countries.

Analytical Framework and Data Sources

Assuming no changes in duties or transportation costs, future U.S. imports under the CBERA program are determined by future import demand in the United States, along with future supply in the CBERA beneficiaries. The analysis in this section discusses potential changes in U.S. demand as well as changes in CBERA beneficiaries' future import supply levels. Beginning with U.S. demand, this section uses U.S. gross domestic product (GDP) growth projections as a proxy for future growth of U.S. imports under CBERA. This analysis assumes that changes in demand for CBERA imports in the United States are positively associated with increases in U.S. GDP. Analysis on the supply side focuses on two major determinants of future supply from CBERA beneficiaries—economic growth (independent of any CBERA effects) and FDI. First, by considering economic growth, this analysis can indicate the likely growth in supply of CBERA imports due to overall economic expansion in beneficiary countries. All else being equal, GDP growth in any CBERA beneficiary is likely to increase that country's production capacity for exports destined for the United States. Second, in addition to GDP growth in CBERA beneficiaries, growth in FDI stock can serve as an indicator of future levels of U.S. imports under the CBERA program. As a source of capital, FDI can play a key role in building additional capacity in recipient countries. Changes in FDI to sectors producing CBERA-exclusive products, such as textiles, are thus likely to result in future supply changes.

Investment information and data specific to CBERA products or industries are minimal and often irregular in coverage. Data on macroeconomic conditions and forecasts, as well as on investment flows, were obtained from various sources published by international organizations, including the International Monetary Fund (IMF) and the United Nations (UN) Economic Commission for Latin America and the Caribbean (ECLAC). A country's GDP growth is obtained from the IMF World Economic Outlook (WEO) database. Global FDI stock in CBERA beneficiaries is reported by the United Nations Conference on Trade and Development (UNCTAD). Written submissions to and testimony before the Commission have also served as an additional source of CBERA-specific information.

Summary of Macroeconomic Forecasts of Supply and Demand

GDP growth forecasts can provide insight into future trends in both U.S. demand and CBERA beneficiaries' supply capacity. Changes in the economic growth rate of the United States (the largest importer of CBERA beneficiaries' products) and the world will result in changes in the import demand for CBERA products, and growth in CBERA beneficiaries can affect their export supply levels. Table 3.9 summarizes the IMF forecasted annual growth rates for real GDP in CBERA beneficiaries and the United States. These forecasts reflect the IMF's analysis of recent and future Caribbean growth drivers such as oil prices, tourism, and inflation, as described below.

On the import demand side, U.S. real GDP growth rebounded from the COVID-19 pandemic-related downturn and reached 5.9 percent in 2021 and then 2.1 percent in 2022 (table 3.9). The IMF projects U.S. real GDP to continue growing from 2023 to 2027, albeit at generally lower rates than before the pandemic. The rest of the world is expected to grow at somewhat faster rates during the same period.[235]

The IMF described global demand as facing headwinds from tighter monetary policy designed to cool inflation.[236] Nonetheless, the United States has recently experienced higher domestic demand than the IMF had previously expected because of a declining savings rate.[237] After imposing COVID-19 pandemic-related lockdowns for much of 2022, China (the second-largest destination for Caribbean exports) completely reopened at the end of 2022, likely meaning increased Chinese consumption in 2023 after a year of unusually slow growth in 2022.[238]

On the export supply side, although an economic expansion is predicted in the coming years, despite various headwinds, growth is unlikely to significantly impact the CBERA beneficiaries' productive capacity and share of total U.S. imports. CBERA beneficiaries' economic activity contracted 10.0 percent in 2020 because of COVID-19 pandemic-related challenges, especially those due to lower tourism and decreased oil prices in 2020.[239] CBERA beneficiaries' economies rebounded 6.8 percent and 10.9 percent in 2021 and 2022, respectively. The IMF forecasts that Caribbean countries will grow 6.0 percent in 2023; the Caribbean Development Bank (CDB) estimates a 2023 growth rate of 5.7 percent.[240] As shown in table 3.9, the IMF further projects Caribbean average growth rate of 3.5 percent from 2024 to 2028.

CBERA beneficiaries' forecasted economic recovery will likely be underpinned by recovery in tourism, as well as increased oil-sector investment and production supported by crude oil prices of nearly $80 per barrel.[241] Regarding Caribbean tourism, the World Travel and Tourism Council (WTTC) estimates that tourism as a contributor to Caribbean GDP fell 53.2 percent in 2020 but rebounded 36.6 percent in 2021. The WTTC forecasts tourism will continue rising at a 5.5 percent annual rate from 2022 to 2032.[242]

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[235] IMF, "World Economic Outlook DataMapper," April 2023.
[236] IMF, "IMF World Economic Outlook Update," January 2023, 2.
[237] IMF, "IMF World Economic Outlook Update," January 2023, 1–5.
[238] IMF, "IMF World Economic Outlook Update," January 2023, 2.
[239] USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Twenty-Fifth Report 2019–20*, September 2021, 60–61.
[240] Table 3.9 and CBD, "CBD Forecasts Caribbean Economic Growth of 5.7 Percent in 2023," January 18, 2023.
[241] CBD, "CBD Forecasts Caribbean Economic Growth of 5.7 Percent in 2023," January 18, 2023.
[242] WTTC, "Travel and Tourism in the Caribbean: Prospects for Growth," 2022, 3. These estimates include countries and territories not in CBERA, such as Cuba and Puerto Rico.

Similarly, the Caribbean Tourism Organization (CTO) reported that 2022 tourist visits to the Caribbean overall were at almost 89 percent of 2019 levels, although political instability and the security situation had reduced tourism in Haiti. The CTO also forecasts continued growth in overall Caribbean tourism.[243] The IMF concludes that some recovery in tourism has contributed to recent growth in Caribbean economies. The IMF forecasts that slower growth in tourism source markets, however, will weaken tourism growth in the near future.[244] An appreciating U.S. dollar could also dent the competitiveness of countries that peg to the U.S. dollar (such as Antigua and Barbuda, Barbados, Belize, Saint Lucia, Saint Kitts and Nevis, Saint Vincent and the Grenadines). [245]

The U.S. Energy Information Administration forecasts oil prices to average $77 per barrel in 2023 and $72 per barrel in 2024, higher than 2019 levels but below 2022 levels.[246] Barclays, however, forecasts that oil prices will rise to an average of $87 per barrel in 2023 and $92 in 2024, with increased Chinese demand due to China's reopening helping to drive oil prices up.[247] The IMF, however, forecasts lower commodity prices in the future, contributing to its forecast of decelerating Caribbean growth after 2022. Nonetheless, the IMF also notes that if commodity prices are higher, such a situation would benefit Caribbean commodity exporters and hurt net importers.[248]

Similar to the IMF, ECLAC anticipated overall growth in both the U.S. and Caribbean economies, noting that they face headwinds from restrictive monetary policies.[249] Balancing these factors suggests that CBERA beneficiaries will experience limited growth in their production capacity. As a result, CBERA beneficiaries' exports are likely to continue to account for a small share of total U.S. imports.

[243] Walters, "Caribbean Tourism Performance and Outlook, Remarks by Neil Walters, Acting Secretary General Caribbean Tourism Organization," March 7, 2023, 2–4.
[244] IMF, "Regional Economic Outlook Western Hemisphere," October 2022, 12.
[245] IMF, "Regional Economic Outlook Western Hemisphere," October 2022, 12, 24.
[246] USEIA, "Short-Term Energy Outlook," March 2023, Table 1; USEIA, "Crude Oil Prices: West Texas Intermediate (WTI) - Cushing, Oklahoma," March 8, 2023.
[247] Reuters, "Barclays Cuts 2023 Oil Price Forecasts on Resilient Russian Output," March 8, 2023.
[248] IMF, "Regional Economic Outlook Western Hemisphere," October 2022, 18.
[249] ECLAC, CEPAL, "Preliminary Overview of the Economies of Latin America and the Caribbean, Executive Summary," 2022, 23.

Table 3.9 IMF forecasts of real GDP growth in the CBERA beneficiaries and the United States, 2021–28
In annual percentage change.

Country	2021	2022	2023	2024	2025	2026	2027	2028
Antigua and Barbuda	5.3	6.4	5.5	5.4	4.1	2.7	2.7	2.7
Aruba	17.2	5.7	1.6	1.2	1.2	1.1	1.1	1.1
Bahamas	13.7	11.0	4.3	1.8	1.6	1.6	1.5	1.5
Barbados	−0.2	10.0	4.9	3.9	2.8	2.3	2.0	2.0
Belize	15.2	11.4	3.0	2.0	2.0	2.0	2.0	2.0
Dominica	4.8	6.0	4.9	4.7	4.3	2.7	2.7	2.7
Grenada	4.7	6.0	3.7	4.1	3.6	3.2	2.8	2.8
Guyana	20.1	62.3	37.2	45.3	3.4	36.6	3.3	3.3
Haiti	−1.8	−1.7	0.3	1.2	1.5	1.5	1.5	1.5
Jamaica	4.6	4.0	2.2	2.0	1.7	1.6	1.6	1.6
Saint Kitts and Nevis	−0.9	9.0	4.5	3.8	3.0	2.7	2.7	2.7
Saint Lucia	12.2	14.9	3.0	2.2	2.0	1.7	1.5	1.5
Saint Vincent and the Grenadines	0.8	5.3	6.0	5.0	3.9	2.8	2.7	2.7
Trinidad and Tobago	−1.0	2.5	3.2	2.3	2.7	2.0	1.6	1.5
CBERA beneficiaries	6.8	10.9	6.0	6.1	2.7	4.6	2.1	2.1
Latin America and the Caribbean	7.0	4.0	1.6	2.2	2.3	2.6	2.3	2.3
United States	5.9	2.1	1.6	1.1	1.8	2.1	2.1	2.1
World	6.3	3.4	2.8	3.0	3.2	3.2	3.1	3.0

Source: IMF, World Economic Outlook (WEO) database, April 2023 edition.
Notes: The data shown for 2021–28 report projected GDP growth, except for Dominica, for which projections begin in 2020, and for the United States, for which projections begin in 2022. GDP growth of the CBERA region is calculated as the simple average of growth rates of 14 CBERA beneficiaries for which the IMF reported data.
Data are not available for the British Virgin Islands, Curaçao, and Montserrat.

Summary of the Impact of Foreign Direct Investment in the Region

As a complement to domestic investment, FDI has made a significant contribution in CBERA beneficiaries, given their small economic size. As a source of new capital, FDI has helped to expand export activities, increase productivity, and increase employment. 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 CBERA beneficiaries and is supplemented with project-level data as available.

Recent investments in CBERA beneficiaries—with the exception of substantial new investments in Guyana—have been concentrated in the services sector and are not expected to increase future exports into the United States under the CBERA program. Table 3.10 shows global annual FDI stock in CBERA beneficiaries during the 2020–21 period.[250] Global FDI stock in CBERA beneficiaries totaled $1.1 trillion in 2021, a 4.1 percent increase from 2020. From 2020 to 2021, Guyana experienced the largest growth in investment, at 14.6 percent. This was driven primarily by investment in oil exploration and

[250] Data are not available for 2022.

production, a substantial portion of which is from U.S.-owned ExxonMobil.[251] In April 2023, ExxonMobil and partners approved an additional $12.7 billion investment in Guyana's Uaru project.[252] With this investment, production in 2027 is forecast to reach 1.2 million barrels a day.[253] Other large goods investments that could increase future U.S. imports under the CBERA program include a planned investment by Summit Luggage, a China-based company, in a 5,000 square meter luggage factory in Trinidad and Tobago.[254]

The majority of new investment in CBERA beneficiaries, however, is in services, which will not increase imports under CBERA. Dominica, which experienced the second-highest rate of investment growth (9.1 percent from 2020 to 2021), and Grenada (8.5 percent growth from 2020 to 2021) had recent greenfield investments in hotels and tourism and information and communications technology.[255] Other planned or recent investments in CBERA beneficiaries include a planned 112MW solar project in Trinidad and Tobago by Lightsource BP, a subsidiary of UK-based British Petroleum; a hotel in Belize by U.S.-based Karisma Hotels & Resorts; a software and information technology project in Antigua and Barbuda; and a customer contact center in Jamaica.[256] Hence, the expansion of exports to the United States under the CBERA program is likely to be constrained by the lack of new investment in goods sectors outside of oil production.

[251] ExxonMobil has been involved with oil exploration in Guyana since 2015, with production beginning in 2019. In 2020, ExxonMobil made the decision to proceed with a $9 billion development of the Payara field, part of the Stabroek block, with production starting in 2024. ExxonMobil affiliates hold a 45 percent interest in the Stabroek block, with Hess Oil controlling 30 percent, and China National Offshore Oil Corporation holding the remaining 25 percent. ExxonMobil, "ExxonMobil to Proceed with Payara Development Offshore Guyana," September 30, 2020; Cavcic, "ExxonMobil's New Oil Discovery off Guyana Could Underpin Future Development," January 26, 2023.; ExxonMobil, "Guyana Project Overview," accessed March 16, 2023.
[252] ExxonMobil, "ExxonMobil Guyana Advances Fifth Offshore Guyana Development," April 26, 2023.
[253] Valle, "Exxon Mobil Approves $12.7 Billion Oil Project in Guyana," April 27, 2023.
[254] InvesTT, "Summit (TT) Luggage – First Chinese Tenant to Move in at Phoenix Park," accessed May 10, 2023.
[255] Financial Times, "FDi Markets Database," accessed March 6, 2023.
[256] Financial Times, "FDi Markets Database," accessed March 6, 2023; Lightsource BP, "Solar Projects-Renewable Energy Projects," October 20, 2022.

Table 3.10 Global foreign direct stock in CBERA beneficiaries, 2020–21

In millions of dollars and percentage change.

Country	2020 (million $)	2021 (million $)	Percentage change 2020–21 (%)
Antigua and Barbuda	1,410	1,516	7.5
Aruba	4,277	4,412	3.1
Bahamas	26,073	26,352	1.1
Barbados	8,105	8,344	2.9
Belize	2,408	2,535	5.3
British Virgin Islands	950,876	990,238	4.1
Curaçao	1,891	2,045	8.1
Dominica	482	526	9.1
Grenada	1,697	1,841	8.5
Guyana	7,945	9,107	14.6
Haiti	1,950	2,001	2.6
Jamaica	17,497	17,814	1.8
Montserrat	37	38	1.6
Saint Kitts and Nevis	1,596	1,636	2.5
Saint Lucia	1,638	1,685	2.9
Saint Vincent and the Grenadines	1,347	1,412	4.8
Trinidad and Tobago	8,353	8,694	4.1
Total CBERA	1,037,583	1,080,196	4.1

Source: UNCTAD Foreign direct investment: Inward stock.

Notes: Values rounded to the nearest million dollars; percent change calculated prior to rounding. Because of rounding, values may not add to totals shown. FDI stock in the British Virgin Islands is largely due to its role as a Caribbean financial center. The IMF lists the British Virgin Islands among the 10 worldwide economies that together host more than 85 percent of all so-called "phantom" investments not related to productive activity, IMF, "The Rise of Phantom Investments, 2019," 1.

Chapter 4
Impact of the CBERA Program on the Economies of the Beneficiary Countries

This chapter covers the impact of the Caribbean Basin Economic Recovery Act (CBERA) program on the economies of the beneficiary countries. It discusses the utilization of CBERA program preferences and factors affecting the utilization. The chapter also presents measures of export diversification of CBERA beneficiaries and identifies factors that influence export diversification. Among CBERA economies, the high utilization of CBERA program preferences and greater export diversification of some CBERA beneficiaries point to the usefulness of the program to the beneficiary countries. At the same time, as discussed below, the degree of preference utilization and export diversification varies widely across countries and is affected by different factors. The chapter also examines the impact of the CBERA program on the economies of the three largest sources of imports under the program: Guyana, Trinidad and Tobago, and Haiti.

Utilization of CBERA Program Preferences

Utilization of CBERA program preferences is affected by both the extent to which importers of products eligible for CBERA program preferences take advantage of the available preferences as well as the extent to which CBERA beneficiaries are able to supply products eligible for CBERA preferences. Some factors that may contribute to the utilization of the CBERA program are preferences available to competing suppliers outside the CBERA region; available productive resources and the ability to attract investment; and knowledge, transparency, and flexibility of CBERA program rules of origin (ROOs) and other U.S. import requirements. These factors are examined below, following a discussion of the CBERA utilization rate, which measures one aspect of the overall utilization of the program.

Generally, the preference program utilization rate is calculated by dividing U.S. imports that claimed preferences under that program (i.e., received duty elimination or reduction) by imports of the universe of products that were covered by that program. The universe of products covered by the program comprises the products (HTS codes) that are eligible for program preferences. In the case of CBERA as amended, three country groups have different products that are covered by the CBERA program (CBERA eligible products).[257] First, the countries that receive the original CBERA preferences but do not receive the expanded CBPTA preferences nor the HOPE I/HOPE II/HELP ("Haiti HOPE") preferences: Antigua and Barbuda, Aruba, The Bahamas, British Virgin Islands, Dominica, Grenada, Montserrat, Saint Kitts and Nevis, and Saint Vincent and the Grenadines. Second, the countries that receive both the original CBERA

[257] In prior reports, the utilization calculation treated all 17 CBERA beneficiaries as having received the same product preferences as the expanded CBPTA and HOPE/HELP beneficiary countries, which may have overestimated the denominator in the utilization calculation for certain countries (and therefore understated the program's utilization rate). This report modifies the methodology by treating CBPTA beneficiary countries and Haiti as separate country groups with their own product universes distinct from the other countries not receiving those expanded benefits. This modification in methodology may mean some discrepancies in utilization rates for historical data in this report compared to figures presented for those years in past reports.

preferences plus the expanded CBPTA preferences, but not the Haiti HOPE preferences: Barbados, Belize, Curaçao, Guyana, Jamaica, Saint Lucia, Trinidad and Tobago. Finally, the country that receives the most preferences under the CBERA program as amended (i.e., Haiti) which receives the original CBERA preferences, the expanded CBTPA preferences, and the country-specific Haiti HOPE preferences. The overall utilization rate for the CBERA program as amended is calculated by summing U.S. imports from each of the three country groups that claimed a CBERA program preference and dividing this by the sum of imports of CBERA eligible products from each of the three country groups.

The CBERA regional utilization rate was 47.9 percent in 2022 and 49.0 percent in 2021 (table 4.1). This means that in 2022, 47.9 percent of U.S. imports of CBERA program products from CBERA beneficiaries took advantage of the preferential access. In 2022, the CBERA program had the second-lowest utilization rate compared with other U.S. tariff preference programs, including the African Growth and Opportunity Act (AGOA), the Generalized System of Preferences (GSP), and the Nepal Trade Preference Program (NTPP).[258] This is a decline of 24.4 percentage points since 2020, when the CBERA regional utilization rate was one of the highest of all U.S. trade preference programs (table 4.1).

CBERA utilization rates vary over time and across countries, as shown in table 4.1. In 2022, seven CBERA beneficiaries had utilization rates above 80 percent and seven had utilization rates under 20 percent. Both Haiti and Grenada sustained utilization rates above 90 percent for 2018–22; however, The Bahamas has sustained a utilization rate above 90 percent since 2020. Haiti primarily exports apparel, and duty-free access under HOPE and HELP is the primary competitive factor for these exports (see discussion below).[259] Grenada's largest CBERA program exports are fresh produce and spices.[260] The Bahamas' primary CBERA export is polystyrene.[261]

On the other end, some smaller countries, including Montserrat, the British Virgin Islands, and Antigua and Barbuda, entered hardly any imports under the CBERA program from 2018 to 2022. In 2022, total annual U.S. imports from Montserrat, the British Virgin Islands, and Antigua and Barbuda were very low ($1.5 million, $4.4 million, and $8.6 million, respectively). Imports of CBERA-eligible products were under $1 million annually from 2018 to 2022 for these countries, and in some years, none entered under

[258] GSP data refers to "GSP-claimed" imports, which have not yet received duty-free treatment, given the lapse in authorization for the entirety of 2021. In 2022, the utilization rates for other preference programs ranged from 42.5 percent for the NTPP to over 70 percent for AGOA (including GSP). USITC calculation based on USITC DataWeb/Census, accessed July 5, 2023.

[259] In response to concerns arising with Haiti's apparel parity issues, the United States Congress implemented the Haitian Hemispheric Opportunity through Partnership Encouragement (HOPE) Act in 2006 and The Haitian Economic Lift Program (HELP) Act in 2010 to help make Haiti eligible for better trade benefits regarding apparel imports and enhance sourcing flexibility for producers. USITC, *U.S.-Haiti Trade: Impact of U.S. Preference Programs on Haiti's Economy and Workers*, December 2022, 111–12; USITC, "Hearing Transcript," March 9, 2023, 5 (testimony of David Spooner, USFIA).

[260] Including under HTS subheading 0810.90.46 (other fresh fruit), 0811.90.25 (including soursop), and 0908.12.00 (nutmeg), USITC DataWeb/Census, accessed February 9, 2023.

[261] Polystyrene (classified under HTS subheadings 3903.11 and 3903.19) is used in construction and as packaging. USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Twenty-Fifth Report 2019–20*, September 2021, 103–104; USITC DataWeb/Census, accessed February 9, 2023.

the CBERA program.[262] One representative from Antigua and Barbuda indicated exporters were not aware of the CBERA program.[263]

Countries outside the extremes of high or low CBERA utilization rates displayed a range of trends during 2018–22. Some countries, including Saint Lucia, Belize, Curaçao, Saint Kitts and Nevis, and Saint Vincent and the Grenadines, showed large increases in utilization rates.

Some countries, including large exporters like Guyana, experienced large drops in CBERA utilization rates from 2020 to 2022. As discussed below, some of these drops in utilization rates are driven by large increases in petroleum imports, which are covered by the CBERA program, though a substantial share of imports do not claim CBERA program preferences. For example, Guyana's petroleum exports rose from 2020 to 2022, but its utilization rate fell.[264] Similarly, the drop in utilization rate for Barbados was driven by a change in composition of imports. In 2020, Barbados's main CBERA program export was sugar (HTS heading 1701), valued at more than $6 million; in 2022, however, Barbados exported no sugar to the United States. In 2022, its largest CBERA program export was more than $5 million in various footwear products and, although some products were potentially eligible for CBERA program preferences, none claimed the preference.[265]

[262] USITC DataWeb/Census, accessed February 9, 2023.
[263] USITC, "Hearing Transcript," March 9, 2023, 77 (testimony of Martin Cave, Antigua and Barbuda Chamber of Commerce and Industry Limited).
[264] Most petroleum products were excluded under the original CBERA and receive preferential access under the CBTPA, of which Guyana is a beneficiary and The Bahamas is not. See the "Utilization rates for some products are low" and "Guyana trade profile" sections below. 19 U.S.C. § 2703(b)(3).
[265] USITC DataWeb/Census, accessed March 29, 2023.

Table 4.1 CBERA utilization rates, by country, 2018–22
Utilization rates in percentages (%) and change in percentage points (ppts).

Country	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	Percentage point change 2020–22 (ppts)
Haiti	99.2	99.2	97.4	97.8	98.5	1.1
Grenada	91.1	94.9	94.5	91.6	97.9	3.4
Bahamas	68.8	75.0	90.2	95.3	94.0	3.9
Saint Lucia	52.6	12.6	59.9	93.4	90.1	30.2
Belize	43.6	70.5	53.2	70.2	89.7	36.5
Jamaica	88.8	79.9	91.7	52.8	87.9	−3.7
Saint Kitts and Nevis	17.6	16.7	51.3	80.8	84.4	33.1
Curaçao	0.2	1.8	4.1	4.1	79.2	75.1
Saint Vincent and the Grenadines	11.8	36.3	0.0	33.6	75.2	75.2
Trinidad and Tobago	45.3	66.4	62.5	62.9	54.5	−8.1
Guyana	6.8	46.3	48.2	10.0	18.8	−29.4
Barbados	55.3	74.1	90.9	59.9	17.9	−73.0
Dominica	10.2	4.3	32.8	4.6	12.5	−20.3
Aruba	5.0	11.9	8.9	30.5	9.4	0.5
Antigua and Barbuda	12.8	1.0	7.8	0.0	1.2	−6.6
British Virgin Islands	0.9	1.6	0.0	0.0	0.0	0.0
Montserrat	0.0	0.0	0.0	0.0	0.0	0.0
CBERA Region	67.0	80.7	72.3	49.0	47.9	−24.4

Source: USITC DataWeb/Census, Imports for Consumption, accessed February 9, 2023.
Note: Percentages rounded to the nearest tenth; percentage point change calculated prior to rounding. The preference program utilization rate is calculated by dividing U.S. imports that claimed preferences under that program (i.e., received duty elimination or reduction) by imports of the universe of products that were covered by that program. The universe of products covered by the program comprises the products (HTS codes) that are eligible for program preferences. In the case of CBERA as amended, three country groups have different products that are covered by the CBERA program (CBERA eligible products). The three groupings include (1) beneficiaries of the original CBERA preferences; (2) beneficiaries of the original CBERA preferences plus the expanded CBPTA preferences; and (3) beneficiaries of the original CBERA preferences, the expanded CBTPA preferences, and the country-specific Haiti HOPE preferences (i.e., Haiti). For more detail on the country groupings, see above in this section.

The utilization rates shown above capture one aspect of CBERA utilization. Several factors that account for utilization of the program as a whole are described below.

Other agreements are more flexible than the CBERA program

Since CBERA's inception, the United States entered into new preferential trade agreements (PTAs) and free trade agreements (FTAs) that have acted to diminish the relative benefits of the CBERA program as compared with these other agreements.[266] Some industry representatives noted that the CBERA program's lack of flexibility makes other countries more attractive than the Caribbean region for companies looking to relocate from China and other parts of Asia.[267] The flexible apparel ROOs available for Haiti under HOPE and HELP are the major factor in Haiti's success in supplying the U.S. apparel

[266] One article showed that GSP-eligible countries prefer the CBERA program over GSP. Clark and Schaur, "Has the Caribbean Basin Economic Recovery Act Achieved Its Stated Goals?," 2015, 290–92.
[267] USITC, "Hearing Transcript," March 9, 2023, 81 (testimony of Stephen Lande, Manchester Trade Limited); USITC, "Hearing Transcript," March 9, 2023, 40 (testimony of Wilhelm Lemke, Association des Industries d'Haïti).

market.[268] With the exception of Haiti, trade under the apparel provisions under the Caribbean Basin Trade Partnership Act (CBTPA), however, has been largely supplanted by trade under Central America-United States-Dominican Republic Free Trade Agreement, which has less complicated ROOs and allows more flexible sourcing of inputs.[269] One industry representative indicated that the textile industry is no longer viable in Jamaica because of expanded preferences in neighboring countries, including those with higher populations and cheaper labor.[270]

Utilization rates for some products are low

Utilization rates for some products are low for various reasons, including the availability of other import programs and low preference margins. Low utilization rates for petroleum products, in particular, drive the utilization rates in table 4.1 for large petroleum-exporting countries.[271] Permanent normal trade relations (NTR) duty rates for petroleum products are low, which may explain the low utilization rates of CBERA program preferences for petroleum products by CBTPA beneficiaries such as Guyana.[272] In addition, other import programs are available for some products, including petroleum, and exporters may prefer them over the CBERA program.[273] For example, petroleum refineries are among the largest users of the U.S. FTZ program, which primarily serves to reduce duty payments on crude oil through duty exemption for exports.[274]

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[268] USITC, "Hearing Transcript," March 9, 2023, 5 (testimony of David Spooner, USFIA); USITC, *U.S.-Haiti Trade: Impact of U.S. Preference Programs on Haiti's Economy and Workers*, December 2022, 111; Gildan, "Written Submission to the USITC," March 28, 2023; Cintas, "Written Submission to the USITC," March 27, 2023.

[269] See chapter 1 for discussion of CBTPA provisions. USITC, "Hearing Transcript," March 9, 2023, 51–52, 93–94 (testimony of David Spooner, USFIA); American Apparel and Footwear Association, "Written Submission to the USITC," March 28; USITC, "Hearing Transcript," March 9, 2023, 78 (testimony of Georges B. Sassine, Association des Industries d'Haïti); USITC, "Hearing Transcript," March 9, 2023, 80 (testimony of Stephen Lande, Manchester Trade Limited). The AAFA submission notes that even CAFTA-DR is not as flexible as other agreements and some apparel production has shifted out of the region entirely. Industry representatives also stated that footwear rules for CAFTA-DR are more flexible than for Haiti.

[270] USITC, "Hearing Transcript," March 9, 2023, 119 (testimony of Jodi-Ann Quarrie, American Chamber of Commerce of Jamaica).

[271] Guyana, Trinidad and Tobago, and The Bahamas are large exporters of petroleum, but only Guyana and Trinidad and Tobago are eligible for CBTPA preferences. In 2022, the utilization rate for eligible petroleum products classified under HTS 2709 and 2710 was 24 percent. Specifically, the original CBERA excluded petroleum products classified under HTS headings 2709 and 2710. 19 U.S.C. § 2703(b). Also see the "Trade Benefits under CBERA" section in chapter 1. USITC calculation, based on USITC DataWeb/Census, Imports for Consumption, accessed February 9, 2023.

[272] See chapter 2 section "Methanol and energy products". Guyana mainly exports crude petroleum (HTS 27.09.00), which faces NTR duties between 5.2¢/barrel (bbl) and 10.5¢/bbl. Academic literature generally indicates preference utilization rate rises with the size of the preference margin. Hakobyan, "Accounting for Underutilization of Trade Preference Programs," May 2015, 409, 422; USITC, *AGOA: Program Usage, Trends, and Sectoral Highlights*, April 2023, 68.

[273] In terms of non-petroleum products, one source indicated that the CBERA program's alcohol requirements are onerous and large exporters use other avenues. USITC, "Hearing Transcript," March 9, 2023, 55 (testimony of Jodi-Ann Quarrie, American Chamber of Commerce of Jamaica).

[274] For discussion of trends in petroleum trade under the CBERA program, see "Methanol and energy products" section in chapter 2, for discussion of use of free trade zones (FTZs) to reduce petroleum duties, see USITC, *Foreign Trade Zones (FTZs)*, April 2023.

Knowledge of program requirements is low and costs of compliance can be high, especially for smaller firms

Throughout the CBERA region, some companies are entirely unaware of the CBERA program and others are not fully aware of the rules, how to access the program, or which products they can export under CBERA program preferences.[275] Companies that try to take advantage of CBERA program preferences face high costs of utilizing the program and lack support in accessing the program.[276] One industry representative indicated that both its domestic trade representative and the U.S. embassy were often unreachable to help when issues using the CBERA program arose.[277] In addition to CBERA program requirements, exporters must meet other U.S. requirements, and this burden is particularly high for smaller firms. Academic research supports the evidence of an uneven burden of regulatory compliance on small firms.[278] It can be difficult for potential exporters to find and understand regulations for specific products.[279] Several government officials and industry representatives cited on-site inspections for agricultural products as being particularly onerous.[280]

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[275] USITC, "Hearing Transcript," March 9, 2023, 77 (testimony of Martin Cave, Antigua and Barbuda Chamber of Commerce and Industry Limited); USITC, "Hearing Transcript," March 9, 2023, 22–23 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana).

[276] The CARICOM submission indicates obtaining the certificate of origin is particularly difficult. Bureau et al. find program utilization costs can range between 2.5 and 11 percent depending on the program. Keck and Lendle show program utilization costs have a significant fixed element. CARICOM, "Written Submission to the USITC," March 22, 2023; Bureau et al., "The Utilisation of Trade Preferences for Developing Countries in the Agri-Food Sector," 2007, 188; Keck and Lendle, *New Evidence on Preference Utilization*, August 2012, 18.

[277] USITC, "Hearing Transcript," March 9, 2023, 56–67 (testimony of Jodi-Ann Quarrie, American Chamber of Commerce of Jamaica); Government of Jamaica, "Written Submission to the USITC," March 28, 2023, 1. The Government of Jamaica described holding virtual events to help potential exporters learn about the CBERA program in 2020.

[278] In the case of CBERA, Bureau et al. find smaller shipments are more likely to use MFN and not the CBERA program, implicating the cost of using the preference. Hakobyan indicates that preference utilization rises with size of exports. Bureau et al., "The Utilisation of Trade Preferences for Developing Countries in the Agri-Food Sector," 2007, 191; Hakobyan, "Accounting for Underutilization of Trade Preference Programs," May 2015, 422.

[279] USITC, "Hearing Transcript," March 9, 2023, 12, 19 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana).

[280] For example, companies must individually pay to bring in an agricultural inspector and only large companies can afford to do this; some Caribbean exporters are shipping to China because Chinese requirements are reportedly easier to meet. Because of security concerns, the inspectors cannot go to Haiti to conduct the required annual inspection, thus Haiti cannot currently export mangoes. The USDA Animal and Plant Health Inspection Service (APHIS) conducts preclearance inspections for produce exports in some countries. In the case of Haiti, AHPIS announced in October 2022 that inspectors in Haiti were on indefinite leave and that the preclearance program would cease at the end of January 2023. In Guyana, companies experience issues complying with regulations for exportation of catfish, which are the responsibility of the USDA Food Safety and Inspection Service (FSIS). CARICOM, "Written Submission to the USITC," March 22, 2023, 12; USITC, "Hearing Transcript," March 9, 2023, 94–95 (testimony of Jodi-Ann Quarrie, American Chamber of Commerce of Jamaica); USITC, "Hearing Transcript," March 9, 2023, 92–93 (testimony of Wilhelm Lemke, Association des Industries d'Haïti); USITC, "Hearing Transcript," March 9, 2023, 91–92 (testimony of Georges B. Sassine, Association des Industries d'Haïti); HaitiLibre, "Export of mangoes to the USA suspended", October 25, 2022; USITC, "Hearing Transcript," March 9, 2023, 9, 12–13 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana); USDA FSIS, "Inspection of Siluriformes," accessed July 26, 2023.

Industry representatives state that, even when exporters know the ROOs, they can be too complicated and inflexible to use

Complicated ROOs and other requirements reportedly limit exports to the U.S. market under the CBERA program. Industry representatives noted that some ROOs for apparel products require extensive accounting procedures and others are unusable in some cases.[281] Beyond apparel, sourcing of raw materials can be difficult.[282] Meeting the 35 percent content requirement for most CBERA program products can be difficult for poor countries whose major content contribution is inexpensive labor.[283] Some academic studies tie lower preference utilization to higher minimum value content requirements.[284] Additionally, when rules change—especially as they relate to inspections of agricultural and chemical goods—exporters may need to change manufacturing processes, sometimes at significant expense.[285] Some industry representatives state that, taken together, complicated ROOs and other requirements can impede the development of supply chains.[286]

Uncertainty does not attract investment needed to take advantage of the CBERA program

According to industry representatives, various sources of uncertainty limit investment in CBERA program beneficiaries, which limits the ability of countries to expand production capacity and exports.[287] First, uncertainty exists over whether CBTPA and HOPE and HELP provisions will be renewed; HOPE and HELP provisions expire in 2025 and the CBTPA expires in 2030.[288] Academic literature shows that trade policy

[281] One representative describes difficulties with accounting for regional fabric requirements over a calendar year. Another notes that when limits are placed on exports in subcategories, it can be difficult to find another use for factory capacity. Another suggests the HOPE and HELP EIAP could be improved by allowing post-assembly dyeing in other U.S. FTA and PTA countries. USITC, "Hearing Transcript," March 9, 2023, 113 (testimony of David Spooner, USFIA); USITC, "Hearing Transcript," March 9, 2023, 109–11 (testimony of Gail Strickler, Brookfield Associates); Gildan, "Written Submission to the USITC," March 28, 2023.

[282] Hakobyan, "Accounting for Underutilization of Trade Preference Programs," May 2015, 409–10; USITC, "Hearing Transcript," March 9, 2023, 10 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana).

[283] For example, if materials change but assembly stays the same when products are upgraded to newer versions, a product could fall below the required content. The substantial transformation requirement imposes limitations for lesser-developed countries in particular. Hakobyan, Shushanik, "Accounting for Underutilization of Trade Preference Programs," May 2015, 409, 411; Sytsma, Tobias, "Rules of Origin and Trade Preference Utilization among Least Developed Countries," 2021, 713; USITC, "Hearing Transcript," March 9, 2023, 112 (testimony of Stephen Lande, Manchester Trade Limited); CARICOM, "Written Submission to the USITC," March 22, 2023, 12. See the "Qualifying Rules of Origin" section in chapter 1 for more information on CBERA's ROOs. The 35 percent local content requirement includes the "direct costs of processing operations performed in a beneficiary," such as labor costs. 19 U.S.C. § 2703(a)(3); 19 C.F.R. § 10.195(a).

[284] Carrère and de Melo, "Are Different Rules of Origin Equally Costly? Estimates from NAFTA," June 2004, 206–09.

[285] American Chamber of Commerce of Jamaica, "Written Submission to the USITC," March 16, 2023, 4.

[286] USITC, "Hearing Transcript," March 9, 2023, 73 (testimony of Gail Strickler, Brookfield Associates).

[287] Caribbean Export Development Agency, "Written Testimony to the USITC," February 28, 2023.

[288] Pub. L. No. 109-432, § 5001 et seq. (2006) (amending 19 U.S.C. § 2703a) [extending HOPE and HELP]; Pub. L. No. 116-164, § 1, (2020) (amending 19 U.S.C. § 2703) [extending the CBTPA].

uncertainty is associated with lower investment.[289] Industry representatives indicate that the pending expirations do not build confidence in investments and suggest renewing HOPE and HELP as soon as possible, making the CBTPA provisions permanent, and extending the CBTPA to all CBERA beneficiaries.[290]

Additionally, the Caribbean Basin is susceptible to natural disasters, such as hurricanes and earthquakes, which create risks for investors.[291] Finally, security challenges in Haiti, along with related disruptions in the supply chain and transportation, have made firms question future investments in that country.[292] Industry representatives stated that a long-term extension of HOPE and HELP could provide encouragement for firms that have already invested to remain in Haiti or for companies looking to nearshore to consider Haiti.[293]

Export Diversification in CBERA Beneficiaries

One objective of CBERA is to reduce reliance on traditional exports and promote diversified, export-led growth in the Caribbean Basin countries.[294] Diversification of exports and domestic production has been linked to faster economic growth in low-income countries.[295] National development plans of CBERA beneficiaries also highlight the importance of economic diversification and expansion and development of targeted export-oriented sectors, including nontraditional products like medical supplies, in achieving

[289] Handley and Limão, "Trade and Investment under Policy Uncertainty: Theory and Firm Evidence," 2015, 189–222; USITC, *Economic Impact of Trade Agreements Implemented under Trade Authorities Procedures, 2021 Report*, June 2021.
[290] The CARICOM written submission also requested that the CBTPA be extended to all CBERA beneficiaries. Brookfield Associates, "Written Submission to the USITC," February 27, 2023; Gildan, "Written Submission to the USITC," March 28, 2023, 2; CARICOM, "Written Submission to the USITC," March 22, 2023, 11–12; USITC, "Hearing Transcript," March 9, 2023, 114–16 (testimony of Jodi-Ann Quarrie, American Chamber of Commerce of Jamaica).
[291] USITC, "Hearing Transcript," March 9, 2023, 73 (testimony of Gail Strickler, Brookfield Associates); USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Twenty-Fifth Report 2019–20*, September 2021, 70, 101; USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Twentieth Report 2009–10*, September 2011, 3–22. For example, the 2021 USITC report discusses the impacts of Hurricane Dorian on The Bahamas. The 2011 USITC report discusses the impact of the 2010 Haiti earthquake and how the resulting HELP Act of 2010 impacted investment in the apparel industry.
[292] Brookfield Associates, "Written Submission to the USITC," February 27, 2023; USITC, "Hearing Transcript," March 9, 2023, 86 (testimony of David Spooner, USFIA); USITC, "Hearing Transcript," March 9, 2023, 87–89 (testimony of Wilhelm Lemke, Association des Industries d'Haïti). Mr. Lemke's testimony also indicates companies looking to nearshore production are not currently considering Haiti because of the unrest.
[293] Cintas, "Written Submission to the USITC," March 27, 2023, 3, 4; Brookfield Associates, "Written Submission to the USITC," February 27, 2023.
[294] 19 U.S.C. § 2701 (notes) In creating CBERA, Congress intended that CBERA beneficiaries would diversify their industries from primary and agricultural products then prevalent into more advanced manufacturing sectors that would support their economic development. See, e.g., Caribbean Basin Initiative: Hearings on the Administration's Proposed Trade and Tax Measures Affecting the Caribbean Basin Before the H. Comm. on Ways and Means, 97th Cong. 134–35 (1982).
[295] Giri et al., "Understanding Export Diversification: Key Drivers and Policy Implications," June 2019, 40.

sustainable economic growth.[296] This section examines the structure of CBERA beneficiaries' exports to the United States, highlighting changes in CBERA beneficiary exporters between 2018 and 2022.[297]

The analysis below reveals that, during 2018–22, goods exported from some CBERA beneficiaries to the United States became more diversified and exports from some other CBERA beneficiaries became more concentrated. Growth in bulk commodity exports, notably petroleum products, corresponded with less-diversified exports in several countries between 2020 and 2022. Both empirical evidence and industry representatives indicate the CBERA program has led to more export diversification in some countries, such as Trinidad and Tobago and Haiti. Small production bases, high costs of production, uncertainty that deters investment, and challenges with export requirements, however, can limit export growth and diversification in CBERA beneficiaries.

Structure of Exports of CBERA Beneficiaries

Like most small-island developing economies, CBERA beneficiaries rely heavily on tourism and services such as banking and finance for economic activity.[298] These countries can have a hard time taking advantage of trade preferences primarily focused on trade in goods.[299] Given their small domestic markets, CBERA economies are relatively open to trade and highly dependent on external markets.[300] Because of geographic proximity, the United States has been the top destination for exports from the CBERA region for the duration of the CBERA program.[301] In terms of goods, CBERA beneficiaries as a whole are specialized and concentrated in raw materials, including mining products and some agricultural products shown in figure 4.1.[302]

Over the duration of the CBERA program, the share of mining products (including petroleum products and ores) in exports to the United States has ranged from a low of 24 percent in 2015 to a high of 70 percent in 2005 (figure 4.1). Since 2015, the share of mining products has increased as a result of increased export volumes and rising prices for crude and refined petroleum products, reaching 56 percent in 2022.[303] The share of manufactured products in exports from CBERA beneficiaries has also varied over time, peaking at greater than 55 percent in 2014 and then falling as petroleum exports soared. Manufactured products are varied and comprise some downstream mining products as well as significant exports of apparel. The share of agricultural sector exports has remained small, averaging less than 10 percent since 1989.

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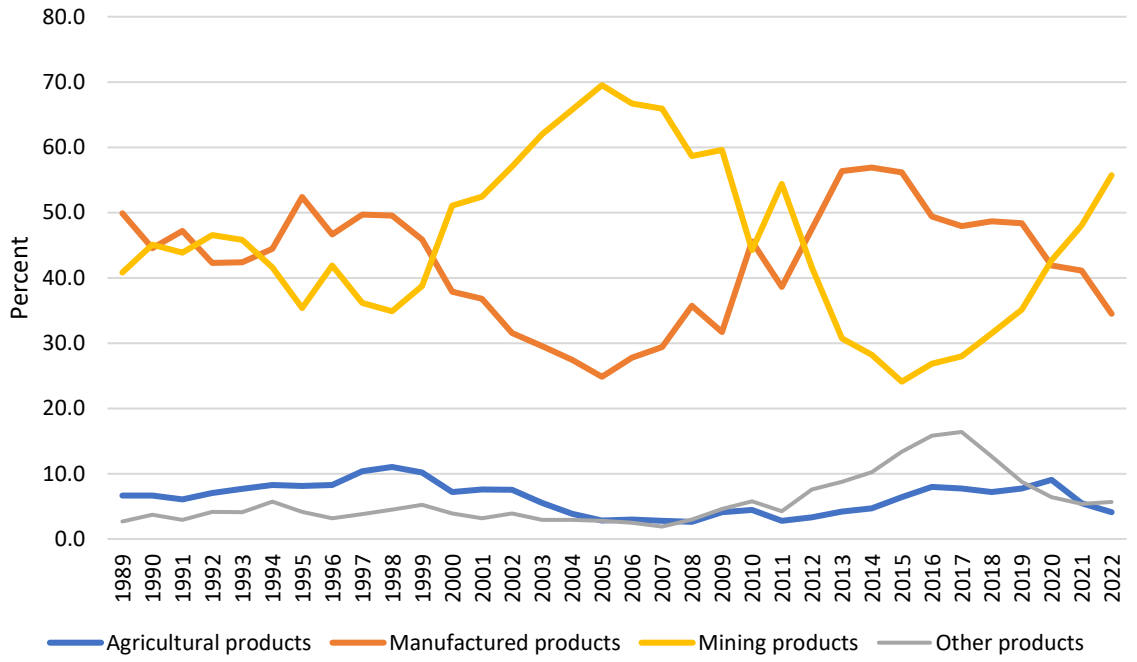
[296] Government of Guyana, Ministry of Finance, "National Development Strategy (Guyana) (2000–2010)," n.d.; Planning Institute of Jamaica, "Vision 2030 Jamaica," 2009; Government of the Republic of Trinidad and Tobago, Ministry of Planning and Development, "Vision 2030 National Development Strategy 2016–2030," January 2016.
[297] See also USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Twenty-Fifth Report 2019–20*, September 2021.
[298] Mohan, "Caribbean Diversification and Development," March 2016, 1434.
[299] Clark and Schaur, "Has the Caribbean Basin Economic Recovery Act Achieved Its Stated Goals?," 2015, 287.
[300] CARICOM, "Written Submission to the USITC," March 22, 2023, 1.
[301] S&P Global, IHS Markit, Global Trade Atlas (GTA) database, accessed June 13, 2023. However, one source notes the role of the United States in the region is eroding. Caribbean Export Development Agency, "Written Testimony to the USITC," February 28, 2023.
[302] ECLAC, CEPAL, *International Trade Outlook, 2022*, 2023, 87–88.
[303] See discussion in chapter 2, "Methanol and energy products."

Figure 4.1 Share of the value of U.S. merchandise imports from CBERA beneficiaries, by major sector

In percentages (%). Underlying data for this figure can be found in appendix table E.4.



Source: USITC DataWeb/Census, U.S. imports for consumption, by value, accessed March 27, 2023.
Notes: Sector definition is based on WTO product groupings. Agricultural products comprise food and raw materials; mining products comprise non-agricultural primary products, including ores, fuels, and non-ferrous metals; manufactured products include chemicals and textiles; and other products include gold and transactions not classified elsewhere (USTR, *Fourteenth Report to Congress on the Operation of the Caribbean Basin Economic Recovery Act*, December 31, 2021, 98; USDOS, EB, *2022 Investment Climate Statements: Trinidad and Tobago*, 2022.).

For each of the five largest CBERA beneficiary exporters to the United States, table 4.2 shows the top five products exported during 2018–22 and their aggregate share in exports to the United States. The majority of top exports are concentrated in raw materials requiring minimal processing, including petroleum gases and oils and ores. Petroleum products dominate exports from two countries, The Bahamas and Guyana, whose exports are highly concentrated (greater than 90 percent) in the top five exports. Some CBERA beneficiaries have diversified from supplying raw materials to producing downstream products, such as producing methanol from natural gas (Trinidad and Tobago) or aluminum oxide from aluminum ore (Jamaica).[304] The top five products exported from these five countries are still greater than 50 percent of all exports to the United States but are less concentrated than exports from Guyana and The Bahamas. Haiti's top five exports—all apparel products—comprised 69 percent of its total exports to the United States during this period.

[304] Government of the Republic of Trinidad and Tobago, "Written Submission to the USITC," March 10, 2023, 4.

Table 4.2 Top five exports to the U.S. by the five largest CBERA beneficiaries, 2018–22 average
In percentages. Countries ordered by average merchandise exports to the United States in 2018–22.

CBERA beneficiary	Top five products exported to the United States	Share of top five products in total exports to the United States (%)
Trinidad and Tobago	Petroleum gases and oils (2711.11,2709.00), ferrous products (7203.10), anhydrous ammonia (2814.10), Methanol (2905.11)	82.7
Guyana	Petroleum oils and products (2709.00,2713.11,2710.19), gold (7108.12), aluminum ores (2606.00)	90.8
Haiti	T-shirts (6109.10,6109.90), sweaters, pullovers, sweatshirts, waistcoats (6110.30,6110.20), women's or girls' trousers, bib and brace overalls (6104.62)	68.7
Bahamas	Petroleum oils (2710.12), polymers of styrene (3903.11), rock lobster (0306.11), pebbles, gravel, broken or crushed stone (2517.10); salt (2501.00)	90.7
Jamaica	Aluminum ores (2606.00), aluminum oxide (2818.20), petroleum oils (2710.19), yams (0714.30), beer made from malt (2203.00)	57.9

Source: USITC DataWeb/Census, Imports for Consumption, HTS chapters 1–97, accessed February 22, 2023.
Note: CBERA beneficiaries' exports to the United States are shown as U.S. imports from those countries (i.e., mirror statistics). Product refers to an HTSUS 6-digit subheading.

Trends in Export Diversification

This analysis uses two measures of export diversification (following those used in previous Commission reports) to capture changes in the extensive and intensive margins (e.g., exporting new products and exporting more of existing major products, respectively).[305] The first measure is the number of products exported to the United States by each CBERA beneficiary.[306] The number of products exported is calculated as the number of HTS 6-digit headings recorded in U.S. import data in a given year. An increase in the number of products imported from CBERA beneficiaries indicates greater diversification, because it reflects the expansion of a country's export basket to the United States.

The second measure—the diversification index—measures export reliance on major products—i.e., it captures changes in the intensive margin—or how much of a given product is exported. The diversification index ranges from zero to 1 and is calculated as 1 minus the Herfindahl-Hirschman index

[305] For example, see de la Cruz, *Export Diversification and the Caribbean Basin Economic Recovery Act*, September 2008; IMF, *Sustaining Long-Run Growth and Macroeconomic Stability - the Role of Structural Transformation and Diversification*, March 2014, 10; USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Twenty-Fifth Report 2019–20*, September 2021.
[306] Specifically, this study uses the same measures of export diversification employed in the previous report, USITC (2021), which in turn builds on de la Cruz (2008). USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Twenty-Fifth Report 2019–20*, September 2021; de la Cruz, *Export Diversification and the Caribbean Basin Economic Recovery Act*, September 2008.

(HHI), where the HHI measures the concentration of exports in particular products.[307] Values closer to 1 indicate higher diversification (less concentration); a country that exports many products with equal export shares will have a diversification index close to 1. Lower values on the diversification index reflect more concentration among a few major exports; countries with exports concentrated among a few products will have a diversification index close to zero.

This discussion focuses on changes in measures of export diversification in the most recent period, 2018–22, but previous analyses have described trends in export diversification in CBERA beneficiaries since the inception of the CBERA program. The previous USITC CBERA report in this series, using the same measures of export diversification in this analysis, showed that at a regional level, exports of CBERA beneficiaries became more concentrated in terms of the diversification index between 1990 and 2005 and then became more diversified between 2005 and 2020.[308]Additionally, the Commission showed differences in trends in export diversification for the five largest CBERA exporters. The analysis below focuses on a shorter period, presents data for all CBERA beneficiaries, and shows considerable heterogeneity in trends in the two measures of export diversification, as well as across CBERA beneficiaries.

Tables 4.3 and 4.4 show two ways in which the Commission measured export diversification—the number of products and diversification index—for each CBERA beneficiary and CBERA beneficiaries as a whole for the period 2018–22. The number of products exported from the CBERA region and most (15 of 17 total) CBERA beneficiaries increased between 2020 and 2022. In 6 of 17 CBERA beneficiaries, the number of products exported fell in 2020, at the onset of the COVID-19 pandemic (table 4.3). Only 2 of

[307] The HHI is calculated as 1 minus the sum of squares of the export shares of all export categories in the market. The export categories are the HTS 6-digit subheadings with exports to the United States. This analysis follows the methodology in USITC (2021). Other studies such as de la Cruz (2008) use the HHI to measure export diversification; subtracting the HHI from 1, as in this analysis, flips the range of the measure so that higher values indicate more export diversification (versus more export concentration). Some studies, such as USITC (2001) report a normalized version of the Hirschman index (equivalent to HHI) as a measure of export diversification. Finally, some studies, such as Cadot et al. (2011) and IMF (2014), use the Theil Index, which is a different measure of the compression of the distribution of exports across products. de la Cruz, *Export Diversification and the Caribbean Basin Economic Recovery Act*, September 2008; USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Twenty-Fifth Report 2019–20*, September 2021; USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Fifteenth Report 1999–2000*, September 2001, 104; Cadot et al., "Export Diversification: What's behind the Hump?," May 2011, 590–605; IMF, *Sustaining Long-Run Growth and Macroeconomic Stability - the Role of Structural Transformation and Diversification*, March 2014.

[308] USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Twenty-Fifth Report 2019–20*, September 2021, 74. Some analyses from earlier periods find different trends. de la Cruz (2008) shows that exports from CBERA beneficiaries diversified at a modest rate between 1983 (the start of the CBERA program) and 1999 and that the increase in diversification was more pronounced at the beginning of the CBERA program. That study includes the Central American countries that were CBERA beneficiaries until CAFTA-DR entered into force and indicates the CAFTA-DR members and the current CBERA beneficiaries have experienced different trends in export diversification. de la Cruz, *Export Diversification and the Caribbean Basin Economic Recovery Act*, September 2008. Additionally, a 2001 USITC report in this series found mixed trends in two measures of export diversification for the Caribbean countries in a similar period (1986 to 1998). This study also found that exports of Central American CBERA beneficiaries did diversify during this period. These countries lost CBERA beneficiary status when they became parties to CAFTA-DR. USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Fifteenth Report 1999–2000*, September 2001, 103–5.

17 CBERA beneficiaries (Aruba and British Virgin Islands) exported fewer products in 2022 than in 2020. The biggest exporters under the CBERA program (The Bahamas, Guyana, Jamaica, Haiti, and Trinidad and Tobago) exported the largest number of products, and these numbers have grown steadily since 2018. Since the early years of the CBERA program, Trinidad and Tobago has diversified its exports on the extensive margin both through within-sector diversification from crude petroleum into downstream products and through the introduction of more manufactured products.[309] In the case of Haiti, the HOPE and HELP Acts (of 2006, 2008, and 2010) gave Haiti preferential access for additional products and more flexible rules of origin for apparel items.[310] Since the enactment of HOPE and HELP, Haiti has taken advantage of these preferences, expanding production to new products and expanding operations beyond simple assembly.[311]

Table 4.3 CBERA beneficiary export diversification: number of products exported by country, 2018–22
In number of products (count) and percentages.

Country	2018 (count)	2019 (count)	2020 (count)	2021 (count)	2022 (count)	Percentage change, 2020–22 (%)
Antigua and Barbuda	56	64	60	50	76	26.7
Aruba	70	55	66	64	61	−7.6
Bahamas	168	153	139	155	173	24.5
Barbados	110	101	106	107	116	9.4
Belize	116	121	124	138	151	21.8
British Virgin Islands	98	47	45	41	37	−17.8
Curaçao	118	85	79	67	88	11.4
Dominica	46	45	35	42	39	11.4
Grenada	48	38	43	41	55	27.9
Guyana	132	131	166	157	175	5.4
Haiti	247	235	229	256	257	12.2
Jamaica	277	272	282	292	292	3.5
Montserrat	37	34	41	51	48	17.1
Saint Kitts and Nevis	101	72	83	90	117	41.0
Saint Lucia	46	49	46	45	55	19.6
Saint Vincent and the Grenadines	46	45	40	47	46	15.0
Trinidad and Tobago	320	308	278	309	346	24.5
CBERA region	1,018	964	964	978	1,066	10.6

Source: USITC calculations using data from the USITC DataWeb/Census, Imports for Consumption, accessed February 22, 2023.
Note: The number of products exported is the number of HTS 6-digit subheadings with U.S. imports in a given year. Higher values indicate more export diversification.

[309] USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Fifteenth Report 1999–2000*, September 2001, 89–90.
[310] See discussion in chapter 1 and below. Pub. L. No. 109-432, § 5001 et seq. (amending 19 U.S.C. § 2703a).
[311] Since HOPE/HELP were enacted, Haiti has produced more complex garments and also expanded into producing made-up textile products. USITC, *U.S.-Haiti Trade: Impact of U.S. Preference Programs on Haiti's Economy and Workers*, December 2022; Association des Industries d'Haïti, "Written Testimony to the USITC," March 2, 2023, 2.

Table 4.4 CBERA beneficiary export diversification: diversification index by country, 2018–22
In index and percentages.

Country	2018	2019	2020	2021	2022	Percentage change, 2020–22 (%)
Antigua and Barbuda	0.70	0.60	0.88	0.31	0.82	−6.0
Aruba	0.51	0.61	0.27	0.32	0.51	88.1
Bahamas	0.82	0.76	0.81	0.78	0.53	−34.8
Barbados	0.83	0.82	0.86	0.84	0.86	−0.6
Belize	0.44	0.90	0.91	0.86	0.92	1.5
British Virgin Islands	0.66	0.61	0.67	0.71	0.54	−19.6
Curaçao	0.74	0.61	0.83	0.59	0.78	−5.3
Dominica	0.90	0.79	0.79	0.82	0.82	3.8
Grenada	0.70	0.63	0.66	0.68	0.71	6.4
Guyana	0.74	0.87	0.49	0.30	0.24	−50.3
Haiti	0.87	0.86	0.89	0.89	0.87	−1.9
Jamaica	0.89	0.89	0.90	0.90	0.92	2.9
Montserrat	0.73	0.76	0.90	0.91	0.90	−0.8
Saint Kitts and Nevis	0.86	0.83	0.82	0.83	0.88	7.5
Saint Lucia	0.49	0.84	0.85	0.89	0.90	5.8
Saint Vincent and the Grenadines	0.73	0.69	0.81	0.87	0.73	−8.9
Trinidad and Tobago	0.86	0.85	0.86	0.86	0.84	−2.7
CBERA region	0.95	0.94	0.95	0.92	0.91	−4.2

Source: USITC calculations using data from the USITC DataWeb/Census, Imports for Consumption, accessed February 22, 2023.
Notes: Indices rounded to the nearest hundredth; percentage change calculated prior to rounding. The diversification index ranges from 0 to 1. Higher values indicate more export diversification.

Unlike the number of products exported, export diversification indexes decreased for most CBERA beneficiaries (i.e., exports became more concentrated) between 2020 and 2022 (table 4.4). Some CBERA beneficiaries maintained relatively high (above 0.80) diversification indexes for the period of 2018–22. These included Trinidad and Tobago, Haiti, Jamaica, Saint Kitts and Nevis, and Barbados.[312] Of the five largest CBERA beneficiary exporters, Jamaica had the highest diversification index for 2020–22. One academic article also documented an increase in agricultural export diversification in Jamaica between 1971 and 2001.[313] A previous USITC report noted that, after CBERA began, Jamaica's exports became less concentrated because it exported more manufactured and food products.[314] Another source indicates the CBERA program has led to increased exports of traditional items such as sauces, as well as the development of nontraditional export products such as medical supplies.[315]

[312] USITC calculations using data from the USITC DataWeb/Census, Imports for Consumption, accessed February 22, 2023.
[313] The authors also found that this export diversification contributed to economic growth. Francis et al., "Trade and Economic Growth in Jamaica: Are There Lessons for the Eastern Caribbean?," March 2007, 52–90.
[314] Jamaica's exports were previously concentrated in mining products. USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Fifteenth Report 1999–2000*, September 2001, 104–5.
[315] American Chamber of Commerce of Jamaica, "Written Submission to the USITC," March 16, 2023, 2; USITC, "Hearing Transcript," March 9, 2023, 74, 76 (testimony of Jodi-Ann Quarrie, American Chamber of Commerce of Jamaica). Ms. Quarrie also described the development of new products such as sweet potatoes to meet U.S. export requirements.

In many CBERA beneficiaries, the diversification index fluctuated year to year, either peaking or dropping when the COVID-19 pandemic began in 2020. Both The Bahamas and Guyana experienced significant drops in their export diversification indexes since 2018 (The Bahamas fell from 0.78 in 2021 to 0.53 in 2022, and Guyana fell from 0.87 in 2019 to 0.24 in 2022) (table 4.4). For both countries, the increased export concentration parallels a surge in petroleum exports to the United States, which dwarf other exports (table 4.2).[316] A government representative noted that as petroleum exports increased beginning in 2018, the number of American Chamber of Commerce members with interest in a variety of non-petroleum products increased, which may explain the uptick in the number of products exported from Guyana between 2020 and 2022.[317] Similarly, in The Bahamas, the top five products exported comprised 91 percent of total exports from The Bahamas to the United States in 2018–22. They comprised only 79 percent in 2016–20, when petroleum oil exports were lower, illustrating the increase in export concentration (table 4.2).[318]

Factors That Influence Export Diversification of CBERA Beneficiaries

Several academic studies empirically explore drivers of export diversification, but few focus on the current CBERA beneficiaries. Most find that higher levels of education, institutional quality, and trade liberalization are among these drivers; these studies do not find significant impact on export diversification from preferential trade agreements (PTAs) such as the CBERA program.[319] One study focusing on export diversification in the CBERA region, however, did find a statistically significant impact of CBERA on export diversification between 1983 and 1998.[320] A second study noted other trends among different Caribbean countries but described how concentration in exports of sugar drove agricultural export diversification measures for several countries (like concentration in petroleum exports drives these measures for CBERA beneficiaries shown above).[321] Likewise, as discussed above, industry and government representatives indicated that preferential access under the CBERA program led to the development and export of new products in Jamaica and Haiti.

Several factors limit diversification of exports by CBERA beneficiaries. Many CBERA economies are very small and thus relatively undiversified because of small domestic markets, narrow resource bases, and

[316] Crude petroleum made up almost 87 percent of Guyana's exports to the United States for 2018–22. Also see Guyana section below and section on methanol and energy products in chapter 2. USITC DataWeb/Census, Imports for Consumption, HTS subheading 2709.00, accessed February 22, 2023.
[317] USITC, "Hearing Transcript," March 9, 2023, 21 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana).
[318] USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries*, September 2021, 73.
[319] Giri et al., "Understanding Export Diversification: Key Drivers and Policy Implications," June 2019; IMF, *Sustaining Long-Run Growth and Macroeconomic Stability - the Role of Structural Transformation and Diversification*, March 2014, 32–36; Kehoe and Ruhl, "How Important Is the New Goods Margin in International Trade?," April 2013, 358–92. Kehoe and Ruhl show that trade agreements in general lead to diversification on the extensive margin.
[320] de la Cruz, *Export Diversification and the Caribbean Basin Economic Recovery Act*, September 2008, 13. A second paper found no increase in export diversification after Caribbean countries achieved independence in the same period. Mohan, "Caribbean Diversification and Development," March 2016, 1450.
[321] Taylor and Francis, "Agricultural Export Diversification in Latin America and the Caribbean," 2003, 81, 84.

lack of economies of scale.[322] CBERA beneficiaries face other challenges, such as high costs of production and high costs of transportation to major markets.[323] Finally, the focus on services, which have a competitive advantage in the region, limits the ability to diversify goods exports.[324]

In many cases, the same factors described above that limit utilization of CBERA program preferences also limit export diversification. For example, uncertainty over CBERA program renewal and frequency of natural disasters can make CBERA beneficiaries less attractive destinations for the investment necessary to develop new exports or increase existing exports.[325] According to industry representatives, potential exporters face challenges with requirements and regulations in the United States that limit their ability to ship new products.[326] They state that complicated requirements can be particularly limiting in non-traditional export areas and for smaller exporters.[327]

Guyana: Economic Profile

Overview

Guyana's GDP has increased significantly from $5.5 billion in 2020 to $14.5 billion in 2022, making it the fastest-growing economy in the CBERA region (table 4.5). Its real GDP growth surged from 5.4 percent in 2019 to 43.5 percent in 2020. This rapid rise is largely due to a significant discovery of offshore oil reserves in the Stabroek Block in 2015, which began producing in late 2019.[328] Oil production is poised to increase as additional fields become operational through 2025, with an estimated 11 billion barrels of commercially recoverable petroleum reserves in total.[329] Even before this recent discovery, Guyana's economy was historically driven by its natural resources and the primary sector—initially with the mining of bauxite before shifting toward agriculture in the postcolonial era and then returning more

[322] IMF, *Sustaining Long-Run Growth and Macroeconomic Stability - the Role of Structural Transformation and Diversification*, March 2014, 10; de la Cruz, *Export Diversification and the Caribbean Basin Economic Recovery Act*, September 2008, 9.
[323] Antigua and Barbuda Chamber of Commerce and Industry Limited, "Written Submission to the USITC," February 22, 2023, 2.
[324] de la Cruz, *Export Diversification and the Caribbean Basin Economic Recovery Act*, September 2008, 9; USITC, "Hearing Transcript," March 9, 2023, 75 (testimony of Jodi-Ann Quarrie, American Chamber of Commerce of Jamaica).
[325] USITC, "Hearing Transcript," March 9, 2023, 114–16 (testimony of Jodi-Ann Quarrie, American Chamber of Commerce of Jamaica); USITC, "Hearing Transcript," March 9, 2023, 73 (testimony of Gail Strickler, Brookfield Associates).
[326] USITC, "Hearing Transcript," March 9, 2023, 11–12, 19 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana).
[327] American Chamber of Commerce of Jamaica, "Written Submission to the USITC," March 16, 2023, 4.
[328] The Stabroek Block is 6.6 million acres located approximately 120 miles off the shore of Guyana. The block is equivalent in size to 1,150 Gulf of Mexico blocks and contains multiple prospects and play types representing additional multibillion barrel exploration potential. Government of Guyana, Ministry of Natural Resources, Petroleum Management Programme, "Summary History of Petroleum Exploration in Guyana," accessed March 22, 2023; ExxonMobil, "ExxonMobil to Proceed with Liza Phase 2 Development Offshore Guyana," May 3, 2019; Hess Corporation, "Worldwide Oil & Gas Exploration," accessed April 24, 2023.
[329] IMF, *Guyana Staff Report*, September 27, 2022, 4; Bhattacharya, "Managing Guyana's Oil Wealth," November 11, 2022, 4.

recently to minerals and oil (figure 4.2).[330] In 2021, more than 50 percent of Guyana's GDP was composed of primary-sector activities (figure 4.2).[331] Petroleum and gas and support services accounted for the majority of such primary-sector activities in 2021, having increased by 865 percent in 2020 and 204 percent in 2021.[332] As a result of this primary-sector specialization and export orientation, Guyana maintains a high level of exposure to global prices through its top commodities such as rice, gold, and oil.[333]

Table 4.5 Guyana: Selected economic indicators, 2018–22

Nominal GDP in billions of dollars, real GDP growth rate in percentages, population in millions, GDP per capita in dollars, all else in millions of dollars. A Human Development Index value closer to 1 indicates very high human development; a value closer to zero indicates low human development. n.a. = not available.

Economic Indicators	2018	2019	2020	2021	2022
Nominal GDP (billion $)	4.8	5.2	5.5	7.7	14.5
Real GDP growth (%)	4.4	5.4	43.5	20.1	62.3
Population (million)	0.8	0.8	0.8	0.8	0.8
GDP per capita ($)	6,121	6,594	6,953	9,703	18,342
UN Human Development Index	0.701	0.708	0.721	0.714	n.a.
Goods exports (million $)	1,535	1,466	2,363	4,196	7,785
Goods imports (million $)	1,762	2,044	2,219	3,082	2,338
Oil and gas (crude oil) exports (million $)	n.a.	n.a.	1,064	2,976	n.a.
Fuel and lubricants imports (million $)	n.a.	507	493	806	n.a.
Exports to the U.S. under the CBERA program (million $)	0.8	4.4	265.4	188.3	476.0
Current account balance (million $)	−1.387	−3.257	−0.893	−1.957	3.960

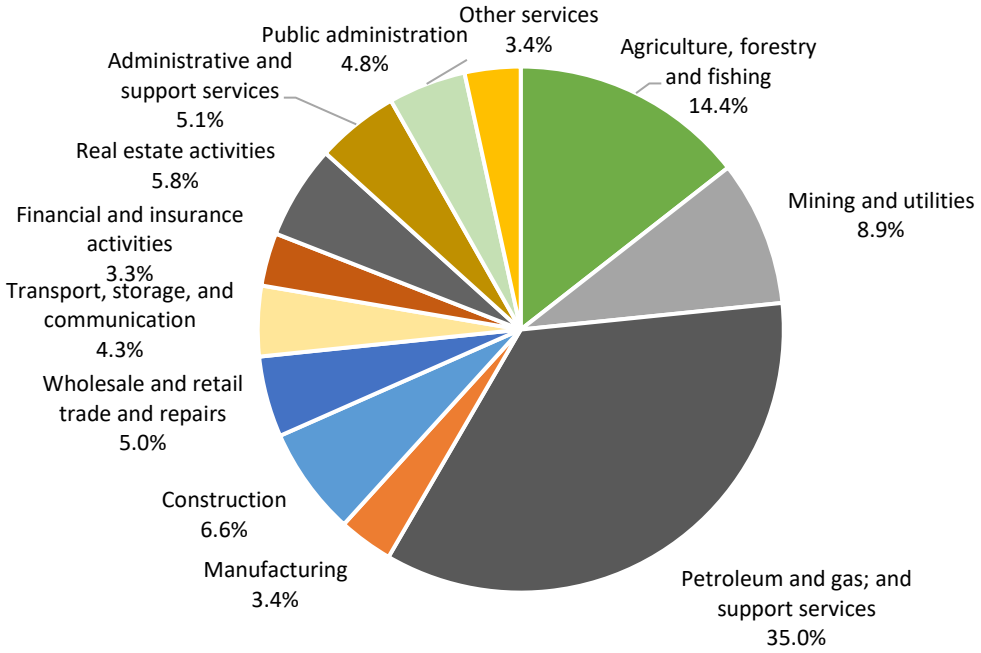
Source: Nominal GDP, real GDP growth, population, GPD per capita, and the current account balance are sourced from IMF, "World Economic Outlook DataMapper," April 2023. UN Human Development Index rankings are sourced from the UNDP, "Human Development Index," September 8, 2022. Goods exports and imports are mirror data reported by trade partners and are sourced from United Nations, "UN Comtrade Database," accessed March 15, 2023. Oil and gas exports and fuel and lubricants imports are sourced from Government of Guyana, Bureau of Statistics, *January–December 2019 Trade Data Report*, 2019; Government of Guyana, Bureau of Statistics, *January–December 2020 Trade Data Report*, 2020; Government of Guyana, Bureau of Statistics, *January–December 2021 Trade Data Report*, 2021. Exports to the U.S. under CBERA is represented by U.S. imports from CBERA beneficiaries and claiming CBERA program preferences, sourced from USITC DataWeb/Census, accessed March 15, 2023.

Notes: Oil and Gas (crude oil) as reported by the Guyana Bureau of Statistics include HS2709.00 (Petroleum oils and oils obtained from bituminous minerals, crude). The associated SITC is 3330. Fuel and lubricants as reported by the Guyana Bureau of Statistics include HS2710.12 (Petroleum oils and oils obtained from bituminous minerals (other than crude); Light oils and preparations), HS2710.19 (Other), HS2710.20 (Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70 percent or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, containing biodiesel, other than waste oils), HS2710.91 (Waste oils containing polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs) or polybrominated biphenyls (PBBs)), and HS2710.99 (Other). The associated SITC is 334.

[330] Guyana was a colony of multiple European powers, including the Dutch, French, and British, at different times from the late 1700s until it gained independence in 1966. UNCTAD, *Guyana: A National Trade Strategy*, 2021, 9; Encyclopedia Britannica, "History of Guyana," March 20, 2023.
[331] Government of Guyana, Bureau of Statistics, "Current Gross Domestic Product, Guyana," August 26, 2021.
[332] Government of Guyana, Bureau of Statistics, "Current Gross Domestic Product, Guyana," August 26, 2021.
[333] UNCTAD, *Guyana: A National Trade Strategy*, 2021, 12.

Figure 4.2 Guyana: Composition of GDP by broad sectors, 2021

In percentages. Underlying data for this figure can be found in appendix table E.5.



Source: Government of Guyana, Bureau of Statistics, "Current Gross Domestic Product, Guyana," August 26, 2021.
Notes: According to the most recent data available. The mining and utilities sector includes the mining and quarrying sector (excluding the petroleum and gas and support services sector) as well as the electricity supply and water supply and sewerage sectors. The transport, storage, and communication sector includes the transport and storage sector and the information and communication sector. The other services sector includes the accommodation and food services; professional, scientific and technical services; education; human health and social work; and arts, entertainment, and recreation sectors.

Major global crises and trade disruptions have highlighted Guyana's vulnerability to price fluctuations: first negatively with the severe drop in oil prices related to the COVID-19 pandemic and OPEC+ price war in 2020 and then positively with the post-COVID recovery in 2021 and surge in oil demand related to bans on Russian oil following its invasion of Ukraine in 2022.[334] Given prevailing oil price trends, the value of Guyana's goods exports to the world increased by more than 75 percent in both 2021 and 2022, exceeding pre-pandemic levels. During the same period, Guyana grew to account for the third-largest share of U.S. imports under the CBERA program, following Haiti and Trinidad and Tobago.[335]

Despite its robust economic growth, Guyana's population of 792,000 still faces challenges to realizing corresponding welfare gains.[336] In 2021, Guyana's Human Development Index (HDI) value fell slightly

[334] OPEC+ is a group of 23 oil-exporting countries that meet regularly to decide how much crude oil to sell on the world market. It includes the OPEC member countries and Azerbaijan, the Kingdom of Bahrain, Brunei Darussalam, Equatorial Guinea (which later joined OPEC), Kazakhstan, Malaysia, Mexico, the Sultanate of Oman, the Russian Federation, the Republic of Sudan, and the Republic of South Sudan. UNCTAD, *Guyana: A National Trade Strategy*, 2021, 12; USITC, *Year in Trade 2021*, August 31, 2022, 49; OPEC, "OPEC+ Declaration," December 10, 2021.
[335] Government of Guyana, Bureau of Statistics, *January–December 2019 Trade Data Report*, 2019; Government of Guyana, Bureau of Statistics, *January–December 2020 Trade Data Report*, 2020; Government of Guyana, Bureau of Statistics, *January–December 2021 Trade Data Report*, 2021.
[336] IMF, "World Economic Outlook DataMapper," April 2023.

from 0.721 to 0.714, positioning it as 108th out of 191 countries and territories assessed.[337] The index is a composite combining estimates of life expectancy, expected and average years of schooling, and living standards. This index value places Guyana in the category of "high human development," but its underlying measures of health, education, and standard of living remain below average for Latin America and the Caribbean. The large gap between GDP growth and human development in Guyana can be partly attributed to its infrastructure. Guyana's electrical grid uses old fuel-powered generators, resulting in one of the highest electricity costs in the region (35 cents per kilowatt hour) and significant losses due to inefficiencies in transmission lines and analog grid.[338] Although the Guyanese government has plans to address this root infrastructure issue through its Gas-to-Power Project, discussed below, it is not estimated to be operational until at least 2024.[339]

Guyana's booming oil and gas sector has created a surging demand for skilled workers across the supply chain, which are limited within Guyana. Zulfikar Ally, Guyanese Minister Counselor and Deputy Chief of Mission to the United States has noted that Guyana's local labor force suffers from systemic weaknesses, including the limited quantity of workers, a gender-biased labor force participation rate that favors men, chronic deficiencies in critical skill areas, and global competition for occupations that typically require higher levels of training or education.[340] On December 31, 2021, Guyana's President Mohamed Irfaan Ali signed into law Local Content Act 2021, which "prioritize[es] Guyanese nationals and Guyanese companies in the procurement of goods and services for the enhancement of the value chain of the petroleum sector; [enables] local capacity development . . . and promote[s] competitiveness and encourage[s] the creation of related industries that will sustain the social and economic development of Guyana."[341] The Act identified 40 categories of sectors and subsectors covering food supply, rental of office space, accommodation, insurance, accounting, and legal services and established minimum local content requirements to be met by contractors, subcontractors, and licensees in the sector by the end of 2022.[342] The Act also established the Local Content Secretariat to monitor and oversee its implementation and to develop Local Content Registers of Guyanese nationals to facilitate employment and the supply of relevant goods and services.[343]

[337] The United Nations Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and having a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions. More than 90 percent of the countries and territories assessed via the HDI registered declines in their 2021 scores, relative to 2020. UNDP, "Human Development Index," September 8, 2022.
[338] USTR, *Fourteenth Report to Congress on the Operation of the Caribbean Basin Economic Recovery Act*, December 31, 2021, 69.
[339] Government of Guyana, Ministry of Natural Resources, Petroleum Management Programme, *Gas to Power Project Summary*, June 28, 2021, 19.
[340] ILO, *Prospective Occupational Skills Needs in the Guyanese Oil and Gas Industry, 2022–2026*, December 19, 2022, 11, 20–22, 31; USITC, "Hearing Transcript," March 9, 2023, 15–16 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana).
[341] Government of Guyana, Ministry of Natural Resources, Petroleum Management Programme, Local Content Act 2021, (December 31, 2021), 5, (accessed March 20, 2023).
[342] Government of Guyana, Ministry of Natural Resources, Petroleum Management Programme, *Guyana Energy Brief - May 2022*, May 3, 2022, 24.
[343] Government of Guyana, Ministry of Natural Resources, Petroleum Management Programme, *Guyana Energy Brief - May 2022*, May 3, 2022, 24.

In 2019, the Natural Resource Fund (NRF) was established by the Natural Resource Fund Act to "manage the natural resource wealth of Guyana for the present and future benefit of the people and for the sustainable development of the country."[344] Government proceeds from petroleum operations were to be directly deposited into the NRF to be managed overall by Guyana's Ministry of Finance and operationally by the Central Bank of Guyana. This arrangement is in accordance with an investment mandate and operational agreement, under the advice of an Investment Committee and the monitoring and evaluation of a Public Accountability and Oversight Committee. The NRF held a balance of $607.5 million as of January 2022, having increased by $339.5 million since March 10, 2021.[345]

Impact of the Recent Economic Shocks

In 2020—the first year of the COVID-19 pandemic—Guyana stood out as the only CBERA beneficiary to record not only a positive real GDP growth rate but a double-digit rate of 43.5 percent.[346] This growth, however, was largely reflective of accelerated oil production that began in late 2019. In fact, non-oil GDP actually contracted by 7.3 percent in 2020, largely as a result of sharp declines in the construction and services sectors.[347] Non-oil GDP growth recovered in the first half of 2021, bolstered by the government's three-phase reopening plan and subsequent rebounds in the mining (23.1 percent growth), construction (25.5 percent growth), and services (9.4 percent growth) sectors.[348] Moreover, after prices plunged to a low of $21.04 per barrel in April 2020, increasing global demand for oil renewed average spot prices for crude to pre-pandemic levels ($63.83 per barrel) within the first quarter of 2021.[349] The steady price increase that followed throughout 2021 further strengthened Guyana's petroleum exports.[350] At the same time, widespread supply chain disruptions plagued 2021's otherwise healthy recovery and Guyana's preexisting vulnerability to global price fluctuations caused inflation to increase by 4.8 percentage points.[351] Summer flooding degraded agricultural yields, which also contributed to inflationary pressure in 2021, but production recovered in 2022.[352]

Trade Profile

Merchandise exports from Guyana to the world totaled $7.8 billion in 2022, a significant increase from $4.2 billion in 2021 and $2.4 billion in 2020.[353] Oil and gas (crude oil) exports accounted for an increasing portion of Guyana's exports in 2020–22. Non-oil and non-gas exports decreased by 9.5 percent, from

[344] Government of Guyana, President David Granger, Natural Resource Fund Act 2019, Act No. 12 of 2019, (January 23, 2019), 4, (accessed March 14, 2023).
[345] USDOS, EB, *2021 Investment Climate Statements: Guyana*, 2021; USDOS, EB, *2022 Investment Climate Statements: Guyana*, 2022.
[346] IMF, "World Economic Outlook DataMapper," April 2023.
[347] IMF, *Guyana Staff Report*, September 27, 2022, 4.
[348] Government of Guyana, Ministry of Finance, "Mid-Year Report Reveals," October 6, 2021.
[349] IndexMundi, "Crude Oil (Petroleum) Monthly Price," accessed April 2, 2023.
[350] IndexMundi, "Crude Oil (Petroleum) Monthly Price," accessed April 2, 2023.
[351] USITC, *Year in Trade 2021*, August 31, 2022, 55–59.
[352] Government of Guyana, Ministry of Finance, "Mid-Year Report Reveals," October 6, 2021.
[353] United Nations, "UN Comtrade Database," accessed March 15, 2023.

$1.5 billion in 2020 to $1.4 billion in 2021.[354] Guyana's merchandise imports totaled $2.3 billion in 2022, a decrease from $3.1 billion in 2021, and a slight increase from $2.2 billion in 2020.[355] Between 2018 and 2021, Guyana's top imports by major category fluctuated between fuel and lubricants and ships and boats. In 2018 and 2020, fuel and lubricants represented the top imports, accounting for 21.4 percent and 22.0 percent of all imports, respectively. In 2019 and 2021, ships and boats represented the top imports, accounting for 25 percent and 38 percent of all imports, respectively.

The United States is Guyana's largest trade partner in terms of total merchandise trade. Since 2020, the United States has been Guyana's top merchandise export market, followed by the United Arab Emirates, Canada, and China. Leading energy exports from Guyana to the United States in 2021 and 2022 included light crude petroleum (HTS subheading 2709.00.20), coke petroleum (HTS subheading 2713.11.00), and aluminum ores and concentrates (HTS subheading 2606.00.00).[356] Guyana's leading import source is also the United States, followed by Trinidad and Tobago and China. Leading U.S. exports to Guyana in 2021 included other articles of iron or steel (HTS 7326.90.8695); civilian aircraft, engines, equipment, and parts (HTS 8800.00.00); and parts of oil and gas field machinery (HTS 8431.43.8010).[357] Leading U.S. exports to Guyana in 2022 included other articles of machines and mechanical appliances with individual functions (HTS 8479.89.9900), unleaded gasoline (HTS 2710.12.1519), and light fuel oils (HTS 2710.19.1109).[358]

Guyana's exports of commercial services have fluctuated greatly over the last couple of years, rebounding from lows of $201.4 million in 2020 at the beginning of the COVID-19 pandemic to exceed pre-pandemic levels in 2021 ($271.2 million).[359] Computer communications and other services comprised 49.2 percent of commercial service exports in 2021, followed by insurance and financial services (34.3 percent) and travel services (9.6 percent).[360] Guyana's commercial service imports have steadily increased over the last couple years, most notably from $1.8 million in 2020 to $2.9 million in 2021 (a 60.2 percent increase).[361] The majority of 2021 commercial services imports were computer communications and other services (71.1 percent), followed by transport services (23.4 percent) and insurance and financial services (3.4 percent).[362]

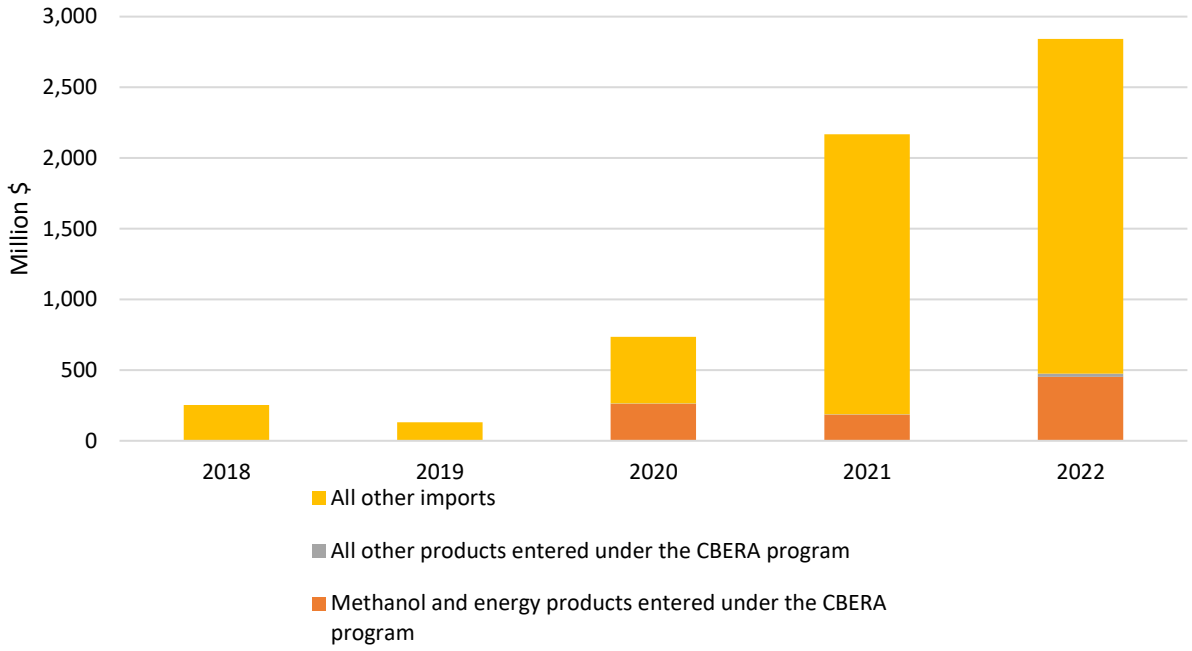
U.S. imports for consumption under the CBERA program from Guyana fell from $265 million in 2020 to $188 million in 2021, before sharply increasing by 153.8 percent to $476 million in 2022 (figure 4.3). Total U.S. imports from Guyana increased from $132 million in 2019 to $2.8 billion in 2022. Imports from Guyana under the CBERA program in 2020 represented 36.1 percent of Guyana's total exports to the United States, but this share fell to just 8.7 percent in 2021, before increasing to 16.7 percent in 2022. Despite an upturn in global prices for crude petroleum, U.S. imports from Guyana under CBERA fell in

[354] Data on sectoral exports/imports are only available from the Guyana Bureau of Statistics through 2021. Government of Guyana, Bureau of Statistics, *January–December 2021 Trade Data Report*, 2021, 2; Government of Guyana, Bureau of Statistics, *January–December 2020 Trade Data Report*, 2020, 2.
[355] United Nations, "UN Comtrade Database," accessed March 15, 2023.
[356] USITC DataWeb/Census, accessed March 15, 2023.
[357] USITC DataWeb/Census, accessed March 27, 2023.
[358] USITC DataWeb/Census, accessed March 27, 2023.
[359] World Bank, "World Development Indicators (WDI) Databank," accessed March 24, 2023. 2021 data are the latest available for commercial services exports.
[360] World Bank, "World Development Indicators (WDI) Databank," accessed March 24, 2023.
[361] World Bank, "World Development Indicators (WDI) Databank," accessed March 24, 2023.
[362] World Bank, "World Development Indicators (WDI) Databank," accessed March 24, 2023.

2021, largely because of a decrease in petroleum imports under the CBERA program. Petroleum-related imports, however, were still being imported into the United States in 2021—even at higher levels than in 2020—but CBERA program preferences were not claimed. In 2021, total U.S. imports from Guyana of light crude petroleum (HTS subheading 2709.00.20)—the top imported product from Guyana under the CBERA program and 98.3 percent of total U.S. imports from Guyana under the CBERA program—increased by 246.7 percent, yet only 10.3 percent of these imports claimed CBERA preference.[363]

Figure 4.3 Guyana: Total U.S. imports and imports under the CBERA program, 2018–22

In millions of dollars. Underlying data for this figure can be found in appendix table E.6.



Source: USITC DataWeb/Census, accessed March 15, 2023.
Note: "Methanol and energy products entered under the CBERA program" refers to methanol (other than for use in producing synthetic natural gas or for direct use as a fuel) imported under HTS subheading 2905.11.20 and energy products imported under HS chapter 27 (mineral fuels); however, no U.S. imports of methanol entered under the CBERA program from Guyana between during 2018 and 2022. "All other products entered under the CBERA program" includes all products imported under the CBERA program, except methanol and energy products. "All other imports" includes all imports except those under the CBERA program.

Investment Profile

Guyana is generally open to FDI, with laws that do not discriminate against foreign investors and constitutional protections for foreign property owners.[364] The country recognizes the critical nature of FDI for diversifying the natural resource abundant economy and has made a concerted effort to

[363] The NTR tariff rate on light crude petroleum (HTS subheading 2709.00.20) is 5.25 cents/bbl; the NTR tariff rate on heavier crude (HTS subheading 2709.00.10; API gravity below 25 degrees) is 10.5 cents/bbl. USITC DataWeb/Census, accessed May 10, 2023. These products are both eligible for duty-free treatment under the CBTPA and both Guyana and Trinidad and Tobago are CBTPA beneficiaries. As noted in the below section on the impact of the CBERA program in Guyana, a few reasons for program underutilization that have been cited by the Guyanese government include the low profit margin and the decentralized nature of information on CBERA program restrictions and requirements.
[364] USDOS, EB, *2022 Investment Climate Statements: Guyana*, 2022.

promote opportunities and incentives via the Guyana Office for Investment.[365] Guyana has attracted increasing amounts of FDI since its oil production began in 2019, but this number more than doubled from $1.83 billion in 2020 to $4.4 billion in 2021.[366] The United States and the government of Guyana signed the Foreign Account Tax Compliance Act in October 2016 and implementation began in June 2017, but the two countries do not have a bilateral investment treaty.[367] As discussed above, Guyana recently passed Local Content Act, which establishes baseline requirements for foreign and local firms operating in the country's oil and gas sector to hire Guyanese and source local materials and maintains legal, regulatory, and accounting systems that are consistent with international norms.[368]

Guyana's estimated $1.8 billion Gas-to-Power Project represents one of the largest investment opportunities associated with its burgeoning oil sector.[369] It includes the construction and operation of a pipeline from the Liza Destiny and Liza Unity floating production, storage, and offloading vessels to an onshore natural gas liquids processing plant located in the Wales Development Zone.[370] According to reports by Guyana's Petroleum Management Programme, this project is estimated to reduce dependency and halve energy costs related to the importation of resources for power production, create jobs, develop the domestic manufacturing industry in harmony with a 'clean-and-green' policy, increase power generation, and lower costs for high energy consumption sectors to expand and attract foreign investment.[371] Furthermore, the Wales Development Zone is planned to support a wide range of economic activities from a central waste management facility and heavy industry to agriculture and commercial areas.[372] Esso Exploration and Production Guyana Limited—an ExxonMobil affiliate—is the designated operator of the Stabroek Block and has sought and secured environmental authorization for the [gas-to-energy] pipeline project on behalf of itself and its co-venturers, HESS Guyana Exploration Limited and CNOOC Petroleum Guyana Limited.[373]

In addition to large-scale energy-related investment projects, the Guyanese government has reported significant investments in agriculture, "state-of-the-art" hospitals for the domestic and medical tourism sectors, and scholarships for Guyanese nationals to earn degrees internationally.[374]

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[365] USDOS, EB, *2021 Investment Climate Statements: Guyana*, 2021; USDOS, EB, *2022 Investment Climate Statements: Guyana*, 2022.
[366] ILO, *Prospective Occupational Skills Needs in the Guyanese Oil and Gas Industry, 2022–2026*, December 19, 2022, 11.
[367] USDOS, EB, *2022 Investment Climate Statements: Guyana*, 2022.
[368] USDOS, EB, *2022 Investment Climate Statements: Guyana*, 2022.
[369] OilNow, "Guyana Prime Minister Pegs Cost of Gas-to-Energy Project at US$1.8 Billion," January 22, 2023.
[370] Government of Guyana, Ministry of Natural Resources, Petroleum Management Programme, *Gas to Power Project Summary*, June 28, 2021, 2.
[371] Government of Guyana, Ministry of Natural Resources, Petroleum Management Programme, *Guyana Energy Brief - February 2023*, February 13, 2023, 36; Government of Guyana, Ministry of Natural Resources, Petroleum Management Programme, *Guyana Energy Brief - May 2022*, May 3, 2022, 30.
[372] Government of Guyana, Ministry of Natural Resources, Petroleum Management Programme, *Guyana Energy Brief - February 2023*, February 13, 2023, 36; Government of Guyana, Ministry of Natural Resources, Petroleum Management Programme, *Guyana Energy Brief - May 2022*, May 3, 2022, 31.
[373] Government of Guyana, Ministry of Natural Resources, Petroleum Management Programme, *Guyana Energy Brief - May 2022*, May 3, 2022, 30; Government of Guyana, Ministry of Natural Resources, Petroleum Management Programme, *Guyana Energy Brief - February 2023*, February 13, 2023, 35.
[374] USITC, "Hearing Transcript," March 9, 2023, 17–18, 31 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana).

Impact of the CBERA Program

Guyana's utilization rate of the CBERA program has decreased notably from 48.2 percent in 2020 to 10.0 percent in 2021 and 18.8 percent in 2022.[375] As noted in the trade profile section above, this large drop in Guyana's utilization rate in 2021 can be mostly attributed to the decline in oil imports claiming CBERA program preferences.[376] According to a Guyanese government official who appeared at the Commission's public hearing, the CBERA program presents several barriers to program utilization. The main barrier for potential exporters to the United States, he said, is the fact that information on requirements and restrictions under the preference programs is spread out among various U.S. government agencies.[377] He further said that, although Guyana has received many missions from various U.S. government agencies, the isolated nature of these visits has obscured a holistic view of U.S.-Guyana trade.[378] Similarly, the Guyanese government official reported that U.S. companies wanting to invest in Guyana have expressed similar hesitancy and confusion over where and how to access information on the necessary requirements set out by the government of Guyana for investment and by the U.S. government for export-oriented compliance.[379] The Guyanese government aspires to meet such regulatory requirements but has determined that it must first invest in the necessary technology and infrastructure—preferably in collaboration with relevant U.S. government agencies and the private sector.[380] Given the Guyanese government's intent to create value-added industries and diversify its economy beyond extractive sectors, increasing outreach to Guyanese firms is said to be important for encouraging better utilization of the CBERA program.[381] Unfortunately, political instability and the COVID-19 pandemic resulted in the suspension of high-level bilateral engagement between 2019 and 2020, which reduced the ability to increase public awareness about the CBERA program.[382]

Specifically, Guyanese officials have reported that exporters face barriers to the U.S. fish market because of noncompliance with U.S. regulations related to handling of catfish for export, though discussions between U.S. and Guyanese authorities continue.[383] Guyanese Minister Counselor Ally noted that other "rules of origin under CBERA remain onerous and do not favor Guyanese products into the

[375] USITC DataWeb/Census, Imports for Consumption, accessed February 9, 2023.
[376] As mentioned in the trade profile section, the NTR tariff rate on light crude petroleum (HTS subheading 2709.00.20), which Guyana tends to export more of, is already low, at 5.25 cents/bbl. Additionally, as stated in the above sections on both utilization of CBERA preferences and methanol and energy products, the low preference margin for crude oil may disincentivize companies from the process of filing for CBERA duty preferences. Companies may also utilize other programs, such as the duty drawback program or U.S. foreign-trade zone program, to save on the crude oil tariffs. Hakobyan, "Accounting for Underutilization of Trade Preference Programs," May 2015, 409, 422; USITC, AGOA: Program Usage, Trends, and Sectoral Highlights, April 2023, 68; USITC, *Foreign Trade Zones (FTZs)*, April 2023, 202, 204, 207–10; USITC, *AGOA: Program Usage, Trends, and Sectoral Highlights*, April 2023, 70.
[377] USITC, "Hearing Transcript," March 9, 2023, 10 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana).
[378] USITC, "Hearing Transcript," March 9, 2023, 19 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana).
[379] USITC, "Hearing Transcript," March 9, 2023, 24 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana).
[380] USITC, "Hearing Transcript," March 9, 2023, 11–12 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana).
[381] USTR, *Fourteenth Report to Congress on the Operation of the Caribbean Basin Economic Recovery Act*, December 31, 2021, 73.
[382] USTR, *Fourteenth Report to Congress on the Operation of the Caribbean Basin Economic Recovery Act*, December 31, 2021, 73.
[383] USITC, "Hearing Transcript," March 9, 2023, 8–9 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana).

[United States] . . . [and] new rules relating to sourcing of raw materials to qualify for preferential treatment under the Act are also challenging for Guyana."[384] The Guyanese government suggested that greater flexibility in terms of sourcing would also be beneficial for increasing the utilization of the CBERA program.[385]

Nevertheless, the government of Guyana contends that the U.S.-Guyana bilateral relationship is strong, in part because the majority of the Guyanese diaspora—between 400,000 and 500,000 individuals—resides in the United States. At the same time, the number of U.S. expatriates living in Guyana continues to increase as a result of the presence of multinational oil firms.[386] Since its founding in 2018, the American Chamber of Commerce of Guyana has grown its membership from about 6 or 7 U.S. companies to more than 200 in 2023.[387]

Trinidad and Tobago: Economic Profile

Overview

Trinidad and Tobago is a high-income developing country and ranked as the largest CBERA economy in 2022 with an annual GDP of $27.9 billion and GDP per capita of $19,718 (table 4.6). It has the third-largest population in the Caribbean, at about 1.4 million.[388]

Table 4.6 Trinidad and Tobago: Selected economic indicators, 2018–22

Nominal GDP in billions of dollars, real GDP growth rate in percentages, population in millions, GDP per capita in dollars, all else in millions of dollars. A Human Development Index value closer to 1 indicates very high human development; a value closer to zero indicates low human development. n.a. = not available.

Economic Indicators	2018	2019	2020	2021	2022
Nominal GDP (billion $)	24.3	23.9	21.1	24.5	27.9
Real GDP growth (%)	−0.9	0.1	−7.7	−1.0	2.5
Population (million)	1.4	1.4	1.4	1.4	1.4
GDP per capita ($)	17,500	17,097	15,048	17,387	19,718
UN Human Development Index ranking	0.815	0.821	0.818	0.81	n.a.
Goods exports (billion $)	10.8	8.8	6.0	11.1	13.9
Goods imports (billion $)	6.6	6.0	5.0	6.4	8.0
Energy exports (million $)	9,089	6,973	4,357	8,962	n.a.
Fuel imports (million $)	1,755	1,222	723	1,160	n.a.
Exports to the United States under the CBERA program (million $)	552	696	579	754	885
Current account balance (billion $)	1.6	1.0	−1.4	2.9	5.3

Source: Nominal GDP, real GDP growth, population, GPD per capita, and current account balance are sourced from IMF, "World Economic Outlook DataMapper," April 2023. UN Human Development Index rankings are sourced from the UNDP, "Human Development Index," September 8, 2022. Goods exports, good imports are sourced from EIU, Data by Country report. Energy exports, energy imports are sourced

[384] USITC, "Hearing Transcript," March 9, 2023, 9 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana).
[385] USITC, "Hearing Transcript," March 9, 2023, 28 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana).
[386] USITC, "Hearing Transcript," March 9, 2023, 9–10 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana).
[387] USITC, "Hearing Transcript," March 9, 2023, 20 (testimony of Zulfikar Ally, Embassy of the Republic of Guyana).
[388] USDOS, EB, *2022 Investment Climate Statements: Trinidad and Tobago*, 2022.

from CBTT, *Annual Economic Survey 2022*, 2022. Exports to the U.S. under the CBERA program is represented by U.S. imports from CBERA beneficiaries and claiming CBERA program preferences, sourced from USITC DataWeb/Census, accessed March 15, 2023.
Note: "Fuel imports" and "Energy exports," as reported by the Central Bank of Trinidad and Tobago, include "crude oil, Liquefied Natural Gas, Natural Gas Liquids (propane, butane, and natural gasoline), petrochemicals (ammonia, urea, methanol, and urea ammonium nitrate) and refined petroleum products." Fuel imports include "imports of refined petroleum products."

In recent years, the government of Trinidad and Tobago has sought to promote sustainable economic growth. Its National Development Strategy 2016–30, which was released by the country's Ministry of Planning and Development in 2017, lists five thematic areas for its development focus toward 2030: (1) putting people first, (2) delivering good governance, (3) providing quality infrastructure and transportation, (4) building globally competitive businesses, and (5) placing the environment at the center of social and economic development.[389]

Trinidad and Tobago is a signatory of the Paris Agreement and has committed to reducing cumulative emissions from power generation, public transportation, and industry by 15 percent by 2030.[390] The government of Trinidad and Tobago has invested in developing carbon capture and storage technology.[391]

According to the report by the United Nations Development Programme (UNDP), the HDI of Trinidad and Tobago was 0.81 in 2021 (table 4.6), which is higher than the average HDI across the world's 186 countries at 0.721 in the same year.[392] During the period 1980–2021, the HDI of Trinidad and Tobago was lowest at 0.658 in 1980, reached its highest point at 0.821 in 2019, and slightly dropped to 0.81 in 2021.[393] Of all CBERA beneficiaries, Trinidad and Tobago has the second-highest HDI ranking (57) behind The Bahamas (55).[394]

During the COVID-19 pandemic, the decrease in both global demand and the price of main energy commodity products heavily impacted the economy of Trinidad and Tobago.[395] As a result, the real GDP of Trinidad and Tobago contracted by 7.7 percent in 2020 and 1.0 percent in 2021 (table 4.6). In 2022, GDP growth was estimated at 2.5 percent after the government pushed back pandemic-related measures.[396]

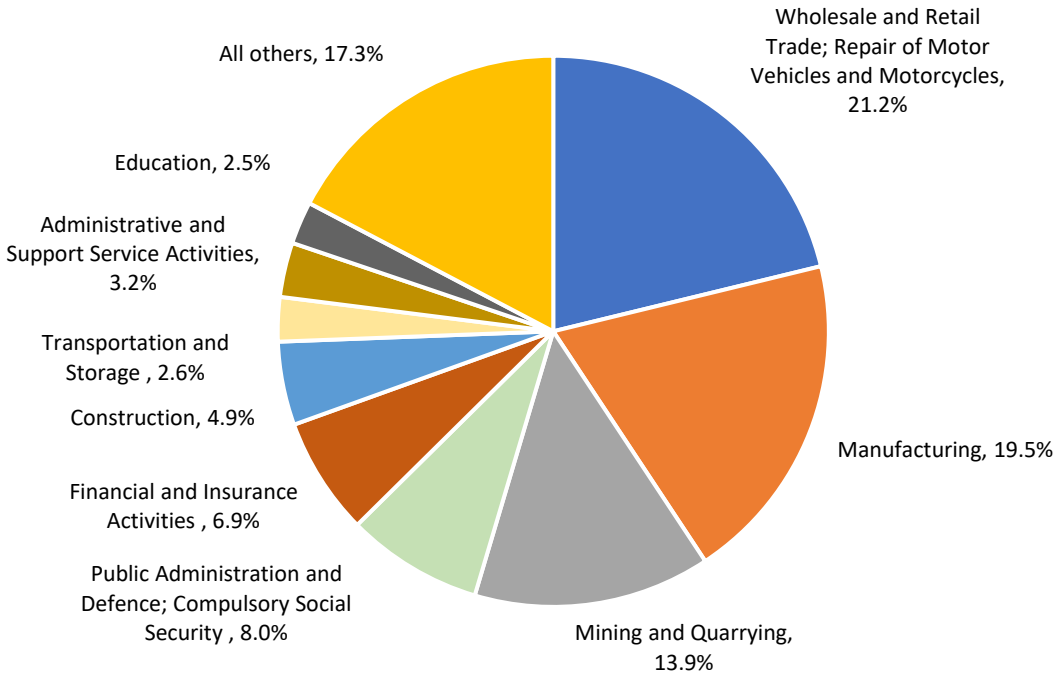
Apart from methanol and energy products, other important contributors to the country's economy include food products and beverages; manufacturing; cement production; and downstream energy industries, such as Liquefied Natural Gas (LNG), ammonia, and steel.[397] Figure 4.4 shows the major

[389] Government of the Republic of Trinidad and Tobago, "Third National Communication of the Republic of Trinidad and Tobago," September 2021, 91.
[390] Government of the Republic of Trinidad and Tobago, "Third National Communication of the Republic of Trinidad and Tobago," September 2021, 91.
[391] USDOS, EB, *2022 Investment Climate Statements: Trinidad and Tobago*, 2022.
[392] Human Development Index was retrieved from Global Economy, "Trinidad and Tobago Human Development - Data, Chart," accessed April 17, 2023.
[393] Global Economy, "Trinidad and Tobago Human Development - Data, Chart," accessed April 17, 2023.
[394] UNDP, "Human Development Index," September 8, 2022.
[395] CBTT, *Annual Economic Survey 2020*, 2020, 7. Throughout the report, the term "methanol and energy products" refers to methanol (other than for use in producing synthetic natural gas or for direct use as a fuel) imported under HTS subheading 2905.11.20 and energy products imported under HS chapter 27 (mineral fuels).
[396] USDOS, EB, *2022 Investment Climate Statements: Trinidad and Tobago*, 2022.
[397] Government of the Republic of Trinidad and Tobago, "Third National Communication of the Republic of Trinidad and Tobago," September 2021, 20.

economic sectors of Trinidad and Tobago in 2021, with wholesale and retail trade, manufacturing, and mining and quarrying being the top three sectors contributing to the country's GDP. The composition of most of the sectors to GDP was relatively consistent during the period 2018–21. Wholesale and retail trade accounted for 23.3 percent, 24.2 percent, and 25.8 percent of GDP in 2018, 2019 and 2020, respectively, but decreased to 21.2 percent in 2021.[398] Conversely, the mining and quarrying sector experienced a decline from 13.4 percent in 2018 to 12.8 percent in 2019 and 9.0 percent in 2020 but increased to 13.9 percent in 2021, which is due to the drop in the global demand for methanol and energy products and in domestic production during the COVID-19 pandemic.[399] The contribution of manufacturing to GDP in 2021 was 19.5 percent which is the highest level during the period 2018–21 (figure 4.4).

Figure 4.4 Trinidad and Tobago: GDP composition by broad sectors, 2021

In percentages. Underlying data for this figure can be found in appendix table E.7.



Source: CBTT, *Annual Economic Survey 2022*, 2022, 66, table A.3.
Note: Data are provisional. "All others" includes agriculture, forestry and fishing, electricity, gas, steam and air conditioning supply; water, sewerage, waste management and remediation activities; accommodation and food service activities; information and communication; real estate activities; professional, scientific and technical activities; human health and social work activities; arts, entertainment and recreation; other service activities; and activities of households as employers, undifferentiated goods and services-producing activities of households for own use.

Impact of the Recent Economic Shocks

The COVID-19 pandemic caused a significant contraction in economic activity in Trinidad and Tobago's economy in 2020. As the global economy rebounded and the COVID-19-related restrictions eased, the

[398] CBTT, *Annual Economic Survey 2022*, 2022, 66.
[399] Output of crude oil and natural gas are included in Mining and Quarrying. CBTT, *Annual Economic Survey 2021*, 2021, 67; CBTT, *Annual Economic Survey 2020*, 2020, 8.

economy of Trinidad and Tobago has slowly recovered. The labor market in Trinidad and Tobago was heavily impacted by the COVID-19 pandemic.[400] The number of jobs cut in 2021 was half that in 2020; however, that number did not include the jobs lost from business closure.[401] Supplemental data also show that the number of job advertisements and the number of hours worked in both energy and non-energy sectors in 2021 decreased.[402]

Trade Profile

Trinidad and Tobago merchandise exports to the world totaled $13.9 billion in 2022, an increase from $11.1 billion in 2021 and $6.0 billion in 2020 (table 4.6). The increase in 2021 was due in large part to the rise in energy commodities prices, which in turn led to the significant rise in value of energy-sector exports. After declining for three consecutive years (2018–20), energy-sector exports increased by $4.6 billion in 2020 to reach $9.0 billion in 2021 (table 4.6). Non-energy exports also rose by 29 percent to $2.1 billion because of increases in external demand.[403]

Trinidad and Tobago's merchandise imports totaled $8.0 billion in 2022, an increase from $6.4 billion in 2021 and $5.0 billion in 2020 (table 4.6). The country's fuel imports increased from $723 million in 2020 to $1.2 billion in 2021. Although merchandise imports in 2022 reached a higher level than that before the COVID-19 pandemic, fuel imports have not rebounded to their pre-pandemic level.

The United States was Trinidad and Tobago's largest goods export market in 2020, followed by Guyana, Brazil, China, and Spain.[404] Leading U.S. imports from Trinidad and Tobago in 2022 were methanol (HTS subheading 2905.11.20), energy products such as natural gas (HTS subheading 2711.11.00), and petroleum oils (HTS subheading 2709.00.10).[405] Other top exports to the United States included yellowfin tuna (HTS subheading 4818.10.00) and toilet paper (HTS subheading 4818.10.00).[406] The country's leading import partner in 2020 was also the United States, followed by China, Brazil, Japan, and Canada.[407] Leading U.S. exports to Trinidad and Tobago in 2022 included aircraft (HTS subheading 8800.00.0000) and light fuel oils ((HTS subheading 2710.19.1112).[408] Since 2019, Trinidad and Tobago's exports of commercial services continuously dropped to $370 million in 2021, which is about 50 percent lower than that in 2019.[409] Travel services accounted for 56 percent of commercial services in 2019 and comprised 15 percent of commercial services in 2021.[410]

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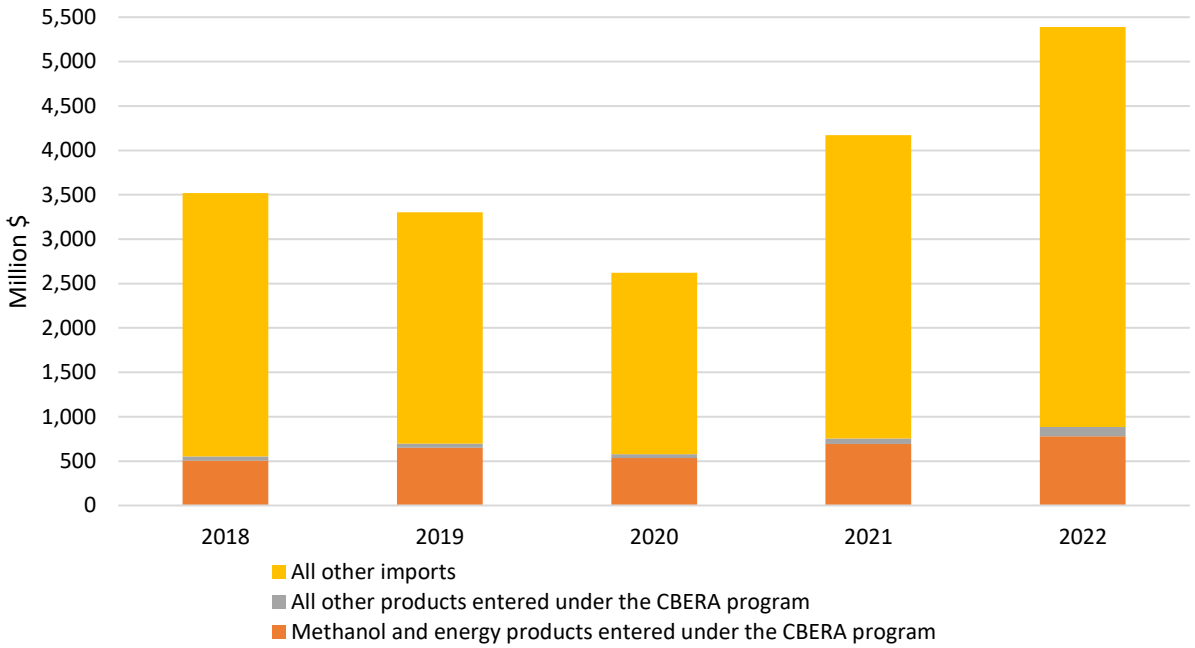
[400] CBTT, *Annual Economic Survey 2021*, 2021, 11.
[401] CBTT, *Annual Economic Survey 2021*, 2021, 12.
[402] CBTT, *Annual Economic Survey 2021*, 2021, 12.
[403] Non-energy sector includes agriculture, forestry, and fishing; trade and repairs; construction; and financial and insurance activities. CBTT, *Annual Economic Survey 2022*, 2022, 48.
[404] 2020 is the latest data available. World Bank, WITS, "Trinidad and Tobago Trade," accessed May 8, 2023.
[405] USITC DataWeb/Census, accessed March 28, 2023.
[406] USITC DataWeb/Census, accessed March 28, 2023.
[407] World Bank, WITS, "Trinidad and Tobago Trade," accessed May 8, 2023.
[408] USITC DataWeb/Census, accessed March 28, 2023.
[409] "Commercial service exports are total service exports minus exports of government services not included elsewhere." World Bank Open Data, "Commercial Service Exports (Current US$) - Trinidad and Tobago," accessed June 18, 2023.
[410] World Bank Open Data, "Travel Services (% of Commercial Service Exports) - Trinidad and Tobago," accessed June 18, 2023.

After a drop in 2020, U.S imports for consumption under the CBERA program increased to $754 million in 2021 and to $885 million in 2022 (figure 4.5). Total U.S imports from Trinidad and Tobago rose by 105.7 percent, from $2.6 billion in 2020 to $5.4 billion in 2022. U.S. imports from Trinidad and Tobago under the CBERA program represented 16.4 percent of Trinidad and Tobago's total exports to the United States in 2022 and were equivalent to 3 percent of the country's GDP in 2022.[411]

Figure 4.5 Trinidad and Tobago: Total U.S imports and imports under the CBERA program, 2018–22

In millions of dollars. Underlying data for this figure can be found in appendix table E.8.



Source: USITC DataWeb/Census, accessed February 9, 2023.
Notes: "Methanol and energy products entered under the CBERA program" refer to methanol (other than for use in producing synthetic natural gas or for direct use as a fuel) imported under HTS subheading 2905.11.20 and energy products imported under HS chapter 27 (mineral fuels)."All other products entered under the CBERA program" includes all products imported under the CBERA program except methanol and energy products. "All other imports" includes all imports except those under the CBERA program.

Investment Profile

Trinidad and Tobago is generally open to FDI and has traditionally welcomed U.S. investors.[412] In 2021, the U.S. direct investment in Trinidad and Tobago increased by 12 percent to $4.1 billion compared to that in 2020.[413]

The methanol and energy products sector is the key sector driving the economy of Trinidad and Tobago. The energy sector attracts the most FDI and usually accounts for almost half of Trinidad and Tobago's

[411] USITC DataWeb/Census, accessed March 28, 2023.
[412] USDOS, EB, *2022 Investment Climate Statements: Trinidad and Tobago*, 2022.
[413] Bureau of Economic Analysis, "Trinidad and Tobago - International Trade and Investment Country Facts," accessed June 18, 2023.

GDP and 80 percent of the country's export revenue.[414] Apart from energy, petrochemicals and steel are two sectors that account for substantial foreign investment.[415] Given its dependence on the energy sector, Trinidad and Tobago's economy is vulnerable to price fluctuations of energy products.[416]

According to the U.S. Department of State, doing business in Trinidad and Tobago in areas such as labor and human rights faces no major threats. Some problems persist in doing business there, including corruption, bureaucracy, and foreign-exchange shortages.[417]

In 2021, Trinidad and Tobago ranked 82nd of 175 countries in the corruption perceptions index.[418] Government procurement processes in Trinidad and Tobago are not transparent, which is an obstacle to FDI. [419]

Impact of the CBERA Program

Trinidad and Tobago registered the tenth highest CBERA utilization rate in 2022 at 54.5 percent (table 4.1). Nonetheless, the country's utilization rate in 2022 reflected a decline of 11.9 percentage points from 66.4 percent in 2019, when the country reached its highest utilization rate during the past five years (table 4.1).

Among the CBERA beneficiaries, Trinidad and Tobago has been the leading source for total U.S imports for consumption and Haiti is the leading source for U.S imports for consumption claiming CBERA program preferences. In 2022, U.S imports under the CBERA program from Haiti were $993 million (38.0 percent of total U.S. imports for consumption under the CBERA program) and those from Trinidad and Tobago were $885 million (33.8 percent).[420]

In recent years, U.S. imports under the CBERA program from Trinidad and Tobago have been mainly composed of methanol and energy products (figure 4.5). In 2022, methanol and energy products (HS chapter 27 and HTS subheading 2905.11.20) under the CBERA program comprised $778 million of the $885 million total U.S. imports from Trinidad and Tobago under the CBERA program (87.9 percent).[421] Methanol products (HTS subheading 2905.11.20) alone accounts for 42.9 percent of total U.S. imports from Trinidad and Tobago under the CBERA program in 2022.[422] U.S. imports of methanol from Trinidad and Tobago under the CBERA program fluctuated during the period 2018–22, dropping from $449 million in 2018 to $249 million in 2020, then rising to $472 million in 2021 before dropping to $379 million in 2022 (figure 4.5).[423] The fluctuation of methanol's price is one main contributing factor to the

[414] USTR, *Fourteenth Report to Congress on the Operation of the Caribbean Basin Economic Recovery Act*, December 31, 2021, 98; USDOS, EB, *2022 Investment Climate Statements: Trinidad and Tobago*, 2022.
[415] USDOS, EB, *2022 Investment Climate Statements: Trinidad and Tobago*, 2022.
[415] USDOS, EB, *2022 Investment Climate Statements: Trinidad and Tobago*, 2022.
[416] USDOS, EB, *2022 Investment Climate Statements: Trinidad and Tobago*, 2022.
[417] USDOS, EB, *2022 Investment Climate Statements: Trinidad and Tobago*, 2022.
[418] Transparency International, "2022 Corruption Perceptions Index," January 31, 2023.
[419] USDOS, EB, *2022 Investment Climate Statements: Trinidad and Tobago*, 2022.
[420] USITC DataWeb/Census, accessed February 25, 2023.
[421] USITC DataWeb/Census, accessed February 25, 2023.
[422] USITC DataWeb/Census, accessed February 25, 2023.
[423] USITC DataWeb/Census, accessed February 25, 2023.

fluctuation of U.S. methanol imports from Trinidad and Tobago.[424] Another reason is the significant gains in Trinidad and Tobago's methanol production in 2021 after its Atlas methanol facility returned to production after a six-week planned maintenance and its new Caribbean Gas Chemical Limited facility started operations.[425]

The utilization rate of Trinidad and Tobago in 2022 was 8.4 percentage points lower than that in 2021. During the same period, exports from Trinidad and Tobago to the United States under the CBERA program become more diversified.[426] In 2022, total U.S. imports and U.S. imports under the CBERA program of methanol and energy products reached their highest levels during the past five years. Compared to 2018, U.S. imports of methanol and energy products under the CBERA program in 2022 increased by 54 percent and that of all other products increased by 128 percent (figure 4.5). The Ministry of Trade and Industry of Trinidad and Tobago affirmed that its relationship with the United States plays a significant role in the country's overall trade, because the United States is its top export and import partner.[427]

Haiti: Economic Profile

Overview

In 2022, Haiti's nominal GDP experienced a small decline to $20.5 billion, following a high in 2021 of $21 billion during 2018–22 (table 4.7). GDP per capita followed a similar trajectory, decreasing to $1,702 in 2022 after a period high of $1,765 in 2021. These trends in nominal GDP figures somewhat reflect currency appreciation and exchange rate intervention that occurred from late 2020 into 2022.[428] In contrast, real GDP has declined each year since 2018, albeit at a slowing rate, falling between 1.7 percent and 3.3 percent. Haiti's population is the largest among CBERA beneficiaries, at 12 million people in 2022. Throughout 2018–22, Haiti had the lowest nominal GDP per capita compared to other CBERA beneficiaries.[429] Facing numerous challenges, including political instability and governance issues, Haiti ranked 163rd of 191 countries in the 2021 HDI. The decline in index values after 2019 largely reflects decreases in Gross National Income (GNI) per capita during the period. Life expectancy (63.2 years in 2021) and expected and average years of schooling (9.7 years and 5.6, respectively) remained relatively constant during 2018–22. The UNDP categorized Haiti as having "low human development," with an HDI below all other CBERA beneficiary countries or countries in Latin America and the Caribbean.[430]

[424] CBTT, *Annual Economic Survey 2021*, 2021, 60; CBTT, *Annual Economic Survey 2022*, 2022, 59.
[425] CBTT, *Annual Economic Survey 2021*, 2021, 7.
[426] USITC, "CBERA Continues to Have a Negligible Effect on U.S. Imports, Producers, and Consumers," accessed April 20, 2023.
[427] Government of the Republic of Trinidad and Tobago, Ministry of Trade and Industry, "Extension of the Caribbean Basin Economic Recovery Act (CBERA)," October 12, 2020.
[428] IMF, *Lessons from Haiti's Recent Exchange Rate Developments*, November 11, 2022, 11.
[429] IMF, "World Economic Outlook DataMapper," October 2022.
[430] UNDP, "Human Development Index," September 8, 2022.

Table 4.7 Haiti: Selected economic indicators, 2018–22

Nominal GDP in billions of dollars, real GDP growth rate in percentages, population in millions, nominal GDP per capita in dollars, all else in millions of dollars. A Human Development Index value closer to 1 indicates very high human development; a value closer to zero indicates low human development. n.a. = not available.

Economic indicators	2018	2019	2020	2021	2022
Nominal GDP (billion $)	16.5	14.8	14.5	21.0	20.5
Real GDP growth (%)	1.7	−1.7	−3.3	−1.8	−1.7
Population (million)	11	12	12	12	12
GDP per capita ($)	1,442	1,277	1,235	1,765	1,702
UN Human Development Index	0.541	0.543	0.540	0.535	n.a.
Goods exports (million $)	1,150	1,256	967	1,277	1,204
Goods imports (million $)	2,357	2,037	2,476	2,561	2,373
Exports to the United States under the CBERA program (million $)	959	999	768	1,033	993
Current account balance (million $)	−474	−169	−158	98	−481

Source: Nominal GDP, real GDP growth, population, GPD per capita, and the current account balance are sourced from IMF, "World Economic Outlook DataMapper," April 2023. UN Human Development Index rankings are sourced from the UNDP, "Human Development Index," September 8, 2022. Goods exports and imports are estimates sourced from IMF, "Direction of Trade Statistics," accessed June 28, 2023. Exports to the U.S. under the CBERA program is represented by U.S. imports from CBERA beneficiaries and claiming CBERA program preferences, sourced from USITC DataWeb/Census, accessed March 15, 2023.

Haiti's goods exports fell from $1.2 billion in 2018 to $967 million in 2020 before recovering to $1.2 billion in 2022. Conversely, goods imports have fluctuated but increased overall during the same period. Taken together, Haiti's estimated current account balance has declined slightly by 1.5 percent in 2022 compared to 2018, after recovering rapidly between 2018 and 2020. Haiti's estimated current account balance was buoyed by Haiti's remittance payments.[431] Haiti's remittances increased from $3.0 billion in 2018 to $4.2 billion in 2021 and $4.5 billion in 2022.[432] The Dialogue, a nonprofit think tank that covers foreign policy in Latin America and the Caribbean, estimates that at least 70 percent of these remittance payments were from the United States in 2022.[433] According to industry representatives, remittances are critical to Haiti's economy, providing subsistence consumption, schooling, and medical treatment as well as enabling microentrepreneurs to operate.[434]

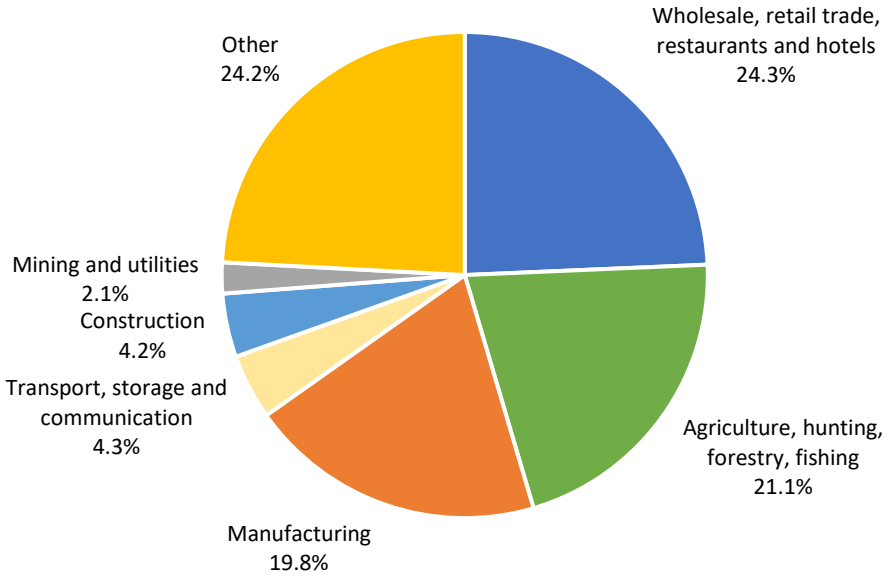
Figure 4.6 shows the composition of Haiti's GDP by broad sectors in 2021, which stayed relatively constant throughout 2018–21. Most of Haiti's economy consisted of wholesale/retail trade (24.3 percent); followed by agriculture, hunting, forestry, and fishing (21.1 percent); and manufacturing (19.8

[431] Remittance payments are included in current account statistics via net current transfers from abroad. IMF, "Remittances," accessed April 3, 2023.
[432] World Bank, "Personal Remittances, Received (Current US$)-Haiti," accessed April 10, 2023.
[433] Orozco, "Haiti's Turnaround and Its Impact on Remittances," November 15, 2022.
[434] USITC, "Hearing Transcript," May 26, 2022, 120–21 (testimony of Georges B. Sassine, Association des Industries d'Haïti) and 121–23 (testimony of Wilhelm Lemke, Association des Industries d'Haïti).

percent).[435] Apart from those industries, sectors such as transportation, storage, and communication; construction; and mining and utilities, together contributed less than 15 percent of Haiti's GDP in 2021.

Figure 4.6 Haiti: Composition of GDP by broad sectors, 2021

In percentages. Underlying data for this figure can be found in appendix table E.9.



Source: UN Statistics Division, National Accounts database, accessed March 29, 2023.
Note: Based on most recent data available.

Impact of the Recent Economic Shocks

Although Haiti faced other political, environment, health, and economic challenges between 2020 and 2022, Haiti had one of the lowest rates of COVID-19 infections of any CBERA beneficiaries during that time. As a result, the COVID-19 pandemic had a less direct impact on Haiti compared to other regions.[436] Although the apparel industry reported closures to limit the spread of COVID-19 in 2020, the Haitian government authorized the industry to return to full operational capacity in July 2020.[437] Even so, the

[435] According to UN Statistics Division National Accounts database as of March 2023, these shares have remained roughly flat throughout 2018–22 and should not be compared to previously reported results in USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Twenty-Fifth Report 2019–20*, September 2021.
[436] Haiti's low infection rate may be from underreporting as well as Haiti's predominately young and rural population. Díaz-Bonilla et al., *Haiti*, 2021, 7; USITC, "Hearing Transcript," May 26, 2022, 123 (testimony of Wilhelm Lemke, Association des Industries d'Haïti); Beaubien, "One Of The World's Poorest Countries Has One Of The World's Lowest COVID Death Rates," May 4, 2021.
[437] USITC, *U.S.-Haiti Trade: Impact of U.S. Preference Programs on Haiti's Economy and Workers*, December 2022, 82.

pandemic had indirect effects on Haiti's economy through early pandemic-related business closures, sourcing challenges, fewer remittances, and reduced demand for Haitian output.[438]

Between 2020 and 2022, Haiti experienced other major challenges, such as protests, the assassination of President Jovenel Moïse, increased gang violence, a 2021 earthquake, a 2022 cholera outbreak, and the incapacity of its governing bodies that have caused disruptions throughout the nation.[439] As a result of these numerous challenges, Haiti has experienced many setbacks, including fuel shortages, security issues, and food insecurity, as well as road and port blockages, that have contributed to business closures.[440]

Trade Profile

Haiti's estimated exports to the world grew unevenly from 2018 to 2022, from $1.15 billion in 2018 to $1.2 billion in 2022, after a period low in 2020, according to IMF direction of trade statistics.[441] Haiti's top estimated export partner was the United States (accounting for more than 80 percent of Haitian exports to the world). According to U.S. Census data, Haiti's total exports to the United States were $1.0 billion in 2022 (figure 4.7). All other export partners accounted for less than five percent each of Haiti's exports to the world throughout 2018–22.[442] Haiti's export profile with the United States overwhelmingly consisted of textiles and apparel during this time. In 2022, textile and apparel comprised 97.3 percent ($967 million) of Haiti's exports to the United States under the CBERA program in that year.[443] Haitian exports of textiles and apparel under the CBERA program decreased by 24.4 percent in 2020 because of COVID-19-related demand shocks, driving the trend in overall Haitian exports to the United States.[444]

Haiti also exports agricultural goods, which comprised $12 million (about 1 percent) of Haitian exports to the United States in 2022. These goods were predominantly mangoes, mangosteens, and guavas, valued at $9 million or 71.1 percent of agriculture goods exports to the United States in 2022.[445] Agricultural goods exports increased by $7 million (59.3 percent) in 2021 from $12 million in 2018

[438] Díaz-Bonilla et al., *Haiti*, 2021, 15; USITC, *U.S.-Haiti Trade: Impact of U.S. Preference Programs on Haiti's Economy and Workers*, December 2022, 82. See also USITC, hearing transcript, March 8, 2022, 84–85 (testimony of Gail Strickler, Brookfield Associates).
[439] WHO, "Cholera-Haiti," February 13, 2022; USITC, "Hearing Transcript," May 26, 2022, 42 (testimony of Wilhelm Lemke, Association des Industries d'Haïti).
[440] USITC, hearing transcript, March 8, 2022, 84–85 (testimony of Gail Strickler, Brookfield Associates) and 86 (testimony of David Spooner, USFIA).
[441] Haiti's world trade statistics are estimated by the IMF. IMF, "Exports and Imports by Areas and Countries," accessed June 14, 2023.
[442] IMF, "Exports and Imports by Areas and Countries," accessed June 14, 2023.
[443] U.S. imports from Haiti are used as a proxy for Haitian exports to the United States throughout this section.
[444] USITC, *U.S.-Haiti Trade: Impact of U.S. Preference Programs on Haiti's Economy and Workers*, December 2022, 62; USITC, hearing transcript, March 8, 2022, 85 (testimony of Gail Strickler, Brookfield Associates); USITC DataWeb/Census, accessed March 30, 2023.
[445] Data compiled from HTS chapters 1 through 15 and subheading 0804.50, USITC DataWeb/Census, accessed March 30, 2023. For more information regarding Haiti's mango industry, see USITC, *U.S.-Haiti Trade: Impact of U.S. Preference Programs on Haiti's Economy and Workers*, December 2022, 153. Data compiled from HTS chapters 1 through 15 and subheading 0804.05, USITC DataWeb/Census, accessed March 30, 2023.

before declining in 2022.[446] Industry representatives anticipate further declines in agricultural exports in 2023 due to the inability of U.S. officials to conduct inspections of crops because of security issues.[447]

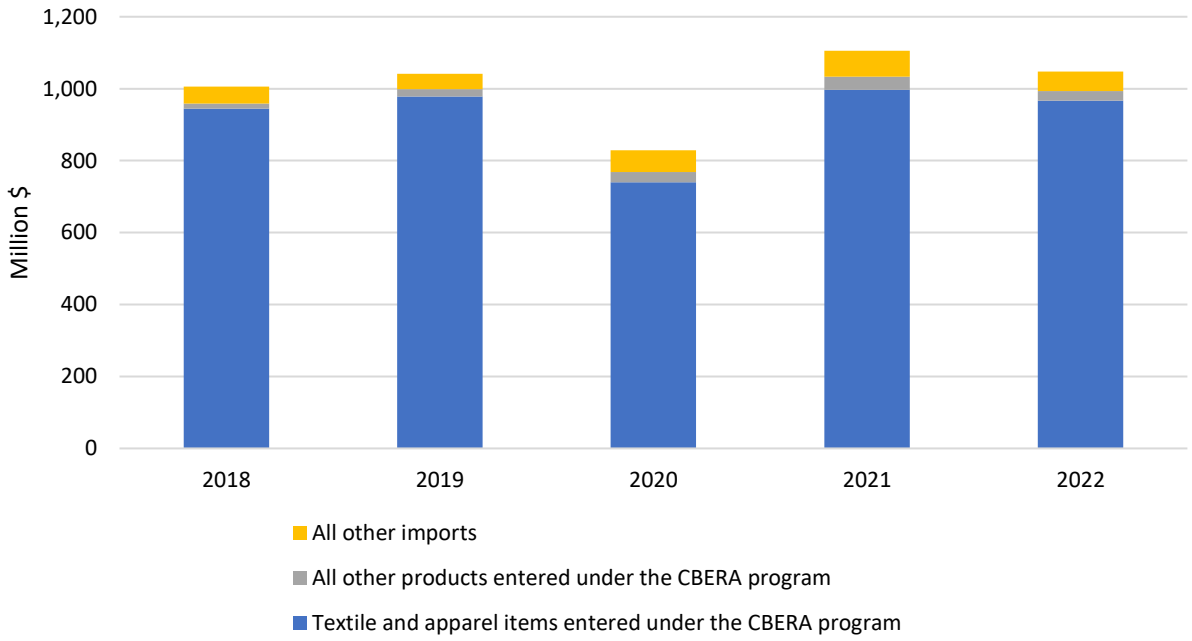
In the past five years, Haiti's estimated imports from the world fluctuated, rising to a period high of $2.6 billion in 2021, before falling back to $2.4 billion in 2022, roughly its value in 2018 (table 4.7). Leading sources of Haiti's imports from the world in 2022 were China (25.1 percent), the United States (24.1 percent), and Indonesia (12.6 percent).[448] In recent years, Haiti's imports from the United States have grown, particularly during 2019–22, increasing by 13.4 percent to $1.4 billion in 2022. Haiti's top imports from the United States in 2022 were fuel (34.8 percent), cereals (19.5 percent), and meat (6.3 percent).[449]

Between 2018 and 2022, Haiti was the largest source of U.S. imports claimed under the CBERA program. U.S. imports from Haiti under the CBERA program were $993 million or 94.8 percent of total U.S. imports from Haiti (figure 4.7). These imports under the CBERA program represented 4.8 percent of Haiti's GDP in 2022, slightly lower than 4.9 percent of Haiti's estimated GDP in 2020 and lower than pre-pandemic levels.[450] Haiti's high CBERA program utilization rate (averaging more than 98 percent during 2021–22) is primarily due to apparel, Haiti's leading manufacturing activity and largest export industry. Covered by additional supporting preference programs such as HOPE, apparel imported from Haiti has more flexible ROOs than other CBERA beneficiaries.[451] As a result, most of Haiti's apparel production is assembly operations.

[446] Data compiled from HTS chapters 1 through 15, USITC DataWeb/Census, accessed March 30, 2023.
[447] USITC, "Hearing Transcript," May 26, 2022, 92 (testimony of Georges B. Sassine, Association des Industries d'Haïti) and 92–93 (testimony of Wilhelm Lemke, Association des Industries d'Haïti).
[448] IMF, "Exports and Imports by Areas and Countries," accessed June 14, 2023.
[449] USITC DataWeb/Census, accessed March 30, 2023.
[450] USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Twenty-Fifth Report 2019–20*, September 2021, 90.
[451] For more information, see Description of Haiti's Apparel Industry in USITC, *U.S.-Haiti Trade: Impact of U.S. Preference Programs on Haiti's Economy and Workers*, December 2022; USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Twenty-Fifth Report 2019–20*, September 2021, 90.

Figure 4.7 Haiti: Total U.S. imports and imports claimed under the CBERA program, 2018–22

In millions of dollars. Underlying data for this figure can be found in appendix table E.10.



Source: USITC DataWeb/Census, accessed February 9, 2023; USITC, *Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Beneficiary Countries, Twenty-Fifth Report 2019–20*, September 2021.
Note: "Textile and apparel items" are imported under HS chapter 50 to 63. "All other products entered under the CBERA program" includes all products imported under the CBERA program except Agriculture, Mining, and Manufacturing. "All other imports" includes all imports except those under the CBERA program.

Since 2018, Haiti has experienced a significant decline in its trade in services. In the last decade, Haiti's services trade typically accounted for roughly one-fourth of its total trade with the world.[452] Compared to 2018, Haiti's services exports to the world fell by 84.9 percent to $101 million in 2021. Recent challenges in Haiti's political, social, and economic climate between 2018 and 2022 have caused travel services to be particularly affected. More than 79 percent of Haitian services trade exports to the world were personal travel services during 2018–21. Haiti's services imports from the world also fell by 24.4 percent to $583 million in 2021. Decreases in transport and personal travel services imports from the world contributed the most to this decline, likely related to increased security issues as well as road and port closures since 2018.[453]

Investment Profile

Haiti's government has introduced policies to encourage FDI, evidenced both by its tax and trade laws and government benefits to foreign investors. According to the U.S. Department of State, Haiti's import and export policies are nondiscriminatory and, in general, Haiti's investment code provides the same

[452] WTO, "Commercial Services Exports and Imports by Sector and Partner," accessed April 24, 2023.
[453] The 2021 data are the latest available. WTO, "Commercial Services Exports and Imports by Sector and Partner," accessed April 24, 2023; USITC, *U.S.-Haiti Trade: Impact of U.S. Preference Programs on Haiti's Economy and Workers*, December 2022, 65; USITC, hearing transcript, March 8, 2022, 37 (testimony of Gail Strickler, Brookfield Associates), and 101 (testimony of Georges B. Sassine, Association des Industries d'Haïti).

rights, privileges, and protections to domestic and foreign companies.[454] The Haitian government also offers customs duty incentives and income tax incentives to foreign investors. These include several free trade zones that provide special regimes on customs duties and controls, taxation, immigration, capital investment, and foreign trade to firms operating in these geographic areas.[455]

Although foreign investment in Haiti does not face significant official restrictions, FDI in Haiti has declined substantially from $374.9 million in 2017 to $51.3 million in 2021 as a result of various challenges in the country.[456] One industry representative pointed to governance issues, corruption, and organized crime as challenges hindering Haiti's ability to maintain and attract additional investment.[457] Still, other factors limit FDI to Haiti, including the country's susceptibility to natural disasters, which discourages large capital investments.[458] Despite facing challenges, Haiti continues its efforts to improve investment conditions and support existing investment facilitation projects.[459] In its Post-COVID-19 Economic Recovery Plan, which established the Investment Opportunity Generation Project, the Haitian government sought to support business opportunities for investors in the textile industry, noting it as an important industry for domestic economic transformation.[460]

Impact of the CBERA Program

Haiti has one of the highest CBERA program utilization rates compared to other CBERA beneficiaries, ranking first in utilization in the past five years. Furthermore, the CBERA program plays a significant role in Haiti's export profile; the majority of Haiti's exports to the world were exports to the United States under the CBERA program during 2018–22. As stated above, the bulk of these exports during this period were textiles and apparel, which benefit substantially from the CBERA, HOPE, and HELP programs. Two garment industry representatives pointed to the lenient ROOs in preference programs with Haiti, which they stated were established to offset the higher expense of doing business, including additional costs for security and infrastructure.[461] According to another industry representative, CBERA and related programs—the CBTPA, HOPE I and II, and HELP—have helped create wealth in Haiti and indicated that, in the absence of these programs, the economic situation in the Caribbean and migration issues could have been worse.[462]

Following the passage of the HOPE/HELP Acts, Haiti's textile and apparel sector exports have grown both as a share of total exports and as a share of GDP. This growth increased demand for labor in the sector

[454] USDOS, EB, *2022 Investment Climate Statements: Haiti*, July 28, 2022.
[455] For more information on Haiti's investment environment, especially its free zones, see USITC, *U.S.-Haiti Trade: Impact of U.S. Preference Programs on Haiti's Economy and Workers*, December 2022, 73.
[456] World Bank, "Foreign Direct Investment, Net Inflows (BoP, Current US$)-Haiti," accessed April 3, 2023; USDOS, EB, *2022 Investment Climate Statements: Haiti*, July 28, 2022.
[457] USITC, hearing transcript, March 8, 2022, 41 (testimony Wilhelm Lemke, Association des Industries d'Haïti).
[458] USITC, hearing transcript, March 8, 2022, 37–38, 73 (testimony of Gail Strickler, Brookfield Associates).
[459] For more information on Haiti's investment initiatives and conditions, including Ministry of Commerce's Center for Facilitation of Investments instituted in 2006, see USITC, *U.S.-Haiti Trade: Impact of U.S. Preference Programs on Haiti's Economy and Workers*, December 2022, 74.
[460] ITA, "Haiti-Investment Climate Statement," accessed April 3, 2023.
[461] USITC, hearing transcript, March 8, 2022, 90 (testimony of Gail Strickler, Brookfield Associates); Gildan, written submission to USITC, March 28, 2023, 4.
[462] USITC, hearing transcript, March 8, 2022, 128 (testimony of Wilhelm Lemke, Association des Industries d'Haïti).

and, although women represent approximately two-thirds of the workers in the textile and apparel sector, they are underrepresented in managerial positions.[463] After the 2008 implementation of HOPE II's TAICNAR labor monitoring programs, Better Work Haiti compliance reports have shown low levels of noncompliance with ILO core labor standards (forced labor, child labor, freedom of association, collective bargaining, and gender discrimination) but generally high levels of noncompliance with respect to compensation and safety-related metrics.[464]

Despite the challenges facing Haiti, industry representatives support the renewal of the CBERA program. A representative of a garment manufacturer operating in Haiti noted potential long-term investments, such as installing solar panels across its factories in Haiti, to better withstand oil supply shocks. The representative expressed concern, however, about the challenges in developing long-term strategies, stating that programs with differing levels of permanence are "detrimental to the long-term potential benefits of a trade agreement" between the United States and Haiti.[465] Several industry representatives noted how the uncertainty of renewal threatens existing operations in Haiti and reduces investor confidence.[466] The same representatives also highlighted how the CBERA program could aid companies that have invested in Haiti, particularly during this period of political instability.[467] Industry representatives pointed to renewal or permanence of HOPE and HELP as key actions that would support employment, infrastructure, investment, and Haiti's overall economy.[468]

[463] World Bank, *Haiti Gender Assessment Report*, May 25, 2023, 89–90.
[464] USITC, *U.S.-Haiti Trade: Impact of U.S. Preference Programs on Haiti's Economy and Workers*, December 2022, 20.
[465] USITC, hearing transcript, March 8, 2022, 102–04 (testimony of Gail Strickler, Brookfield Associates). CBERA is permanent, HOPE/HELP expire in 2025, and CBPTA expires in 2030.
[466] Gildan, written submission to USITC, March 28, 2023, 2, 5; USITC, hearing transcript, March 8, 2022, 44 (testimony of Wilhelm Lemke, Association des Industries d'Haïti), and 46 (testimony of Georges B. Sassine, Association des Industries d'Haïti).
[467] Gildan, written submission to USITC, March 28, 2023, 2, 5; USITC, hearing transcript, March 8, 2022, 37–38 (testimony of Gail Strickler, Brookfield Associates), 44–45, 88 (testimony of Wilhelm Lemke, Association des Industries d'Haïti), and 47 (testimony of Georges B. Sassine, Association des Industries d'Haïti).
[468] USITC, hearing transcript, March 8, 2022, 37–38 (testimony of Gail Strickler, Brookfield Associates), 46 (testimony of Wilhelm Lemke, Association des Industries d'Haïti), and 46–47 (testimony of Georges B. Sassine, Association des Industries d'Haïti).

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Appendix A
Federal Register Notice

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(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How the agency might minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.*, permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. We will include or summarize each comment in our request to OMB to approve this ICR. Before including your address, phone number, email address, or other personally identifiable information (PII) in your comment, you should be aware that your entire comment—including your PII—may be made publicly available at any time. While you can ask us in your comment to withhold your PII from public review, we cannot guarantee that we will be able to do so.

Abstract: The USGS manages nine Regional CASCs. Each CASC is established through a cooperative agreement with a host institution. The host institution agreements are periodically re-competed, requiring collection of information from potential host institutions. In addition, this information collection addresses quarterly and annual reporting required of host institutions.

Title of Collection: Department of the Interior Regional Climate Adaptation Science Centers.

OMB Control Number: 1028–0096.

Form Number: N/A.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Institutions that may propose to serve as CASC host or partner institutions include state, local government, and tribal entities, including academic institutions. Existing host institutions are state academic institutions.

Total Estimated Number of Annual Respondents: The USGS expects to request proposals for a maximum of three CASCs in any year and to receive an average of five proposals per CASC request, for a total of fifteen proposals in any single year. The USGS expects to enter into hosting agreements with a minimum of nine CASC host institutions.

Total Estimated Number of Annual Responses: 63 Responses.

Estimated Completion Time per Response: Each proposal for CASC hosting is expected to take 200 hours to complete. The time required to complete quarterly and annual reports for any specific host cooperative agreement or research project agreement is expected to total 2.5 hours per report.

Total Estimated Number of Annual Burden Hours: 3,120 Hours.

Respondent's Obligation: Required to Obtain or Retain a Benefit.

Frequency of Collection: Information will be collected one time every five years (approximately) for each CASC to enable re-competition of CASC hosting agreements. In addition, host institutions are required to fill four quarterly financial statements and one annual progress report.

Total Estimated Annual Nonhour Burden Cost: There are no "non-hour cost" burdens associated with this collection of information.

An agency may not conduct or sponsor, nor is a person required to respond to, a collection of information unless it displays a currently valid OMB control number.

The authority for this action is the PRA of 1995 (44 U.S.C. 3501 *et seq.*).

Jeffrey M. Parrillo,

Departmental Information Collections Clearance Officer.

[FR Doc. 2023–00664 Filed 1–24–23; 8:45 am]

BILLING CODE 4334–63–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 332–595]

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

AGENCY: United States International Trade Commission.

ACTION: Notice of preparation of 2023 Biennial Report and scheduling of a public hearing.

SUMMARY: The Commission has begun preparation of its 2023 report required by section 215 of the Caribbean Basin Economic Recovery Act and has scheduled a public hearing for March 9, 2023, in connection with the report. The report will cover trade during calendar years 2021 and 2022, and the Commission will transmit its report to the Congress and the President by September 30, 2023.

Filing deadlines relating to the hearing:

February 23: Deadline for filing requests to appear

February 27: Deadline for filing prehearing briefs and statements

March 2: Deadline for filing electronic copies of oral hearing statements

March 9: Hearing

March 16: Deadline for filing posthearing briefs and statements

March 28: Deadline for filing all other written submissions

ADDRESSES: All Commission offices, including the Commission's hearing rooms, are located in the U.S. International Trade Commission Building, 500 E Street SW, Washington, DC. All written submissions must be submitted electronically and addressed to the Secretary, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. The Commission cannot accept paper copies at this time.

FOR FURTHER INFORMATION CONTACT: Project Leader Stephanie Fortune-Taylor (202–205–2749 or *stephanie.fortune-taylor@usitc.gov*) or Deputy Project Leader Chang Hong (202–205–2791 or *chang.hong@usitc.gov*) for information specific to this investigation. For information on the legal aspects of this investigation, contact Brian Allen (202–205–3034 or *brian.allen@usitc.gov*) or William Gearhart (202–205–3091 or *william.gearhart@usitc.gov*) of the Commission's Office of the General Counsel. The media should contact Elizabeth Nesbitt, Office of External Relations (202–205–3355 or *elizabeth.nesbitt@usitc.gov*).

The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov*. General information concerning the Commission may be obtained by accessing its internet address (*https://www.usitc.gov*). Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202–205–1810.

SUPPLEMENTARY INFORMATION:

Background: The report is required by section 215 of the Caribbean Economic Recovery Act (19 U.S.C. 2704). The Act requires the Commission to submit to Congress and the President biennial reports, by September 30 of each reporting year, regarding the economic impact of the Act on United States industries and consumers and on the economy of the beneficiary countries

The Commission is required to provide an assessment of the effect, during the period covered by the report, 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 the probable future effect which the Act will have on the United States economy generally, as well as on such domestic industries.

Public Hearing: A public hearing in connection with this investigation will be held in-person beginning at 9:30 a.m. on Thursday, March 9, 2023, in the Main Hearing Room of the U.S. International Trade Commission, 500 E Street SW, Washington DC 20436. The hearing can also be accessed remotely using the WebEx videoconference platform. A link to the hearing will be posted on the Commission's website at *https://www.usitc.gov/calendarpad/calendar.html.*

Requests to appear at the public hearing should be filed with the Secretary no later than 5:15 p.m., Thursday, February 23, 2023, in accordance with the requirements in the "Written Submissions" section below. Any requests to appear as a witness via videoconference must be included with your request to appear. Requests to appear as a witness via videoconference must include a statement explaining why the witness cannot appear in person; the Chairman, or other person designated to conduct the investigation, may at their discretion for good cause shown, grant such requests. Requests to appear as a witness via videoconference due to illness or a positive COVID–19 test result may be submitted by 3pm the business day prior to the hearing.

All prehearing briefs and statements should be filed not later than 5:15 p.m., Monday, February 27, 2023. To facilitate the hearing, including the preparation of an accurate written transcript of the hearing, oral testimony to be presented at the hearing must be submitted to the Commission electronically no later than noon, Thursday March 2, 2023. All post-hearing briefs and statements should be filed no later than 5:15 p.m., Thursday, March 16, 2023. Post-hearing briefs and statements should address matters raised at the hearing. For a description of the different types of written briefs and statements, see the "Definitions" section below.

In the event that, as of the close of business on March 2, 2023, 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 check the Commission website as indicated two paragraphs above 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. All written submissions should be addressed to the Secretary, and should be received not later than 5:15 p.m., March 28, 2023. 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), as temporarily amended by 85 FR 15798 (March 19, 2020). Under that rule waiver, the Office of the Secretary will accept only electronic filings at this time. Filings must be made through the Commission's Electronic Document Information System (EDIS, *https://edis.usitc.gov*). No in-person paper-based filings or paper copies of any electronic filings will be accepted until further notice. Persons with questions regarding electronic filing should contact the Office of the Secretary, Docket Services Division (202–205–1802), or consult the Commission's Handbook on Filing Procedures.

Definitions of types of documents that may be filed; Requirements: In addition to requests to appear at the hearing, this notice provides for the possible filing of four types of documents: prehearing briefs, oral hearing statements, posthearing briefs, and other written submissions.

(1) *Prehearing briefs* refers to written materials relevant to the investigation and submitted in advance of the hearing, and it includes written views on matters that are the subject of the investigation, supporting materials, and any other written materials that you consider will help the Commission in understanding your views. You should file a prehearing brief particularly if you plan to testify at the hearing on behalf of an industry group, company, or other organization, and wish to provide detailed views or information that will support or supplement your testimony.

(2) *Oral hearing statements (testimony)* refers to the actual oral statement that you intend to present at the hearing. Do not include any confidential business information in that statement. If you plan to testify, you must file a copy of your oral statement by the date specified in this notice. This statement will allow Commissioners to understand your position in advance of the hearing and will also assist the court reporter in preparing an accurate transcript of the hearing (*e.g.*, names spelled correctly).

(3) *Posthearing briefs* refers to submissions filed after the hearing by persons who appeared at the hearing. Such briefs: (a) should be limited to matters that arose during the hearing, (b) should respond to any Commissioner and staff questions addressed to you at the hearing, (c) should clarify, amplify, or correct any statements you made at the hearing, and (d) may, at your option, address or rebut statements made by other participants in the hearing.

(4) *Other written submissions* refer to any other written submissions that interested persons wish to make, regardless of whether they appeared at the hearing, and may include new information or updates of information previously provided.

In accordance with the provisions of section 201.8 of the Commission's Rules of Practice and Procedure (19 CFR 201.8) the document must identify on its cover (1) the investigation number and title and the type of document filed (*i.e.*, prehearing brief, oral statement of (name), posthearing brief, or written submission), (2) the name and signature of the person filing it, (3) the name of the organization that the submission is filed on behalf of, and (4) whether it contains confidential business information (CBI). If it contains CBI, it must comply with the marking and other requirements set out below in this notice relating to CBI. Submitters of written documents (other than oral hearing statements) are encouraged to include a short summary of their position or interest at the beginning of the document, and a table of contents when the document addresses multiple issues.

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 is clearly identified by means of brackets. All written submissions, except for confidential business information, will be made available for inspection by interested parties.

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 way that would reveal the operations of the firm supplying the information.

Summaries of written submissions: Persons wishing to have a summary of their position included in the report should include a summary with their written submission on or before March 28, 2023 and should mark the summary as having been provided for that purpose. The summary should be clearly marked as ''summary for inclusion in the report'' at the top of the page. The summary may not exceed 500 words 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 list the name of the organization furnishing the summary and will include a link to the Commission's Electronic Document Information System (EDIS) where the written submission can be found.

By order of the Commission.

Issued: January 20, 2023.

Katherine Hiner,

Acting Secretary to the Commission.

[FR Doc. 2023–01468 Filed 1–24–23; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

Notice of Receipt of Complaint; Solicitation of Comments Relating to the Public Interest

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has received a complaint entitled *Certain Pick-Up Truck Folding Bed Cover Systems and Components Thereof, DN 3665;* the Commission is soliciting comments on any public interest issues raised by the complaint or complainant's filing pursuant to the Commission's Rules of Practice and Procedure.

FOR FURTHER INFORMATION CONTACT: Katherine M. Hiner, Acting Secretary to the Commission, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, telephone (202) 205–2000. The public version of the complaint can be accessed on the Commission's Electronic Document Information System (EDIS) at *https://edis.usitc.gov*. For help accessing EDIS, please email *EDIS3Help@usitc.gov*. General information concerning the Commission may also be obtained by accessing its internet server at United States International Trade Commission (USITC) at *https://www.usitc.gov* . The public record for this investigation may be viewed on the Commission's Electronic Document Information System (EDIS) at *https://edis.usitc.gov*. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205–1810.

SUPPLEMENTARY INFORMATION: The Commission has received a complaint and a submission pursuant to § 210.8(b) of the Commission's Rules of Practice and Procedure filed on behalf of Extang Corporation; Laurmark Enterprises, Inc. d/b/a BAK Industries; and UnderCover, Inc. on January 19, 2023. The complaint alleges violations of section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) in the importation into the United States, the sale for importation, and the sale within the United States after importation of regarding certain pick-up truck folding bed cover systems and components thereof. The complainant names as respondents: 4 Wheel Parts of Compton, CA; American Trucks of Lenexa, KS; Auto Dynasty a/k/a Shun Fung Int'l Inc. of City of Industry, CA; AUTOSTARLAND Technology (US), Inc. of Riverside, CA; DNA Motoring of City of Industry, CA; Fanciest Pickup Accessories of Riverside, CA; Future Trucks a/k/a Future Trading Company, LLC of Houston, TX; Ikon Motorsports, Inc. of City of Industry, CA; Jiaxing Kscar Auto Accessories Co., Ltd. a/k/a KSC Auto of China; Kiko Kikito of China; Lyon Cover Auto a/k/a Truck Tonneau Covers of China; Mamoru Cover a/k/a Ningbo Surpass Auto Parts Co., Ltd. of China; MOSTPLUS Auto of China; Newpowa America, Inc. of Ontario, CA; New Home Materials, Inc. of Riverside, CA; OEDRO of Kent, WA; Pickup Zone a/k/a Dai Qun Feng of Riverside, CA; RDJ Trucks, LLC of Talmo, GA; Smittybilt, Inc. of Compton, CA; Trek Power, Inc. of Placentia, CA; and Wenzhou Tianmao Automobile Parts Co., Ltd. of China. The complainant requests that the Commission issue a general exclusion order or, in the alternative, a limited exclusion order, and a cease and desist order upon respondents' alleged infringing articles during the 60-day Presidential review period pursuant to 19 U.S.C. 1337(j).

Proposed respondents, other interested parties, and members of the public are invited to file comments on any public interest issues raised by the complaint or § 210.8(b) filing. Comments should address whether issuance of the relief specifically requested by the complainant in this investigation would affect the public health and welfare in the United States, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, or United States consumers.

In particular, the Commission is interested in comments that:

(i) explain how the articles potentially subject to the requested remedial orders are used in the United States;

(ii) identify any public health, safety, or welfare concerns in the United States relating to the requested remedial orders;

(iii) identify like or directly competitive articles that complainant, its licensees, or third parties make in the United States which could replace the subject articles if they were to be excluded;

(iv) indicate whether complainant, complainant's licensees, and/or third party suppliers have the capacity to replace the volume of articles potentially subject to the requested exclusion order and/or a cease and desist order within a commercially reasonable time; and

(v) explain how the requested remedial orders would impact United States consumers.

Written submissions on the public interest must be filed no later than by close of business, eight calendar days after the date of publication of this notice in the **Federal Register**. There will be further opportunities for comment on the public interest after the issuance of any final initial determination in this investigation. Any written submissions on other issues must also be filed by no later than the close of business, eight calendar days after publication of this notice in the **Federal Register**. Complainant may file replies to any written submissions no later than three calendar days after the date on which any initial submissions were due. No other submissions will be accepted, unless requested by the Commission. Any submissions and replies filed in response to this Notice are limited to five (5) pages in length, inclusive of attachments.

Persons filing written submissions must file the original document electronically on or before the deadlines stated above. Submissions should refer to the docket number (''Docket No. 3665'') in a prominent place on the cover page and/or the first page. (*See* Handbook for Electronic Filing Procedures, Electronic Filing

Appendix B
Technical Appendix to Chapter 3

Chapter 3 reports 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. This appendix provides a technical description of the partial equilibrium model employed to generate the estimated effects of CBERA preferences in chapter 3. The first section describes the model specification. The second section describes the data and parameter inputs of the model.

Partial Equilibrium Model Specification

A constant elasticity of substitution (CES) framework is used to model the preferences of consumers in the domestic economy. The model differentiates a given product by whether it is produced in the United States (subscript d), imported by the United States under the CBERA preference program (subscript s), or is a non-CBERA import (subscript r). Within each source, the model assumes a fixed number of homogeneous firms n_i for $i \in (d, s, r)$ that produce a unique variety of the differentiated product. U.S. consumers have a love of variety and can substitute among the three product varieties at a rate of σ— the key CES parameter in the model.

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

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

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

$Here, q_i\ is$ 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 entire sector in the United States; and P is the industry's CES price index.

As in Krugman (1980), the model assumes that each firm operates under monopolistic competition and has some market power for its produced variety. The producer price a firm receives for its products sold to the U.S. market is:[469]

$$pp_i = \frac{p_i}{(1+t_i)} \quad (3)$$

Here, t_i represents the respective tariffs the firms face, with $t_d = 0$ for domestic firms supplying the product to the home market. Firms use labor as the only variable input for production. Let A_i be the inverse productivity of firms such that each firm's demand for variable labor is given as:

$$L_i(q_i) = A_i q_i \quad (4)$$

Note that, with A_i fixed in the short run, the model predicts $\hat{L}_i = \hat{q}_i$, where $\hat{L}_i$ and $\hat{q}_i$ are the respective percentage changes in labor and quantity. Thus, demand for variable labor, such as production workers in the industry, moves in proportion to output in this framework.

[469] The model assumes a continuum of varieties so each firm prices as if it has no impact on the overall price index.

Let w_i be the wages in source country i. Under a CES framework, all firms will charge a constant markup over their marginal costs such that:

$$pp_i = \frac{\sigma}{\sigma-1} A_i w_i \quad (5)$$

A firm's operating profits π_i are computed as revenues minus variable costs c_i. Operating profits are then proportional to a firm's revenue because we can show:

$$\pi_i = pp_i q_i - c_i q_i = \frac{1}{\sigma} pp_i q_i \quad (6)$$

The initial number of firms is assumed to be fixed in the short run, without having a zero-profit condition as part of the model equilibrium. The model is solved using the equations in (1) and (2) and calibrating the initial number of firms and the preference parameters for each source with initial market shares.[470]

It is important to note that this model is only able to provide the short-run effects on market participants from changes in tariffs. Furthermore, some positive effects may mitigate the value of domestic shipments, including an increase in U.S. exports of intermediate goods to CBERA beneficiaries or an increase in domestic exports of final goods to third countries. The model, however, does not calculate these effects—nor the complex set of general equilibrium effects that may result when imports are granted duty-free treatment under CBERA preferences.

Model Inputs

U.S. Production/Revenue Estimates

Domestic production and revenue data are typically not reported by industry at the Harmonized Tariff Schedule of the United States (HTS) 8-digit subheading level, so industry analysts at the Commission estimated these revenues using available industry-specific data. For textile products, domestic revenue estimates rely on the statistic that imports supply 95 percent of the U.S. domestic market for apparel, leaving 5 percent for U.S.-produced items. Domestic production associated with each HTS subheading was calculated to align with this statistic. For other products—like methanol and melamine—publicly available data sources were used. Methanol and melamine domestic revenue data were obtained from *IHS Markit Chemical Economics Handbooks*, and crude petroleum data were obtained from the U.S. Department of Energy.

[470] Ahmad, "Conducting Profitability Analysis in Partial Equilibrium Models," July 2019 provides more details on how to calibrate the model with initial market shares.

U.S. Production Worker Estimates

Information on the initial number of production workers employed in that industry was obtained from the 2021 Annual Survey of Manufactures (ASM).[471] The ASM has data on the number of production workers employed at the North American Industry Classification System (NAICS) 6-digit level. Assuming industries within a broader NAICS sector have the same value of marginal product for each additional production worker, then the share of domestic shipments of the HTS 8-digit product compared to total shipments at the NAICS 6-digit level can be used to estimate the number of production workers for that industry:

$$\frac{Production\ Workers\ in\ HTS\ 8{-}digit}{Production\ Workers\ in\ NAICS\ Sector} = \frac{Domestic\ Shipments\ of\ HTS\ 8{-}digit}{Total\ Shipments\ in\ NAICS\ Sector} \quad (7)$$

The following tables report the data inputs used in modeling the effects of U.S. imports of CBERA-exclusive products (table B.1) and CBERA-nonexclusive products (table B.2).

Elasticity of Substitution Estimates

The elasticity of substitution (σ) is a key model parameter that describes how consumers shift across sources after a relative price change. A higher value means that the products are more substitutable—or less differentiated—leading to larger estimated effects of tariff preferences on the domestic market. It is an important parameter in trade policy models and can have a significant effect on model predictions.

The elasticities of substitution for the partial equilibrium analysis in chapter 3 were estimated using the approach introduced in Ahmad and Riker (2019).[472] The estimates use the exact structural relationship that exists between a firm's markup (m) (the difference between a firm's price (pp) and its marginal costs (c) over price (pp)) and the elasticity of substitution in industries operating under monopolistic competition:

$$\sigma = \frac{1}{m} = \frac{pp}{pp - c} \quad (8)$$

Assuming constant marginal costs, the relationship in (1) can be expressed in terms of revenues (TR) and total variable costs (TVC) so that:

$$\sigma = \frac{ppq}{ppq - cq} = \frac{TR}{TR - TVC} \quad (9)$$

[471] U.S. Census Bureau, "Annual Survey of Manufactures (ASM)," accessed March 29, 2023.
[472] Ahmad and Riker, "A Method for Estimating the Elasticity of Substitution and Import Sensitivity by Industry," May 2019.

Data on TR and TVC were obtained from the 2021 ASM for the NAICS 3-digit and 6-digit codes corresponding to the products modeled in chapter 3.[473] According to ASM data for the NAICS 3-digit sector 315 (apparel manufacturing), an estimated elasticity of substitution of 2.5 was used for all the CBERA-exclusive products modeled. For the non-CBERA-exclusive products, the elasticity of substitution for the NAICS 6-digit sector corresponding to the HTS 8-digit product was used in the analysis. Table B.3 reports the substitution elasticity estimate for each of the CBERA-nonexclusive products modeled.

Table B.1 Model inputs for CBERA-exclusive products

In percentages, millions of dollars, and number of workers. n.e.s.o.i. = not elsewhere specified or indicated.

HTS subheading	Description	NTR duty rate (%)	CBERA imports (million $)	Non-CBERA imports (million $)	Domestic revenue (million $)	Domestic production workers
6109.10.00	T-shirts of cotton	16.5	286.4	5,956.9	693.7	1773
6109.90.10	T-shirts of manmade fibers	32.0	164.1	2,328.5	131.2	499
6110.30.30	Sweaters of manmade fibers, n.e.s.o.i.	32.0	112.0	5,996.0	321.5	1222
6110.20.20	Trousers of cotton, sweaters of cotton, n.e.s.o.i.	16.5	85.9	9,635.4	511.6	1946
6203.43.90	Men's/boys' trousers (synth fibers)	27.9	50.2	1,911.6	103.3	759
6104.63.20	Women's/girls' trousers (synth fibers, knitted), n.e.s.o.i.	28.2	44.0	2,257.6	121.1	253
6104.62.20	Women's/girls' trousers of cotton	14.9	43.5	1,998.3	107.5	224
6205.30.20	Men's/boys' shirts of manmade fibers, n.e.s.o.i.	27.2	37.5	763.0	42.1	309
6211.43.10	Women's/girls' track suits, n.e.s.o.i.	16.0	15.4	961.2	51.4	107
6204.63.90	Women's/girls' trousers, n.e.s.o.i.	28.6	13.2	1,180.5	62.8	131

Source: USITC estimates.

[473] As in Ahmad and Riker, "A Method for estimating the Elasticity of Substitution and Import Sensitivity by Industry," May 2019, total variable costs in a given NAICS sector are proxied by the amount spent on annual wages for production workers and on the cost of materials that includes charges for materials consumed, fuel, power, resales, and contract work. As in Ahmad and Riker, "A Method for estimating the Elasticity of Substitution and Import Sensitivity by Industry," May 2019, total variable costs in a given NAICS sector are proxied by the amount spent on annual wages for production workers and on the cost of materials that includes charges for materials consumed, fuel, power, resales, and contract work.

Table B.2 Model inputs for CBERA-nonexclusive products

In percentages, millions of dollars, and number of workers. n.e.s.o.i. = not elsewhere specified or indicated.

HTS subheading	Description	NTR duty rate (%)	CBERA imports (million $)	Non-CBERA imports (million $)	Domestic revenue (million $)	Domestic production workers
2709.00.20	Petroleum oils, light	0.11	515.0	68,965.6	288,901.4	44,780
2905.11.20	Methanol	5.00	379.6	270.0	2,605.1	1,211
2709.00.10	Petroleum oils, heavy	0.06	336.0	113,891.2	10,493.7	3,229
3903.11.00	Polystyrene	6.00	77.2	504.2	1,298.7	601
2933.61.00	Melamine	3.00	58.7	74.7	60.3	28
2710.19.06	Fuel oils (including blends) derived from petroleum or oils from bituminous minerals, testing < 25 degrees A.P.I.	0.06	33.1	26,918.5	2,909.4	582
2106.90.99	Other food preparations n.e.s.o.i., including for the manufacture of beverages, nondairy coffee whiteners, herbal teas and flavored honey	6.00	30.1	7,519.8	44,930.4	44,918
2103.90.90	Sauces and preparations, n.e.s.o.i.	6.00	21.7	1,292.1	8,193.6	11,117
2008.99.91	Bean cake, bean stick, miso, other fruit, nuts	6.00	9.8	342.3	2,174.1	2,880
2005.99.97	Vegetables n.e.s.o.i. and mixtures of vegetables, prepared	11.20	8.3	669.9	1,145.1	1,517

Source: USITC estimates.

Table B.3 Estimates of elasticity of substitution

n.e.s.o.i. = not elsewhere specified or indicated

HTS subheading	Description	Elasticity of substitution between domestic goods and imports
2709.00.20	Petroleum oils, light	5.0
2905.11.20	Methanol	2.5
2709.00.10	Petroleum oils, heavy	5.0
3903.11.00	Polystyrene	3.0
2933.61.00	Melamine	2.5
2710.19.06	Fuel oils (including blends) derived from petroleum or oils from bituminous minerals, testing < 25 degrees A.P.I.	5.0
2106.90.99	Other food preparations n.e.s.o.i., including for the manufacture of beverages, nondairy coffee whiteners, herbal teas and flavored honey	3.0
2103.90.90	Sauces and preparations, n.e.s.o.i.	3.0
2008.99.91	Bean cake, bean stick, miso, other fruit, nuts	3.0
2005.99.97	Vegetables n.e.s.o.i. and mixtures of vegetables, prepared	3.0

Source: USITC estimates.

Appendix C
List of Witnesses Appearing at Hearing

CALENDAR OF PUBLIC HEARING

Those listed below appeared in the United States International Trade Commission's hearing via videoconference:

Subject: Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers and on Beneficiary Countries, 26th Report: 2023 Biennial Report

Inv. No. 332-595

Date and Time: March 9, 2023 - 9:30 a.m.

EMBASSY APPEARANCE:

Embassy of the Republic of Guyana
Washington, DC

Zulfikar Ally, Minister Counselor

ORGANIZATION AND WITNESSES:

Brookfield Associates, LLC
Washington, DC

Gail W. Strickler, Advisor to Sae-A Trading

Association des Industries d'Haïti ("ADIH")

Villa Nelly, Haiti

Wilhelm Lemke, President

Association des Industries d'Haïti ("ADIH")

Villa Nelly, Haiti

Georges B. Sassine, Member of the Board of Directors

Barnes & Thornburg, LLP

Washington, DC

on behalf of

U.S. Fashion Industry Association

David M. Spooner) – OF COUNSEL

The American Chamber of Commerce of Jamaica
Kingston, Jamaica

Jodi-Ann Quarrie (remote witness), Chief Executive Officer

Antigua and Barbuda Chamber of Commerce and Industry Limited
St. John's, Antigua

Martin A. Cave (remote witness), Executive Director

Manchester Trade Limited, Inc.
Washington, DC

Stephen Lande, President

Appendix D
Written Submissions

This appendix 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, only one summary was submitted. This appendix lists the names of the 13 interested parties that submitted positions. Note that the Commission has not edited the written summary. Please see the Commission's Electronic Document Information System (EDIS) for full submissions (https://edis.usitc.gov/).

Summaries of Positions Submitted by Interested Parties

Brookfield Associates, LLC

I thank the Commission for giving me the opportunity to speak at the March 9th hearing on CBERA, CBTPA, HOPE/HELP programs and wish to offer a summary of my key points.

The most important points that could come out of this U.S.I.T.C. investigation is an understanding of how the varied and pending expiration dates for these preference programs, and quite frankly most of our preference programs, undermines their effectiveness and hampers the private sector investment these programs were designed to encourage.

In my opinion, the most meaningful change that could result in making these preference programs more successful, both for their economic impact for the beneficiary countries as well as for U.S. consumers and manufacturers, would be that these and most preference programs should not expire. They should have compliance requirements for labor, environment, democracy, and possibly other qualifying standards and milestones to make sure they are meeting the standards set by the program, but until such time as beneficiary countries are ready and able to participate in a bilateral or multilateral trade agenda, these programs should not face termination. They could potentially have ways to gradually increase use of U.S. made inputs or improve market access for U.S. producers, but they should not have expiration dates that continually leave potential investors and buyers wondering if they will exist in the future. One need just to look at the current lapse in GSP to understand why investors and potential buyers have good reason to limit their exposure in terms of both investment and reliance with respect to our preference programs. Major investments in manufacturing facilities can take many years to amortize, and training personnel to do more advanced work takes time and money. With ten years often being the longest time period that preference programs are created, or renewed for, it is easy to understand why they do not garner the type of long term, sustainable investment in both capital and training, that one would expect could be incentivized, with preferential access to U.S. consumers.

CBERA, CBTPA, HOPE/HELP could and should create opportunities to propel private sector investment in some of the poorer countries in our region; which in turn would create greater stability in those nations and thus less illegal immigration at our borders. It is time to encourage long term investment that could lead to long term solutions.

I thank the commission for taking the time to hear my ideas and would welcome the opportunity to answer any further questions that the commissioners or staff might have.

Interested Parties

American Apparel & Footwear Association (AAFA)

Antigua and Barbuda Chamber of Commerce and Industry Limited

Association des Industries d'Haïti (The Association of Industries of Haiti)

Caribbean Community Secretariat

Caribbean Export Development Agency

Cintas

Embassy of Jamaica

Gildan Activewear Inc.

Government of the Republic of Trinidad and Tobago

Manchester Trade

National Minority Business Council, Inc.

The American Chamber of Commerce of Jamaica

U.S. Fashion Industry Association (USFIA)

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 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 the executive summary, chapter 2, and chapter 4 of this report.

Table E.1 U.S. imports for consumption from CBERA beneficiaries, by import program, 2022
In billions of dollars and percentages; — (em dash) = not applicable. This table corresponds to figure ES.1.

Import program	Share of total imports from CBERA beneficiaries (%)	Value of imports under import program from CBERA beneficiaries (billion $)	Ave. tariff (%)	Leading products
NTR duty free	43.3	5.0	0.0	Mineral fuels, inorganic chemicals
NTR dutiable	34.1	4.0	0.3	Mineral fuels
CBERA-exclusive	8.4	1.0	0.0	Apparel
CBERA-nonexclusive	14.1	1.6	0.0	Organic chemicals, mineral fuels, vegetables
GSP	0.0	0.005	0.0	Cane sugar
Total, all import programs	100.0	11.6	0.1	—

Source: USITC DataWeb/Census, accessed April 12, 2021.
Notes: "NTR" refers to normal trade relations (this is the U.S. term; it has the same meaning 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 the CBERA program. "CBERA-nonexclusive" imports are imports of products that entered the United States under the CBERA program but were also eligible for entry under the Generalized System of Preferences (GSP). GSP authorization expired on December 31, 2020, so duty-free entry under GSP was not available for 2022, the year corresponding to the figure. Following past instances of GSP authorization lapsing, legislation renewing the President's authority to grant duty-free treatment under GSP allowed importers to apply for refunds of duties if the article was otherwise eligible for GSP and the importer had claimed the GSP preference at the time of entry. Thus during 2022, importers have the option of claiming GSP preferences in the event GSP is renewed with retroactive relief. "Ave. 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. Mineral fuels refer to HTS chapter 27.

Table E.2 U.S. imports under the CBERA program, by major product categories, 2018–22
In millions of dollars. This table corresponds to figure ES.2 and figure 2.1.

Sectors	2018	2019	2020	2021	2022
Agriculture	133	150	185	192	214
Methanol and energy products	509	663	796	879	1,264
Textiles and apparel	945	979	740	997	967
Mining and manufacturing	105	96	87	126	171
Total	1,692	1,887	1,808	2,194	2,616

Source: USITC DataWeb/Census, accessed February 9, 2023.
Note: Because of rounding, values may not add to totals shown. Agriculture products are imported under HS chapters 1 through 24; methanol and energy products are imported under HTS subheading 2905.11.20 (methanol) and under HS chapter 27 (mineral fuels); textile and apparel products are imported under HS chapters 50 through 63; mining and manufactured products are products not included under other major product categories.

Table E.3 U.S. imports for consumption of methanol and energy products under CBERA, by product and year, 2018–22
In millions of dollars. This table corresponds to figure 2.2.

Item	2018	2019	2020	2021	2022
Methanol	449	357	249	472	380
Energy products	60	306	547	407	884
Total	509	663	796	879	1,264

Source: USITC DataWeb/Census, accessed February 9,2023.

Note: Because of rounding, values may not add to totals shown. Methanol and energy products are imported under HTS subheading 2905.11.20 (methanol) and under HS chapter 27 (mineral fuels).

Table E.4 Share of the value of U.S. merchandise imports from CBERA beneficiaries, by major sector
In percentages (%). This table corresponds to figure 4.1.

Year	Agricultural products	Manufactured products	Mining products	Other products
1989	6.6	49.9	40.8	2.7
1990	6.6	44.6	45.1	3.7
1991	6.0	47.2	43.9	2.9
1992	7.0	42.3	46.6	4.1
1993	7.7	42.4	45.8	4.1
1994	8.2	44.5	41.6	5.7
1995	8.1	52.4	35.4	4.1
1996	8.3	46.6	41.9	3.2
1997	10.4	49.7	36.1	3.8
1998	11.0	49.6	34.9	4.5
1999	10.2	45.9	38.7	5.2
2000	7.2	37.9	51.1	3.9
2001	7.6	36.8	52.4	3.2
2002	7.5	31.5	57.1	3.9
2003	5.5	29.5	62.0	2.9
2004	3.9	27.4	65.8	2.9
2005	2.8	24.8	69.5	2.8
2006	3.0	27.8	66.7	2.5
2007	2.8	29.4	65.9	1.9
2008	2.6	35.7	58.7	3.0
2009	4.1	31.7	59.6	4.6
2010	4.4	45.6	44.2	5.8
2011	2.8	38.6	54.4	4.2
2012	3.3	47.5	41.6	7.6
2013	4.2	56.3	30.7	8.8
2014	4.7	56.9	28.2	10.2
2015	6.4	56.2	24.1	13.3
2016	8.0	49.4	26.8	15.8
2017	7.7	47.9	28.0	16.4
2018	7.2	48.7	31.5	12.6
2019	7.7	48.4	35.1	8.8
2020	9.0	41.9	42.7	6.4
2021	5.5	41.1	48.0	5.4
2022	4.1	34.5	55.7	5.7

Source: USITC DataWeb/Census, U.S. imports for consumption, accessed March 27, 2023.
Note: Sector definition is based on WTO product groupings. Agricultural products comprise food and raw materials; mining products comprise non-agricultural primary products, including ores, fuels, and non-ferrous metals; manufactured products include chemicals and textiles; and other products include gold and transactions not classified elsewhere (WTO, "Technical Note," accessed March 23, 2023).

Table E.5 Guyana: Composition of GDP by broad sectors, 2021
In percentages. This table corresponds to figure 4.2.

Sector	Share Percentage
Agriculture, forestry and fishing	14.4
Mining and utilities	8.9
Petroleum and gas; and support services	35.0
Manufacturing	3.4
Construction	6.6
Wholesale and retail trade and repairs	5.0
Transport, storage, and communication	4.3
Financial and insurance activities	3.3
Real estate activities	5.8
Administrative and support services	5.1
Public administration	4.8
Other services	3.4
Total	100.0

Source: Government of Guyana, Bureau of Statistics, "Current Gross Domestic Product, Guyana," August 26, 2021.
Note: Based on most recent data available. The mining and utilities sector includes the mining and quarrying sector (excluding the petroleum and gas and support services sector), as well as the electricity supply, and water supply and sewerage sectors. The transport, storage and communication sector includes the transport and storage sector, and the information and communication sector. The other services sector includes accommodation and food services; professional, scientific and technical services; education; human health and social work; and arts, entertainment and recreation sectors.

Table E.6 Guyana: Total U.S. imports and imports under the CBERA program, 2018–22
In millions of dollars. This table corresponds to figure 4.3.

Item	2018	2019	2020	2021	2022
Methanol and energy products entered under the CBERA program	0	0	263	185	453
All other products entered under the CBERA program	1	4	2	3	23
All other imports	252	127	469	1,980	2,366

Source: USITC DataWeb/Census, accessed February 9, 2023.
Note: "Methanol and energy products entered under the CBERA program" refers to HTS subheading 2905.11.20 (methanol) and under HS chapter 27 (mineral fuels). "All other products entered under the CBERA program" includes all products imported under the CBERA program except methanol and energy products. "All other imports" includes all imports except those under the CBERA program.

Table E.7 Trinidad and Tobago: Composition of GDP by broad sectors, 2021
In percentages. This table corresponds to figure 4.4.

Sector	2021
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	21.2
Manufacturing	19.5
Mining and Quarrying	13.9
Public Administration and Defence; Compulsory Social Security	8.0
Financial and Insurance Activities	6.9
Construction	4.9
Transportation and Storage	2.6
Administrative and Support Service Activities	3.2
Education	2.5
All others	17.3
Total	100.00

Source: CBTT, *Annual Economic Survey 2022*, 2022, 66, table A.3.
Note: Data are provisional. "All others" includes agriculture, forestry and fishing, electricity, gas, steam and air conditioning supply; water, sewerage, waste management and remediation activities; accommodation and food service activities; information and communication; real estate activities; professional, scientific and technical activities; human health and social work activities; arts, entertainment and recreation;

other service activities; and activities of households as employers, undifferentiated goods and services-producing activities of households for own use.

Table E.8 Trinidad and Tobago: Total U.S. imports and imports under the CBERA program, 2018–22
In millions of dollars. This table corresponds to figure 4.5.

Item	2018	2019	2020	2021	2022
Methanol and energy products entered under the CBERA program	505	650	533	694	778
All other products entered under the CBERA program	47	46	46	60	107
All other imports	2,968	2,606	2,042	3,416	4,506

Source: USITC DataWeb/Census, accessed April 12, 2021, and USITC, Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers and on Beneficiary Countries, 24th Report, September 2019.
Note: "Methanol and energy products entered under the CBERA program" refers to imports under HTS subheading 2905.11.20 (methanol) and under HS chapter 27 (mineral fuels). "All other products entered under the CBERA program" includes all products imported under the CBERA program except methanol and energy products. "All other imports" includes all imports except those under the CBERA program.

Table E.9 Haiti: Composition of GDP by broad sectors, 2021
In percentages. This table corresponds to figure 4.6.

Sectors	Share Percentage
Wholesale, retail trade, restaurants and hotels	24.3
Agriculture, hunting, forestry, fishing	21.1
Manufacturing	19.8
Transport, storage and communication	4.3
Construction	4.2
Mining and utilities	2.1
Other	24.2
Total	100.0

Source: UN Statistics Division, National Accounts database, accessed March 29, 2023, https://unstats.un.org/unsd/snaama/CountryProfile.
Note: Based on most recent data available.

Table E.10 Haiti: Total U.S. imports and imports claimed under the CBERA program, 2018–22
In millions of dollars. This table corresponds to figure 4.7.

Item	2018	2019	2020	2021	2022
Textile and apparel items entered under the CBERA program	945	979	740	997	967
All other products entered under the CBERA program	14	20	28	37	26
All other imports	47	43	61	72	54

Source: USITC DataWeb/Census, accessed February 9, 2023.
Note: "Textile and apparel items entered under the CBERA program" are imported under HS chapter 50 to 63. "All other products entered under the CBERA program" includes all products imported under the CBERA program except Agriculture, Mining and Manufacturing. "All other imports" includes all imports except those under the CBERA program.

Appendix F
Statistical Tables

Table F.1 U.S. imports for consumption from CBERA beneficiaries, by source, 2018–22
In millions of dollars and percentages.

Source	2018 (million $)	2019 (million $)	2020 (million $)	2021 (million $)	2022 (million $)	Percentage change, 2021–22 (%)
Antigua and Barbuda	4	10	5	29	9	−70.6
Aruba	31	20	34	27	16	−40.6
Bahamas	401	404	270	447	1,720	285.2
Barbados	53	40	46	43	51	19.9
Belize	226	58	51	68	61	−9.8
British Virgin Islands	19	5	8	5	4	−4.8
Curaçao	105	72	27	40	48	17.7
Dominica	1	2	2	3	2	−38.6
Grenada	15	14	12	15	17	9.3
Guyana	252	132	735	2,169	2,842	31.1
Haiti	1,005	1,042	829	1,106	1,047	−5.3
Jamaica	376	392	383	505	348	−31.1
Montserrat	1	1	2	1	2	6.9
Saint Kitts and Nevis	52	57	50	40	31	−22.2
Saint Lucia	25	13	8	10	11	4.3
Saint Vincent and the Grenadines	5	5	6	5	9	58.6
Trinidad and Tobago	3,520	3,302	2,621	4,170	5,391	29.3
Total, all sources	6,094	5,567	5,089	8,682	11,608	33.7

Source: USITC DataWeb/Census, accessed February 9, 2023.
Note: Values rounded to the nearest million dollars; percent change calculated prior to rounding. Because of rounding, values may not add to totals shown.

Table F.2 U.S. imports for consumption under the CBERA program, by source, 2018–22
In millions of dollars and percentages. ** = rounds to zero; n.c. = not calculable.

Source	2018 (million $)	2019 (million $)	2020 (million $)	2021 (million $)	2022 (million $)	Percentage change, 2021–22 (%)
Antigua and Barbuda	**	**	**	0	**	n.c.
Aruba	**	**	**	**	**	−83.4
Bahamas	66	61	57	71	79	10.0
Barbados	7	6	8	1	1	−12.4
Belize	15	21	15	16	21	33.2
British Virgin Islands	**	**	0	0	0	0
Curaçao	**	**	**	**	16	15,349.6
Dominica	**	**	**	**	**	−22.2
Grenada	3	3	2	3	4	50.7
Guyana	1	4	265	188	476	152.8
Haiti	959	999	768	1,033	993	−3.9
Jamaica	84	93	109	122	134	9.2
Saint Kitts and Nevis	5	4	3	5	7	45.6
Saint Lucia	**	**	1	1	1	46.1
Saint Vincent and the Grenadines	**	**	0	**	**	438.0
Trinidad and Tobago	552	696	579	754	885	17.4
Total, all sources	1,692	1,887	1,808	2,194	2,616	19.2

Source: USITC DataWeb/Census, accessed February 9, 2023.
Note: Values rounded to the nearest million dollars; percent change calculated prior to rounding. Because of rounding, values may not add to totals shown.

Table F.3 Leading U.S. imports for consumption under CBERA, by HTS chapter and by year, 2018–22
In millions of dollars. — (em dash) = not applicable.

HTS chapter	Description	2018	2019	2020	2021	2022
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	60	306	547	407	884
61	Articles of apparel and clothing accessories, knitted or crocheted	777	834	608	810	798
29	Organic chemicals	469	371	257	492	438
62	Articles of apparel and clothing accessories, not knitted or crocheted	158	129	114	170	155
39	Plastics and articles thereof	69	62	60	80	88
21	Miscellaneous edible preparations	34	40	54	59	61
17	Sugars and sugar confectionery	4	20	24	16	41
07	Edible vegetables and certain roots and tubers	28	28	33	34	34
20	Preparations of vegetables, fruit, nuts or other parts of plants	23	16	26	27	29
22	Beverages, spirits and vinegar	14	12	11	15	14
08	Edible fruit and nuts; peel of citrus fruit or melons	17	18	20	21	14
All other products	—	40	51	55	63	59
Total, all products	—	1,692	1,887	1,808	2,194	2,616

Source: USITC DataWeb/Census, accessed February 9, 2023.
Note: Values rounded to the nearest million dollars; because of rounding, values may not add to totals shown.

Table F.4 Shares of leading U.S. imports for consumption under CBERA, by HTS chapter, 2018–22
In percentages of the total. — (em dash) = not applicable; ** = rounds to zero

HTS chapter	Description	2018	2019	2020	2021	2022
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	3.5	16.2	30.3	18.5	33.8
61	Articles of apparel and clothing accessories, knitted or crocheted	45.9	44.2	33.6	36.9	30.5
29	Organic chemicals	27.7	19.7	14.2	22.4	16.8
62	Articles of apparel and clothing accessories, not knitted or crocheted	9.3	6.8	6.3	7.7	5.9
39	Plastics and articles thereof	4.1	3.3	3.3	3.6	3.4
21	Miscellaneous edible preparations	2.0	2.1	3.0	2.7	2.3
17	Sugars and sugar confectionery	**	1.1	1.4	0.7	1.6
07	Edible vegetables and certain roots and tubers	1.7	1.5	1.8	1.6	1.3
20	Preparations of vegetables, fruit, nuts, or other parts of plants	1.4	0.9	1.4	1.3	1.1
22	Beverages, spirits and vinegar	0.8	0.6	0.6	0.7	0.5
08	Edible fruit and nuts; peel of citrus fruit or melons	1.0	0.9	1.1	1.0	0.5
All other products	—	2.4	2.7	3.0	2.9	2.3
Total, all products	—	100.0	100.0	100.0	100.0	100.0

Source: USITC DataWeb/Census, accessed February 9, 2023.
Note: Because of rounding, shares may not add to totals shown.

Table F.5 Leading U.S. imports for consumption under CBERA, by HTS number, 2018–22
In millions of dollars. n.e.s.o.i. = not elsewhere specified or included; — (em dash) = not applicable.

HTS statistical reporting number	Description	2018	2019	2020	2021	2022
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	39	168	364	185	515
2905.11.20	Methanol (Methyl alcohol), other than imported only for use in producing synthetic natural gas or for direct use as fuel	449	357	249	472	380
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	0	135	183	222	336
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	285	281	203	261	286
6109.90.10	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of manmade fibers	106	173	97	132	164
6110.30.30	Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, n.e.s.o.i.	141	152	110	142	112
6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	112	87	62	106	86
3903.11.00	Polystyrene, expandable, in primary forms	64	58	55	70	77
2933.61.00	Melamine	19	15	8	20	59
6203.43.90	Men's/boys' trousers, breeches, shorts, not k/c, synth fibers	49	47	24	58	50
6104.63.20	Women's or girls' trousers, breeches and shorts, knitted or crocheted, of synthetic fibers, n.e.s.o.i.	20	32	23	48	44
6104.62.20	Women's or girls' trousers, breeches and shorts, knitted or crocheted, of cotton	60	60	69	64	44
6205.30.20	Men's or boys' shirts, not knitted or crocheted, of manmade fibers, n.e.s.o.i.	31	22	23	38	38
All other products	—	315	302	336	377	426
Total, all products	—	1,692	1,887	1,808	2,194	2,616

Source: USITC DataWeb/Census, accessed February 9, 2023.
Note: Because of rounding, values may not add to totals shown.

Table F.6 Leading U.S. imports for consumption under CBERA by source and HTS number, 2018–22
In thousands of dollars. n.e.s.o.i. = not elsewhere specified or included; — (em dash) = not applicable; ** = rounds to zero

Source	HTS statistical reporting number	Description	2018	2019	2020	2021	2022
Antigua and Barbuda	7117.19.90	Miscellaneous manufactures	0	0	14,316	0	0
Antigua and Barbuda	7113.19.50	Miscellaneous manufactures	0	0	11,480	0	0

Source	HTS statistical reporting number	Description	2018	2019	2020	2021	2022
Antigua and Barbuda	2103.90.90	Sauces and preparations therefor, n.e.s.o.i.	15,100	13,635	0	0	0
Antigua and Barbuda	9618.00.00	Miscellaneous manufactures	0	0	10,000	0	0
Antigua and Barbuda	All other products	—	0	0	0	0	0
Antigua and Barbuda	Total, all products	—	19,000	18,115	35,796	0	6,750
Aruba	3307.20.00	Chemicals and related products	7,129	29,276	15,472	8,640	12,329
Aruba	3824.91.00	Chemicals and related products	0	0	0	11,557	10,140
Aruba	8703.24.01	Transportation equipment	0	0	0	0	4,000
Aruba	4202.22.40	Miscellaneous manufactures	0	0	5,223	0	3,342
Aruba	7315.90.00	Minerals and metals	0	0	0	0	2,750
Aruba	3926.90.33	Chemicals and related products	0	0	935	0	1,914
Aruba	All other products	—	9,110	812	10,056	191,525	639
Aruba	Total, all products	—	16,239	30,088	31,686	211,722	35,114
Bahamas	3903.11.00	Polystyrene, expandable, in primary forms	64,393,939	58,324,574	55,365,069	70,195,181	77,175,593
Bahamas	0511.99.36	Natural sponges of animal origin	211,420	681,106	696,487	755,045	699,154
Bahamas	1605.10.40	Crabmeat, prepared or preserved, other than in airtight containers	67,802	206,098	351,370	355,728	412,943
Bahamas	3903.19.00	Polystyrene, other than expandable, in primary forms	0	0	30,400	0	105,600

Source	HTS statistical reporting number	Description	2018	2019	2020	2021	2022
Bahamas	8903.99.91	Other vessels, o/t inflatable, sailboats, motorboats, canoes, row boats or outboard motorboats, n.e.s.o.i., length over 7.5m	0	0	0	0	70,000
Bahamas	0306.14.20	Crabmeat, frozen	147,852	192,420	63,828	65,396	42,840
Bahamas	2402.10.80	Cigars, cheroots and cigarillos containing tobacco, each valued 23 cents or over	31,567	50,590	11,303	31,180	33,188
Bahamas	All other products	—	1,328,263	1,218,650	232,580	68,001	43,477
Bahamas	Total, all products	—	66,180,843	60,673,438	56,751,037	71,470,531	78,582,795
Barbados	0910.99.60	Spices, n.e.s.o.i.	50,468	139,179	167,615	205,867	368,894
Barbados	2207.10.30	Undenatured ethyl alcohol of 80 percent vol. alcohol or higher, for beverage purposes	5,744	127,218	26,661	94,941	167,101
Barbados	1517.90.90	Edible mixt. & preps (ex. dairy products descr. in add. U.S. note 1 to chapter 4), n.e.s.o.i.	16,412	26,508	17,198	29,123	44,110
Barbados	All other products	—	7,380,148	5,460,367	7,355,745	449,133	102,223
Barbados	Total, all products	—	7,452,772	5,753,272	7,567,219	779,064	682,328

Source	HTS statistical reporting number	Description	2018	2019	2020	2021	2022
Belize	1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. U.S. 5 to chapter 17	49,302	6,282,550	8,488,893	8,107,753	9,257,785
Belize	1703.10.50	Cane molasses n.e.s.o.i.	0	0	0	2,292,204	7,023,442
Belize	2103.90.90	Sauces and preparations therefor, n.e.s.o.i.	635,517	840,295	632,646	1,527,012	1,730,914
Belize	2009.11.00	Orange juice, frozen, unfermented and not containing added spirit	3,212,096	1,427,817	4,786,642	2,206,468	937,364
Belize	0807.20.00	Papayas (papaws), fresh	392,000	148,446	190,661	313,628	394,768
Belize	2009.29.00	Grapefruit juice, of a Brix value exceeding 20, unfermented	0	406,309	205,441	206,279	309,568
Belize	All other products	—	10,920,144	11,547,522	1,134,731	1,045,116	1,252,313
Belize	Total, all products	—	15,209,059	20,652,939	15,439,014	15,698,460	20,906,154
British Virgin Islands	5607.41.10	Binder or baler twine of wide nonfibrillated strip, of polyethylene or polypropylene	5,691	0	0	0	0
British Virgin Islands	8414.51.30	Ceiling fans for permanent installation, with a self-contained electric motor of an output not exceeding 125 W	16,636	0	0	0	0

Source	HTS statistical reporting number	Description	2018	2019	2020	2021	2022
British Virgin Islands	9031.80.80	Measuring and checking instruments, appliances and machines, n.e.s.o.i.	0	11,433	0	0	0
British Virgin Islands	Total, all products	—	22,327	11,433	0	0	0
Curaçao	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	0	0	0	15,379,641
Curaçao	8804.00.00	Parachutes (including dirigible parachutes) and rotochutes; parts and access. thereof	0	0	0	0	716,691
Curaçao	8536.69.80	Plugs and sockets for making connections to or in electrical circuits, for a voltage not exceeding 1,000 V, n.e.s.o.i.	0	0	0	0	70,800
Curaçao	2208.90.80	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 percent vol., n.e.s.o.i.	49,060	49,170	47,960	50,565	49,500
Curaçao	All other products	—	69,740	7,618	107,098	54,400	0

Source	HTS statistical reporting number	Description	2018	2019	2020	2021	2022
Curaçao	Total, all products	—	118,800	56,788	155,058	104,965	16,216,632
Dominica	0714.40.10	Fresh or chilled taro (Colocasia spp.), whether or not sliced or in the form of pellets	31,762	16,200	0	8,505	9,315
Dominica	3307.10.20	Pre-shave, shaving or after-shave preparations, containing alcohol	3,900	12,558	6,318	8,061	3,573
Dominica	All other products	—	0	0	43,421	0	0
Dominica	Total, all products	—	35,662	28,758	49,739	16,566	12,888
Grenada	0811.90.25	Cashew apples, mameyes colorados, sapodillas, soursops and sweetsops, frozen, in water or containing added sweetening	860,543	1,079,989	1,527,528	1,572,197	2,562,304
Grenada	0810.90.46	Fruit, not elsewhere specified or included, fresh	1,613,849	1,574,558	925,647	1,039,475	1,285,831
Grenada	0809.40.40	Plums, prunes and sloes, fresh, if entered during the period from June 1 through December 31, inclusive	63,699	23,997	0	0	53,552
Grenada	0811.90.80	Fruit, n.e.s.o.i., frozen, whether or not previously steamed or boiled	362,491	300,759	3,595	0	48,910
Grenada	All other products	—	11,396	11,500	28,178	25,079	23,963

Source	HTS statistical reporting number	Description	2018	2019	2020	2021	2022
Grenada	Total, all products	—	2,911,978	2,990,803	2,484,948	2,636,751	3,974,560
Guyana	2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	0	0	262,900,512	185,119,104	452,852,348
Guyana	1701.14.10	Other cane sugar, raw, in solid form, w/o added flavoring or coloring, subject to add. US 5 to Ch.17	0	2,935,800	0	0	20,284,739
Guyana	2009.89.70	Juice of any other single fruit, n.e.s.o.i., (including berries), concentrated or not concentrated	0	0	0	0	633,850
Guyana	2103.90.90	Sauces and preparations therefor, n.e.s.o.i.	186,783	190,896	374,858	305,896	440,369
Guyana	1006.30.10	Rice semi-milled or wholly milled, whether or not polished or glazed, parboiled	0	51,922	657,288	811,922	431,514
Guyana	1517.10.00	Margarine, excluding liquid margarine	77,685	96,100	130,163	181,995	250,556

Source	HTS statistical reporting number	Description	2018	2019	2020	2021	2022
Guyana	2202.10.00	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	58,267	70,139	73,562	112,740	168,710
Guyana	2201.10.00	Mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavored	0	0	0	43,200	124,800
Guyana	2008.99.91	Bean cake, bean stick, miso, other fruit, nuts and other edible parts of plans, prepared or preserved	65,570	145,450	148,505	147,836	115,104
Guyana	0304.99.91	Chilled or Frozen fillets, n.e.s.o.i.	6,535	57,005	17,700	35,510	114,043
Guyana	1902.30.00	Pasta n.e.s.o.i.	76,584	126,934	161,339	142,605	102,078
Guyana	1006.30.90	Rice semi-milled or wholly milled, whether or not polished or glazed, other than parboiled	0	54,203	150,855	428,424	75,400

Source	HTS statistical reporting number	Description	2018	2019	2020	2021	2022
Guyana	1905.90.90	Bakers' wares communion wafers, empty capsules suitable for pharmaceutical use, sealing wafers, rice paper and similar products, n.e.s.o.i.	2,500	20,800	23,400	124,857	66,185
Guyana	0910.99.60	Spices, n.e.s.o.i.	19,900	51,523	99,123	86,624	49,309
Guyana	All other products	—	355,753	596,199	656,793	749,946	278,366
Guyana	Total, all products	—	849,577	4,396,971	265,394,098	188,290,659	475,987,371
Haiti	6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	285,272,663	281,033,621	203,348,514	260,555,835	286,395,450
Haiti	6109.90.10	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of man-made fibers	106,284,135	173,058,927	97,363,996	131,759,884	164,090,006
Haiti	6110.30.30	Sweaters, pullovers, sweatshirts and similar articles, knitted or crocheted, of man-made fibers, cont. 25% or more by weight of leather	141,499,179	151,719,246	109,789,977	141,670,626	112,023,412

Source	HTS statistical reporting number	Description	2018	2019	2020	2021	2022
Haiti	6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	112,412,689	86,705,146	62,406,068	106,041,476	85,892,793
Haiti	6203.43.90	Men's/boys' trousers, breeches, shorts, not k/c, synth fibers	48,716,072	46,705,309	24,399,954	58,151,013	50,175,257
Haiti	All other products	—	264,364,669	259,943,139	270,921,460	335,289,144	294,700,200
Haiti	Total, all products	—	958,549,407	999,165,388	768,229,969	1,033,467,978	993,277,118
Jamaica	0714.30.10	Fresh or chilled yams, whether or not sliced or in the form of pellets	24,401,085	24,351,974	30,107,758	30,526,283	30,515,952
Jamaica	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	3,128,299	0	0	17,705,541
Jamaica	2103.90.90	Sauces and preparations therefor, n.e.s.o.i.	7,026,200	8,451,597	16,000,850	21,211,591	17,530,246
Jamaica	2008.99.91	Bean cake, bean stick, miso, other fruit, nuts and other edible parts of plans, prepared or preserved	4,732,347	5,876,841	6,805,881	8,731,626	9,473,999

Source	HTS statistical reporting number	Description	2018	2019	2020	2021	2022
Jamaica	2005.99.97	Vegetables n.e.s.o.i., and mixtures of vegetables, prepared or preserved otherwise than by vinegar or acetic acid, not frozen, not preserved by sugar	4,339,412	5,367,237	5,878,485	6,871,512	8,268,226
Jamaica	All other	—	43,171,009	45,725,790	50,242,670	55,128,740	50,285,521
Jamaica	Total, all products	—	83,670,053	92,901,738	109,035,644	122,469,752	133,779,485
Saint Kitts and Nevis	8504.31.40	Electrical transformers other than liquid dielectric, having a power handling capacity less than 1 kVA	2,320,846	2,427,847	2,208,204	2,908,836	2,871,388
Saint Kitts and Nevis	8537.10.91	Other boards, panels, consoles, desks, cabinets, etc., equipped with apparatus for electric control, for a voltage not exceeding 1,000, n.e.s.o.i.	805,230	742,017	570,093	1,214,066	2,682,575
Saint Kitts and Nevis	8537.20.00	Boards, panels, consoles, desks, cabinets and other bases, equipped with apparatus for electric control, for a voltage exceeding 1,000 V	576,974	401,708	325,020	321,251	1,102,771
Saint Kitts and Nevis	All other	—	1,372,862	662,069	203,947	161,559	51,062

Source	HTS statistical reporting number	Description	2018	2019	2020	2021	2022
Saint Kitts and Nevis	Total, all products	—	5,075,912	4,233,641	3,307,264	4,605,712	6,707,796
Saint Lucia	2103.90.90	Sauces and preparations therefor, n.e.s.o.i.	188,846	123,148	528,272	509,599	666,956
Saint Lucia	2106.90.99	Other food preps n.e.s.o.i., incl preps for the manufacture of beverages, non-dairy coffee whiteners, herbal teas and flavored honey	0	0	0	0	117,489
Saint Lucia	2208.40.20	Rum and tafia, in containers each holding not over 4 liters, valued not over $3/proof liter	0	0	0	0	79,920
Saint Lucia	All others	—	184,043	364,362	46,437	89,190	10,591
Saint Lucia	Total, all products	—	372,889	487,510	574,709	598,789	874,956
Saint Vincent and the Grenadines	0910.99.60	Spices, n.e.s.o.i.	0	0	0	0	89,630
Saint Vincent and the Grenadines	0714.40.10	Fresh or chilled taro (Colocasia spp.), whether or not sliced or in the form of pellets	21,990	61,879	0	0	39,820
Saint Vincent and the Grenadines	All other	—	0	15,093	0	24,060	0
Saint Vincent and the Grenadines	Total, all products	—	21,990	76,972	0	24,060	129,450

Source	HTS statistical reporting number	Description	2018	2019	2020	2021	2022
Trinidad and Tobago	2905.11.20	Methanol (Methyl alcohol), other than imported only for use in producing synthetic natural gas or for direct use as fuel	449,419,867	356,570,787	248,628,629	472,252,582	379,555,016
Trinidad and Tobago	2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	0	134,786,891	183,139,246	221,814,596	335,976,617
Trinidad and Tobago	2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	34,029,869	158,442,994	101,381,386	0	62,179,215
Trinidad and Tobago	2933.61.00	Melamine	19,496,567	14,516,340	8,116,824	19,875,511	58,730,330
Trinidad and Tobago	1806.90.90	Chocolate and preps w/cocoa, n.e.s.o.i., not put up for retail sale	274,715	369,270	548,934	1,122,505	3,448,897
Trinidad and Tobago	All others	—	48,561,212	31,242,318	37,254,537	38,899,421	44,935,195
Trinidad and Tobago	Total, all products	—	551,782,230	695,928,600	579,069,556	753,964,615	884,825,270

Source: USITC DataWeb/Census, accessed February 9, 2023.
Note: Because of rounding, values may not add to totals shown.

Appendix G
U.S. Trade Data and Certain Special Import Preference Data under the CBERA Program

Generally, U.S. importers pay the normal trade relations rate of duty for imported goods, except in instances where Congress approved unilateral preference programs, or bilateral or multilateral free trade agreements (FTAs). Duty preference programs and FTAs are typically identified at the time of importation by U.S. importers using Special Program Indicator (SPI) symbols denoted in general note 3(c) of the Harmonized Tariff Schedule of the United States (HTS). For example, U.S. importers claiming duty preferences under the Caribbean Basin Economic Recovery Act (CBERA) would use the SPI code "E" or "E*" to designate a claim for CBERA duty preferences on entry summary documentation for U.S. Customs, which in turn then becomes part of the official U.S. import statistics published by the U.S. Census Bureau.

When the Caribbean Basin Trade Partnership Act (CBTPA) was implemented, providing additional benefits to all Caribbean Basin Initiative countries (including, but not limited to, Haiti), additional preferences specific to textiles and apparel were not identified via an SPI but rather through the use of chapter 98 HTS subheadings, which require importers to specify exactly on which legal basis the textile or apparel goods qualify for the duty-free treatment under the CBTPA. This approach was also used for additional Haiti-specific preferences within CBERA through the implementation of the Haiti HOPE, HOPE II, and HELP Acts.[474] In the public U.S. Census Bureau data made available by the USITC via DataWeb, however, imports that received the Haiti-specific CBERA benefits (unlike CBTPA preferences) are not separately reported as receiving special duty preferences. Rather, the data for the HOPE, HOPE II, and HELP textile and apparel goods are erroneously labeled as "No special import program claimed" because of the lack of SPI for the Haiti-specific CBERA preferences.

Imports of textile and apparel goods benefitting from trade preferences under the Haiti HOPE, HOPE II, or HELP Acts are not flagged as part of CBERA or the CBTPA under the special import program field in official U.S. import statistics. Such goods, however, may still be tracked via a rate provision code filter in combination with a special programs filter. Rate provisions codes are a separate field within official U.S. import statistics that track and bucket imports according to what duty rates, if any, were applied. The data in this report measure the Haiti-specific tariff provisions granted under CBERA through the Haiti HOPE, HOPE II, and HELP Acts as the combination of three steps. These steps identify imports (1) with country of origin Haiti, (2) coded as "no special import program claimed" within the special programs field (SPI code "00"), and (3) coded as "free special duty programs" (rate provision code "18") within the rate provision code field. Though the Haiti HOPE, HOPE II, and HELP Acts are limited to goods entered under the HTS chapters or subheadings specified by the chapter 98 provisions listed below, in practice it was deemed superfluous to limit the data to these HTS subheadings because the other steps captured these same imports.

- Textile luggage (all products under HTS subheadings 4202.12, 4202.22, 4202.32, 4202.92)
- Apparel (all products within HTS chapters 61 and 62)
- Certain home goods (select products classified in HTS chapters 56, 57, 58, 63, 64, and 94)

[474] 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).

Data identified as described above for the “missing” Haiti-specific CBERA preferences must then be added to the other CBERA data identified using the special import programs filter to arrive at the total merchandise that benefitted from trade preferences under CBERA.