CBB Working Paper 2010-…..

ARE SERVICES A VIABLE AVENUE FOR DEVELOPMENT IN CARICOM COUNTRIES?

BY

TROY LORDE, ANTONIO ALLEYNE AND BRIAN FRANCIS

CENTRAL BANK OF BARBADOS
Research Department

Are Services a Viable Avenue for Development in CARICOM Countries?

Troy Lorde[a,*], Antonio Alleyne[b] and Brian Francis[a]
[a]Department of Economics, University of the West Indies, Cave Hill Campus, Barbados
[b]Research and Planning Unit, Ministry of Economic Affairs, Warrens, Barbados

Abstract

The aim of this paper was to determine if services can serve as a viable avenue of development for the region. To do this, we addressed the following questions: Which services exports in CARICOM countries are globally competitive; what is the degree of diversification in services exports; and what is the extent of overlap in the export of services in CARICOM. On a whole, other than *Travel Services*, and to a much lesser extent, *Insurance Services*, very few services exports in CARICOM countries are globally competitive. Most notably, *Financial Services* in the region, a sector touted as one which several CARICOM countries are looking to for future economic growth and development, are not competitive. Critically, St. Lucia is the only country to exhibit any advantage in *Computer and Information Services*. Somewhat surprisingly, only Jamaica is competitive in *Personal, Cultural, and Recreational Services*. Further, there is little diversification in services exports. Compounding these findings, there is a high degree of services exports similarity; that is, CARICOM countries are competing with each other. Therefore, despite the contribution of services to CARICOM economies, the evidence suggests that the sector is not *currently* a viable avenue for future development. If countries in the region wish to stake their future on the performance of services, regional Governments will need to put in place strategies to enhance the sector's competitiveness.

Keywords: services, global competitiveness, CARICOM, development

JEL Classification: F14, F19, R11, R15

[*]**Corresponding author**: Troy Lorde, Department of Economics, Cave Hill Campus, University of the West Indies, P.O. Box 64, Bridgetown, Barbados. Tel.: (246) 417-4279/4283/4930; Fax: (246) 438-9104; Email: troy.lorde@cavehill.uwi.edu.

1. Introduction

For decades, the service sector's share of the global economy has grown steadily. The sector now accounts for over two-thirds of the value-added in world gross domestic product (GDP). In 2007, services accounted for 20 percent of world exports, up from 17 percent in 1980.[1]

There are a number of possible explanations for this growth. One reason is that as incomes rise, consumer demand for services increases even faster than income. This is evident in services related to health care, leisure, education and travel, all of which can improve quality of life and are consumed in increasing levels as discretionary income rises. Another explanation for service sector growth is the increasing role of services as intermediate inputs to the production process in manufacturing, agriculture and also other services. Additionally, the increasing availability of many services through international trade boosts competition and choice. If we consider Rostow's (1960) seminal work which argues that all countries pass through five stages of economic development, then most countries are in the fifth, and final stage—the age of high mass consumption—where the service sector is dominant.

Historically, CARICOM[2] countries have enjoyed the benefits—in terms of real income growth, employment and foreign exchange earnings—derived from agriculture (mainly sugar, bananas, cocoa and citrus) and merchandise trade. These were largely due to the special trading relationships with the European Union (EU) under the World Trade Organisation's (WTO) General System of Preferences (GSP). As these trading relations contradicted WTO rules, a new

[1] See World Bank World Development Indicators online database.
[2] There are 14 CARICOM countries: Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago.

comprehensive framework for bilateral relations was crafted which provided for a shift from the previous system of non-reciprocal trade preferences to Economic Partnership Agreements (EPAs). CARICOM will have to gradually open its markets to nearly all goods from the EU within a twelve-year period, which is scheduled to take place from 2008-2020.

In light of the structural shift from unidirectional preferential arrangements, a focus on agriculture and merchandise trade is not considered by many the best avenue for sustained economic development in CARICOM. Indeed, Punnett (2006) argued that the persistent overall trade deficit suggested that the Caribbean needs to find ways to increase exports, and suggested that services exports are potentially profitable. She also contended that the limited degree of exports in non-tourism services is an indicator of unexploited opportunities. As the development of services exports is not as constrained by size as is the development of merchandise, Caribbean Governments may find ways to successfully promote and encourage exports of a wide array of services. Consequently, the Caribbean, Punnett maintained, needed to review its support for services and develop an effective system of supports as they are "scattered and piecemeal" and focus mainly on agriculture and manufactured goods.

At a Regional Symposium on Services held in July, 2009, the Prime Minister of Antigua and Barbuda, Baldwin Spencer, the lead Head of Government with Responsibility for Services in CARICOM, stated that while agriculture and manufacturing would remain relevant for the region, the services sector is the future for many of its member states. He went on to argue that even though tourism and financial services were the traditional services exports, non-traditional sub-sectors provided new opportunities for further export services within the region and extra-regionally. However, for the Caribbean to fully benefit, services offered by regional businesses must be sustainable and internationally competitive. In this regard, Prime Minister Spencer indicated that in order for the sector to work effectively, Governments must provide the enabling environment and other incentives for its development. He called on the private sector to organise itself in a manner similar to the traditional sectors, and to complete the process of establishing national coalitions of service providers as soon as possible, as these organisations would provide support to their members to better position them to increase their competitiveness and enhance exports of services.

Many countries, including developed countries, have recognised the importance of services and are seeking to improve this vital component of their economies. Increasing competition in services, however, could lead to diminished competitive advantages for those countries that do not promote continual innovation and development in services.

Within the preceding context, to determine if services exports are a viable avenue for continued development in CARICOM, the study examines the following questions: Which services exports in CARICOM countries are globally competitive; what is the degree of diversification in services exports; and what is the extent of overlap in the export of services in CARICOM. Answers to these questions could contribute to a policy environment more attuned to enhancing the economic performance of each country and the region as a whole.

Previous studies have examined the export performance of services in a number of countries. Wörz (2008) assessed the competitiveness of Austria's trade in services between 1995 and 2006. Findings revealed that Austria's competitiveness lies in globally declining sectors such as

Transport and Travel and is weak in industries such as Insurance, Computer and Information, Communication Services, and Royalties and Licence Fees.

Chemsripong and Mahmood (2008) evaluated Thailand's services sector's competitiveness and export structure. Results indicated that the country's economic growth and wellbeing depended upon the extent to which the services sector contributed to output, employment and exports. In addition, Thailand needed to be selective while formulating industry-specific strategies to promote services exports.

A study conducted by De and Raychaudhuri (2008) assessed the role of services trade in the delivery of pro-poor growth. The authors found that poverty and inequality moved in opposite directions respectively to the growth in services exports over time. Specifically, declining urban poverty and increasing urban income inequality were associated with growth in services exports.

Unlike traded agriculture and manufactured commodities, there have been no empirical studies on the export performance in services with reference to CARICOM, to the best of the authors' knowledge. Studies by Ramsaran (1993), Gonzales (1993), McIntyre (1995), Lewis and Webster (2001a, 2001b) and Lorde et al. (2010a, 2010b) all focussed on agricultural and manufactured products.

This research paper will calculate and analyse indices of revealed comparative and competitive advantage, export diversification, and export similarity respectively for CARICOM countries to assess their global competitiveness in services. The aim is to determine if services can serve as a viable avenue of development for the region.

The remainder of the paper is as follows. Section 2 explores recent trends in the services sectors in CARICOM countries. Section 3 briefly describes the methodology used in the research. Section 4 provides the results and analysis. Section 5 offers some closing remarks.

2. CARICOM Performance in Services Trade

The services sector has become quantitatively the most important sector in all CARICOM member country economies. It accounts for at least 60 percent of value-added and employment in CARICOM economies (see Table 1), shares that have remained quite stable. In some countries (The Bahamas), these estimates range as high as 83 percent and 81 percent respectively. On the other hand, Guyana is the only country in which the services sector did not consistently account for more than 50 percent of value added and employment in each year under study.

As illustrated in Figure 1, between 2000 and 2007 CARICOM's export trade performance in services (with the exception of 2001) increased. Net revenue flows, though, experienced slight fluctuations over time. This was primarily due to the increased value of import services. While the value of exports rose by 34 percent over this period, imports expanded by 57 percent. The main reason why the surplus remained stable stemmed from constantly high imports in

Transport Services. During the period, average annual growth in services exported was 4.9 percent, compared with 6.8 percent in imported services.

Table 2 shows the contribution of services to each country on a disaggregate basis. While a broad pattern of the shares of different services in the economy can be observed, considerable cross-country differences exist in the composition of services, even at similar levels of income. For example, even though the largest service export of The Bahamas and Barbados is *Travel Services*, the diversity of services exported by Barbados is much greater.

With the exceptions of Barbados, Belize, Dominica, Jamaica, St. Kitts and Nevis and Suriname, all other countries' services sectors suffered declines in their contributions to GDP, when comparing 2007 to 2000; Belize recorded the largest increase at 69.9 percent and Guyana, the largest decline at 55.2 percent. Throughout CARICOM (excluding Suriname), *Travel Services* were consistently the dominant service sub-sector. The share of total services represented by *Travel* ranged from a low of 17.4 percent (Suriname) to a high of 86.6 percent (St. Lucia).

The Bahamas, Barbados and Jamaica are the dominant service-providing countries in CARICOM. These 3 countries are responsible for at least two-thirds of CARICOM annual exports in services. Each registered double-digit shares of overall CARICOM services trade; Barbados had the lowest share of the top 3, at 14.6 percent in 2000 and 15.3 percent in 2007; The Bahamas recorded 26.6 percent in 2000 and 25.3 percent in 2007; and Jamaica, the highest of the top 3, at 27.3 percent in 2000 and 26.3 percent in 2007. At the bottom of the regional scale is Dominica, with 1.2 percent in 2000 and 1.1 percent in 2007.

On the whole, the CARICOM exported USD $7.43 billion worth of services in 2000, or 0.5 percent of total services exported globally. In 2007, services exports rose to USD $10.27 billion, or 0.3 percent of global exports. This represents a decline of 40 percent in CARICOM's share of services exports.

3. Methods and Data

3.1 *Revealed Comparative and Competitive Advantage Indices*

The first indicator employed, and the most popular in the literature, is by Balassa (1965), an index of Revealed Comparative Advantage (RCA):

$$RCA_{ij} = \frac{X_{ij} / \sum_{j} X_{ij}}{\sum_{n} X_{nj} / \sum_{n} \sum_{j} X_{nj}} \tag{1}$$

where X_{ij} is country *i*'s export value of service *j*; $\sum_{j=1}^{J} X_{ij}$ is the total export value of country *i*; $\sum_{n=1}^{N} X_{nj}$ is the export value of service *j* for a set of *n* reference countries; $\sum_{n} \sum_{j} X_{nj}$ is the export value of all *j* services for a set of *n* reference countries; and RCA_{ij} is the revealed comparative advantage of country *i* in service *j*. RCA_{ij} greater than 1 indicates that country *i* has a comparative advantage in the export of service *j* in the market of a set of reference countries; while RCA_{ij} less than 1 indicates the country possesses a comparative disadvantage.

As RCA_{ij} is considered biased due to the omission of imports from its calculation, particularly when country-size is important (Greenaway and Milner, 1993), we address this issue through the use of an indicator proposed by Volrath (1991), revealed competitiveness, which accounts for imports. Revealed Competitiveness (RC) is expressed as:

$$RC_{ij} = \ln\left(\frac{X_{ij} / \sum_j X_{ij}}{\sum_n X_{nj} / \sum_n \sum_j X_{nj}}\right) - \ln\left(\frac{M_{ij} / \sum_j M_{ij}}{\sum_n M_{nj} / \sum_n \sum_j M_{nj}}\right) \tag{2}$$

where M_{ij} represents country *i*'s import value of service *j*. RC_{if} is symmetric through the origin. Positive values indicate competitive advantages and negative values indicate competitive disadvantages.

3.2 *Export Diversification/Concentration Indices*

Export diversification indices measure the degree of diversification of exports from a given country. No unified theory exists to guide the choice of particular indicators (Taylor and Francis, 2003). None satisfy all the properties that would make it the perfect measure of diversification (Gollop and Monahan, 1991). We employ two measures. The first is the Entropy Index by Theil (1972, 1980). This method has been extensively used in analyses of diversification that concentrate on corporate diversification within a unified framework (Palepu, 1985). It is calculated as follows:

$$E^T = \sum_n S_j \ln\left(\frac{1}{S_j}\right) \tag{3}$$

where S_i is the share of the j^{th} service in all services exported; and *n* is the number of services. A shortcoming of this index is that it is unbounded above and thus there is no universal standard that defines a reasonable value of the measure for particular phenomena. That is, we cannot say that a country's exports are diversified, just that they are more or less diversified than another country.

The second measure is the Herfindahl Index. Although it lacks a strong theoretical basis, it is frequently used in policy circles as a summary measure of export diversification (UNCTAD, 2006). We use the normalised version of the Herfindahl index, so that it varies directly with export diversification. This version is expressed as:

$$H^{N} = 1 - \sum_{n} S_j^2 \tag{4}$$

where S_i is as defined previously. H^N varies between 0 and 1.

The higher the value of E^T and H^N, the more diversified (less concentrated) are services exports. Likewise, lower values suggest that exports are less diversified (more concentrated).

3.3 *Export Similarity/Overlap Index*

We calculate coefficients of Export Similarity (ES) using the method by Finger and Kreinin (1979), which measures the proportion of a country's exports matched by its competitor's exports in the same export category, to assess the degree of similarity in services export profiles in CARICOM. This index may be expressed as:

$$ES(ik, w) = \sum_{j} Min\left[EX_j(i, w), EX_j(k, w)\right] \tag{5}$$

where $EX_j(i, w)$ is the share of service *j* in *i*'s exports to market *w* and similarly $EX_j(k, w)$ is the share of service *j* in *k*'s exports to market *w*.

ES varies between 0 and 1. Values close to 1 imply a greater degree of export similarity and overlap in exports of two countries; and values close to 0 indicate little similarity in exports. Increases in *ES* over time are associated with growing similarity of two nations export profiles and are taken as evidence of intensified competition, and vice-versa (Finger and Kreinin, 1979; Pomfret, 1981).

3.4 *Data*

All indices are calculated with the world as the comparator. Values for service exports and imports are sourced from the United Nations (UN) Service Trade online database and run from 2000-2007. There are 11 broad service categories in the database. This research examines CARICOM countries' competitiveness in Travel Services, Construction Services, Insurance Services, Financial Services, Computer and Information Services, and Personal, Cultural and Recreational Services respectively; the remaining 5 services are combined and examined in a category denoted All Other Services for the sake of brevity.[3]

4. Empirical Findings and Analysis

4.1 *Revealed Comparative and Competitive Advantages*

Results from the Equations 1 and 2 are shown in Tables 3-9. The Balassa method (Equation 1) indicates that all countries with the exceptions of Guyana and Suriname (Table 3) exhibit comparative advantages in *Travel Services*; however, Guyana held comparative advantages in 2000, 2001 and 2007, and Suriname in 2006 and 2007. Using the taxonomy by Hinloopen and

[3] All Other Services include: Transportation, Government, Communications, Royalties and License Fees, and Other Business services.

Marrwwijk (2001) to class CARICOM countries according to their degree of comparative advantage,[4] indicates that the majority possess a medium comparative advantage on average in *Travel Services*; the exceptions are Guyana and Suriname, who each have comparative disadvantages on average, and Trinidad and Tobago, which has a weak comparative advantage. Estimates from Equation 2 reinforce results of Equation 1 in nearly all instances for *Travel Services*. Using this indicator, all CARICOM countries reveal competitive advantages for all years under study.

Table 4 indicates that no country showed both comparative and competitive advantages in *Construction Services*, although there is some slim support for Belize in 2005 and 2006. Barbados, Dominica, Grenada, Guyana, St. Vincent and the Grenadines and Trinidad and Tobago (which also holds a competitive advantage) hold comparative advantages in *Insurance Services* (Table 5); Trinidad and Tobago's advantage in this subsector is particularly strong.

Antigua and Barbuda was the only CARICOM country to show any sort of advantage, in this case, a competitive advantage in *Financial Services* (Table 6). For *Computer and Information Services*, St. Lucia is the sole country demonstrating a competitive advantage (Table 7). Similarly, only Jamaica holds a competitive advantage in *Personal, Cultural and Recreational Services* (Table 8), likely due to their exports of Reggae and Dancehall music and major festivals like Reggae Sumfest. Both indicators suggest that Guyana and Suriname possess comparative and competitive advantages in the *All Other Services* group (Table 9). Further analysis at a

---

[4] According to Hinloopen and Marrwwijk (2001): $0 < RCA_{ij} \leq 1$ implies a comparative disadvantage; $1 < RCA_{ij} \leq 2$ indicates a weak comparative advantage; $2 < RCA_{ij} \leq 4$ indicates a medium comparative advantage; and $RCA_{ij} > 4$ indicates a strong comparative advantage.

disaggregate level indicate that Guyana holds comparative and competitive advantages in *Communications Services* and *Royalties and License Fees* and Suriname in *Transportation Services*, *Government Services* and *Other Business Services*.[5]

Overall, Guyana and Suriname hold the largest number of comparative or competitive advantages with 4 each. On the other hand, Haiti and St. Kitts and Nevis each hold comparative or competitive advantage in only 1 service.

4.2 Export Diversification

Diversification indices are presented in Table 10. First, the Entropy and Herfindahl Indices for each country respectively exhibit very similar variation over time (see Figure 2); the correlation between country indices varies from 0.78 for Haiti to 1.00 for The Bahamas, Guyana, St. Kitts and Nevis and St. Lucia. This close relationship suggests that each index should produce generally similar inferences with respect to services exports diversification.

Apart from the indices for Dominica, St. Kitts and Nevis and St. Vincent and the Grenadines, there is relatively little volatility, implying that the degree of diversification was comparatively stable over time for the other countries. However, trends in the measures suggest that services exports are gradually becoming less concentrated in The Bahamas, Grenada, Guyana, and Trinidad and Tobago, more concentrated in Belize, Grenada and Jamaica, but relatively steady in Antigua and Barbuda, Barbados and Haiti. St. Lucia's level of services diversification declined from 2000-2004, but improved at the end of the period. Results for Suriname are also mixed. Its

---

[5] Results are available from the authors on request.

diversity of services exports declined initially, but from 2004-2006 showed signs of greater diversification.

At the beginning of the sample period, Grenada was ranked the most diversified out of 14 countries by both the Entropy and Herfindahl indices, and Trinidad and Tobago ranked second; The Bahamas was ranked last according to each measure. As to be expected, there is some variability over time in the diversification rankings. The major discrepancies between rankings by each index occur for Antigua and Barbuda (ranked 6^{th} by the Entropy Index and 8^{th} by the Herfindahl Index); Barbados (ranked 4^{th} by the Entropy Index and 9^{th} by the Herfindahl Index); Dominica (ranked 8^{th} by the Entropy Index and 5^{th} by the Herfindahl Index); and Haiti (ranked 9^{th} by the Entropy Index and 7^{th} by the Herfindahl Index).

Based on the mean level of export diversification (Table 10, penultimate column), Trinidad and Tobago is the most diversified country in the region, ranked 1^{st} by each index for all years except 2000. Despite its increasing degree of services diversification, The Bahamas ranked last on average in the diversity of its services exports. Also at the end of the diversity spectrum is Guyana, Jamaica, St. Kitts and Nevis and St. Vincent and the Grenadines, ranked 10^{th}, 11^{th}, 12^{th} and joint 13^{th} respectively by each indicator. There is no consensus between the Entropy Index and the Herfindal index for positions 2-9, so even though there is a high degree of comovement between the indices, there is less agreement from an ordinal perspective. Still, it is fairly apparent that after Trinidad and Tobago, Grenada and Suriname appear to be the most diversified of the remaining countries.

Another important observation is that size does not matter, at least with regard to services exports diversification. The largest economies in CARICOM are The Bahamas, Barbados, Jamaica and Trinidad and Tobago. While Trinidad and Tobago, the largest overall is the most diversified, the other 3 states are near the bottom of the scale (The Bahamas and Jamaica) or mid-ranked (Barbados). The reason may be that the effect of significant resource constraints which exist, for example, in producing agricultural and manufactured goods, are less of a factor in the delivery of services which are intangible in nature.

4.3 *Export Similarity/Overlap*

Table 11 presents export similarity indices between each territory, and each territory and CARICOM as a whole, for select years: 2000; 2003; 2005; and 2007. There is no cut-off value which indicates whether two countries can be considered to be similar in exports. Consequently, we consider a dual approach to identify such similarities. As a "rule of thumb" we will deem export similarities of 0.7 or more to be evidence of significant overlap between two countries. Alternatively, we will use the export similarity index between each respective country and CARICOM as a benchmark for that country. There is more likely to be a greater overlap in exports of an individual country and a group of countries than in exports between two individual countries, due to greater product diversity (Lewis and Webster, 2001a; Lorde, 2010a). Indices which have a value at least as large as the benchmark will be regarded as evidence that services exports between the two countries in question are very similar.

On the whole, there is significant overlap between CARICOM countries' services exports, in terms of the values of the indices which are as large as 0.9 in several instances, but also in terms of the number of countries which overlap. These results point to a high level of competition among CARICOM members. Using the "rule of thumb", the countries which are similar to the largest number of CARICOM countries on average are Grenada, Jamaica, St. Kitts and Nevis and St. Vincent and the Grenadines, with 11 each; Antigua and Barbuda and Belize are next with 10.8 each. The countries which exhibit the least overlap with other CARICOM countries in services are Suriname which was only similar to 1 country in 2000 and 2007 respectively, and Guyana, which apart from 2000 when its services exports overlapped with 9 countries, was only similar to 1 country in the other years under review. The number of similarities when the benchmark method is applied is very similar to those using the "rule of thumb." Exceptions are Grenada, Guyana, and Trinidad and Tobago in 2000; Grenada in 2005; and Guyana, Suriname and Trinidad and Tobago in 2007. Using this approach, St. Vincent and the Grenadines overlaps with the largest number of countries' on average (12.8); Haiti is second, overlapping with 12 countries; and Trinidad and Tobago (4.0), Guyana (5.5) and Suriname (2.0) overlap with the least number of countries respectively. Significantly, Guyana and Suriname which overlap the least, in terms of the number of overlaps and the degree of overlap, are similar with each other in all years under review using both methods. This may be due in part to the fact that they share a physical border

Similarities between some countries also increased or decreased over time in several instances. For example, similarities between The Bahamas, and Dominica, Jamaica, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago respectively increased over time, indicating intensification in competition between each of the latter and The Bahamas. On the other hand, the evidence suggests that competition between Guyana, and every other CARICOM country, except Suriname has declined.

4.4 *Discussion*

On a whole, other than *Travel Services*, and to a much lesser extent, *Insurance Services*, very few services exports in CARICOM countries are globally competitive. Most notably, *Financial Services* in the region, a sector touted as one which several CARICOM countries, for example, Barbados, Jamaica and Trinidad and Tobago, are looking to for future economic growth and development, are not competitive. Critically, just St. Lucia exhibits any advantage in *Computer and Information Services*. Only Jamaica shows a degree of competitiveness in *Personal, Cultural, and Recreational Services* which, given the region's rich and diverse cultural heritage, is somewhat surprising. Further, there is little diversification in services exports. Compounding these findings, there is a high degree of services exports similarity; that is, CARICOM countries are competing with each other.

In short, non-traditional services exports in CARICOM are by-and-large uncompetitive. That is, despite the contribution which services make to CARICOM economies, the evidence suggests that this sector is not *currently* a viable avenue for future development. This implies that before CARICOM countries can pursue opportunities in non-traditional services, as argued for by Punnett (2006) and the Prime Minister of Antigua and Barbuda, Baldwin Spencer, appropriate policies must be first put in place to increase global competitiveness each territory's sector.

The critical question is: Since services account for a significant share of GDP and employment, and is the key, if not main driver of economic growth in CARICOM, are there effective strategies that countries in the region can implement to improve the sector's viability? Put another way, given the size and importance of services to the region, what types of strategies can its Governments put in place to enhance its competitiveness and, by extension, foster economic development?

Addressing the challenge and strengthening the potential of services to foster development will involve a combination of structural policies. The following recommendations can be considered:[6]

1. *Develop skilled human resources for the services sector*. Education and training policies must be adapted to help workers more readily adjust to globalisation and structural change, and to provide the qualifications that are needed in services. Education must be transformed to prepare students to become innovators; education systems that focus on acquiring discrete skills and memorising information will not produce the necessary innovation.
2. *Create innovation policies for the service economy*. Innovation in services is a critical factor in increasing competitiveness and creating jobs. Establish programmes that address the needs of the service sector. Ensure that intellectual property policies strike a proper balance between incentives for innovation and the promotion of collaboration and diffusion of innovations throughout the economy.

---

[6] A more detailed discussion of policy options is available in OECD (2005).

3. *Promote entrepreneurship and facilitate business creation*. Develop regional innovation "hot spots" and encourage participation of small- and medium-sized enterprises (SMEs).
4. *Labour market reform*. Implement effective labour policies to help economies adjust to the competitive challenge posed by the shift to services in most economies. To strengthen employment creation in services, policymakers should address high labour taxes that affect the job prospects for low-skilled workers. Enact flexible labour laws to facilitate reallocation of human resources to more productive and innovative areas of the economy. This will enable firms to be more responsive to changes in the marketplace, including changes in demand and increasing global competition.
5. *Open domestic services markets*. Reduce the degree of public ownership in competitive industries such as transport and communications. Address anti-competitive practices in professional services, and reduce barriers to entrepreneurship.
6. *Enable competition in deployment of information and communications technology (ICT) infrastructure*. Governments should promote effective competition in ICT infrastructure, as a way to spur innovation and choice. Moreover, governments can take action themselves, by developing public services and digital content.
7. *Create an enabling tax environment to support the services sector.* Ensure that tax laws do not hinder the development of an efficient domestic service sector or discourage service exports.
8. *Provide incentives for diversification of the sector*. Services exports in the region are highly concentrated. Governments can enhance diversification of their economies by promoting competition in the domestic service industry.

5. Closing Remarks

At a Regional Symposium on Services held in July, 2009, the Prime Minister of Antigua and Barbuda, Baldwin Spencer, the lead Head of Government with Responsibility for Services in CARICOM, stated, among other things, that the services sector is the future for many of its member states. In light of the fact that many countries, including developed countries, have recognised the importance of services, increasing competition in services could lead to diminished comparative and competitive advantages for those countries that do not promote continual innovation and development in services. Against this backdrop, the objective of this paper was to provide answers to the following questions: Which services exports in CARICOM countries are globally competitive; what is the degree of diversification in services exports; and what is the extent of overlap in the export of services in CARICOM

On a whole, other than *Travel Services*, and to a much lesser extent, *Insurance Services*, very few services exports in CARICOM countries are globally competitive. Most notably, *Financial Services* in the region, a sector touted as one which several CARICOM countries, for example, Barbados, Jamaica and Trinidad and Tobago, are looking to for future economic growth and development, are not competitive. Critically, St. Lucia is the only country to exhibit any advantage in *Computer and Information Services*. Somewhat surprisingly, only Jamaica is competitive in *Personal, Cultural, and Recreational Services*. Further, there is little diversification in services exports. Compounding these findings, there is a high degree of services exports similarity; that is, CARICOM countries are competing with each other.

In short, non-traditional export services in CARICOM are by-and-large uncompetitive. Therefore, despite the contribution which services make to CARICOM economies, the evidence suggests that the sector is not *currently* a viable avenue for future development. If countries in the region wish to stake their future on the performance of services, regional Governments will need to put in place strategies to enhance the sector's competitiveness. We make the following recommendations: develop skilled human resources for the services sector so that workers can more readily adjust to globalisation and structural change; create innovation policies that address the needs of the services sector; promote entrepreneurship and facilitate business creation; reform the labour market to help economies adjust to the competitive challenge posed by the shift to services in most economies; open domestic services markets; enable competition in deployment of ICT infrastructure as a way to spur innovation and choice; create an enabling tax environment that assists the development of an efficient domestic services sector; and provide incentives for diversification of the sector.

This research raises other important questions. What factors are responsible for the current competitive positions in services across the region? Is it because Governments have not provided the necessary support structures to enable these services to become globally competitive, as Punnett (2006) argues? Do private sectors across the region lack the necessary skills or resources? Are unit labour costs too high? Is labour productivity too low? Determination of these factors and their effects on growth and development are the next steps in addressing the questions raised.

References

Balassa, B. 1965. Trade liberalisation and "revealed" comparative advantage. *The Manchester School* 33:99-123.

Chemsripong, S., and A. Mahmood. 2008. Services exports: An evaluation of Thailand's services exports in the context of ASEAN-5. *International Business and Economics Research Journal* 7(9): 27-33.

De, P., and A. Raychaudhuri. 2008. Is India's services trade pro-poor? A simultaneous approach. Macro Regional Knowledge Hub. Working Papers No. 16.

Finger, J.M., and M.E. Kreinin. 1979. A measure of "export similarity" and its possible use. *Economic Inquiry* 89(356): 905-912.

Gollop, F., and J. Monahan. 1991. A generalised index of diversification: Trends in U.S. manufacturing. *The Review of Economics and Statistics* 73(2): 318-330.

Gonzales, A. 1993. The Caribbean and South-South trade. In *Caribbean Economic Policy*, ed. R. Ramsaran, 50-58. Warwick University of Caribbean Studies.

Greenaway, D., and C. Milner. 1993. *Trade and industrial policy in developing countries: A manual of policy analysis*. Basingstoke: Palgrave Macmillan.

Hinloopen, J., and C.V. Marrewijk. 2001. On the empirical distribution of the Balassa index. *Review of World Economics* 134(1): 1-35.

Lewis, D., and A. Webster. 2001a. Export specialisation in the Caribbean and its implications for trade negotiations. *The World Economy* 24(6): 809-828.

Lewis, D., and A. Webster. 2001b. International trade and comparative advantage in the Caribbean: An empirical analysis. *Journal of Eastern Caribbean Studies* 26(1): 45-65.

Lorde, T., A. Alleyne, and B, Francis. 2010a. An assessment of Barbados' competitiveness within the EU market 1992-2006. *Global Economy Journal* 10(2): Article 7.

Lorde, T., B. Francis, S. Iyare, J. Lacorbiniere, and A. Alleyne. 2010b. Investigating the competitiveness of agri-food industries in the OECS subregion. In *Generating innovative solutions to recurring problems in the global business environment: A multi-, inter-, and trans- disciplinary approach to formulating and maintaining competitive organisational edge,* 450-460. New York: Global Business and Technology Association.

McIntyre, A.M. 1995. Trade and economic development in small open economies: The case of the Caribbean countries. Westport, Connecticut: Praeger.

OECD. 2005. *Growth in services*: *Fostering employment, productivity and innovation*. Paris: OCED.

Palepu, K. 1985. Diversification strategy, profit performance and the entropy measure. *Strategic Management Journal* 6(2): 239-255.

Pomfret, R. 1981. The impact of EEC enlargement on non-member Mediterranean countries' exports to the EEC. *Economic Journal* 91(363): 726-729.

Ramsaran, M. 1993. The impact of the new configuration arising from globalisation and international competition on Caribbean economies – Possibilities for export expansion. In *Caribbean Economic Policy*, ed. R. Ramsaran, 36-49. Warwick University of Caribbean Studies.

Rostow, W.W. 1960. *The stages of economic growth, a non-communist manifesto*. Cambridge: University Press.

Taylor, T.G., and B. Francis. 2003. Agricultural export diversification in Latin America and the Caribbean. *Journal of Agricultural and Applied Economics, Supplement* 35:77-87.

Theil, H. 1972. *Statistical decomposition analysis*. Amsterdam: North Holland.

Theil, H. 1980. *Economics and information theory*. Chicago: Rand-McNally.

UNCTAD. 2006. *UNCTAD handbook of statistics*. Geneva: United Nations.

Wörz, J. 2008. Austria's competitiveness in trade in services. FIW Research Report No. 3. Available online: http://www.fiw.ac.at/fileadmin/Documents/Publikationen/fiwstudie3.pdf (Accessed 25/05/2010).

Table 1: Contribution of Total Services to CARICOM Economies

	2000		2001		2002		2003		2004		2005		2006		2007		COUNTRY AVERAGE	
	Emp.	VA	Emp.	VA	Emp.	VA	Emp.	VA	Emp.	VA	Emp.	VA	Emp.	VA	Emp.	VA	Emp.	VA
Antigua and Barbuda	-	76	75	-	-	75	-	75	-	76	-	74	-	69	-	69	75.0	73.4
The Bahamas	-	79	78	83	79	81	81	81	79	82	78	81	80	79	80	-	79.3	80.9
Barbados	64	79	66	80	66	80	67	79	70	80	-	78	-	-	-	-	66.6	79.3
Belize	-	62	-	64	-	65	-	66	-	66	62	67	-	65	-	66	62.0	65.1
Dominica	-	58	59	60	66	61	-	59	-	55	-	58	-	59	-	59	62.5	58.6
Grenada	-	70	-	71	-	69	-	69	-	71	-	66	-	69	-	71	-	69.5
Guyana	-	40	-	41	50	41	-	41	-	42	-	45	-	45	-	47	50.0	42.8
Haiti	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jamaica	62	67	62	68	62	70	62	69	63	69	64	69	64	70	-	69	62.7	68.9
St. Kitts and Nevis	-	68	-	66	-	67	-	69	-	69	-	71	-	71	-	70	-	68.9
St. Lucia	58	74	-	75	56	76	60	77	59	77	-	77	-	76	-	76	58.3	76.0
St. Vincent and the Grenadines	-	66	61	65	-	66	-	57	-	67	-	68	-	68	-	64	70.1	67.2
Suriname	-	64	-	66	-	62	-	62	64	59	-	56	-	57	-	56	64.0	60.3
Trinidad and Tobago	65	49	63	52	64	54	65	46	65	44	64	40	-	38	-	68	64.3	48.9
CARICOM AVERAGE	62.3	65.5	66.3	65.9	63.3	66.7	67.0	65.4	66.7	65.9	67.0	65.4	72.0	63.8	80.0	65.0		

Source: World Bank World Development Indicators online database
Notes: Emp. = employment as a percentage of GDP. VA = valued added as a percentage of GDP.

Table 2: Contribution of Individual Services to CARICOM Economies

	2000			2007			2000			2007		
	% of Domestic Services Exports	% of Domestic GDP	% of CARICOM Services Exports	% of Domestic Services Exports	% of Domestic GDP	% of CARICOM Services Exports	% of Domestic Services Exports	% of Domestic GDP	% of CARICOM Services Exports	% of Domestic Services Exports	% of Domestic GDP	% of CARICOM Services Exports
	Antigua and Barbuda						**The Bahamas**					
Travel services	69.8	43.7	5.5	65.3	29.2	4.6	84.0	31.2	33.1	84.1	30.2	29.8
Construction services	-	-	-	-	-	-	-	-	-	-	-	-
Insurance services	3.8	2.4	8.8	2.7	1.2	4.4	-	-	-	-	-	-
Financial services	1.2	0.8	11.6	0.8	0.3	2.7	-	-	-	-	-	-
Computer and information services	-	-	-	-	-	-	-	-	-	-	-	-
Personal, cultural, and recreational services	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services	25.2	15.8	5.6	31.2	14.0	6.7	16.0	3.3	12.6	15.9	5.7	17.2
TOTAL SERVICES	100.0	62.7	5.6	100.0	44.8	5.0	100.0	35.7	26.6	100.0	35.9	25.3
	Barbados						**Belize**					
Travel services	72.7	30.8	15.0	75.5	34.9	16.2	74.2	13.3	2.1	72.5	22.6	3.9
Construction services	0.3	0.1	63.9	0.8	0.4	98.5	-	-	-	-	-	-
Insurance services	7.3	3.1	44.1	7.0	3.2	35.3	-	-	-	0.03	0.01	0.04
Financial services	1.7	0.7	40.8	4.9	2.3	52.0	-	-	-	0.2	0.1	0.5
Computer and information services	1.6	0.7	26.1	0.6	0.3	22.1	-	-	-	-	-	-
Personal, cultural, and recreational services	0.03	0.01	3.0	0.1	0.02	2.7	-	-	-	-	-	-
All Other Services	16.5	7.0	9.6	11.1	5.1	7.3	25.8	4.6	2.1	27.3	8.5	4.5
TOTAL SERVICES	100.0	42.4	14.6	100.0	46.2	15.3	100.0	17.9	2.0	100.0	31.2	2.9
	Dominica						**Grenada**					
Travel services	53.7	17.8	0.9	68.4	21.8	1.0	60.6	21.5	1.8	71.9	17.7	1.5
Construction services	-	-	-	-	-	-	-	-	-	-	-	-
Insurance services	3.8	1.3	1.9	2.1	0.7	0.7	2.1	0.7	1.8	3.1	0.8	1.5
Financial services	-	-	-	-	-	-	-	-	-	-	-	-
Computer and information services	-	-	-	-	-	-	-	-	-	-	-	-
Personal, cultural, and recreational services	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services	42.5	14.1	2.0	29.5	9.4	1.3	37.4	13.3	3.1	25.1	6.2	1.6
TOTAL SERVICES	100.0	33.1	1.2	100.0	31.9	1.1	100.0	35.6	2.1	100.0	24.7	1.5

	2000			2007			2000			2007		
	% of Domestic Services Exports	% of Domestic GDP	% of CARICOM Services Exports	% of Domestic Services Exports	% of Domestic GDP	% of CARICOM Services Exports	% of Domestic Services Exports	% of Domestic GDP	% of CARICOM Services Exports	% of Domestic Services Exports	% of Domestic GDP	% of CARICOM Services Exports
	Guyana						**Haiti**					
Travel services	44.4	10.5	1.4	29.2	4.7	0.7	74.4	3.5	2.4	67.6	2.2	1.9
Construction services	-	-	-	-	-	-	-	-	-	-	-	-
Insurance services	4.8	1.2	4.5	4.5	0.7	2.5	-	-	-	-	-	-
Financial services	4.1	1.0	15.9	-	-	-	-	-	-	-	-	-
Computer and information services	0.3	0.1	0.8	2.9	0.5	12.3	-	-	-	-	-	-
Personal, cultural, and recreational services	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services	46.4	11.0	4.2	63.4	10.2	4.6	25.6	1.2	2.4	32.4	1.1	2.8
TOTAL SERVICES	100.0	23.8	2.3	100.0	16.1	1.7	100.0	4.7	2.3	100.0	3.3	2.0
	Jamaica						**St. Kitts and Nevis**					
Travel services	65.8	14.8	25.4	70.6	14.9	26.1	59.3	17.9	1.1	66.1	20.8	1.4
Construction services	-	-	-	-	-	-	1.6	0.5	36.1	0.1	0.04	1.5
Insurance services	0.6	0.1	6.7	0.5	0.1	3.9	3.2	1.0	1.8	1.9	0.6	1.0
Financial services	0.6	0.1	28.5	2.5	0.5	44.9	-	-	-	-	-	-
Computer and information services	2.0	0.4	60.9	1.0	0.2	65.7	-	-	-	-	-	-
Personal, cultural, and recreational services	0.5	0.1	97.0	1.1	0.2	97.3	-	-	-	-	-	-
All Other Services	30.5	6.9	33.1	24.4	5.1	27.6	35.9	10.8	1.9	31.8	10.0	2.1
TOTAL SERVICES	100.0	22.5	27.3	100.0	21.1	26.3	100.0	30.2	1.3	100.0	31.4	1.6
	St. Lucia						**St. Vincent and the Grenadines**					
Travel services	86.6	39.7	5.3	85.1	30.8	4.0	64.5	24.3	1.6	69.0	20.0	1.5
Construction services	-	-	-	-	-	-	-	-	-	-	-	-
Insurance services	1.3	0.6	2.3	1.8	0.7	2.0	3.7	1.4	2.6	7.2	2.1	3.7
Financial services	-	-	-	-	-	-	-	-	-	-	-	-
Computer and information services	1.5	0.7	7.5	-	-	-	-	-	-	-	-	-
Personal, cultural, and recreational services	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services	10.6	4.9	1.8	13.0	4.7	1.9	31.9	12.0	2.2	23.8	6.9	1.6
TOTAL SERVICES	100.0	45.8	4.4	100.0	36.1	3.4	100.0	37.6	1.7	100.0	29.0	1.6

	2000			2007			2000			2007		
	% of Domestic Services Exports	% of Domestic GDP	% of CARICOM Services Exports	% of Domestic Services Exports	% of Domestic GDP	% of CARICOM Services Exports	% of Domestic Services Exports	% of Domestic GDP	% of CARICOM Services Exports	% of Domestic Services Exports	% of Domestic GDP	% of CARICOM Services Exports
	Suriname						**Trinidad and Tobago**					
Travel services	17.4	1.8	0.3	27.2	2.7	0.9	38.4	2.6	4.1	50.1	2.1	6.3
Construction services	-	-	-	-	-	-	-	-	-	-	-	-
Insurance services	0.2	0.02	0.1	0.5	0.05	0.4	8.3	0.6	25.4	15.1	0.6	44.6
Financial services	-	-	-	-	-	-	0.3	0.0	3.2	-	-	-
Computer and information services	-	-	-	-	-	-	0.6	0.0	4.7	-	-	-
Personal, cultural, and recreational services	-	-	-	-	-	-	-	-	-	-	-	-
All Other Services	82.4	8.4	4.0	72.3	7.3	7.4	52.6	3.6	15.6	34.7	1.5	13.4
TOTAL SERVICES	100.0	10.2	1.2	100.0	10.1	2.4	100.0	6.8	7.5	100.0	4.3	9.0

Source: World Bank World Development Indicators online database
Note: All Other Services include Transportation, Government, Communications, Royalties and License Fees, and Other Business Services.

Table 3: Revealed Comparative and Competitive Advantage in Travel Services

	2000		2001		2002		2003		2004		2005		2006		2007		Average	
	RCA	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*
Antigua and Barbuda	**2.26**	**1.56**	**2.23**	**1.49**	**2.35**	**1.66**	**2.57**	**1.88**	**2.50**	**1.77**	**2.45**	**1.78**	**2.61**	**1.91**	**2.58**	**1.83**	**2.44**	**1.73**
The Bahamas	**2.85**	**1.95**	**3.01**	**2.07**	**2.89**	**2.02**	**3.07**	**2.01**	**2.97**	**1.97**	**3.04**	**2.01**	**3.22**	**2.27**	**3.32**	**2.35**	**3.05**	**2.08**
Barbados	**2.35**	**1.67**	**2.33**	**1.60**	**2.32**	**1.60**	**2.57**	**1.84**	**2.47**	**1.74**	**2.49**	**1.96**	**2.78**	**2.21**	**2.98**	**2.48**	**2.54**	**1.89**
Belize	**2.40**	**1.20**	**2.20**	**0.96**	**2.34**	**1.12**	**2.53**	**1.35**	**2.53**	**1.45**	**2.59**	**1.60**	**2.74**	**1.67**	**2.86**	**1.82**	**2.52**	**1.40**
Dominica	**1.74**	**1.14**	**1.99**	**1.34**	**1.94**	**1.33**	**2.53**	**1.79**	**2.50**	**1.73**	**2.50**	**1.73**	**2.73**	**1.98**	**2.70**	**2.04**	**2.33**	**1.64**
Grenada	**1.96**	**1.66**	**2.06**	**1.74**	**2.36**	**2.05**	**2.78**	**2.41**	**1.91**	**1.57**	**2.25**	**1.86**	**2.75**	**2.17**	**2.84**	**2.24**	**2.36**	**1.96**
Guyana	**1.43**	**0.19**	**1.16**	**0.13**	0.97	**0.27**	0.59	**0.04**	0.60	**0.05**	0.87	**0.12**	0.96	**0.17**	**1.15**	**0.29**	0.97	**0.16**
Haiti	**2.41**	**2.18**	**2.49**	**2.25**	**2.49**	**2.49**	**2.52**	**2.52**	**2.17**	**1.39**	**2.00**	**1.61**	**2.54**	**2.16**	**2.67**	**2.35**	**2.41**	**2.12**
Jamaica	**2.13**	**1.61**	**2.14**	**1.66**	**2.14**	**1.56**	**2.27**	**1.70**	**2.22**	**1.60**	**2.43**	**1.88**	**2.70**	**2.16**	**2.79**	**2.25**	**2.35**	**1.80**
St. Kitts and Nevis	**1.92**	**1.51**	**2.09**	**1.70**	**2.14**	**1.80**	**2.51**	**2.14**	**2.69**	**2.24**	**2.72**	**2.28**	**2.69**	**2.16**	**2.61**	**2.09**	**2.42**	**1.99**
St. Lucia	**2.80**	**1.93**	**2.81**	**1.94**	**2.84**	**1.91**	**3.18**	**2.29**	**3.14**	**2.21**	**3.17**	**2.31**	**3.25**	**2.33**	**3.36**	**2.40**	**3.07**	**2.16**
St. Vincent and the Grenadines	**2.09**	**1.48**	**2.21**	**1.49**	**2.25**	**1.61**	**2.48**	**1.77**	**2.34**	**1.61**	**2.42**	**1.70**	**2.54**	**1.84**	**2.73**	**2.00**	**2.38**	**1.69**
Suriname	0.56	**0.19**	0.80	**0.32**	0.30	**0.09**	0.23	**0.13**	0.43	**0.23**	0.80	**0.62**	**1.55**	**1.28**	**1.07**	**0.79**	0.72	**0.45**
Trinidad and Tobago	**1.24**	-0.09	**1.10**	-0.36	**1.29**	-0.50	**1.30**	**0.26**	**1.42**	**0.46**	**1.85**	**0.59**	**1.79**	**0.78**	**1.98**	**0.96**	**1.50**	**0.26**

Note: Revealed comparative and competitive advantages are highlighted in bold.

Table 4: Revealed Comparative and Competitive Advantage in Construction Services

	2000		2001		2002		2003		2004		2005		2006		2007		Average	
	RCA	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*
Antigua and Barbuda	0.00	-0.88	0.00	-1.64	0.00	-1.29	0.00	-1.16	0.00	-0.47	0.00	-4.37	0.00	-5.18	0.00	-3.88	0.00	-2.36
The Bahamas	0.00	-7.14	0.00	-2.22	0.00	-3.56	0.00	-2.22	0.00	-1.24	0.00	-1.88	0.00	-7.05	0.00	-5.23	0.00	-3.82
Barbados	0.14	-0.17	0.15	-0.13	0.17	-0.14	0.16	-0.19	0.17	-0.16	0.14	-0.15	0.01	-0.20	0.39	-0.34	0.17	-0.19
Belize	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.27	**0.27**	0.06	**0.06**	0.00	0.00	0.04	**0.04**
Dominica	0.00	0.00	0.00	0.00	0.00	0.00	0.08	-1.02	0.04	-0.54	0.07	-0.50	0.00	0.00	0.00	0.00	0.02	-0.26
Grenada	0.00	-1.47	0.00	-2.51	0.00	-2.45	0.00	-3.62	0.00	-2.05	0.00	-2.45	0.00	-2.54	0.00	-1.69	0.00	-2.35
Guyana	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Haiti	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jamaica	0.00	-0.51	0.00	-0.43	0.00	-0.24	0.00	-0.19	0.00	-0.17	0.00	-0.16	0.00	-0.13	0.00	-0.10	0.00	-0.24
St. Kitts and Nevis	0.86	-3.96	0.87	-2.51	**1.12**	-2.78	0.03	-3.59	0.10	-1.04	0.12	-2.22	0.01	-0.98	0.06	-2.58	0.40	-2.46
St. Lucia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
St. Vincent and the Grenadines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Suriname	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trinidad and Tobago	0.00	0.00	0.00	0.00	0.00	0.00	0.01	-0.54	0.01	-0.28	0.03	-0.64	0.00	0.00	0.00	0.00	0.01	-0.18

Note: Revealed comparative and competitive advantages are highlighted in bold.

Table 5: Revealed Comparative and Competitive Advantage in Insurance Services

	2000		2001		2002		2003		2004		2005		2006		2007		Average	
	RCA	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*
Antigua and Barbuda	**2.12**	-1.29	**1.43**	-1.74	0.81	-3.30	0.09	-4.13	**1.22**	-2.63	**1.77**	-2.16	0.15	-3.86	0.18	-3.99	0.97	-2.89
The Bahamas	0.00	-2.42	0.00	-2.31	0.00	-2.09	0.00	-2.49	0.00	-1.59	0.00	-1.87	0.00	-1.73	0.00	-1.63	0.00	-2.02
Barbados	**4.06**	-3.52	**4.14**	-2.24	**3.14**	-2.46	0.53	-5.36	**3.19**	-1.89	**4.07**	-2.94	0.42	-6.43	0.47	-5.89	**2.50**	-3.84
Belize	0.00	-2.91	0.02	-2.51	0.01	-2.39	0.00	-3.30	0.02	-2.89	0.02	-4.32	0.00	-3.65	0.00	-4.72	0.01	-3.34
Dominica	**2.11**	-0.89	**1.54**	-0.84	0.94	-1.20	0.39	-2.14	**1.31**	-1.39	**2.36**	-0.56	0.15	-2.95	0.14	-2.70	**1.12**	-1.58
Grenada	**1.16**	-1.93	**1.26**	-1.31	**1.35**	-0.71	0.18	-2.49	**11.82**	**9.48**	**6.20**	**2.98**	0.18	-3.00	0.20	-3.14	**2.79**	-0.02
Guyana	**2.68**	**0.23**	**2.47**	0.44	**1.07**	-0.97	0.28	-2.42	**1.75**	-0.45	**2.50**	-0.02	0.33	-1.72	0.30	-1.72	**1.42**	-0.83
Haiti	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jamaica	0.33	-1.73	0.31	-1.36	0.29	-1.41	0.03	-1.49	0.17	-1.51	0.32	-1.58	0.03	-1.89	0.03	-1.87	0.19	-1.60
St. Kitts and Nevis	**1.79**	-1.97	**1.05**	-1.95	0.90	-1.88	0.12	-2.79	0.59	-1.88	0.90	-1.93	0.11	-2.22	0.13	-2.22	0.70	-2.10
St. Lucia	0.70	-1.78	0.91	-1.01	0.66	-1.01	0.10	-1.85	0.48	-1.27	0.72	-1.17	0.12	-2.05	0.12	-2.12	0.48	-1.53
St. Vincent and the Grenadines	**2.03**	-1.25	**2.33**	-0.55	**1.71**	-1.12	0.38	-2.98	**3.43**	**0.68**	**5.08**	**1.78**	0.83	-1.95	0.48	-2.41	**2.03**	-0.98
Suriname	0.13	-0.16	0.00	-0.28	0.37	0.04	0.01	-0.51	0.10	-0.26	0.17	-0.18	0.02	-0.36	0.03	-0.37	0.10	-0.26
Trinidad and Tobago	**4.58**	**4.57**	**6.50**	**5.91**	**5.65**	**5.64**	**1.09**	**1.08**	**5.60**	**5.58**	**7.94**	**6.57**	**1.08**	**1.06**	**1.01**	**0.99**	**4.18**	**3.92**

Note: Revealed comparative and competitive advantages are highlighted in bold.

Table 6: Revealed Comparative and Competitive Advantage in Financial Services

	2000		**2001**		**2002**		**2003**		**2004**		**2005**		**2006**		**2007**		**Average**	
	RCA	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*
Antigua and Barbuda	0.22	**0.22**	0.21	**0.21**	0.18	**0.18**	0.16	**0.16**	0.14	**0.14**	0.13	**0.13**	0.11	**0.11**	0.09	**0.09**	0.16	**0.16**
The Bahamas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Barbados	0.29	-0.09	0.28	-0.13	0.33	-0.17	0.19	-0.18	0.27	-0.13	0.45	**0.16**	0.35	**0.14**	0.60	**0.14**	0.34	-0.03
Belize	0.00	-0.39	0.05	-0.56	0.00	-2.26	0.04	-1.91	0.04	-3.62	0.03	-1.36	0.03	-0.34	0.02	-1.37	0.03	-1.48
Dominica	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grenada	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guyana	0.72	-0.01	0.73	-0.49	0.73	-0.58	0.85	-0.78	0.96	-0.76	**1.05**	-0.54	0.00	0.00	0.00	0.00	0.63	-0.40
Haiti	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.36	0.00	-0.29	0.00	-0.27	0.00	-0.12
Jamaica	0.11	-0.36	0.16	-0.61	0.22	-0.24	0.21	-0.16	0.20	-0.53	0.34	-0.32	0.20	-0.37	0.30	-0.35	0.22	-0.37
St. Kitts and Nevis	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
St. Lucia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
St. Vincent and the Grenadines	0.00	-0.17	0.00	-0.14	0.00	-0.05	0.00	-0.09	0.00	-0.13	0.00	-0.11	0.00	-0.09	0.00	-0.06	0.00	-0.10
Suriname	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trinidad and Tobago	0.04	**0.04**	0.00	0.00	0.00	0.00	0.00	-0.48	0.10	-0.62	0.12	-0.03	0.00	0.00	0.00	0.00	0.03	-0.14

Note: Revealed comparative and competitive advantages are highlighted in bold.

Table 7: Revealed Comparative and Competitive Advantage in Computer and Information Services

	2000		2001		2002		2003		2004		2005		2006		2007		Average	
	RCA	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*
Antigua and Barbuda	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
The Bahamas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Barbados	0.65	-0.04	0.51	-0.12	0.50	-0.14	0.37	-0.27	0.41	-0.31	0.43	-0.18	0.32	**0.01**	0.16	-0.64	0.42	-0.21
Belize	0.00	-0.30	0.00	-0.26	0.00	-0.18	0.00	-0.20	0.00	-0.15	0.00	-0.17	0.00	-0.10	0.00	-0.20	0.00	-0.20
Dominica	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.04	0.00	-0.04	0.00	-0.02	0.00	-0.01	0.00	-0.04	0.00	-0.02
Grenada	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.04	0.00	-0.02	0.00	-0.01
Guyana	0.12	-0.38	0.31	-0.21	0.72	-0.24	0.62	-0.26	0.68	-0.24	0.78	-0.17	0.74	**0.07**	0.83	**0.16**	0.60	-0.16
Haiti	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jamaica	0.82	**0.49**	0.58	**0.06**	0.51	**0.11**	0.40	-0.21	0.36	-2.03	0.37	-0.13	0.25	-0.22	0.28	-0.18	0.45	-0.26
St. Kitts and Nevis	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.02	0.00	-0.02	0.00	-0.01	0.00	-0.01	0.00	-0.01
St. Lucia	0.63	**0.63**	0.38	**0.23**	0.28	**0.13**	0.18	**0.02**	0.17	**0.01**	0.20	**0.20**	0.00	0.00	0.00	0.00	0.23	**0.15**
St. Vincent and the Grenadines	0.00	0.00	0.00	0.00	0.05	**0.05**	0.00	-0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	-0.01
Suriname	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trinidad and Tobago	0.23	**0.23**	0.00	0.00	0.00	0.00	0.00	-1.14	0.06	-0.79	0.08	-0.41	0.00	0.00	0.00	0.00	0.05	-0.26

Note: Revealed comparative and competitive advantages are highlighted in bold.

Table 8: Revealed Comparative and Competitive Advantage in Personal, Cultural and Recreational Services

	2000		2001		2002		2003		2004		2005		2006		2007		Average	
	RCA	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*
Antigua and Barbuda	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
The Bahamas	0.00	-0.16	0.00	-0.17	0.00	-0.19	0.00	-0.16	0.00	-0.16	0.00	-0.14	0.00	-0.11	0.00	-0.13	0.00	-0.15
Barbados	0.02	0.00	0.03	-0.01	0.04	**0.04**	0.05	**0.04**	0.00	-0.05	0.02	0.00	0.00	-0.01	0.04	-0.07	0.03	-0.01
Belize	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.07	0.00	-0.25	0.00	-0.11	0.00	-0.18	0.00	-0.26	0.00	-0.11
Dominica	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.28	0.00	-0.24	0.00	-0.37	0.00	0.00	0.00	0.00	0.00	-0.11
Grenada	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guyana	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Haiti	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jamaica	0.35	**0.12**	0.38	**0.16**	0.38	**0.15**	0.80	**0.67**	**1.04**	**0.90**	**1.17**	**1.06**	**1.00**	**0.80**	0.94	**0.84**	0.76	**0.59**
St. Kitts and Nevis	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
St. Lucia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
St. Vincent and the Grenadines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Suriname	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trinidad and Tobago	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.18	0.41	**0.24**	0.68	**0.50**	0.00	0.00	0.00	0.00	0.14	**0.07**

Note: Revealed comparative and competitive advantages are highlighted in bold.

Table 9: Revealed Comparative and Competitive Advantage in All Other Services

	2000		2001		2002		2003		2004		2005		2006		2007		Average	
	RCA	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*	*RCA*	*RC*
Antigua and Barbuda	0.45	-0.67	0.51	-0.55	0.49	-0.51	0.58	-0.44	0.45	-0.57	0.50	-0.45	**1.01**	**0.11**	0.70	-0.20	0.59	-0.41
The Bahamas	0.16	-0.76	0.16	-0.85	0.26	-0.74	0.33	-0.61	0.28	-0.75	0.29	-0.71	0.55	-0.35	0.36	-0.58	0.30	-0.67
Barbados	0.21	-0.69	0.23	-0.64	0.24	-0.63	0.28	-0.59	0.23	-0.67	0.21	-0.68	0.32	-0.56	0.23	-0.67	0.24	-0.64
Belize	0.46	-0.44	0.59	-0.29	0.55	-0.27	0.66	-0.14	0.50	-0.28	0.50	-0.34	0.96	**0.06**	0.61	-0.18	0.60	-0.23
Dominica	0.76	-0.45	0.65	-0.53	0.72	-0.49	0.53	-0.57	0.46	-0.61	0.47	-0.61	0.93	-0.18	0.66	-0.50	0.65	-0.49
Grenada	0.67	-0.64	0.63	-0.64	0.48	-0.82	0.45	-0.76	0.32	-0.93	0.46	-0.71	0.89	-0.20	0.56	-0.53	0.56	-0.65
Guyana	0.83	-0.05	0.98	**0.01**	**1.11**	**0.02**	**1.62**	**0.51**	**1.25**	**0.12**	**1.08**	**0.05**	**2.36**	**1.23**	**1.42**	**0.31**	**1.33**	**0.27**
Haiti	0.46	-1.07	0.44	-1.08	0.47	-1.17	0.67	-0.98	0.69	-0.60	0.79	-0.65	**1.19**	-0.27	0.73	-0.74	0.68	-0.82
Jamaica	0.55	-0.70	0.56	-0.69	0.58	-0.63	0.73	-0.51	0.59	-0.54	0.49	-0.72	0.89	-0.32	0.55	-0.66	0.62	-0.60
St. Kitts and Nevis	0.64	-0.50	0.59	-0.60	0.58	-0.61	0.64	-0.55	0.40	-0.82	0.41	-0.77	0.98	-0.23	0.71	-0.44	0.62	-0.57
St. Lucia	0.19	-0.91	0.21	-0.90	0.24	-0.85	0.21	-0.90	0.17	-0.92	0.19	-0.94	0.46	-0.64	0.29	-0.79	0.24	-0.86
St. Vincent and the Grenadines	0.48	-0.70	0.46	-0.66	0.45	-0.69	0.59	-0.51	0.42	-0.68	0.38	-0.71	0.72	-0.42	0.48	-0.65	0.50	-0.63
Suriname	**1.47**	0.03	**1.36**	-0.04	**1.61**	**0.09**	**2.10**	**0.54**	**1.55**	**0.05**	**1.36**	-0.17	**2.09**	**0.60**	**1.62**	**0.15**	**1.65**	**0.16**
Trinidad and Tobago	0.94	-0.07	0.96	**0.03**	0.83	**0.01**	**1.08**	-0.01	0.80	-0.33	0.57	-0.38	**1.30**	**0.09**	0.78	-0.43	0.91	-0.14

Notes: All Other Services include Transportation, Government, Communications, Royalties and License Fees, and Other Business Services. Revealed comparative and competitive advantages are highlighted in bold.

Table 10: Export Diversification in Services

	2000		2001		2002		2003		2004		2005		2006		2007		Mean		Diversification Rank	
	E^T	H^N	E^T	H^N	E^T	H^N	E^T	H^N	E^T	H^N	E^T	H^N	E^T	H^N	E^T	H^N	E^T	H^N	E^T	H^N
Antigua and Barbuda	0.78	0.45	0.78	0.46	0.74	0.44	0.69	0.42	0.74	0.43	0.78	0.47	0.74	0.45	0.78	0.48	0.75	0.45	2	8
The Bahamas	0.37	0.21	0.30	0.16	0.42	0.25	0.41	0.25	0.44	0.27	0.45	0.28	0.43	0.26	0.44	0.27	0.32	0.24	14	13
Barbados	0.79	0.44	0.82	0.46	0.85	0.49	0.79	0.45	0.83	0.47	0.88	0.49	0.80	0.44	0.79	0.41	0.64	0.46	4	7
Belize	0.82	0.53	0.78	0.50	0.78	0.51	0.75	0.44	0.70	0.43	0.75	0.46	0.68	0.42	0.70	0.44	0.61	0.47	7	4
Dominica	0.75	0.49	0.75	0.49	0.73	0.44	0.61	0.36	1.00	0.60	0.90	0.54	0.68	0.42	0.69	0.42	0.62	0.47	6	4
Grenada	1.00	0.58	0.97	0.57	0.88	0.53	0.81	0.45	0.84	0.47	0.96	0.55	0.77	0.49	0.79	0.51	0.70	0.52	3	2
Guyana	0.57	0.38	0.56	0.37	0.58	0.39	0.61	0.42	0.67	0.47	0.69	0.50	0.64	0.45	0.63	0.44	0.52	0.43	10	10
Haiti	0.70	0.47	0.72	0.48	0.75	0.49	0.73	0.49	0.73	0.50	0.74	0.48	0.68	0.44	0.71	0.44	0.60	0.47	8	4
Jamaica	0.57	0.38	0.66	0.45	0.62	0.43	0.62	0.42	0.61	0.41	0.62	0.42	0.61	0.41	0.60	0.40	0.51	0.41	11	11
St. Kitts and Nevis	0.48	0.29	0.55	0.37	0.36	0.18	0.25	0.12	0.38	0.22	0.55	0.35	0.70	0.49	0.61	0.40	0.39	0.30	12	12
St. Lucia	0.79	0.52	0.74	0.49	0.75	0.49	0.68	0.43	0.60	0.37	0.63	0.39	0.67	0.43	0.71	0.46	0.57	0.45	9	8
St. Vincent and the Grenadines	0.42	0.24	0.46	0.26	0.49	0.28	0.39	0.21	0.38	0.20	0.43	0.24	0.48	0.26	0.48	0.26	0.34	0.24	13	13
Suriname	0.77	0.48	0.77	0.47	0.77	0.47	0.76	0.46	0.83	0.49	0.84	0.50	0.86	0.50	0.79	0.46	0.64	0.48	4	3
Trinidad and Tobago	0.93	0.57	0.97	0.58	1.01	0.62	1.01	0.61	1.02	0.62	1.03	0.62	1.02	0.62	1.00	0.61	0.80	0.61	1	1

Table 11: Export Similarities in Services for Select Years

2000	ANB	BAH	BAR	BEL	DOM	GRE	GUY	HAI	JAM	SKN	SL	SVG	SUR	TT
CARICOM	0.59	0.43	0.53	0.75	0.70	0.84	0.56	0.65	0.57	0.74	0.70	0.44	0.67	0.88
Antigua and Barbuda (ANB)														
The Bahamas (BAH)	0.82													
Barbados (BAR)	0.91	0.85												
Belize (BEL)	0.95	0.86	0.89											
Dominica (DOM)	0.83	0.66	0.74	0.79										
Grenada (GRE)	0.88	0.72	0.79	0.86	0.93									
Guyana (GUY)	0.75	0.56	0.68	0.70	0.91	0.84								
Haiti (HAI)	0.95	0.86	0.89	1.00	0.79	0.86	0.70							
Jamaica (JAM)	0.92	0.78	0.85	0.92	0.85	0.92	0.76	0.91						
St. Kitts and Nevis (SKN)	0.88	0.71	0.79	0.85	0.93	0.97	0.83	0.85	0.90					
St. Lucia (SL)	0.82	0.97	0.86	0.85	0.66	0.72	0.57	0.85	0.79	0.71				
St. Vincent and the Grenadines (SVG)	0.93	0.76	0.85	0.90	0.89	0.95	0.80	0.90	0.96	0.94	0.76			
Suriname (SUR)	0.43	0.29	0.34	0.43	0.60	0.55	0.64	0.43	0.48	0.53	0.28	0.49		
Trinidad and Tobago (TT)	0.68	0.50	0.63	0.64	0.85	0.78	0.90	0.64	0.70	0.77	0.51	0.74	0.70	
No. of Similarities ("rule of thumb")	**11**	**9**	**10**	**11**	**10**	**12**	**9**	**11**	**12**	**12**	**9**	**12**	**1**	**7**
No. of Similarities (benchmark)	**12**	**12**	**12**	**10**	**10**	**7**	**13**	**11**	**12**	**10**	**9**	**13**	**1**	**1**
2003	ANB	BAH	BAR	BEL	DOM	GRE	GUY	HAI	JAM	SKN	SL	SVG	SUR	TT
CARICOM	0.56	0.42	0.56	0.57	0.50	0.73	0.58	0.64	0.57	0.51	0.58	0.39	0.63	0.91
Antigua and Barbuda (ANB)														
The Bahamas (BAH)	0.86													
Barbados (BAR)	0.91	0.86												
Belize (BEL)	0.97	0.85	0.88											
Dominica (DOM)	0.96	0.85	0.94	0.94										
Grenada (GRE)	0.93	0.92	0.92	0.91	0.93									
Guyana (GUY)	0.45	0.31	0.41	0.46	0.44	0.39								
Haiti (HAI)	0.96	0.85	0.88	0.99	0.94	0.90	0.46							
Jamaica (JAM)	0.91	0.78	0.84	0.93	0.87	0.84	0.52	0.93						
St. Kitts and Nevis (SKN)	0.97	0.84	0.89	0.98	0.95	0.92	0.47	0.98	0.92					
St. Lucia (SL)	0.82	0.95	0.83	0.80	0.81	0.88	0.28	0.79	0.74	0.80				
St. Vincent and the Grenadines (SVG)	0.96	0.83	0.92	0.94	0.98	0.92	0.46	0.94	0.89	0.96	0.80			
Suriname (SUR)	0.33	0.21	0.24	0.36	0.30	0.27	0.78	0.36	0.39	0.35	0.16	0.32		
Trinidad and Tobago (TT)	0.64	0.51	0.62	0.66	0.66	0.59	0.68	0.66	0.69	0.66	0.47	0.67	0.54	
No. of Similarities ("rule of thumb")	**10**	**10**	**10**	**10**	**10**	**10**	**1**	**10**	**10**	**10**	**10**	**10**	**0**	**0**
No. of Similarities (benchmark)	**11**	**11**	**11**	**11**	**11**	**10**	**2**	**11**	**11**	**11**	**10**	**12**	**1**	**0**

2005	ANB	BAH	BAR	BEL	DOM	GRE	GUY	HAI	JAM	SKN	SL	SVG	SUR	TT
CARICOM	0.59	0.44	0.53	0.56	0.56	0.92	0.73	0.61	0.57	0.80	0.53	0.41	0.58	0.67
Antigua and Barbuda (ANB)														
The Bahamas (BAH)	0.84													
Barbados (BAR)	0.90	0.85												
Belize (BEL)	0.96	0.88	0.88											
Dominica (DOM)	0.97	0.85	0.92	0.96										
Grenada (GRE)	0.92	0.78	0.89	0.88	0.93									
Guyana (GUY)	0.57	0.41	0.52	0.52	0.55	0.55								
Haiti (HAI)	0.84	0.71	0.74	0.83	0.82	0.81	0.69							
Jamaica (JAM)	0.96	0.83	0.90	0.95	0.94	0.89	0.56	0.83						
St. Kitts and Nevis (SKN)	0.92	0.91	0.89	0.95	0.94	0.87	0.49	0.78	0.91					
St. Lucia (SL)	0.79	0.94	0.81	0.82	0.81	0.74	0.37	0.66	0.79	0.87				
St. Vincent and the Grenadines (SVG)	0.94	0.83	0.93	0.90	0.95	0.96	0.53	0.79	0.91	0.92	0.79			
Suriname (SUR)	0.51	0.39	0.41	0.50	0.49	0.49	0.84	0.67	0.50	0.46	0.33	0.46		
Trinidad and Tobago (TT)	0.84	0.67	0.79	0.79	0.82	0.89	0.62	0.83	0.81	0.76	0.63	0.85	0.55	
No. of Similarities ("rule of thumb")	**11**	**10**	**11**	**11**	**11**	**11**	**1**	**10**	**11**	**11**	**9**	**11**	**0**	**9**
No. of Similarities (benchmark)	**11**	**11**	**11**	**11**	**11**	**3**	**1**	**13**	**11**	**9**	**11**	**13**	**2**	**10**

2007	ANB	BAH	BAR	BEL	DOM	GRE	GUY	HAI	JAM	SKN	SL	SVG	SUR	TT
CARICOM	0.60	0.41	0.50	0.57	0.53	0.77	0.58	0.55	0.53	0.70	0.59	0.40	0.60	0.79
Antigua and Barbuda (ANB)														
The Bahamas (BAH)	0.81													
Barbados (BAR)	0.80	0.87												
Belize (BEL)	0.93	0.88	0.84											
Dominica (DOM)	0.97	0.84	0.82	0.96										
Grenada (GRE)	0.93	0.88	0.86	0.97	0.96									
Guyana (GUY)	0.63	0.45	0.45	0.57	0.61	0.57								
Haiti (HAI)	0.97	0.83	0.79	0.95	0.97	0.93	0.62							
Jamaica (JAM)	0.91	0.86	0.85	0.95	0.93	0.95	0.55	0.92						
St. Kitts and Nevis (SKN)	0.98	0.82	0.79	0.93	0.98	0.93	0.63	0.98	0.91					
St. Lucia (SL)	0.80	0.97	0.88	0.86	0.83	0.87	0.44	0.81	0.84	0.81				
St. Vincent and the Grenadines (SVG)	0.92	0.85	0.87	0.93	0.94	0.96	0.57	0.91	0.93	0.92	0.84			
Suriname (SUR)	0.59	0.43	0.39	0.55	0.57	0.53	0.91	0.60	0.52	0.60	0.41	0.51		
Trinidad and Tobago (TT)	0.84	0.66	0.68	0.77	0.82	0.78	0.68	0.82	0.75	0.84	0.65	0.81	0.62	
No. of Similarities ("rule of thumb")	**11**	**10**	**10**	**11**	**11**	**11**	**1**	**11**	**11**	**11**	**10**	**11**	**1**	**8**
No. of Similarities (benchmark)	**12**	**13**	**11**	**11**	**13**	**11**	**6**	**13**	**12**	**11**	**9**	**13**	**4**	**5**

Figure 1: CARICOM Trade in Services

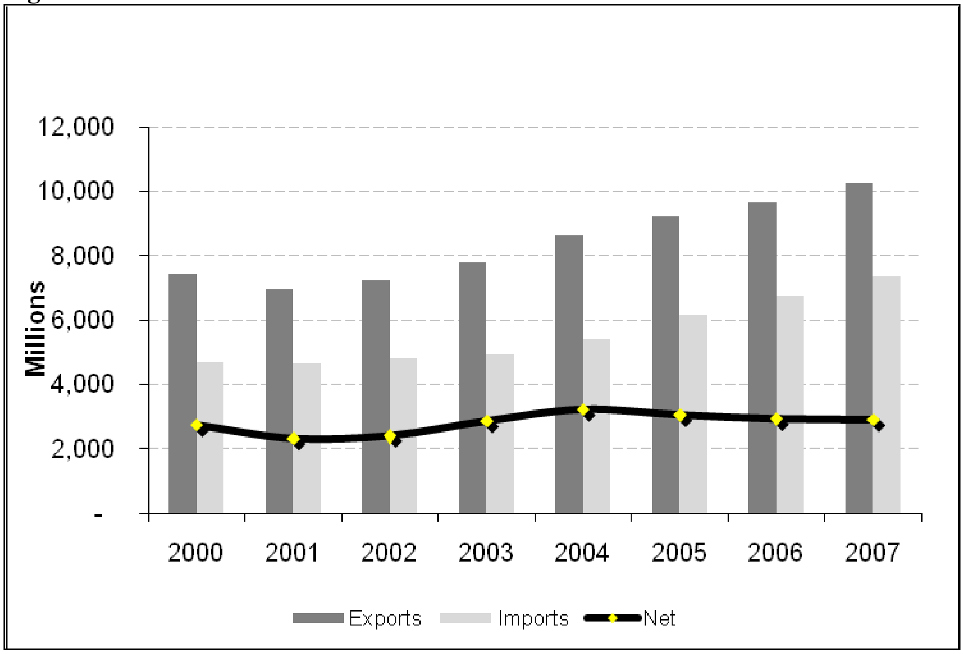
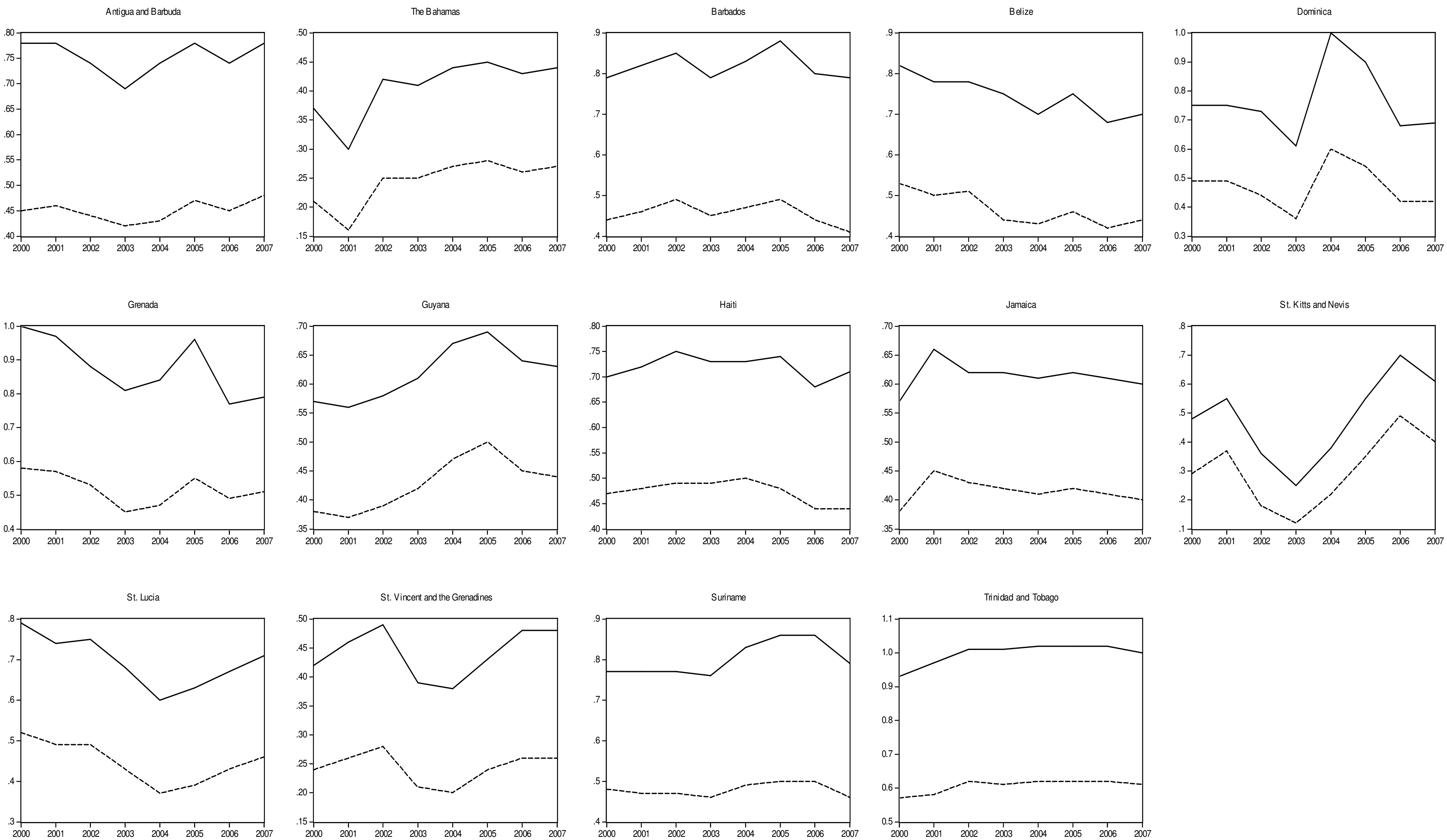


Figure 2: Plots of Entropy and Herfindahl Indices 2000-2007



Note: Solid lines represent Entropy Indices and the dashed lines represent Herfindahl Indices.