



Impact of COVID-19 on transport and logistics connectivity in the Caribbean

Verónica González Moncada



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Verónica González Moncada



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Introduction

Connectivity is a crucial element for economic development and to achieve the SDGs: Zero hunger, Good Health and Well-being, Clean Water and Sanitation, Affordable and Clean Energy, Industry, Innovation and Infrastructure, Sustainable Cities and Communities, Responsible Consumption and Production and Climate Action. Transport provides access to educational facilities, jobs, markets, schools, essential services and to affordable food options for all. Logistics it is also a necessity for inclusive economic growth, poverty reduction and social progress, and a resilient transport infrastructure is a key robust supply chain and good movements.

In 2020, the transport sector globally has been affected by the outbreak of the COVID-19 disease. COVID-19 was first identified in Wuhan, China, in December 2019, with the earliest known symptomatic case being revealed on 1 December 2019. It was later declared as a Public Health Emergency by the World Health Organization on 30 January 2020, and, subsequently, as a pandemic on 11 March 2020. As of 17 June 2020, 7.94 millions of cases of COVID-19 have been reported in the world, with about 435,000 deaths in approximately 185 countries, and according to Ministries of Health there have been 6,413 confirmed cases, 147 deaths and 1,272 recovered cases in CARICOM members states, in the English-speaking Caribbean.

In early March 2020, the first imported case of COVID-19 was reported in the Caribbean affecting the transport sector. As a result, countries in the region scaled-up their response to deal with it in the different phases of the pandemic, at first restrictions for travelers from certain destinations were applied, eventually resulting in the closure of borders to all international arrivals except for cargo, while searching for solutions to control the spread of the virus and mitigate its economic and social effects.

So far, the COVID-19 pandemic has been the most significant global crisis of the 21st century mainly affecting global production, international trade, transportation, disrupting supply-chains, and economically impacting companies and financial markets. Furthermore, the magnitude of the impact of COVID-19 depends on the duration of the pandemic, its spread, and countries' prevention and response measures to contain the shock.

The restrictions taken by global governments have been uncoordinated, disrupting the movement of people and goods. Global manufacturing processes have decreased due to the intermittent operation of the international supply chain. COVID-19 will severely impact growth across all regions, and the global economy is projected to contract sharply by 3% in 2020.¹ According to the International Monetary Fund, projected Caribbean² real GDP for 2020 will be -2.8%.

Due to their small size and geographic isolation, Caribbean countries suffer from external economic and environmental shocks. Caribbean states are therefore highly reliant on trade and tourism, the latter being an important source of income and employment. In aggregate, across the region, approximately 50% of GDP and 50% of employment are derived directly from this sector. Sectors with direct linkage to tourism, such as construction, agriculture, transportation, banking, manufacturing, and the creative industries, have historically benefitted from the positive multiplier effect associated with a robust tourism sector. Repercussions from the COVID-19 shut down have left islands closed; airports without flights, hotels shut down, cruise ships docked in ports and economies in crisis.

This research will further explain the responses to COVID 19 in both international trade and transport across CARICOM English-speaking Caribbean countries: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago (hereinafter referred to as “ES-Caribbean countries”), in an effort not to affect trade operations and supply-chains in the region, while controlling the spread of the virus. Additionally, it will provide a policy recommendation to preserve trade and transport connectivity in the region.

¹ World Economic Outlook, April 2020: The Great Lockdown.

² Dominican Republic, Puerto Rico and CARICOM members.

I. Transport as the Caribbean's Backbone

Transport connectivity plays a key role for the growth and economic development of the Caribbean, it is vital for increased Caribbean competitiveness, productivity, trade, access to tourism markets, movement of goods, foreign investment, movement of Caribbean people and integration. Thinking about connectivity, the first thing that comes to mind are the characteristics of small coastal countries and economies. The Caribbean faces considerable external vulnerabilities such as climate change and natural disasters, although, from a geographical point of view, it is in a privileged position because it is close to an important center of the supply chain in North America and is a tourist attraction for visitors from Europe. For those reasons, transportation becomes a main axis of these economies that depend on trade for their imports from North America and Asia, and on the provision of services such as tourism.

Intra-regional and extra-regional connectivity are based on the availability of air and sea links. The openness ratio of Caribbean countries shows that they are highly exposed to international trade. Total Caribbean exports and total imports as a percentage of GDP amount to more than 50% per country. For many years, the trade balance has been negative. In 2019, total ES-Caribbean country imports were US\$ 39.624 million and total ES-Caribbean countries exports were US\$ 21.333 million. From 2015 to 2019, exports and imports increased 25% and 34%, respectively.

Table 1
Top 5 total ES-Caribbean countries imports and exports
(Percentages)

Imports CIF 2019: US\$ 39,624 millions	
1. Light-vessels, tankers or production platforms (HS Cap. 89)	19.5
2. Medium and light oils and preparations (HS Cap. 27)	18.7
3. Machinery and parts (HS Cap. 84)	9.3
4. Vehicles and its parts (HS Cap. 87)	4.5
5. Commodities not else specified (HS Cap. 99)	4.2
Exports FOB 2019: US\$ 21,333 millions	
1. Petroleum gas and oils ((HS Cap. 27)	28.5
2. Floating or submersible drilling or production platforms (HS Cap. 89)	8.7
3. Inorganic chemicals e.g. Ammonia, artificial corundum (HS Cap. 28)	8.4
4. Gold, diamonds, waste of precious metal (HS Cap. 71)	8.2
5. Acyclic alcohols and their halogenated, sulphurated, nitrated or its derivatives (HS Cap. 29)	8.1

Source: Own elaboration based on the International Trade Center (ITC) – TRADE MAP.

Transport infrastructure in ES-Caribbean countries (13 countries) are around sixty-eight (68) airports, twenty-two (22) of which have international and domestic flights and forty-six (46) only domestic flights; sixty (60) ports (container terminal, cruise terminal and/or general cargo ports); 53,899 km of road network; and between Guyana and Suriname, 1,530kms of inland waterways. ES-Caribbean countries do not have a wide range of destinations to which they have international flights, the following destinations receive direct flights from ES-Caribbean countries: Anguilla (1), Australia (1), Belgium (1), Brazil (1), Canada (9), Curacao (2), Cuba (5), Dominican Republic (2), El Salvador (1), Germany (3), Grand Caiman (3), Guadalupe (2), Guatemala (1), Haiti (1), Honduras (1), Italy (1), Martinique (2), Mexico (2), Netherlands (2), Panama (8), Peru (1), Puerto Rico (4), Saint Barthelemy (1), Sint Marteen (6), Saint Thomas (3), Tortola (4), United Kingdom (4), United States (12) and Venezuela (1). A high proportion of the ES-Caribbean countries have direct flights to the United States and Canada, and Panama is the main hub for connections to Latin America. Most ES-Caribbean countries have only one container terminal and several general cargo seaports, except Bahamas and Trinidad and Tobago with 3 and 2 containers terminals, respectively.

Table 2
ES-Caribbean transport infrastructure

	Roads networks (km)	Ports	Airports	Inland waterway (km)
Antigua & Barbuda	1 200	1	1	-
Bahamas	2 700	11	21	-
Barbados	1 700	1	1	-
Belize	3 300	1	11	-
Dominica	1 500	2	2	-
Grenada	1 100	1	1	-
Guyana	3 995	6	4	330
Jamaica	22 100	15	3	-
Saint Kitts & Nevis	400	2	2	-
Saint Lucia	1 200	4	2	-
Saint Vincent	800	5	6	-
Suriname	4 304	2	12	1 200
Trinidad & Tobago	9 600	9	2	-
Total	53 899	60	68	1 530

Source: Own elaboration based on National sources, SEARATES By DP world; datosmundial.com.

Transport is crucial for the travel and tourism sectors (T&T) within the Caribbean Region and has a direct impact on employment indicators. In 2019, T&T made a significant contribution amounting to 13.9% GDP. T&T growth in the Caribbean Region was 3.4%. Dominica had impressive T&T growth of 43.6%, and other countries such as St. Kitts and Nevis - 14.6%, Barbados - 9.7% and St. Vincent and the Grenadines - 9% had strong performance. Bahamas, Antigua and Barbuda, St. Lucia, Grenada and Dominica had the highest level in terms of travel and tourism's contribution to GDP. In employment, the contribution was 2.8 million jobs (15.2% of total employment); and represented 20% of total exports.

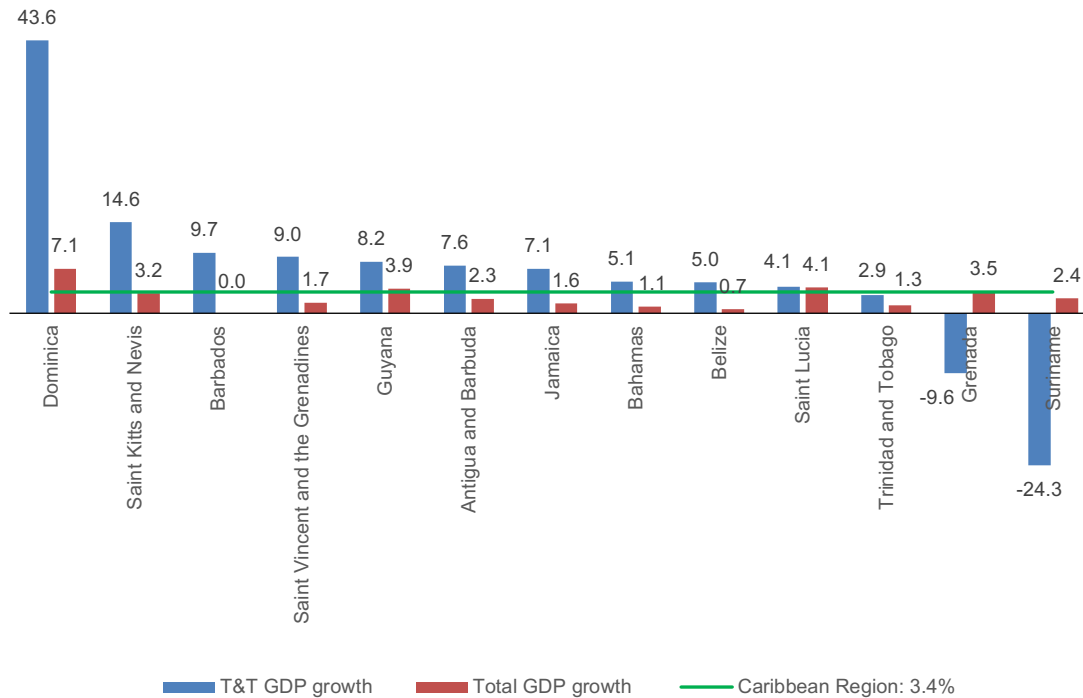
Table 3
Total contribution of T&T to GDP and employment in 2019

Country	T&T contribution GDP (percentages)	T&T % of total employment (percentages)	No. Jobs (miles)
Bahamas	43.3	52.2	103.9
Antigua and Barbuda	42.7	90.7	33.8
Saint Lucia	40.7	78.1	62.9
Grenada	40.5	42.9	24.3
Belize	37.2	39.3	64.8
Dominica	36.9	38.7	13.6
Jamaica	31.1	32.8	406.1
Barbados	30.9	33.4	44.9
Saint Vincent and the Grenadines	28.6	45.2	19.9
Saint Kitts and Nevis	28.2	59.1	14.1
Trinidad and Tobago	7.8	8.5	52.7
Guyana	4.4	4.7	13.3
Suriname	2.6	2.8	5.7

Source: Own elaboration based on World Travel & Tourism Council reports.

In terms of employment, the contribution of T&T was 2.8 million jobs (15.2% of total employment); and represented 20% of total exports. The T&T sectors cover a greater percentage of the total employment in the ES-Caribbean countries. T&T represent more than 50% of total employment in Antigua and Barbuda, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines, while Trinidad and Tobago, Guyana and Suriname have the lowest contribution to employment. In spite of this, Antigua and Barbuda has the highest T&T percentage of contribution to employment - 90%, in terms of numbers of jobs Jamaica has the highest number with 406,000.

Figure 1
T&T GDP growth vs GDP growth
(Percentage)



Source: Own elaboration based on World Travel & Tourism Council reports.

A. Maritime transport and port sector

The Caribbean’s dependence on maritime transportation for trade is based on the fact that the countries share the Caribbean Sea. From 2015 to 2019, ES-Caribbean countries improved integration of global liner shipping networks to around 7.3%. In 2018, ES-Caribbean countries received 23,783 vessels: Passenger ships (39%), dry breakbulk (17%), wet bulk (16.7%), container ships (16.4%), roll-on/ roll-off ships (5%), dry bulk (3%), liquefied petroleum gas carriers (1.2%) and liquefied natural gas carriers (0.9%).

The global container throughput in 2019 reached approximately 802 million twenty-foot equivalent units (TEUs), an increase of 2.3% compared to the previous year.³ In February 2020, the global container trade volumes declined by 8.6% compared with February 2019. In Latin America and the Caribbean, ports handled 54 million TEUs’ worth of containers in 2019. Caribbean container ports throughput grew by 6.2% between 2018 and 2019.

³ Statista, Business Data Platform. Global container throughput 2012-2021.

Table 4
ES-Caribbean countries container ports throughput in 2018-2019 & year-on-year variation

Country	Throughput 2018 (TEU)	Throughput 2019 (TEU)	Year-on-year variation 2019/2018 (percentages)
Bahamas	1 182 836	1 555 803	31.5
Barbados	100 952	98 435	-2.5
Belize	75825	37 235	-50.9
Grenada	23 887	12 343	-48.3
Guyana	58 210	58 543	0.6
Jamaica	1 833 053	1 647 609	-10.1
Saint Vincent and the Grenadines	19 818	20 150	1.7
Saint Lucia	32 500	39 328	20.7
Suriname	110	109.2	-0.7
Trinidad and Tobago	358 475	446 232	24.5

Source: Economic Commission for Latin America and the Caribbean.

Its strategic location also makes the region ideal for transshipment hubs, such as Freeport, Kingston or Port of Spain. However, productivity and efficiency in Caribbean ports varies greatly, depending on adequate infrastructure e.g. gantry cranes in large hubs vs. mobile cranes in smaller ports.

Jamaica is a major center for logistics and transshipment and moves more cargo than any other Caribbean country followed by Freeport in Bahamas, positioning itself as a competitive global logistics hub. Ports of Trinidad and Tobago serve as sub-regional ports and the remaining ports are categorized as service ports. The number of vessels arriving per week to Antigua and Barbuda, Belize, Dominica, Grenada, Saint Kitts and Nevis and Saint Vincent and the Grenadines are fewer than 10 vessels without considering passenger cruise ships.

The cruise industry is a vital artery for economies around the world, generating over US\$ 150 billion on economic activity every year, supporting 1.17 million jobs. The Florida-Caribbean Cruise Association calculates that for Caribbean and Latin America destinations cruise tourism generated US\$ 3.36 billion in direct expenditure in 2017/2018.⁴ ES-Caribbean countries generated US\$ 1.133 billion. Three (3) destinations had direct expenditures of US\$ 100 million or more:

- The Bahamas had the highest level of direct cruise sector expenditures with \$405.75 million, generating 9,004 jobs, paying total wages of US\$ 155.71 million.
- Jamaica had the second highest level of direct expenditures with US\$ 244.53 million. Total onshore passenger visits amounted to 1.7 million. Total employment generated was 2,198 total jobs and US\$ 11.61 million in wage income.
- Saint Kitts and Nevis, with US\$ 149 million, had the third highest volume of visits in the Caribbean.

⁴ The 2017/2018 cruise year includes the twelve months beginning in May 2017 and ending in April 2018.

Table 5
Cruise tourism by destination, 2017/2018 Cruise Year

Country	Total cruise tourism expenditures (USD millions)	Total employment	Total employee wage income (USD millions)	Passenger onshore visits (thousands)
Antigua and Barbuda	77.74	1 466	14.41	663
Bahamas	405.75	9 004	155.71	2 444.8
Barbados	71.03	2 351	25.36	630.8
Belize	86.12	2 530	27.68	877.3
Grenada	19.25	529	3.65	298.3
Jamaica	244.53	2 198	11.61	1 773.2
Saint Kitts and Nevis	149.28	2 065	17.64	978.5
Saint Lucia	59.42	1 465	11.64	585.2
Saint Vincent and the Grenadines	16.43	418	3.39	203.2
Trinidad and Tobago	3.50	116	1.59	40.8

Source: Florida-Caribbean Cruise Association.

Most air transport is inbound due to the strong dependence of Caribbean economies on tourism, and also its seasonal demand —there is a significant difference in seating capacity between peak months (such as carnival season and winter) and low season.

B. Air transport and airport sector

“Aviation is essential to supporting tourism in the Caribbean region, transporting approximately 50% of all tourists who travel here; supports over 1.6 million jobs and more than \$35.9 billion in GDP, equivalent to 14% of the total Caribbean economy, and it provides a vital lifeline when natural disaster strikes...”

Peter Cerda, IATA's Regional Vice President, The Americas, 29 June 2018.

The Caribbean counts with 68 international air terminals. Jamaica opted for PPPs to expand and improve the facilities of Kingston and Montego Bay airports. In Trinidad and Tobago, there are plans to build the Caribbean first “aerotropolis” which envisions 168 acres of land for mixed business use. The Piarco Aeropark project, seeks investments and to “attract companies eager to benefit from the logistics advantage of being located at the airport” (Planzer and Perez 2019).

Most of the air traffic for Caribbean countries is inbound due to the strong dependence of economies on tourism, and also seasonal demand, there is also a significant difference in seating capacity between peak months and low season. In addition to passenger travel, air transport is also essential for facilitating trade within the region. The volume of freight attributed to air transport in Caribbean small island states increased by over 50% between 2016 and 2018.⁵

⁵ World Bank. Air transport, freight – Caribbean small states.

Table 6
Inbound tourism, 2019

Country name	Arrivals (million)	Receipts (USD billion)	Receipt per arrival (USD)	Tourism (percentage of exports)
Antigua and Barbuda	0.3	0.8	2 640	70
Bahamas	1.8	3.6	2 120	73
Barbados	N/A	1.3	N/A	70
Belize	0.5	0.5	1 010	44
Dominica	N/A	0.1	N/A	64
Grenada	N/A	0.2	N/A	26
Guyana	0.3	N/A	N/A	N/A
Jamaica	2,7	N/A	N/A	N/A
St. Kitts and Nevis	0,1	0,2	1 540	31
St. Lucia	0,4	1,0	2 290	93
St. Vincent and the Grenadines	0,1	0,1	1 380	38
Suriname	N/A	0,1	N/A	3
Trinidad and Tobago	0,4	N/A	N/A	N/A

Source: World Tourism Organization.

Given the importance of the tourism industry there are several airlines flying to the Caribbean from North America (AA, Delta, JetBlue, AeroMéxico, Air Canada) and Europe (Air France, British Airways, Iberia, KLM, Lufthansa) which usually fly to the larger islands Puerto Rico, Dominican Republic, Cuba, Jamaica, or Bahamas. Then connections can be made to regional airlines such as Caribbean Airlines, LIAT, Air Antilles, Caribbean Wings, etc.

The importance of transport accessibility in the entire Caribbean has been and will be a priority to keep regional economies afloat while experiencing the effects of the COVID-19 pandemic. Consequently, there have been several measures adopted by English-speaking Caribbean countries to mitigate the impact of the pandemic within the region.

II. Measures and restrictions

The year 2020 started with positive growth forecasts worldwide for sectors such as transport, trade and tourism. Governments and airlines, shipping companies and logistics companies with operations in the Caribbean were ready to start with positive figures despite the annual Atlantic Hurricane Season with which the region has to contend. However, because of the unpredicted public health emergency, forecasts have taken a 180-degree change, strongly affecting the Caribbean Region caused by the transport restrictions that had to be implemented to prevent the spread of COVID-19. Many countries also declared a national state of emergency; implemented mandatory lockdown and curfew, under which people were either encouraged or not allowed to leave their homes except to buy essential goods, attend medical appointments, or to work in essential services.

As soon as the first measures were put in place, Heads of Government of the Caribbean Community (CARICOM) held Special Emergency meetings to harmonize their responses to; and policies on the multifaceted impact of COVID-19. Within the CARICOM framework, Caribbean countries developed joint policies on logistics and transport, ensuring common standards in intra-regional transport of people and goods.

A. Cross-cutting measures

Caribbean governments implemented early transportation restrictions ranging from travel bans of non-essential movement, to closing of air, land and maritime borders to passengers. They also implemented facilitation measures to maintain trade flow and to mitigate against the impact of the interruption of supply chains.

Table 7
ES-Caribbean countries entry restrictions for COVID-19

Country name	Travel		Cargo	
	Airport	Seaports	Airport	Seaports
Antigua and Barbuda	⊗	⊗	⊙	⊙
Bahamas	⊗	⊗	⊙	⊙
Barbados	⊗	⊗	⊙	⊙
Belize	⊗	⊗	⊙	⊙
Dominica	⊗	⊗	⊙	⊙
Grenada	⊗	⊗	⊙	⊙
Guyana	⊗	⊗	⊙	⊙
Jamaica	⊗	⊗	⊙	⊙
Saint Kitts and Nevis	⊗	⊗	⊙	⊙
Saint Lucia	⊗	⊗	⊙	⊙
Saint Vincent and the Grenadines	⊙⊗	⊙	⊙	⊙
Suriname	⊗	⊗	⊙	⊙
Trinidad and Tobago	⊗	⊗	⊙	⊙

⊗ Restricted; ⊙ Permitted; ⊙⊗ Partially

Source: Own elaboration based on official national sources. June 25th, 2020.

1. Air transport

As a result of COVID-19 transportation and supply chain interruptions, cargo transportation to and from the region has also been interrupted, resulting in higher shipping costs for buyers. Even though all borders were closed with exception of Saint Vincent and the Grenadines around mid-March, international air cargo and cargo by seafaring vessels have been allowed in order to maintain connectivity that enables the import of needed commodities such as food, fuel, medical supplies, and equipment all of this under new safety and hygiene protocols.

In spite of the fact that cargo aircraft continue to operate normally, the ban on inbound and outbound passengers directly affected air cargo transportation, as between 45% and 50% of cargo transportation is carried in the luggage-hold of passenger aircraft. ES-Caribbean countries rely heavily on the services of two main inter-regional airlines for the transportation of cargo - LIAT (Leeward Islands Air Transport) and Caribbean Airlines (CAL). LIAT suspended its passenger services on April 4, 2020, which was extended until June 30, 2020. On the other hand, Caribbean Airlines suspended their international flights from March 23, 2020 to June 30, 2020. As a resilience measure, both airlines launched cargo charter services and for the first time in CAL's cargo history, the airline operated one of its Boeing 737-800 passenger aircraft for a cargo-only charter service on May 8, 2020, transporting essential supplies from Guyana to Cuba.⁶

⁶ Caribbean Airlines (2020). [online] Retrieve on June 18, 2020. https://cargo.caribbean-airlines.com/#/news/historic_cargo_only_charter_flight.

“These are very challenging times and we are sensitive to the need for trade and commerce to continue within the region. We continue to support the supply chain within the Caribbean and are offering our charter services which supplements our current weekly scheduled freighter flights.”

Marklan Moseley, General Manager
Cargo and new business at Caribbean Airlines
May 8th, 2020

Regarding international flights, some countries have applied reductions of certain taxes, fees and airport charges that benefited regional airlines. Saint Vincent and the Grenadines cut departure taxes for CARICOM passport-holders in half. This measure applied for airlines which operated flights into or out of Saint Vincent and the Grenadines. Larger absolute declines are seen in islands with higher traffic, that had a high average of daily flight in March to begin with: Bahamas (130), Jamaica (74), Trinidad and Tobago (54). Smaller islands, with a lower average of daily flight departures in March Barbados (30), Antigua and Barbuda (22), Grenada 12, Dominica (5), have also suspended close to 100% of their passenger departures between mid-March and June (ICAO Covid-19 Airport Status).

Sharp declines on flight departures have been specially challenging for small regional carriers that were already unprofitable in previous years and their situation only worsened with the Covid-19 pandemic. This is the case of LIAT Airlines, based on Antigua and Barbuda, which announced its liquidation on June 27. Prime Minister Gaston Browne hopes a new airline can be formed in Antigua because air connectivity is vital for the island and the region (Ash, 2020).

2. Maritime transport

Port operations in the Caribbean did not suspend their operations at any moment, in spite of the reduction in working hours for port workers (loading, unloading, stowage, among others) and the measures adopted by those in administrative posts (those who were able to work from home or take vacation leave). The outbreak of the pandemic changed the expectations of the container trade in 2020 changing growth forecasts from positive to negative. Port authorities have halted the operation of cruisers and have prohibited the disembarkation of crew members. Moreover, social distancing protocols have been implemented by border control agencies leading to a reduction in the number of people working on-site, and, in turn, delays in offloading, releasing and delivering cargo to customers.

The impact of Covid-19 on cruise ships and the cruise industry has been dramatic. The Caribbean economies rely heavily on tourism, since the region is the number one market in the world for cruises (N. Dundas). This industry generated, until before the pandemic, US \$46 billion in revenues, and is now at standstill. Cruises “were suddenly regarded as potential harborers of disease—for both passengers and crew—and which few destinations actually want” (Caribbean Maritime, 2020). Major cruise lines in the Caribbean, such as Carnival, NCL, and Royal Caribbean have all suspended their sailings until September 2020. The financial stability of these companies is at risk, experiencing unprecedented requests for full refunds. Some are offering 125% future cruise credits aiming to keep bookings demand. Royal Caribbean further states that the closing of shipyards has delayed cruise ship construction, maintenance and repair, with foreseeable delays on specific vessels of up to 10 months (RCI). Then a reduction or stagnation of vessel fleet, routes, services, and cruise calls could be expected in the following year, therefore, impacting the cruise connectivity of Caribbean Islands. Nonetheless, many keep positivism and hope, as investors recently contributed millions of dollars to rescue Carnival and Norwegian Cruise Line (Sabatino, 2020).

3. International trade

ES-Caribbean countries also adopted temporary trade measures liberalizing or restricting effects on trade, thereby affecting all countries. The introduction of duty and tax exemption on essential relief items and food staples has boosted the continued trade in goods, sustaining supply chain linkages and management. ES-Caribbean countries have been impacted by export restriction policies of the US such as Barbados. This has made CARICOM propose a joint–procurement effort to secure vital supplies.

Table 8
Trade measures to face the COVID-19

Measure on	Country	Products	Measure
EXPORT	Antigua and Barbuda	Food, personal protective equipment	Duty and tax relief measures on essential relief items and key food items.
	Jamaica	Specified products	Cut in export-related fees and charges.
IMPORT	Bahamas	Non-medical face masks	The importation of non-medical protective face masks is prohibited.
	Belize	Disinfectants, cleaning products, soap, face masks, hand sanitizers	Conditional exemption of import duty and General Sale Tax (GST).
	Guyana	Medical supply products	Guyana waives VAT on medical supplies for testing, prevention and treatment
	Jamaica	Medical supply products	Jamaica waived customs duty on the importation of masks, gloves, hand sanitizer and liquid hand soap.
	Saint Kitts and Nevis	Vegetables, fruits, juices, pharmaceuticals, personal protective equipment	Temporary import tariff reduction/elimination on certain products. Imports also exempted from VAT.
	Saint Lucia	Personal items, food, clothing, toys and other household consumables	100% waiver of import duty. Electronic items are excluded.
	Saint Vincent and the Grenadines	Personal protective equipment, pharmaceutical products	Cabinet granted approval for 100% waiver of import duty and VAT on some products.
	Suriname	Food, personal protective equipment	Suspension of import duties on some goods.
	Trinidad and Tobago	Pharmaceutical products	Suspension of the Common External Tariff on products not produced regionally.

Source: Own elaboration based on National sources and the International Trade Center.

4. Customs

Caribbean Customs Authorities were fully functional amid COVID-19 and implemented internal and external measures in order to minimize contact between staff and customers, as well as, speed-up customs procedures and facilitate trade which is crucial for the sustainability of the economy.

All Caribbean countries with the exemption of Bahamas are using ASYCUDA (Automated System for Customs Data) a computerised customs management system developed by UNCTAD and covers most foreign trade procedures.

Guidelines to Customs Administrations

The ASYCUDA system was adapted to the COVID-19 situation and provides some guidelines to assist Customs Administration with measures and facilitate the customs process and speed-up trade procedures.

- Promote further paperless processing
- Review ASYCUDA Risk Criteria
- Review organizational arrangements
- Perform Trade Data Analysis

Source: Automated System for Custom Data (ASYCUDA).

5. Road transport

Road transport was significantly affected as well. Seating arrangements in public transportation were affected as governments implemented a 50% reduction in carrying capacity to implement social distancing while using public transportation. Additionally, the lockdown and curfew measures caused a reduction in demand for transportation translating into less income. In Jamaica, taxis have to carry one fewer passenger than their licensed maximum capacity.

B. Measures by country

1. Antigua and Barbuda

Adopted measures to facilitate cross-border movements included: New office hours and swift system; pre-arrival processing of goods declaration and release of the goods upon arrival; designated priority lanes for brokers and the trading public; prioritization of the clearance of essential items; and front-line staff at airports and seaports have selective quarantine; facilitation of online services. Since, its borders were opened international and regional flights are allowed and measures such as screening and temperature checks are in place.

2. The Bahamas

Restricted air transport into the Bahamas began on March 26, 2020, however, it remained open for private charter flights carrying Bahamian citizens or resident card holders; or for empty passenger aircraft to transport people out of Bahamas. All these measures did not apply to cargo planes or cargo ships; commercial courier flights and emergency flights. During the ban on commercial flights and ships, ferry services have travelled to the Bahamas to transport cargo only. The importation restriction of non-medical protective masks was put in place to protect the local mask-manufacturing industry that has sprung up overnight as a result of the pandemic.

3. Barbados

Maintains a stockpile of pharmaceutical products, and its Customs Department has focused on essential goods. There are no export restrictions or import tax reductions on personal protective equipment or medical supplies. It is mandatory that vessels in Barbados waters, awaiting entry, send daily updates on the health of crew members onboard. Before and after each port call, public areas are cleaned and sanitized. All public tours of the port have been suspended. Authorities have implemented the utilization of electronic systems for manifest transmission, terminal operation and management. Customers only have access to cargo when it has been confirmed as ready for collection.

4. Grenada

No person is allowed to disembark air or seacraft and enter the country for any reason, except with the permission of the Airports Authority and the Ministry of Health. All operators of motor omnibuses, hiring cars and taxis may operate with authorization by the Commissioner of Police. Grenada was the first country to be re-opened to yacht arrivals under strict health and safety protocols. Also, the Government gave consideration to support for farmers and fish exporters who had been affected as a result of international travel restrictions.

5. Guyana

Domestic travel by land, sea and air is strictly limited to accessing or providing essential goods and services, or for governmental purposes. Motor vehicles, vessels and aircraft may not exceed 50% of their carrying capacity. The Guyana Government introduced a VAT exemption on domestic air travel until June 30, 2020 as a relief measure for COVID-19.

6. Jamaica

In order to reduce time at ports and speed-up the clearance process, the Jamaica Customs Authority (JCA) implemented a mandatory Express Clearance for processing and clearing all shipping valued at or below US\$ 5,000. The Clearing Agents may complete the entire customs clearance formalities from preparing, submitting, and paying for a Simplified Declaration⁷ to delivery of the goods to the consignee). On the other hand, JCA has been working with the Trade Board Limited.⁸ They have implemented temporary measures to safeguard staff and customers. Electronic applications were authorized for export licenses and CARICOM certificates of origin. CARICOM certification documents for export are accepted via drop-box in the customer area. Also, the Ministry of Agriculture and Land authorized electronic application, submission and payment for import permits to all plant and plant-product importers. The phytosanitary certificate for exports and imports between Jamaica and the United States will become electronic.

Lastly, during the pandemic, Jamaica tested the Jamaica Single Window for Trade (JSWIFT),⁹ which is expected to help facilitate trade in critical times, like COVID-19. The new system will facilitate import, export, transit and any other trade-related procedures and replaces the need for physical, manual and duplicate processes.

7. Saint Kitts and Nevis

Provisions were made for medical emergency flights and international air cargo and sea cargo vessels, which will be allowed in order to maintain connectivity that enables Saint Kitts and Nevis to import needed commodities such as food, fuel, medical supplies, and equipment. Immigration, Customs, Coast Guard, and the Royal St. Christopher & Nevis Police Force will be enforcing all border controls.

According to The Nevis Air and Sea Ports Authority, all cargo vessel owners, operators and agents must strictly follow customs, security and health procedures already in place in light of the pandemic. The vessels have to submit all documentation to the various agencies prior to the vessel's arrival and have to provide notification at least 24 hours prior to arrival. No crew members on board are allowed to enter the port's compound unless it is absolutely necessary, and no loading, unloading or exchanges between crew can take place before the necessary inspection and processing of documents. Communication between crew and port staff must be done by VHF radio, telephone or through the local agent. Only a limited number of persons clearing cargo will be allowed in the warehouse. Prior to the closure of borders, due to the COVID-19 outbreak, the government of St. Kitts and Nevis had updated its travel advisory with immediate effect to deny entry to non-citizens and non-residents who had travelled to China, Iran, Hong Kong, Singapore, South Korea, Japan, Europe, The United Kingdom and the United States of America.

8. Saint Lucia

The restriction makes provisions for the operation of outgoing flights, cargo flights, commercial cargo flights and emergency flights approved by the Civil Aviation Authority. The Saint Lucia Air and Sea Ports Authority (SLASPA) advises that all stakeholders adhere to the established protocols for COVID-19, as it relates to social distancing and indicates the scheduled times for cargo deliverables.

Prior to closing the borders, the Department of Health and Wellness put in place travel restrictions on non-nationals with a travel history within the last 14 days from mainland China, Hong Kong, the Republic of Korea, Italy and Singapore, whether in-transit or originating. Additionally, any

⁷ Simplified Declaration is submitted in advance to Customs.

⁸ Regulatory agency of government of Jamaica under the auspices of the Ministry of Industry, Commerce, Agriculture and Fisheries.

⁹ The JSWIFT is one-stop-shop electronic system that allows traders to submit information at a single point to fulfill all import and export regulatory requirements.

Saint Lucian national returning to Saint Lucia with a travel history to any of the mentioned countries will be quarantined for 14 days.

Borders opened June 4, 2020. To ensure the safety of visitors and Saint Lucians, new protocols will be implemented and will span from the hotel booking process to the airport arrival and hotel experience in Saint Lucia. Protocols are being established for taxis, to provide safety precautions and separate the driver from guests as an added security measure. Health and safety protocols will be reinforced by signage that includes QR codes which take travelers to a landing page for more information.

9. Saint Vincent and the Grenadines

Took measures following recommendations from the Ministry of Health, Wellness, and the Environment, from March 23, 2020. All travelers from China, Iran, South Korea, United States of America, United Kingdom, European Union (including Italy and the overseas departments of France) and Canada will be quarantined for 14 days. Additionally, the Saint Vincent Government kept ports and airports open (Blue Lagoon, Wallilabou and Port Kingstown) with all the safety protocols, except for Chateaubelair.

10. Suriname

In accordance with government instructions and the state of emergency, all ports were closed to international arrivals. Exemptions: cargo flights and medical flights, with approval from the head of the civil aviation department, with at least 24 hours' notice.

The movement of essential goods by land remains ongoing; however, enhanced health screenings may result in delivery delays. Provisions have been made for cargo flights between Suriname and the Netherlands.

11. Trinidad and Tobago

Trinidad Customs and Port Management implemented all guidelines as outlined by the government. This included reduced hours of work, no more than three persons at Customs at any time, reduced number of personnel from Customs at import stations (operated on a shift system), sanitation stations with thermal scanning for entry, mandatory face masks mandatory upon entry, denial of entry if showing flu like symptoms and COVID 19 screening questionnaires (including travel history data).

During the inspection and handling of goods, customs authorities use a selection system which indicates if the goods should be examined or not. The system's result can be over-ruled by Customs at any time, which, most times, results in examination of the goods. However, during the pandemic, Customs avoided unnecessary examinations, allowing the decision applied by the system to prevail.

Social distancing gave rise to a web-based interface and forced Customs and other governmental agencies relating to imports and exports, to implement online protocols to effect import and export processes. Personnel movement has been reduced as most approvals and licenses are done electronically.

Initially, the capacities for all public transportation or public service vehicles (buses, maxi taxis, omnibuses, water taxis, taxis or vehicles for hire and inter-island ferry vessels) mandated to operate at 50% passenger seating capacity. The water taxi service implemented a new sailing schedule. The inter-island sea-bridge ferry suspended operations except for essential travel. Trinidad ports adopted a policy which waived certain port charges related to the storage of goods in order to ease the burden being faced by importers of goods into the country.

III. Implications for Caribbean countries

Closed borders and restrictions adopted by governments for passenger flights and vessels were strict measures that affected Caribbean economies and specifically the travel and tourism industries in the region.

The Caribbean is most exposed to a slowdown in tourism due to the contribution of international tourism to the GDP of Caribbean countries. It is expected that tourism in the Caribbean will probably decline between 60 and 70% from April to December 2020 compared with the previous year. ECLAC runs a simulation model with three scenarios ("optimistic", "base", and "pessimistic")¹⁰ under which tourism receipts decline by 52%, 67%, and 72%. The Bahamas, Dominica and Grenada would be the most affected countries with negative GDP contributions from tourism of between 12.4 to 14.9 percentage points from full-year GDP growth under the pessimistic shock scenario.

Table 9
Impact in tourism on total GDP growth (percentage points), 2020
(Percentages)

Sovereign Name	52 shock	67 shock	72 shock
The Bahamas	-11.9	-14.2	-14.9
Dominica	-10.0	-12.4	-13.0
Grenada	-9.6	-11.7	-12.4
Saint Lucia	-9.5	-11.7	-12.4
Antigua and Barbuda	-8.3	-10.1	-10.7
Belize	-6.9	-8.4	-9.0
Barbados	-6.7	-8.2	-8.8
Jamaica	-6.1	-7.4	-7.9
Saint Kitts and Nevis	-6.0	-7.3	-7.8
Saint Vincent and the Grenadines	-5.8	-7.1	-7.6
Trinidad and Tobago	-0.9	-1.1	-1.3
Guyana	-0.5	-0.7	-0.9
Surinam	-0.5	-0.6	-0.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

¹⁰ Economic Commission for Latin America and the Caribbean (ECLAC). Recovery measures for the tourism sector in Latin America and the Caribbean present an opportunity to promote sustainability and resilience.

Consequently, unemployment numbers have increased in ES-Caribbean countries. It is estimated that an additional six percent (6%) of the labor force is now unemployed in St. Vincent and the Grenadines. Around 22,000 and 43,000 claims have been filed for unemployment benefits in Saint Lucia and Barbados, respectively. In Antigua and Barbuda, it is estimated that hotel closures and lockdowns have cost over 20,000 residents their jobs.

A. Maritime connectivity

An understanding of the impact of COVID-19 on the maritime transport sector can be seen in how the pandemic has affected the cruise industry.

The cruise tourism industry has been significantly affected especially as the Caribbean dominates this industry worldwide, claiming 38% of the cruise market globally. According to the Cruise Lines International Association (CLIA), each day of the suspension of global cruise operations results in the loss of approximately 2,500 jobs, and every 1% drop in worldwide cruising results in 9,100 jobs lost.

Cruise tourism contributes approximately two billion US dollars to the Caribbean each year. COVID-19 has dealt a severe blow to cruising in the Caribbean and it has resulted in a cessation of cruise lines which has had a direct negative impact on ports across the region and has affected many who rely on tourism for their livelihoods. The number of passenger vessels arriving at Caribbean countries sharply declined in 2020. Major cruise lines including Royal Caribbean, Carnival Cruise Lines and MSC have announced extension of their sailing suspensions into the fall season.

Liner shipping connectivity in ES-Caribbean countries is low considering that China had the better Liner Shipping connectivity index (LSCI) of 151.91 in 2019. When comparing the second quarter of both 2019 and 2020, Jamaica and Bahamas have the highest (LSCI) among ES-Caribbean countries, although, due to COVID-19, their LSCI decreased by 3%. Belize was one of the countries with greater impact decreasing by 20.6%. Despite this, Suriname has made progress to improve its connectivity, its LSCI increased from 8.46 to 9.47 (11.9%) and the remaining countries are working towards having greater integration into the global liner shipping network

Table 10
Liner shipping connectivity index (LSCI)

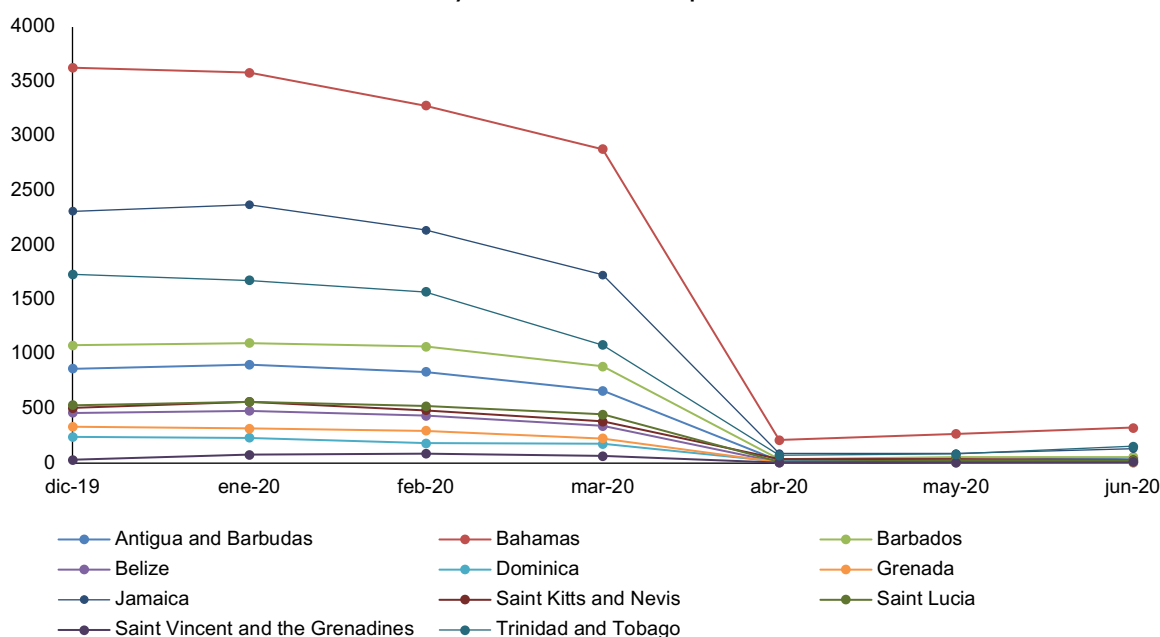
Country	2019 Q2	2020 Q2	Δ%
Jamaica	34.75	33.69	-3.1
Bahamas	30.83	29.82	-3.3
Trinidad & Tobago	15.43	15.60	1.1
Suriname	8.46	9.47	11.9
Belize	10.88	8.64	-20.6
Guyana	8.63	8.19	-5.1
Barbados	7.30	7.36	0.9
Saint Vincent	6.79	6.79	0.1
Dominica	6.31	6.33	0.2
Grenada	6.19	6.19	0.1
Saint Lucia	6.49	5.90	-9.1
Saint Kitts & Nevis	6.33	5.78	-8.7
Antigua & Barbuda	5.15	5.01	-2.8

Source: Own elaboration based on data from UNCTADSTAT.

B. Air connectivity

The negative impact of Covid-19 on air connectivity was obvious. Once countries began to close their borders, the number of available flights suffered a significant slump (Figure 1). In terms of aircraft departures, between March and April, global air traffic declined by -88% and Caribbean airports reported declines with a combined fall of 94% when all transport restrictions were implemented. Antigua and Barbuda and Belize had the most significant flight decrease with a 97% fall in their operations, while Saint Kitts and Nevis' flights decreased by 90%. The flights approved to continue their operations were: cargo, commercial courier, emergency medical and humanitarian flights.

Figure 2
Monthly number of aircraft departures



Source: Own elaboration based on data from International Civil Aviation Organization (ICAO), June 22nd, 2020.

Before the COVID-19 outbreak, regional carriers had an optimistic outlook for 2020, but COVID-19 shutdown all operations. In May 2020 LIAT, one of the main regional airlines announced that it needed an infusion of US\$ 5.4 millions to stay afloat. The airline had a difficult 2019 and the 2020 situation increased the airline's losses exponentially. At the end of June, 2020, Antigua and Barbuda's Prime Minister announced that the regional carrier LIAT Airlines was likely to face liquidation in 2020 joining other airlines in the world such as LATAM, Avianca, Virgin Australia, Miami Air, Air Italy, Flybe, among others, or face a reorganization plan.

C. International Trade

The United States and China are the main trade partners of ES-Caribbean countries in merchandise trade. In 2019, ES-Caribbean's imports from these countries represented 43.5% of total imports. Following COVID-19, China experienced a drastic slowdown in its manufacturing industry creating a US\$ 50 billion decrease in exports across global value chains, considering China has a key role in the global manufacturing industry. It has a direct impact on the United States and any disruptions to its export capacities will create supply challenges for the region. The main categories of ES-Caribbean

countries' imports impacted by the disruptions are machinery (household refrigerators and freezers), communication equipment, structures and parts of structures, of iron or steel. Also, several slaughterhouse and meat-processing plants in the US have been temporarily closed due to COVID-19 outbreaks among employees, affecting the domestic market and its exports to ES-Caribbean countries. Meat imports from the United States to the Caribbean represents a 59% of supply markets.

On the other hand, the United Nations World Tourism Organization estimates a decline of as much as 80% from 2019 of the global tourism sector, meaning an absence of foreign exchange and significant losses from the tourism sector will reduce Caribbean capacity to pay for imports.

However, the high Caribbean demand for import products has been driven by the tourism sector. Given the temporary drop in the demand and tourism restrictions, ES-Caribbean countries will have enough supply to serve the regional market in the short term. For example, Dominica has an adequate supply of food on the island for the next six months.

IV. Conclusions and policy recommendations

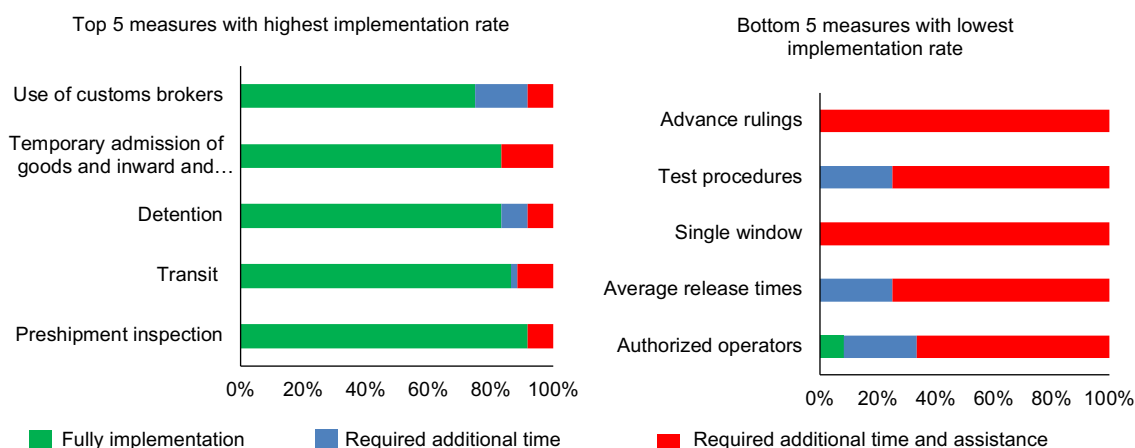
With continued globalization, there is greater inter-dependence among countries, hence the widespread social, economic, political and cultural impact of the pandemic. COVID-19 has brought uncertainty and sudden changes in the routines of countries. Most Caribbean nations applied strict measures and social distancing policies to control the spread of COVID-19, affecting their economies and resulting in sharp declines in GDP, due to their dependence on the trade, travel and tourism sectors and the business generated by bigger economies such as the United States, United Kingdom, European Union and China. To face the measures and their impact, ES-Caribbean countries have to strengthen their transport and trade strategies to preserve their connectivity. Some measures forced the updating of some processes to make them faster and more efficient, including electronic submission of import-export authorizations or permits and documentation for customs release. One major conclusion is that the pandemic has accelerated the implementation of remote technologies and increased use of automation.

Since the beginning of June, countries are reopening their borders to mitigate the impact of COVID-19 on their economies and reactivate transport, trade and tourism with protocols to safeguard their staff and visitors. COVID-19 made countries and companies evaluate their systems, procedures and protocols on transport and trade connectivity, and in the coming months it is expected that there will be further changes to seaport and airport infrastructure and operations, internal and external procedures, promotion of additional electronic systems, trade facilitation, among others, as well as taking full advantage of regional and international agreements. A return to transport and trade normalcy requires strong, international multilateral cooperation and coordination to overcome the effects of the pandemic.

During the COVID-19 pandemic, the importance of the full implementation of the Trade Facilitation Agreement (TFA) to expedite trade operations has been obvious. Some provisions that were going to be implemented in the medium term had to be partially implemented immediately to ensure that there was no interruption in trade and transport operations, as well as, safeguard the health of people and avoid unnecessary contact. Additionally, the TFA will benefit exports and imports within Caribbean countries which face high costs associated with border control and clearance procedures in Customs, documentation requirements and administrative fees and charges, all of which increase costs

and time of transport and international trade operations. According to the Doing Business 2020 indicators on easy trading across borders (Ports), Caribbean countries' average score is 67.6 (32.4 percentage points away from the best regulatory performance constructed across all economies and across time)¹¹, while the Latin American average score is 73.2 ppt and OECD members is 93.1 ppt. In the face of that situation and the necessity to reevaluate policies and business strategies, there are actions that Governments should implement to preserve transport and trade connectivity. ES-Caribbean countries are working to fully implement TFA commitments, except The Bahamas, which is in the process of becoming a member of the World Trade Organization membership. Grenada and Guyana have the highest FTA implementation rate within ES-Caribbean countries with 73.5% and 73.1%, respectively; while Jamaica and Suriname's implementation rates are 14.7% and 10.1%, respectively.

Figure 3
Rate of implementation commitments



Source: Own elaboration based on World Trade Organization. Trade Facilitation database.

Additionally, Caribbean regional organizations such as CARICOM, the Organization of Eastern Caribbean States (OECS) and the Association of Caribbean States (ACS) have already begun discussions seeking re-opening strategies and solutions for an effective trade and transport mechanism in the Greater Caribbean. The recovery measures should also be an opportunity to strengthen international trade and transport connectivity. Additionally, there are international organizations and associations responsible for economic, political and social integration and international cooperation such as, the Economic Commission for Latin America and the Caribbean (ECLAC), the United Nations Conference on Trade and Development (UNCTAD), International Maritime Organization (IMO), International Civil Aviation Organization (ICAO), World Trade Organization (WTO), Organization for Economic Cooperation and Development (OECD), among others. These organizations and associations have regulatory provisions which ES-Caribbean countries could take advantage of, thus strengthening transport and international trade during and after the COVID-19 pandemic. Additionally, there are mechanisms for technical assistance and capacity building for developing economies.

¹¹ Doing Business measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport— within the overall process of exporting or importing a shipment of goods.

Due to the economic disruptions triggered by COVID-19, policies and business strategies are being reevaluated. In this context, the following are some policy recommendations:

A. Improve air market access

The potential for the development of intra-regional tourism is still not fully recognized. ES-Caribbean countries had a restrictive intra-regional regulatory framework with respect to market access, tariff and traffic rights, but some progress has been made in this regard. Caribbean regional organizations such as CARICOM and OECS have approved Air Transport Agreements with the aim of increasing regional air connectivity. The CARICOM Multilateral Air Services Agreement expands the scope for airlines owned by CARICOM nationals to provide air services throughout the Community. It allows for no restriction on routes, capacity or traffic rights and should facilitate increased intra-regional travel and provide more cargo options for exporters and importers, resulting in cost savings. These agreements promote more competition among airlines and enhance the ticket and cargo companies' prices.

In terms of extra-regional framework, there already is an Air Transport Agreement by the Association of Caribbean States (ACS) that involves the entire Caribbean Sea Region. While it is a great step towards open skies liberalization, the ACS Air Transport Agreement still has not been fully implemented. In the meanwhile, ES-Caribbean countries have in place, Bilateral Air Services Agreements mainly with United States, Canada and European Union.

As a result of these Bilateral Air Services Agreements, global air connectivity rose between 2008 and 2018. Ten (10) of thirteen (13) ES-Caribbean countries have experienced increases in their air connectivity. Currently, 69% of ES-Caribbean countries have experienced a decline in intra-regional air connectivity. Of ES-Caribbean countries, 15% experienced an increase in intra-regional and extra-regional air connectivity (Only Guyana and Trinidad and Tobago), and the air connectivity of Barbados and Dominica has declined in both regional and Global. At the regional level, Barbados has maintained their air connectivity.

Table 11
Change in air connectivity 2008-2018
(Percentages)

	Regional	Global
Grenada	-30	283
Guyana	14	157
Saint Lucia	-18	64
Belize	N/A	46
Jamaica	-77	42
Antigua and Barbuda	-50	38
Suriname	-14	35
Saint Kitts and Nevis	-75	32
Saint Vincent and the Grenadines	-20	30
Bahamas	0	28
Trinidad and Tobago	9	10
Barbados	-55	-17
Dominica	-74	-73

Source: IATA.

B. Harmonization regulations

Air regulation is a key to facilitate the efficiency of the operation of airports and airlines throughout the ES-Caribbean Region. A regional Air Transport Authority is essential to create a single Caribbean airspace with its own common laws and regulations, encouraging growth in the region and inter-airline cooperation. The lack of harmony in ES-Caribbean countries' aviation regulation results in operational and financial problems. In 2008, the Caribbean Aviation Safety and Security Oversight System (CASSOS) was established under the framework of CARICOM, and one of its purposes is "facilitate and promote the development and harmonization of civil aviation regulations, standards, practices and procedures amongst its States Parties" (art. III (b) Agreement establishing the CASSOS). However, a regional air regulation program has not been implemented so far, for a variety of reasons. During a panel of discussions organized by the Eastern Caribbean Central Bank in July 2020, Regional economist, Dr. Justin Ram said "it is time in the Caribbean to have a single regulator. So, if an airline is operating out of St. Vincent and the Grenadines it should have clearance to operate anywhere in the Caribbean". In ES-Caribbean countries, the aviation sector has to interact with several regulatory bodies around each country such as seven Civil Aviation Authority, airports authorities, custom authorities, border control and health authorities. The main challenges of harmonization are operating and personnel licenses.

C. Reduce aviation taxes and airport charges

Due to the small size of ES-Caribbean countries, the intra-regional regional air market has challenges to establish commercially sustainable routes. Taxes, fees and charges (TFCs) are high in both extra and inter-regional travel. In intra-regional flights, the TFCs average is 10% more than extra-regional flights.

As a result of COVID-19, Caribbean countries should lower airline taxes in order to make the sector profitable. According to IATA "one of the biggest problems that the Caribbean faced is a very highly taxed market which is taxed on the airline side (consumer side)". A reduction of airport taxes will attract air services, especially for extra-regional travel. Additionally, regional studies have supported the concept of the regional airline or in its absence, functional cooperation to generate economies of scale by those activities that do not affect the airline brand. Grenada reduced airlines taxes to encourage regional travel.

Table 12
Taxes, fees and charges (October 15th to 22nd, 2020)
(Dollars)

	Country	Total Price	Ticket cost	Taxes. Fees. charges	TFCs/Total Price
Extra-regional	Trinidad and Tobago to Miami	325.21	230.00	95.21	29%
	Trinidad and Tobago to New York	462.46	352.00	110.46	24%
	Saint Vincent and the Grenadines to Miami	479.95	330.00	149.95	31%
	Antigua and Barbuda to Miami	488.05	351.00	137.05	28%
	Saint Kitts and Nevis to Miami	304.95	210.00	94.95	31%
Intra-regional	Barbados to Jamaica	697.27	418.00	251.24	36%
	Saint Lucia to Trinidad and Tobago	270.94	150.00	120.94	45%
	Saint Vincent and the Grenadines to Barbados	285.70	170.00	115.70	40%
	Trinidad and Tobago to Saint Vincent	192.26	118.00	74.26	39%
	Trinidad and Tobago to Antigua	434.01	284.00	150.01	35%

Source: Caribbean airlines and American airlines (July 2020).

D. Caribbean Regional Maritime Strategy

As trade liberalization is in progress, global tariff barriers are being eliminated and international trade is growing. Maritime transport has changed in accordance with maritime traffic requirements with the exchange of goods and logistics cost as part of the transport cost becomes more important in the final price of goods. More than 90% of goods are transported via sea. That is why this mode of transport and its supply chains play an essential role in commercial development. Based on that, Caribbean countries have enormous challenges, because of their import dependence, to support their local production, consumer demand and tourism. Caribbean countries face high transport costs, affecting the competitiveness and the value of import and export products. After the Panama Canal expansion, vessel-sizes have increased, and port equipment and infrastructure have to adapt to those changes.

Maritime transport problems and port infrastructure required actions modernization and harmonization of transport policies. To identify appropriate programs, projects and needs, it is essential get real and updated information on maritime routes supply, port infrastructure and updated data to attend to the actual demand of commerce volumes. On the other hand, due to the exposure to natural disasters and the impact of climate change, ES-Caribbean countries should adopt a coordinated and multilateral approach to resilience-building. Against this background, the damage of coastal transportation infrastructure increases the risk of delay, causing logistic and service disruption. These Caribbean Regional Maritime Strategy should at least include the following aspects.

Harmonization of regional regulations, considering international regulation: According to Peter Brady, Director General of the Maritime Authority of Jamaica, Rear Admiral, "Full and complete implementation of our treaty obligations requires incorporating international maritime legislation in domestic law and investing in adequate human resources and facilities".

- Promotion of modern and proper port infrastructure development;
- Provisions on protection of marine and coastal resources;
- Guidelines to eliminate supply-chain barriers and facilitate logistics chain development;
- Digitalization of maritime trade and port logistics;
- Development of Health and Security protocols; and
- Boosting of ES-Caribbean countries Maritime Authorities cooperation.

Raise levels of automation and digitization: In order to facilitate better procedures and encourage the reduction of paperwork and human intervention, automation and digitalization is a priority to strengthen and streamline border-crossing operations. ES-Caribbean countries still have long cross-borders time associated with customs clearance, inspection procedures and obtaining, preparing, processing, presenting and submitting documents. Regarding the time (in hours) associated with the logistical process of exporting and importing goods, Guyana has the longest time and Saint Lucia has the shortest. ES-Caribbean countries have made progress in automation as: Barbados has streamlined inspections by port authorities by introducing an electronic system for document compliance and Belize has enhanced its risk-based management system. Single Window outcome makes exporting and importing faster and easier, reducing trade release times, simplifying of procedures, and improving controls enhancing security and trade facilitation.

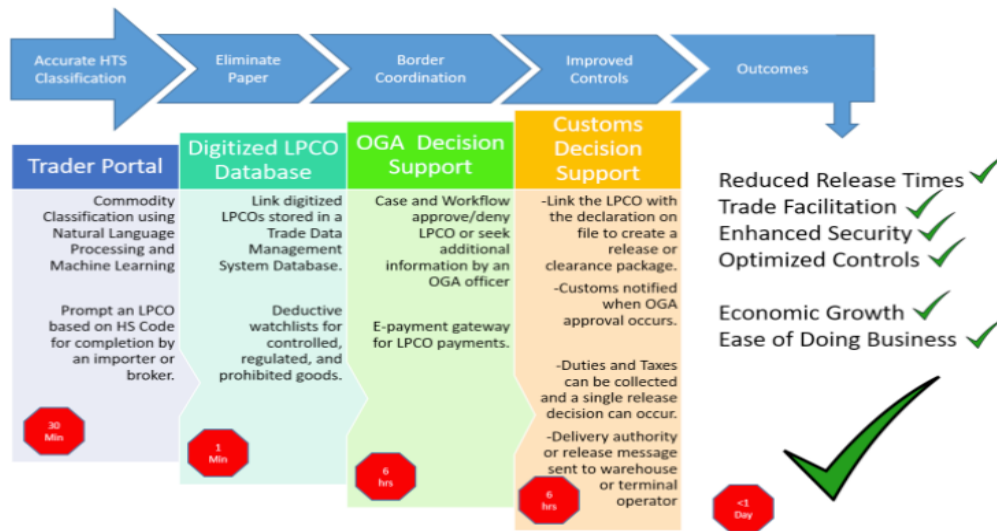
Table 13
Trading across borders

Country	Time to (hours)			
	Border compliance		Documentary compliance	
	Export	Import	Export	Import
Antigua and Barbuda	61	61	51	48
Bahamas	36	51	12	6
Barbados	41	81	48	46
Belize	96	30	38	36
Dominica	36	39	12	24
Grenada	101	37	13	24
Guyana	72	84	200	156
Jamaica	58	80	47	56
Saint Kitts and Nevis	27	37	24	33
Saint Lucia	27	27	19	14
Saint Vincent and the Grenadines	28	48	48	24
Suriname	84	48	12	24
Trinidad and Tobago	60	78	32	44

Source: Own elaboration based on The World Bank - Doing Business.

Single Window of Foreign Trade implementation: Single Window of Foreign Trade (SWFT) is an instance of close cooperation among all the authorities involved in cross-border activities. According to the UN Economic Commission for Europe, the efficiency with which information can be submitted to official agencies is becoming a key factor in the competitiveness of firms or agencies involved in cross-borders activities. As mentioned before, ES-Caribbean countries are making progress to implement or strengthen the SWFT to meet the FTA agreement. Bahamas, Barbados, Guyana, Jamaica, Suriname and Trinidad and Tobago have advanced in their SWFT, so far. The SWFT brings benefits as it seeks to ensure accurate HTS classification, eliminate paper, border coordination and improve controls.

Diagram 1
Single window workflow



Source: TTEK.

Strengthen cooperation and regional integration: Cooperation and regional integration are essential for economic and social development. Over the years, ES-Caribbean countries have received financial and technical cooperation from country donors and multi-lateral agencies. Additionally, the intra-regional cooperation is vital to close information and capacity gaps and develop a regional market. As a COVID-19 lesson, a strong cooperation among countries to share common problems or situations, actions taken and lessons learned, will allow the ES-Caribbean countries to strengthen their capacity to identify and analyze problems or solutions as a whole.

Regarding regional integration, within the CARICOM still some way to go to achieve a regional integration and Members have made effort to integrate the region. According with the International Monetary Fund (IMF) "While the CARICOM countries' integration has improved, the region still lags other well-integrated regions like Eastern Caribbean Currency Union and the European Union". ES-Caribbean countries already have a background of integration, their first approach being during the Cricket World Cup (CWC) 2007, when Antigua, Barbados, Grenada, Guyana, Jamaica, St. Kitts, St. Lucia and Trinidad created a common customs and migratory zone with a common CWC visitor visa.

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Given their small size and geographic isolation, Caribbean countries are highly reliant on trade and tourism as important sources of income and employment. Lockdowns in the wake of the COVID-19 pandemic have left islands closed, airports without flights, hotels shuttered, cruise ships docked in ports and economies in crisis.

This research provides a detailed explanation of the responses to COVID-19 in the areas of international trade and transport adopted by English-speaking countries of the Caribbean Community (CARICOM) to limit the effects of the pandemic on trade operations and supply chains in the region. It also provides a set of policy recommendations to preserve and improve trade and transport connectivity in the Caribbean basin.



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