

Prices rising sharply in Caricom, says SG

The Caribbean Community (Caricom) Secretary General, Dr Carla Barnett, says much of the multi-billion US dollar export growth in the region has been driven by energy and commodities and that the regional integration grouping continues to import a large share of its food, manufactured goods and capital equipment.

“The challenge, therefore, is not only to increase exports, but to broaden the productive base from which those exports come,” Barnett told the five-day International Trade and Investment Conference organised by the World Trade Center Georgetown (WTCG).

The event has brought together business leaders and investors to establish commercial partnerships and explore investment opportunities across multiple sectors.

Barnett said that the conference is taking place as the international environment is becoming considerably uncertain and the multilateral trading system, underpinned by multilateral rules, agreed in the context of the World Trade Organization (WTO) coming under significant pressure.

She said changing tariffs and other trade measures are affecting market conditions with supply chains being reconfigured.

“Conflict in the Middle East and disruption around major shipping routes are sharply increasing shipping and energy costs resulting in rising prices across the globe. We are certainly experiencing sharply rising prices across the Caribbean.”

Barnett said that while global trade is still growing and is important, it is doing so in a more fragmented and for small, open economies such as ours, that matters immensely.

She said that Caricom trade performance over the past five years has seen merchandise exports increasing from about US\$19 billion to more than

US\$39 billion. Imports also rose, to around US\$42.9 billion in 2025, but export growth was stronger.

As a result, the merchandise trade deficit narrowed substantially from levels exceeding US\$10 billion in earlier years to approximately US\$2.6 billion and US\$3.3 billion in 2024 and 2025, respectively.

But Barnett said that while the improvement is notable, composition also matters and that much of the export growth has been driven by energy and commodities.

She said services present a similar picture Caricom is a net exporter of services, with a services trade surplus of more than US\$7.2 billion in 2024. Services exports recovered well from the pandemic period, but travel accounted for about 82 per cent of total services exports in 2024.

She said while that is a major strength, it also points to the importance of ensuring greater diversification.

Barnett said investment flows remain relatively modest.

Caricom and the wider Caribbean attracted approximately four billion US dollars in inward foreign direct investment in both 2024 and 2025, accounting for only a small share of total inflows to Latin America and the Caribbean.
(CMC)