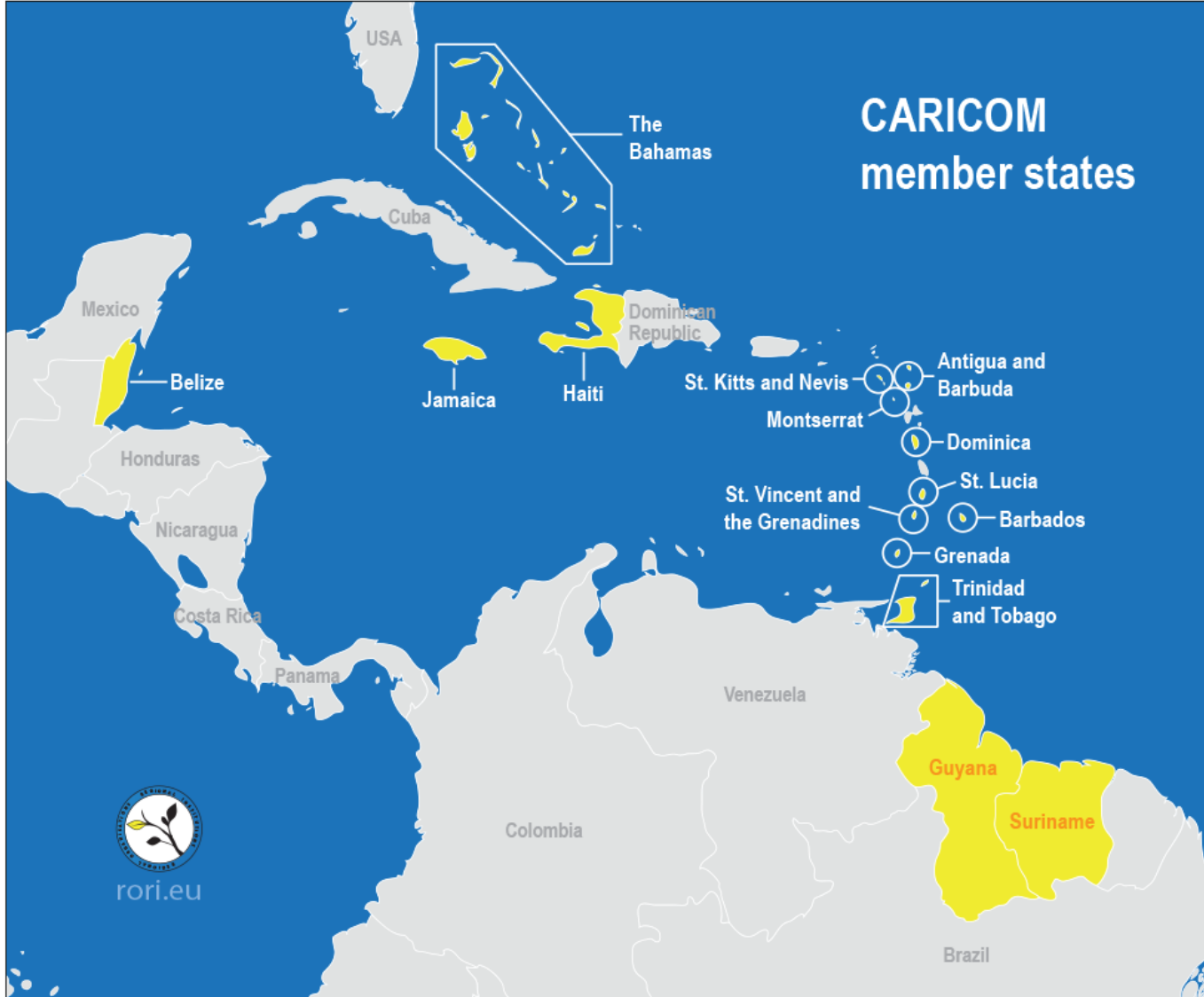


# **The Caribbean in the crossfire of the strategic dispute: the case of CARICOM**

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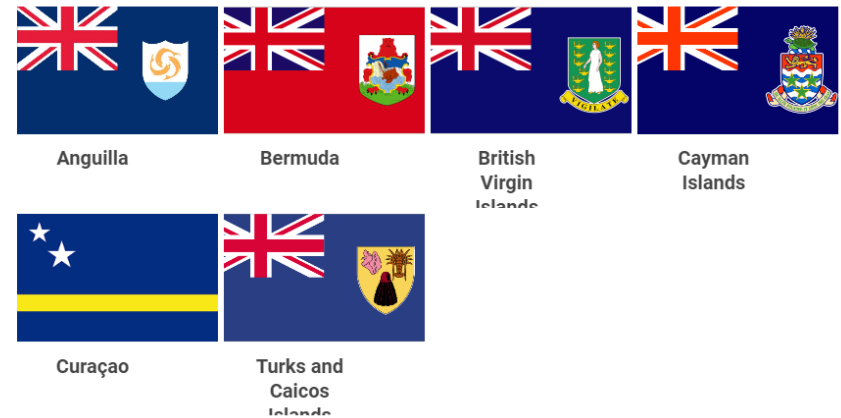
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**Member States**



**Associate Members**

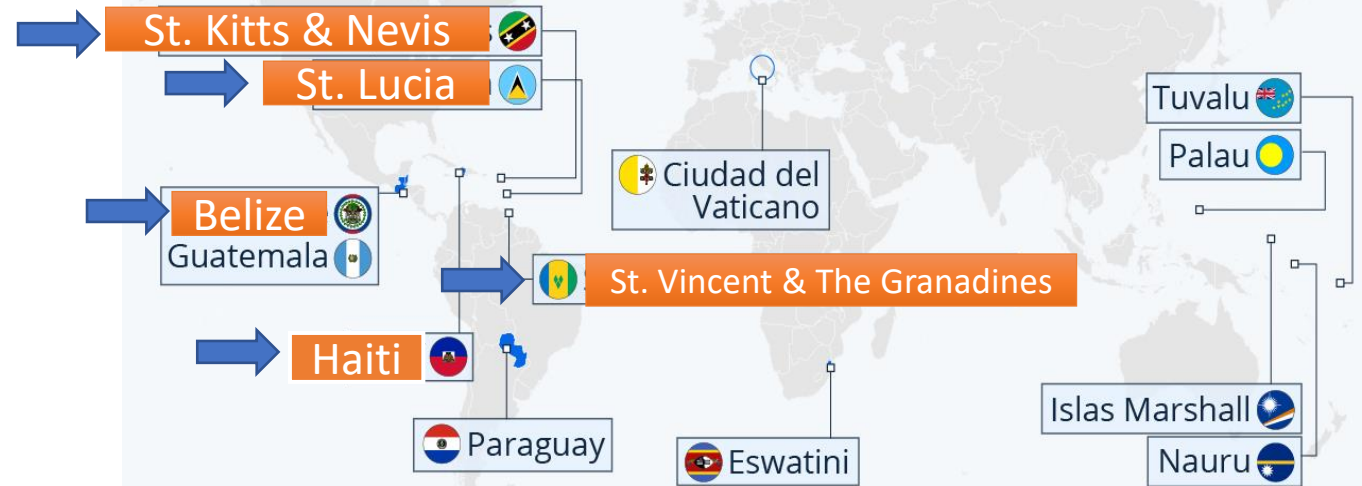


## Strategic importance of the Caribbean

- geographic location
- maritime and commercial routes, close to the transoceanic passage of the Panama Canal
- ports
- proximity to US coasts
- Part of the US security perimeter: third border consideration
- natural resources allocation (oil, gas, bauxite, aluminium, gold)
- number of countries = number of votes

+ Taiwan Factor

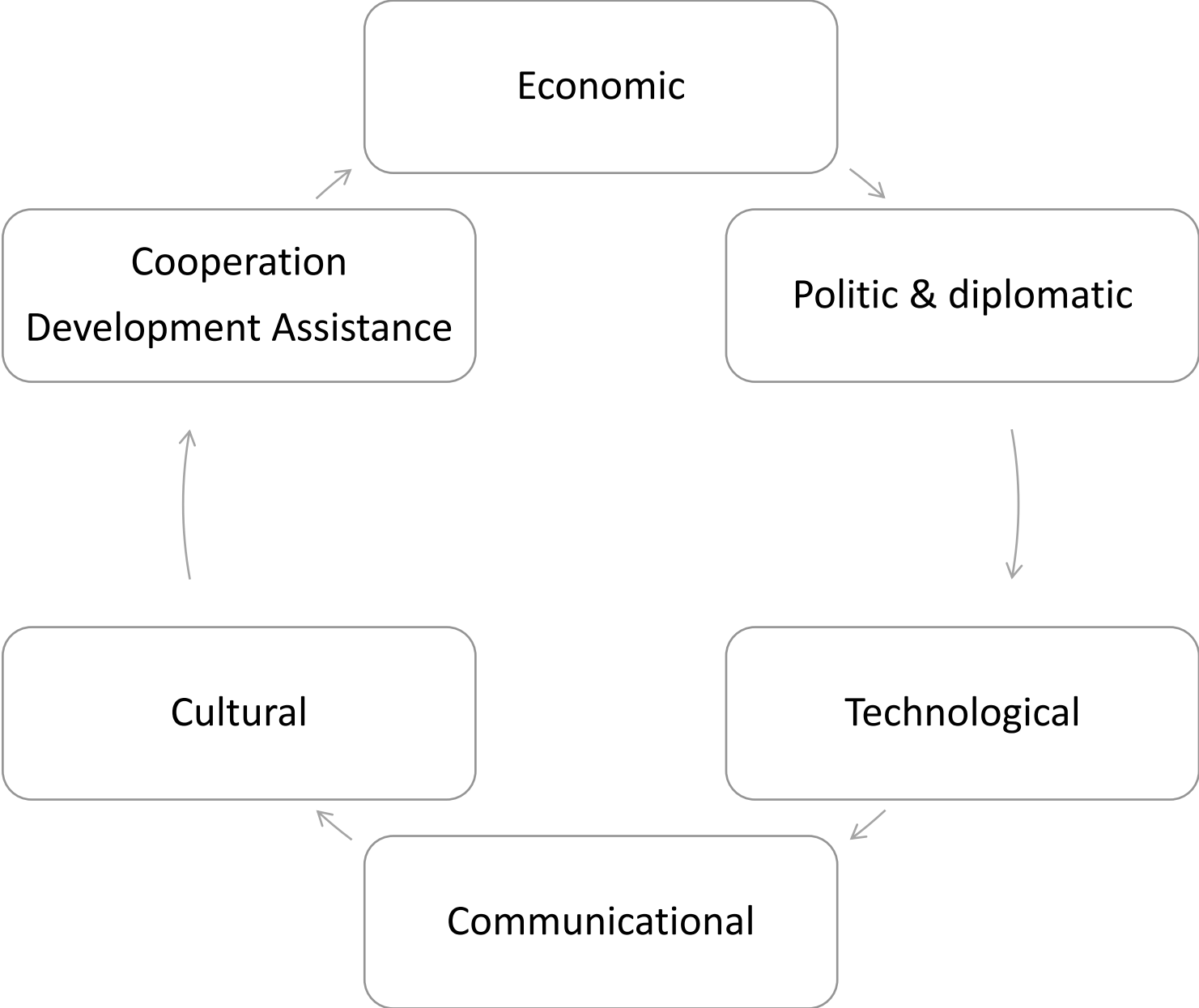
## Countries that maintain diplomatic relations with Taiwan



Fuente: Ministerio de Asuntos Exteriores de la República de China (T )

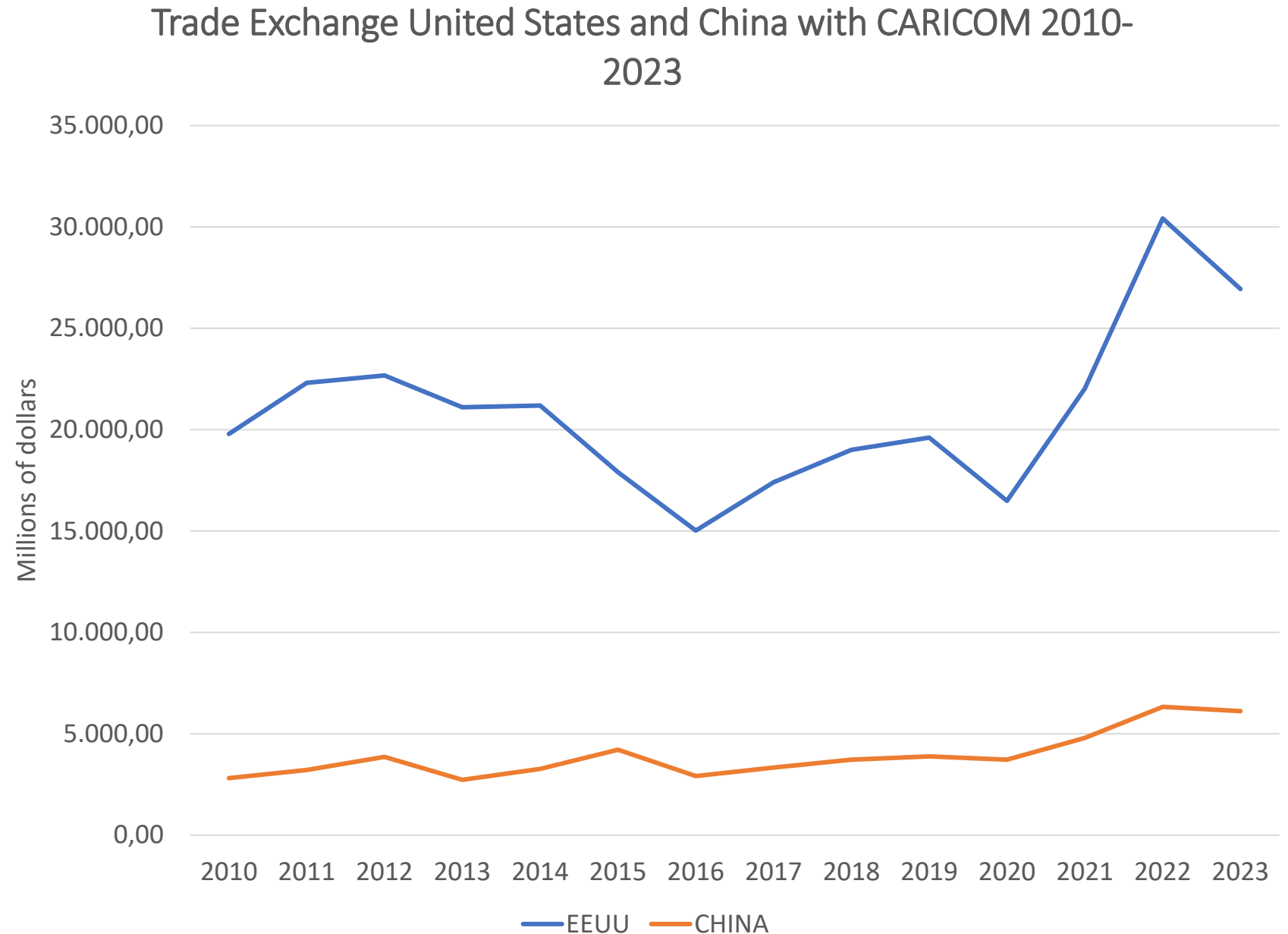


# Fields of the US - China competition in CARICOM



# Trade

- Unlike what happens in South America, US and EU remain as the most important trade partners of the Caribbean.
  - The US does not perceive China as a threat to its status as the world's top trading partner
  - Their concern is China's growing ability to supply high-tech goods, where China has a lead over the United States.



Source: own elaboration based on data from (IMF, 2024)

## China's policy bank loans to CARICOM countries (2005-2022)

	<b>Credits (millions of USD)</b>	<b>Sectors</b>	<b>Years</b>	<b>Number of projects</b>
<b>Antigua and Barbuda</b>	175.40	Energy, Transport	2008, 2011, 2016	3
<b>Barbados</b>	291.00	Transport, Tourism	2015, 2022	2
<b>Bahamas</b>	99.00	Transport, Infrastructure	2011, 2012	2
<b>Dominica</b>	40.00	Infrastructure, Construction	2009	1
<b>Grenade</b>	66.00	Transport	2017	1
<b>Guyana</b>	519.20	Transport, Energy, Industry, Public Administration, Telecommunications	2005, 2010, 2011, 2012, 2017, 2018, 2022	7
<b>Jamaica</b>	2 074.30	Transport, Construction, Financial Sector, Social Protection, Services	2005, 2007, 2009, 2010, 2011, 2013, 2016, 2017	11
<b>Surinam</b>	772.50	Transport, Infrastructure, Social Protection, Telecommunications	2008, 2012, 2016, 2019	6
<b>Trinidad and Tobago</b>	695.00	Health, Construction, Industry	2011, 2013, 2019, 2021	5
<b>Total</b>	<b>4 732.40</b>			<b>38</b>

Prepared by the authors based  
on (Ray & Myers, 2023)

# Investments

## US FDI to CARICOM countries (2014-2022) (millions of dollars )

### China FDI to CARICOM countries (2006-2023) (millions of dollars)

	AEI-HF	OFDI
Antigua and Barbuda	1000	2 000
Bahamas	350	352.5
Barbados	610	2 557
Belize		124
Guyana	7200	3 238.37
Haiti		71.6
Jamaica	3090	1 333.27
Surinam	360	20
Trinidad and Tobago	2 280	1 293
<b>Total</b>	<b>14 890</b>	<b>10 989,74</b>

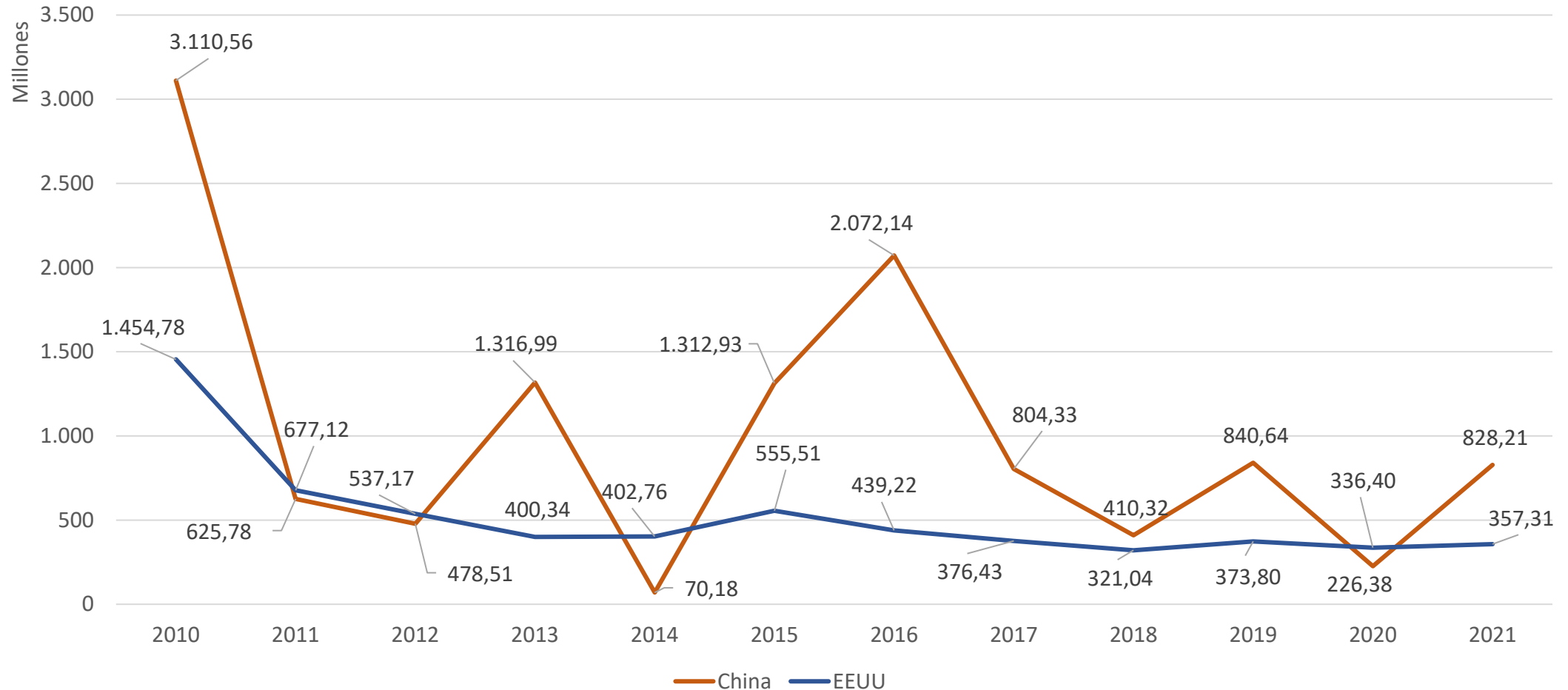
	2014-2022
Antigua and Barbuda	35
Bahamas	306,216
Barbados	272,117
Belize	863
Dominica	-
Grenade	253
Guyana	178
Haiti	232
Jamaica	1,905
Saint Kitts and Nevis	4,188
Saint Lucia	1,283
Saint Vincent and the Grenadines	28
Surinam	299
Trinidad and Tobago	48,301
<b>Total</b>	<b>635,898</b>

Source: Prepared by the authors based on (American Enterprise Institute & Heritage) Foundation , 2024; Latin American and Caribbean Academic Network on China, 2023

Source: Prepared by the authors based on (US Bureau of Economic Analysis , 2024).  
Note: The original source does not publish all data for all countries during all years of the period in order not to reveal sensitive business information . This includes: Guyana, Suriname, Dominica and Antigua and Barbuda.

# Cooperation and external assistance

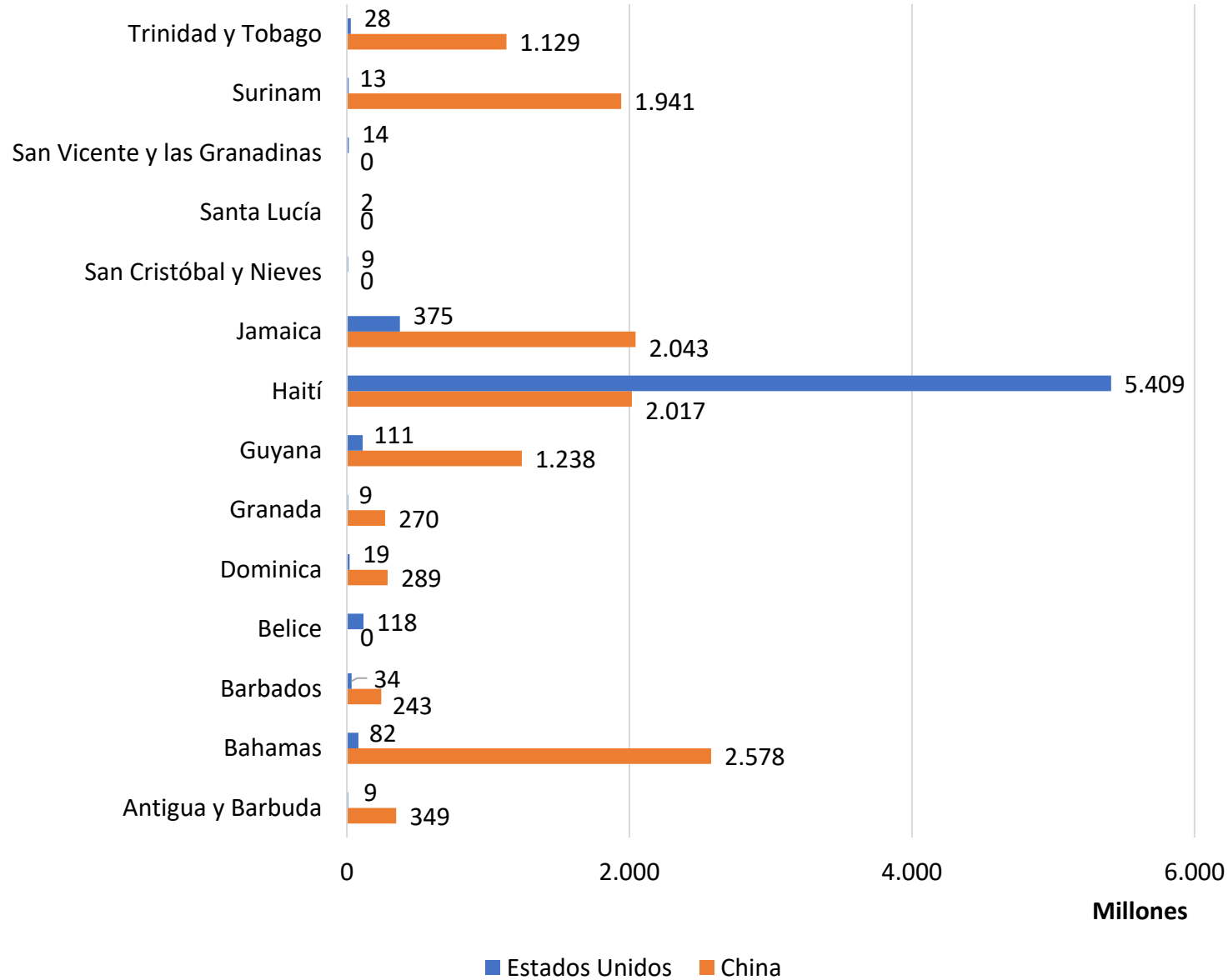
Chart 2. Foreign assistance from China and the United States to CARICOM countries (2010-2021) ( millions of dollars) Americans )



Source: Own elaboration based on AidData ( 2024); ForeignAssistance.gov (2024) .



**Chart 3. Foreign assistance from China and the United States to CARICOM countries 2010-2021 (millions of US dollars)**



Source: Own elaboration based on AidData ( 2024); ForeignAssistance.gov (2024) .

## Caribbean Arguments for not getting involved in zero-sum games – ASSERTIVENESS and PRAGMATISM

- **Absence of the US as a significant donor to the development of the Caribbean** almost two decades , a void that has been covered for China.
- The urgent needs of the Caribbean do not allow wait for the US to put back his attention to the region.
- **China offers better conditions for concessional loans than the World Bank and the IMF because China does not use the income per capita as criteria for access to concessional financing.**
- No Caribbean agreement with China threatens security US national.
- Drop sustained US assistance and investment in the subregion . China is giving out further foreign assistance to the Caribbean that the US.
- USA remains the main commercial partner of CARICOM, even when trade with China has increased.
- Caribbean countries do not lack the ability to negotiate contracts in favor of their interests with partners that exceed his individual bargaining power, as shows the prior negotiation with the EU.
- **Growing number of scholarships** offered by China to students Caribbeans.

*“If China comes to dominate Western Hemispheric economics, it will be because of a long period of US neglect and the slow process to recognizing that the US must re-engage Latin America and the Caribbean in genuine cooperation and not with one-sided strategies that are long on words, but short on allocation and delivery of funds”*

(Ronald Sanders, 2021)

New Atlanticist | January 18, 2023

## Bahamian prime minister urges action on climate change, financial inclusion, and regional cooperation

By Nick Fouriezos



*“Nature abhors a vacuum and if the United States is not close to us, if they are not our partners, it leaves a void and nature will fill it. In the last 10, 15, 20 years it is being filled by what I call a country that the United States has some geopolitical problems with, [...] if attention is not paid [to the Caribbean], someone else will.”*

Philip Davis, Prime Minister of the Bahamas  
Atlantic Council  
January 17, 2023

# Final comments

- The United States establishes its status as the main external partner of the CARICOM countries not only in commercial and financial relations, in which its position appears unquestionable by any global power, but also in the relational power built on the basis of an articulating network of institutions, regulatory instruments, security agreements and cultural proximity, supported financially and reproducing dependency.
- There is a widespread perception that the United States is the guarantor of security in the Caribbean region, which entails a high level of sensitivity for its national security and strategic interests as it is considered part of its 'third border'.
- China has gained significant ground in the Caribbean as an investor, lender and, above all, as a provider of cooperation, an area in which, due to the breadth of its conception, it could pose a challenge to US capital.

# Final comments

- Compared to the United States, the relationship with China relativizes the overwhelming dependence of CARICOM members on their first economic and security partner, as it allows them to diversify their external relations and serves as a counterweight to relatively strengthen their sovereignty and negotiating capacity vis-à-vis the United States.
- Faced with the perceived threat posed by China, the United States is more receptive to CARICOM's demands, renewing its programs and instruments of domination, announcing the redefinition of policies that not only provide resources to address the region's needs, but also opening new instances of high-level political dialogue in order to counteract the influence of China - the bearer of a philosophy and vision of world order, a socioeconomic and political system that is distinct and not subordinate to the United States. These redefinition happened around the last Summit of the Americas in 2022 motivated by a combination of both regional and global geopolitical interests.
- The shift in its policy towards the subregion is also motivated by a more assertive Caribbean position that resists pressure to engage in a zero-sum game; on the contrary, it uses the geopolitical dispute to gain benefits from the relationship with both powers.