



Executive Summary

St. Vincent and the Grenadines' economy is projected to grow by 1.2% in 2014. Recent setbacks by an estimated US \$127 million of damage caused by torrential rain in December 2013 and its recovery are expected to place some burden on the economy. The government has placed high hopes on the long-awaited opening of the international airport to boost tourism arrivals in St. Vincent, but business owners have expressed skepticism about its ability to provide immediate dividends.

The government is pursuing investment in niche markets, particularly tourism, international financial services, agro-processing, light manufacturing, creative industries and information and communication technology (ICT).

The government treats foreign investors and local investors equally with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investment in its territory. While slow, the police and court systems are efficient and unbiased in commercial matters. The government operates in a generally transparent manner, but business dealings can be influenced at times by personal relationships.

Companies registered in St. Vincent and the Grenadines have the right to repatriate all capital, royalties, dividends and profits free of all taxes or any other charges on foreign exchange transactions.

St. Vincent and the Grenadines bases its legal system on the British common law system. The Constitution guarantees constitutional independence of the judiciary. The United States and St. Vincent and the Grenadines are both parties to the World Trade Organization (WTO). The WTO Dispute Settlement Panel and Appellate Body resolve disputes over WTO agreements, while courts of appropriate jurisdiction in both countries resolve private disputes.

There is a constitutional right for nationals and non-nationals to establish and own private enterprises and private property in St. Vincent and the Grenadines. These rights also pertain to the acquisition and disposition of interests in private enterprises

St. Vincent and the Grenadines uses transparent policies and effective laws to foster competition and establish clear rules for foreign and domestic investors in the areas of tax, labor, environment, health, and safety.

1. Openness To, and Restrictions Upon, Foreign Investment

The Government of St. Vincent and the Grenadines, through Invest SVG, strongly encourages foreign direct investment in St. Vincent and the Grenadines, particularly in industries that create

jobs and earn foreign currency. St. Vincent and the Grenadines is an emerging and developing investment player. The government is pursuing investment in niche markets, particularly tourism, international financial services, agro-processing, light manufacturing, creative industries, and information and communication technology (ICT).

The government offers special incentive packages for foreign investments in the hotel industry and light manufacturing. There are also provisions for incentive packages on an ad hoc basis. Tourism is the primary focus of the government with a new international airport and several resorts under construction. St. Vincent and the Grenadines benefits from a low inflation rate and growing opportunities in the trade and export sectors.

The government treats foreign investors and local investors equally with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investment in its territory. The police and court systems are efficient and unbiased in commercial matters, and the government operates in a generally transparent manner. St. Vincent and the Grenadines is a member of the Organization of Eastern Caribbean States (OECS) and the Eastern Caribbean Currency Union. The currency of exchange is the Eastern Caribbean dollar (XCD).

Deregulation in the telecommunications industry has facilitated access to the market to new competitors wherein historically the industry was monopolized. There are currently three service providers: Cable and Wireless (Lime), Digicel, and Columbus Communications (KaribCable).

All potential investors who desire an incentive package must submit their proposals for review by Invest SVG to ensure that the project is consistent with the national interests and provides economic benefits to the country. There are no limits on foreign ownership or control. Invest SVG's foreign direct investment policy is to attract FDI into priority sectors, and advise the Government on the formation and implementation of policies and programs to attract investment within St. Vincent and the Grenadines. The main laws concerning foreign investment include the Companies Act, International Business Companies Act 2007 and the Limited Liabilities Act. The country has a strong judicial system which upholds the sanctity of contracts and prevents unwarranted discrimination towards foreign investors.

TABLE 1: The following chart summarizes several well-regarded indices and rankings.

Measure	Year	Rank or value	Website Address
TI Corruption Perceptions index	2013	(33 of 177)	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation's Economic Freedom index	2013	(52 of 177)	http://www.heritage.org/index/ranking

World Bank's Doing Business Report "Ease of Doing Business"	2013	(82 of 189)	http://doingbusiness.org/rankings
Global Innovation Index	2013	N/A	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener
World Bank GNI per capita	2012	USD \$6,400	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

Companies registered in St. Vincent and the Grenadines have the right to repatriate all capital, royalties, dividends and profits free of all taxes or any other charges on foreign exchange transactions. International Business Companies are exempted from taxation in the jurisdiction. Under present regulations there are no personal income taxes, estate taxes, corporate income taxes or withholding taxes for SVG International Business Companies. International Business Companies are also exempt from competitive tax for 25 years. As a member of the Organization of East Caribbean States, the St. Vincent and the Grenadines foreign exchange system is fully liberalized. Therefore, as a member of the OECS, St. Vincent and the Grenadines does not have any exchange controls so as to facilitate the provision of service, movement and establishment. Only banks can do currency conversion.

3. Expropriation and Compensation

Under the Land Acquisition Act, the government may by a declaration initiate the acquisition of land required for a public purpose. A notice of acquisition must be served on the person from whom the land is acquired. All issues relating to payment of compensation can be submitted to a Board of Assessment whose award must be filed in the High Court. The value of the land is based on the amount for which the land would have been sold on the open market by a willing seller. Under the "Alien's (Land-Holding Regulation) Act," the government can hold properties forfeit without compensation if the terms of the investment are not met. The Embassy is not aware of any outstanding expropriation claims or nationalization of foreign enterprises in St. Vincent and the Grenadines.

4. Dispute Settlement

St. Vincent and the Grenadines bases its legal system on the British common law system. The Constitution guarantees constitutional independence of the judiciary. The judicial system

consists of lower courts, called Magistrates' Courts, as well as a Family Court. The Eastern Caribbean Supreme Court (St. Vincent and the Grenadines) Act, Cap. 18, establishes the Supreme Court of Judicature which consists of the High Court and the Eastern Caribbean Court of Appeal. The High Court hears criminal and civil matters and makes determinations on the interpretation of the Constitution. Appeals are made in the first instance to the Eastern Caribbean Supreme Court, an itinerant court that hears appeals from all Eastern Caribbean States. Final appeal is to the Judicial Committee of the Privy Council. All laws must conform to the provisions of the Constitution and are void to the extent of any inconsistency.

The Caribbean Court of Justice (CCJ) is the regional judicial tribunal, established in 2001 by the Agreement Establishing the Caribbean Court of Justice. The CCJ has original jurisdiction to interpret and apply the Revised Treaty of Chaguaramas. In its appellate jurisdiction, the CCJ considers and determines appeals from Member States of CARICOM, which are parties to the Agreement Establishing the CCJ. St. Vincent and the Grenadines is subject to the original jurisdiction of the CCJ.

The United States and St. Vincent and the Grenadines are both parties to the World Trade Organization (WTO). The WTO Dispute Settlement Panel and Appellate Body resolve disputes over WTO agreements, while courts of appropriate jurisdiction in both countries resolve private disputes.

The Trade Disputes (Arbitration and Inquiry) Act provides that trade disputes that exist or are pending may be reported to the Governor General by or on behalf of either party to a trade dispute. The Governor General may, if both parties consent, refer the dispute to an arbitration panel for settlement. The arbitration panel must give an award that is consistent with national employment laws. The award must be notified to the Governor General who shall, as soon as practicable, cause the award to be published.

The Governor General may institute an inquiry on his own accord where a trade dispute exists or is pending. A board of inquiry may be set up to investigate matters concerning economic or industrial conditions in St. Vincent and the Grenadines that are referred to it by the Governor General. The arbitration panel or board of inquiry may permit interested persons to be represented by legal counsel. These bodies may conduct proceedings in public or private.

5. Performance Requirements and Investment Incentives

There are no general performance requirements, however, some investments involving real estate may be granted incentives with minimum investment requirements, making them subject to the aforementioned "Alien's (Land-Holding Regulation) Act." There is no requirement that locals own shares of a foreign investor's enterprise.

There is no requirement that enterprises must purchase a fixed percentage of goods from local sources.

Companies must meet export performance requirements to take advantage of certain tax incentives. For example, "enclave enterprises" must produce goods exclusively for export outside the CARICOM region. Foreign investors may finance their investments using domestic or foreign capital sources. The Fiscal Incentives Act confers income tax credits in the form of an export allowance to qualifying enterprises for the export of approved products. The exports must be to territories outside of Antigua, Barbados, Belize, Dominica, Grenada, Montserrat, St. Kitts and Nevis, and St. Lucia. The Duties and Taxes (Exemption in the Public Interest) Act authorizes Cabinet to grant waivers or relief from import duties on applicable goods, as requested by individuals or organizations, if it is in the public interest to do so. Enterprises that are approved enterprises under the Fiscal Incentives Act and which import materials for processing can benefit from tax concessions for a period of ten to 15 years determined by the status granted to the enterprise.

Concessions are granted under the Hotels Aid Act in relation to improvements to a registered hotel, hotel expansions of not less than five guest rooms or apartments, hotel construction of not less than five guest rooms or apartments and tourism promotion to import printed tourism literature relating to St. Vincent and the Grenadines.

Tax holidays are also given as an investment incentive. Group I enterprises (50% or more local value added) have a 15 year tax holiday period, Group II enterprises (25-49% local value added) enjoy 12 years, Group III enterprises (10-24% local value added) are granted 10 years. Enclave enterprises (producing wholly for extra-CARICOM Markets) have a 15 year tax holiday.

An initial allowance of 10% is deductible for expenditures incurred on the construction or purchase of any building used solely for carrying on business. An annual allowance of 4% of the written down value of the building is deductible expenditures on the repair of premises, plant and machinery used in a business. An initial allowance of 20% is deductible for expenditure incurred in purchasing plant and machinery. An annual allowance ranging from 15-50 % of the written down value of plant and machinery is deductible. St. Vincent and the Grenadines does not have export duties.

In the tourism sector, the Hotels Aid Act provides incentives for the renovation, refurbishment and expansion of existing hotels and for the construction of new hotels. The Ministry of Tourism has responsibility for the administration of the Act. A person who intends to conduct improvements to a hotel can apply to the Minister for concessions in relation to building materials and articles of hotel equipment. Upon the grant of the concessions, the requested items

may be imported free of customs duty. Concessions in respect of expansions of not less than five guest rooms may also be obtained. These concessions relate to income tax exemptions of nine to 15 years on profits attributable to the expansion and customs duty exemptions. A person who intends to construct a hotel of not less than five guestrooms, in the case of nationals of St. Vincent and the Grenadines or of CARICOM, or ten guest rooms, in the case of non-nationals, can apply for income tax exemptions ranging from ten years where the number of guest rooms is between five and twenty, 12 years where the number of guest rooms is between twenty-one and thirty-four, or 15 years where the number of guest rooms is thirty-five or more. Customs duty exemptions are also applicable to hotel constructions.

Regarding taxation, St. Vincent and the Grenadines has entered into double taxation treaties with the nations of CARICOM.

The corporate tax rate is 32.5% of net income; however, there are special rates for export companies at 35% for OECS exports, 30% for non-OECS CARICOM exports and 25% for extra-CARICOM exports. Offshore businesses are also subject to VAT (15%) on taxable imports at the time when goods are imported for home use, or in any other case, when the goods are brought into St. Vincent and the Grenadines.

An IBC may import machinery and equipment into St. Vincent and the Grenadines free from certain taxes and customs duties if they are capital goods.

The corporate tax rate ranges from 15% - 32.5%, except for companies granted tax holidays under the Fiscal Incentives Act for the duration of the tax holiday. Companies manufacturing goods for the local or export markets and which maintain a special account to the satisfaction of the Comptroller have access to reduced tax rates ranging from 15% to 30%.

A valid international trust can be created if it is in writing and follows the formal requirements for a deed or settlement under the International Trust Act. The Act recognizes several types of international trusts – protective or spendthrift trusts, charitable trusts and purpose trusts. A Registrar of Trusts has direct regulatory responsibilities relating to registration, issuing certificates and requesting documentation from the trust. An international trust can only be registered if at least one of its trustees is a registered Trustee with a valid license. Upon registration, the trust and its settler are given certain benefits, including exemptions from various taxes and duties, if the settler was not insolvent at the time the trust was created or became insolvent because of the creation of the trust. The exemptions include income tax, excise tax, customs duties and stamp duty exemptions and are applicable if certain conditions are fulfilled, one of which is that the trust must not be resident in St. Vincent and the Grenadines. The Comptroller of Inland Revenue is empowered to assess a trust's eligibility for tax exemptions and may require from the Registered Trustee the provision of financial information. In the

absence of the provision or insufficiency of the information, the trust cannot benefit from the tax exemptions.

If at least one beneficiary of a registered trust becomes resident after the trust is registered, and if the trust is in good standing, then the fact of the residency of the beneficiary does not make the trust liable to be struck off the register. However, the trust and its beneficiaries will not be entitled to tax exemptions for any year during which the trust had one or more resident beneficiaries.

An international trust, except one that is an international company, will not become void or voidable under the Act, notwithstanding the law of the settler's domicile or ordinary residence, as a result of a settler's bankruptcy, insolvency or liquidation.

6. Right to Private Ownership and Establishment

There is a constitutional right for nationals and non-nationals to establish and own private enterprises and private property in St. Vincent and the Grenadines. These rights also pertain to the acquisition and disposition of interests in private enterprises.

Foreigners must obtain a license to purchase land or to acquire more than 50% of a company.

The Aliens' Land Holding (Regulation) Act regulates the holding of land and mortgages related to land by individuals who are non-nationals and companies controlled by non-nationals. In order to hold land, non-nationals must apply for and be granted a license. The breach of any condition of the license authorizes the forfeiture to the government of the interest held by the non-national. License conditions may require that land be developed within a specific timeframe. The factors determining whether a company is considered to be under the control of a non-national include whether:

- (a) at least half of its directors are unlicensed non-nationals;
- (b) at least half of its votes are exercisable by unlicensed non-nationals;
- (c) at least half of its shares are held by unlicensed non-nationals; or
- (d) at least half of the nominal value of its outstanding debentures is held by unlicensed non-nationals.

Companies holding at least five acres of land may restrict or prohibit the issue or transfer of its shares or debentures to non-nationals. A license must be granted in order for non-nationals to be able to hold directorships or shares in companies. An application for a license to hold land must be made to the office of the Prime Minister through a solicitor who is licensed to practice in St. Vincent and the Grenadines. The applicant is required to submit a police certificate, a banker's reference, and a description of title with categorization of either (1) one acre of land or less or (2)

more than one acre of land. In relation to category 1, an approved development plan, confirmation of execution of the plan within 18 months from construction date and proof of completion of conveyance within six months must be supplied. In relation to category 2, a development plan for the entire area, physical and architectural aspects, and details on financing and the labor to be employed must be provided. Four copies of the application and a fee of US \$962 must be submitted.

If approved, a license is granted which must be filed at the Registry of the High Court. All applicable registration fees and stamp duties must be paid to the Registry.

No industries are officially closed to private enterprise, although some activities, such as telecommunications, utilities, broadcasting, banking, and insurance, require a license from the government. There is no percentage, or other restrictions, on foreign ownership of a local enterprise or participation in a joint venture.

7. Protection of Property Rights

The St. Vincent and the Grenadines Government is a signatory to the Paris Convention on Intellectual Property Rights (IPR) and is a member of the United Nations World Intellectual Property Organization (WIPO). Article 45 of the Protocol Amending the Treaty that established CARICOM commits all 15 members to implement stronger IP protection and enforcement. St. Vincent and the Grenadines is also party to the Paris Convention for the Protection of Industrial Property, Stockholm Text (1967), acceded in 1995; Berne Convention for the Protection of Literary and Artistic Works, Paris Text (1971), acceded in 1995; and Patent Cooperation Treaty (1970), acceded in 2002.

The Copyright Act provides that copyright protection subsists in the following types of works:

- (a) Original literary, dramatic, musical or artistic works,
- (b) Sound recordings, films, broad casts or cable programs; and
- (c) Typographical arrangements of published editions.

Works do not need to be registered in order to be protected by copyright. Literary, dramatic, musical or artistic works of known authorship are protected for the remainder of the life of the author after creation of the work plus 75 years from the end of the calendar year in which the author dies. Computer generated works are protected for 50 years from the end of the calendar year in which the work is made. Sound recordings and films are protected for 50 years from the end of the calendar year in which the recording or film was made or 75 years from the year in which it was made available to the public. Typographical arrangements of published editions are protected for 25 years from first publication.

The Trade Marks Act provides that trademarks include letter, word, name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, color or sound or any combination thereof. The term of protection for a trademark is ten years from the filing date. A trademark can be renewed. Application for renewal must be lodged within 12 months. A renewal of a trademark is effective for ten years.

The Patents Act provides that a patent may be granted only for an invention that is new, involves an inventive step and is capable of industrial application. The following are excluded from patent protection:

- (a) a discovery, scientific theory or mathematical method;
- (b) a literary, dramatic, musical or artistic work or any other aesthetic creation;
- (c) a scheme, rule or method for performing a mental act, playing a game or doing business;
- (d) diagnostic, therapeutic and surgical methods for the treatment of humans or animals;
- (e) the presentation of information;
- (f) an invention, the commercial exploitation of which would be contrary to public order or morality;
- (g) an invention which is prejudicial to human, animal or plant life, to health or to the environment; or
- (h) any plant or animal variety or any biological process for the generation of plant or animals, not being a microbiological process or the product of such a process.

An application to register a patent must contain a request for the grant of the patent, a description of the invention, one or more claims, one or more drawings where required, an abstract, and a statement justifying the right to be granted the patent. The term of protection for a patent is 20 years without possibility for extension.

IPR infringement in most areas is small-scale, although video stores sell and rent pirated DVDs and videos, and other stores and individuals sell illegal copies of computer software, designer items, and music.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Embassy point of contact: Jonelle Watson Watsonjm@state.gov

Local lawyers list: http://barbados.usembassy.gov/attorneys_list.html

8. Transparency of the Regulatory System

St. Vincent and the Grenadines uses transparent policies and effective laws to foster competition and establish clear rules for foreign and domestic investors in the areas of tax, labor, environment, health, and safety.

The Revised Treaty of Chaguaramas provides the competition policy applicable to CARICOM States. Member States are required to establish and maintain a national competition authority for facilitating the implementation of the rules of competition. At the CARICOM level, a regional Competition Commission is established to apply the rules of competition in respect of anti-competitive cross-border business conduct. The CARICOM competition policy addresses anti-competitive business conduct, such as agreements between enterprises, decisions by associations of enterprises, and concerted practices by enterprises that have as their object or effect the prevention, restriction or distortion of competition within the Community; and actions by which an enterprise abuses its dominant position within the Community. No legislation is yet in operation to regulate competition in St. Vincent and the Grenadines. The Organization of Eastern Caribbean States (OECS) has agreed to establish a regional competition body to handle competition matters within its single market. The draft OECS bill has been submitted to the Ministry of Legal Affairs for review. However, sectoral regulation of competition in the telecommunications field is provided for under the Telecommunications Act (2001).

The Employment of Foreign Nationals and Commonwealth Citizens Act provides that foreign nationals or Commonwealth citizens must obtain a valid work permit in order to be employed in St. Vincent and the Grenadines. Work permit applications must be addressed to the ministry responsible for national security. Work permits may be varied or cancelled after a seven-day notice period if the holder fails to comply with or contravenes the conditions under which the permit is granted.

Persons requiring work permits must submit the following documents along with a completed work permit application form; other supporting documentation may also be required: (1) Letter from prospective employer; (2) Certified copy of passport (information page/s); (3) Proof that the position applied for has been advertised.

A work permit is issued for six months only. An applicant requesting more than a six months work permit is required to apply for a residence permit. The cost for CARICOM Nationals is XCD\$600.00 per annum Others XCD\$1,500.00 per annum

An external company that wishes to carry on business in St. Vincent and the Grenadines must first be registered in St. Vincent and the Grenadines. Registration is done at the Commercial Registry. Companies using or manufacturing chemicals must obtain approval of their environmental and health practices from the St. Vincent and the Grenadines National Standards Institution and the Ministry of Health's Environmental Division.

Foreigners must obtain an alien land holding license to purchase real estate.

9. Efficient Capital Markets and Portfolio Investment

As a member of the Organization of Eastern Caribbean States and the Eastern Caribbean Currency Union, the Eastern Caribbean Central Bank (ECCB) has oversight of St. Vincent and the Grenadines. The Eastern Caribbean Central Bank controls the currencies of several island states including St. Vincent and the Grenadines.

St. Vincent and the Grenadines' monetary and exchange rate policies are determined by the ECCB. The ECCB regulates domestic banks. Exchange controls restrictions on capital and non-trade current transactions have been suspended under the Exchange Control Act.

The Financial Intelligence Unit Act, No.38 of 2001, established the Financial Intelligence Unit (FIU) as the centralized entity responsible for collecting, analyzing and disseminating information about suspicious financial transactions to competent authorities. Financial institutions and persons engaged in business activities must retain records relating to financial activity conducted through them and must inform the FIU of complex or unusual transactions. These requirements are imposed by the Proceeds of Crime and Money Laundering (Prevention) Act, No. 39 of 2001.

The Financial Service Authority Act was passed in November 2012. This Act established the Financial Services Authority which is responsible for the regulation of the international financial services sector and non-banking financial institutions including credit unions, insurances, and money transfer service providers.

According to the most recent data available from the government, assets of commercial banks totaled US\$750.1 million in November 2012, and remained relatively consistent throughout the year. The reserve requirement for commercial banks was 6% of deposit liabilities.

As a member of the OECS, St. Vincent is a member of the Eastern Caribbean Securities Exchange and the Regional Government Securities Market.

10. Competition from State-Owned Enterprises

Statutory corporations or state owned enterprises in St. Vincent and the Grenadines include National Insurance Scheme and the Central Water and Sewage Authority. These companies do not generally pose a threat to investors, as they are not designed for competition. They support government programs such as the national pension plan and the management of pipe borne water, sewage and solid waste management services.

11. Corporate Social Responsibility

In St. Vincent and the Grenadines, there is an awareness of corporate social responsibility (CSR) among both producers and consumers. The private sector is involved in projects that benefit society, including in support of environmental, social and cultural causes. Individuals benefit from business sponsored initiatives when local and foreign owned enterprises pursue volunteer opportunities and make monetary or in kind donations to local causes.

The NGO community, while comparatively small, is involved in fundraising and volunteerism in gender, health, environmental and community projects. The government at times partners with non-governmental organizations (NGO) in activities. The government encourages philanthropy.

12. Political Violence

St. Vincent and the Grenadines has not experienced political violence in recent history.

13. Corruption

Corruption is not a major problem in St. Vincent and the Grenadines; however, while the law provides criminal penalties for official corruption, enforcement is not always effective.

14. Bilateral Investment Agreements

Caribbean Community (CARICOM)

The Treaty of Chaguaramas established CARICOM in 1973. Its purpose is to promote economic integration among its 15 Member States. Investors operating in St. Vincent and the Grenadines are given preferential access to the entire CARICOM market. The Revised Treaty of Chaguaramas goes further to establish the CARICOM Single Market and Economy (CSME), by permitting the free movement of goods, capital and labor within CARICOM States. This Treaty allows St. Vincent and the Grenadines to be the recipient of several benefits by being party to bilateral trade agreements with Venezuela, Dominican Republic, Colombia, Costa Rica and Cuba.

Organisation of Eastern Caribbean States (OECS)

The Treaty of Basseterre establishes the Organisation of Eastern Caribbean States (OECS). The OECS consists of nine Member States of Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines with associate members being Anguilla and the British Virgin Islands. The purpose of the Treaty is to promote harmonization among Member States in areas concerning foreign policy, defense and security, and economic affairs. The six independent countries of the OECS ratified the Revised Treaty of Basseterre establishing the OECS Economic Union on January 21, 2011. The Economic Union established a single financial and economic space within which all factors of production, including goods, services and people, move without hindrance.

Economic Partnership Agreement (EPA)

The Economic Partnership Agreement (EPA) was concluded between the CARIFORUM States and the European Community and its Member States. The EPA is designed to replace the now expired transitional trade regime of the Cotonou Agreement. The overarching objectives of the EPA are to alleviate poverty in CARIFORUM, to promote regional integration and economic cooperation and to foster the gradual integration of the CARIFORUM states into the world economy by improving their trade capacity and creating an investment-conducive environment. The Agreement promotes trade related developments in areas such as competition, intellectual property, and public procurement, the environment and protection of personal data.

Caribbean Basin Initiative (CBI)

The objective of the Caribbean Basin Initiative is to promote economic development through private sector initiative in Central America and the Caribbean islands by expanding foreign and domestic investment in non-traditional sectors, diversifying CBI country economies and expanding their exports. It permits duty free entry of products manufactured or assembled in St. Vincent and the Grenadines into markets of the United States

Caribbean / Canada Trade Agreement (CARIBCAN)

CARIBCAN is an economic and trade development assistance program for Commonwealth Caribbean countries in which Canada provides duty free access to its national market for the majority of products which originate in Commonwealth Caribbean countries.

St. Vincent and the Grenadines and Germany

The Republic of Germany and St. Vincent and the Grenadines have signed a treaty for the Encouragement and Reciprocal Protection of Investment. Its purpose is to promote favorable investment conditions in each territory

15. OPIC and Other Investment Insurance Programs

In 1999, the U.S. Government's Overseas Private Investment Corporation (OPIC) signed with Citibank to establish a US\$200 million Investment Facility for the Caribbean and Central America, as one means of encouraging investment and stimulating economic development. The Caribbean Development Bank, which is based in Barbados, administers this program. OPIC provides financing and political risk insurance to viable private sector projects, helps U.S. businesses invest overseas, and fosters economic development in new and emerging markets.

16. Labor

According to the most recent data available from the government, in 2012, St. Vincent and the Grenadines' labor force was approximately 63500 or 58% (est.) of the population.

The Wages Council Act establishes, through the Wages Council, minimum wages, work hours, overtime, vacation, sick leave, and maternity leave for specified categories of workers. Employers who fail to pay minimum wages are subject to fines and orders for payment of the wages.

The statutory minimum wages are set out in Regulations made under the Wages Council Act.

The hours of work for specified categories of workers are usually eight hours per day with overtime generally calculated at a rate of time and a half and double for work done in excess of minimum hours of work and on public holidays, respectively.

The Equal Pay Act makes provision for the removal and prevention of discrimination, based on the sex of the employee, in the rates or remuneration for males and females in paid employment.

Trade unions, and the leaders of the trade union movement, enjoy a strong voice in the labor and economic affairs of the country. There are three main unions, the St. Vincent and the Grenadines Public Service Union (PSU), the National Workers' Movement (NWM) and the St. Vincent and the Grenadines Teachers' Union. Trade unions are granted legal recognition by the Trade Unions Act; therefore, the act of joining a trade union is not subject to criminal or civil sanctions. Trade unions must be registered with the Registrar of Trade Unions. Registration requirements include membership of at least seven persons. A 30% membership is required for a trade union ballot. If 50% plus 1 vote is cast by workers in favor of a trade union, then that union is usually recognized by the particular establishment for collective bargaining purposes. The law provides that it is lawful to conduct peaceful picketing in contemplation of a trade dispute.

The law provides for a minimum working age of 16, and this provision generally was observed in practice. Compulsory primary and secondary education policies reinforced minimum age requirements. The Labor Department had a small cadre of labor inspectors who conducted spot investigations of enterprises and checked records to verify compliance with the law. These inspectors may take legal action against an employer who is found to have underage workers.

Investors in St. Vincent and the Grenadines are required to recognize the economic and social objects as well as the policies and priorities of the government. They are also equally responsible for maintaining workers' rights and safeguarding the environment. While there are no specific health and safety regulations, the Factories Act provides general health and safety guidance to Labor Ministry inspectors. The Labor Commission settles disputes over safety conditions. Workers have the right to report unsafe work environments without jeopardy to continued employment; inspectors then investigate such claims, and workers may leave such locations without jeopardy to their continued employment.

17. Foreign Trade Zones/Free Ports

There are no foreign trade zones or free trade zones in St. Vincent and the Grenadines.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics**TABLE 2: Key Macroeconomic data, U.S. FDI in host country/economy**

	Host Country Statistical source*		USG or international statistical source		USG or international Source of data (Source of Data: BEA; IMF; Eurostat; UNCTAD, Other)
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (<i>Millions U.S. Dollars</i>)	2012	694.4	2012	712.6	http://www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (<i>Millions U.S. Dollars, stock positions</i>)	N/A	N/A	2012	1	(BEA) click selections to reach. U.S. Bureau of Economic Analysis
Host country's FDI in the United States (<i>Millions U.S. Dollars, stock positions</i>)	2012	N/A	2012	0	(BEA) click selections to reach U.S. Bureau of Economic Analysis
Total inbound stock of FDI as % host	N/A	N/A	2012	17.6	

GDP (<i>calculate</i>)					
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* Provide sources of host country statistical data used.

19. Contact Point at Post for Public Inquiries

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