



GRENADA  
INVESTMENT CLIMATE STATEMENT  
2015

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## **Executive Summary**

Grenada is a liberal, parliamentary democracy, has a functioning court system, low rates of crime, and is devoid of political violence. Grenada's legal framework for business is strong, though at times, implementation of legislation can be found wanting. Similarly, while Grenada strives for bureaucratic efficiency and transparency in matters related to business and investment, bureaucratic processes can be time consuming. The Government of Grenada saw the country's ranking on the World Bank's Doing Business Indicator slip from 125 in 2014 to 126 in 2015. Grenada's leaders continue to pledge themselves to the improvement of the country's business climate.

### **1. Openness To, and Restrictions Upon, Foreign Investment**

#### **Attitude toward Foreign Direct Investment**

Grenada adopts a liberal approach to foreign direct investment geared at the country's socio-economic development. This approach is supported by a strong strategic, legislative and regulatory landscape.

The strategic agenda of the Government of Grenada palpably demonstrates its belief that investment is directly related to growth and development. As a result, an increasing number of foreign investment opportunities have been presented of late and no restrictions have been added to the very limited list that previously existed. Accession to international trade and development agreements has further promoted foreign investment as a greater number of sectors have been liberalized, opening them up to foreign investment opportunities.

#### **Other Investment Policy Reviews**

The Government of Grenada participated in a trade policy review of the Organization of Eastern Caribbean States, of which it is a member, conducted by the World Trade Organization. Results of that Trade Policy Review can be found at:

[https://www.wto.org/english/tratop\\_e/tpr\\_e/tp399\\_e.htm](https://www.wto.org/english/tratop_e/tpr_e/tp399_e.htm).

#### **Laws/Regulations of Foreign Direct Investment**

A new investment bill was passed in October 2014 which replaces the 2008 bill. This Bill seeks to promote, encourage and protect investment in Grenada by providing investors with a stable framework of fundamental and enforceable rights and guarantees and ensure security and fairness in strict accordance with the rule of law and best international standards and practices. This bill is also in compliance with WTO regulations, the Economic Partnership Agreement, and CARIFORUM-EU.

At present the Government of Grenada is also in the process of reviewing its investment incentives within various sectors, with the hopes of making incentives both more attractive for foreign investors and standardized. New incentives legislation should come on stream in 2015.

Grenada Industrial Development Corporation (GIDC) is the investment promotion agency of the Government of Grenada. It was established through the enactment of the Grenada Industrial Development Corporation Act - (Act 2 of 1985) on March 1.

It is governed by a Board of Directors appointed by the Minister with responsibility for Finance & Industry and is tasked with the responsibility to promote local and foreign investment and facilitate and strengthen entrepreneurial development within the growth sectors of Grenada's economy.

This is done through attempts to attract new foreign direct investment, increase the number of indigenous, innovative, efficient and profitable small businesses registered and operating throughout Grenada, Carriacou and Petite Martinique, and facilitate the growth and development of existing domestic and foreign businesses.

Investors can invest freely in any field of lawful economic activity that is not prejudicial to national security or detrimental to the environment, national culture and public health of the country. An investor must register a business name and identify whether it is a partnership or limited liability company. A registered business can be wholly-owned or a joint venture.

The official website of the Grenada Industrial Development Corporation provides a detailed Investor's guide as to the procedures for business investments in Grenada. The guide gives indepth step-by-step instructions to ensure a successful investment process, from owning properties to obtaining permits and licenses. The legal and regulatory framework is also described on the website. This can be found at: <http://www.grenadaworld.com/>.

### **Industrial Promotion**

The Government has proposed a standardization of incentives available to potential investors. The enactment of such legislation would be an important step to even greater transparency. At present, the Investment Code Incentives Act CAP 155 of 1983 and others, which are below-described in this narrative, outline the criteria, procedure and entitlements regarding incentives in an effort to attract investment and present lucrative packages that would be beneficial to the country and the investor. The Grenada Industrial Development Corporation undertakes the operational aspects regarding the administration of these incentive packages.

Business enterprises carrying out a priority investment project; those operating within priority industries/sectors and those located within priority geographic areas of the country are entitled to investment incentives. Currently, the priority sectors are tourism; manufacturing; agriculture and agri-business; Information Communication Technology (ICT); financial services; education and training; health and wellness; creative industries; energy; and research and development. More detail is available at:

<http://www.grenadaworld.com/InvestorsGuide/IncentivesforInvestment/tabid/104/Default.aspx>.

It is important to note that while the Investment Promotion Act of 2009 supports the Investment Policy which delineates the above investment areas as entitled to incentives; this Act has not entered into force. Its provisions are being implemented administratively.

Applicants for incentives are also required to sign a “shareholders declaration form” to vouch for their bona fides in order to proceed with the investment. Within six weeks of submission of an application for incentives, an applicant is advised of the decision on the application. An investor may elect to carry out the project absent investment incentives.

The website for the Grenada Industrial Development Corporation is: [www.grenadaworld.org](http://www.grenadaworld.org)

### **Limits on Foreign Control**

There are practically no limits on foreign ownership or control. There is no economic or industrial strategy that has discriminatory effects on foreign investors, or sectors in which foreign investors are not treated the same as national investors.

However, non-Grenadian investors may be required to obtain an Alien Landholding License, and to pay a property transfer tax of 10 percent on the purchase of shares in Grenadian real estate or a Grenadian registered company. In addition the sale of such shares or real estate to non-nationals requires a property transfer tax of 15 percent payable by the seller. Foreign investors employed in Grenada are subject to annual renewal of a Work Permit. Foreign investors may not invest in or operate investment enterprises which are prejudicial to national security or detrimental to the natural environment, public health or the national culture or which contravene the Laws of Grenada. Grenada has accepted, but not yet implemented, regional obligations on anti-competition.

### **Privatization Program**

Grenada does not have a privatization program at present, though there has been some discussion of the need for government to cut ties (and budget support) to certain economic entities established by statute, such as Grenada Gravel, Concrete and Emulsion.

### **Screening of FDI**

No screening is required for FDI.

### **Competition Law**

There is no existing legislation governing competition law in Grenada. However model draft bills are currently in development as part of initiatives to develop work plans and strengthen the market regimes under the CARICOM Single Market & Economy. Moreover, a regional competition authority, the CARICOM Competition Commission, has been established and plans are underway to have a sub-regional entity, the Eastern Caribbean Competition Commission, fully functioning soon.

### **Investment Trends**

The Government of Grenada has taken a proactive approach to securing foreign direct investment, and cultivating an attractive investment climate, particularly in priority industries such as tourism and agriculture.

Several factors, including government-led rebranding of the tourism sector, increased marketing and the establishment of a five-star resort have led to a rejuvenation of the tourism sector, as evidenced by increased cruise ship calls and stay-over visitors. A steady increase in air connections both from the United States and Europe, has helped to spur this growth and has intensified as a result of it.

In agriculture, there has been an increase in the production of fruits and vegetables, and noteworthy increases in the production and export volumes of cocoa. Non-traditional crops, like some fresh fruits and vegetables like soursop, are seen as potential catalysts for growth in the agriculture sector, and as a potential source for export earnings.

*Table 1*

<b>Measure</b>	<b>Year</b>	<b>Index or Rank</b>	<b>Website Address</b>
<b>TI Corruption Perceptions index</b>	2014	Not ranked	<a href="http://transparency.org/cpi2014/results">transparency.org/cpi2014/results</a>
<b>World Bank's Doing Business Report "Ease of Doing Business"</b>	2015	126 of 189	<a href="http://doingbusiness.org/rankings">doingbusiness.org/rankings</a>
<b>Global Innovation Index</b>	2014	Not ranked	<a href="http://globalinnovationindex.org/content.aspx?page=data-analysis">globalinnovationindex.org/content.aspx?page=data-analysis</a>
<b>World Bank GNI per capita</b>	2013	USD 7,490	<a href="http://data.worldbank.org/indicator/NY.GNP.PCAP.CD">data.worldbank.org/indicator/NY.GNP.PCAP.CD</a>

## **2. Conversion and Transfer Policies**

### **Foreign Exchange**

Grenada's currency is the Eastern Caribbean dollar (XCD), and it is issued by the Eastern Caribbean Central Bank (ECCB), located in St. Kitts. The exchange rate is also determined by the ECCB. The EC dollar has been pegged to the U.S. dollar at 2.7 to 1 for quite some time, adding to the stability of trade and investment in Grenada.

### *Remittance Policies*

There are no restrictions or limitations placed on foreign investors in converting, transferring, or repatriating funds associated with investment. Funds associated with any form of investment can be freely converted into a number of currencies including US, Sterling, Canadian and Euro.

However, banks reserve the right to delay transactions if deemed suspicious, or outside the typical level of activity initially indicated on the account.

Typically, there are no difficulties or delays regarding remittances, neither have there been any recent changes or plans to change investment remittance policies that tighten or relax access to foreign exchange for investment remittances.

Transfers of currency are protected by Article VII of the International Monetary Fund (IMF) Articles of Agreement. Grenada is also a member of the Caribbean Financial Action Task Force (CFATF).

### **3. Expropriation and Compensation**

There have been no expropriation actions against foreign investors in recent times, although some Grenadian citizens have had their lands expropriated to permit foreign investment. There are no sectors at greater risk of expropriation than another. There are no laws requiring local ownership.

Under the Constitution, the Government shall not compulsorily acquire or take possession of any investment enterprise, or any asset of an investor except for a purpose which (a) is in accordance with the laws of Grenada; (b) is on a non-discriminatory basis; (c) is in accordance with the procedures provided by law; (d) provides for prompt payment of adequate and effective compensation together with interest from the date of acquisition or taking possession of the investment enterprise or asset to the date of payment at the commercial bank rate on loans to the corporate sector; and (e) provides for the right of access to the High Court by any person claiming such compensation for the determination of any interest in or right over the investment enterprise or asset and the amount of compensation.

### **4. Dispute Settlement**

#### **Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts**

Grenada, a constitutional monarchy with a Parliamentary System, has vested the Prime Minister and his Cabinet with the executive power for concluding and signing international agreements and conventions with other States and international organizations.

The Judicial System of the nation is based on English Common Law. The judiciary has four levels: Magistrates Court; High Court, the Eastern Caribbean Supreme Court and the Privy Council.

The Magistrates Court primarily handles minor civil and criminal cases, while the High Court adjudicates cases under the purview of the Acts of Parliament. Appeals from the Magistrates Court are heard by the High Court, while appeals from the High Court are heard by the Eastern Caribbean Supreme Court. The Eastern Caribbean Supreme Court is comprised of the Chief Justice, who serves as the Head of the Judiciary; four Justices of Appeal; nineteen High Court Judges; and three (3) Masters, who are primarily responsible for procedural and interlocutory matters. The Court of Appeal judges are based at the Court's Headquarters in Castries, Saint Lucia where administrative and legal support is provided under the supervision of the Court Administrator and Chief Registrar respectively.

The Privy Council serves Grenada as the final Court of Appeal. Noteworthy however is the fact that the Caribbean Court of Justice (CCJ) has been granted compulsory and exclusive jurisdiction under Section 211 of the Revised Treaty of Chaguaramas (which Grenada is a party to and which delineates rights and responsibilities in CARICOM) to hear and determine disputes concerning the interpretation and application of the Treaty.

### **Bankruptcy**

Grenada is ranked number 189 for ease of "resolving insolvency" in the World Bank's Doing Business Report for both 2014 and 2015.

Chapter 27 of the Bankruptcy Act (Amended by Act No. 10 of 1990) makes provisions for all aspects of Bankruptcy.

The High Court exercises exclusive jurisdiction in matters related to bankruptcy.

### **Investment Disputes**

Grenada has engaged the International Center for Settlement of Investment Disputes (ICSID), and secured past rulings in its favor. However, US Embassy Grenada is currently unaware of any ongoing investment disputes in Grenada. There is generally no government interference in the court system. While occasionally such government interference has been alleged, it has not been proven to date.

### **International Arbitration**

In the event of disputes between foreign parties within an investment; or between foreign investors and Grenadian parties; or between Grenadian partners; or between the investors and the Government of Grenada (GOG) with respect to an enterprise; the disputants shall first seek to settle their differences through consultation or mediation to reach an amicable settlement. In the event that the disputants fail to resolve the matter, they may then: (a) submit their dispute to arbitration under the Arbitration Act No 2 of 1989; (b) invoke the jurisdiction of the courts of Grenada; (c) invoke the jurisdiction of the Caribbean Court of Justice; or (d) adopt such other procedures as provided for in the Articles of Association of the investment enterprise.

In addition to the above, Grenada has a Court Connected Mediation mechanism that can be accessed through the Mediation Centre. This Centre was established by the statutory provisions of the Practice Direction Act No.1 of 2003. It extends court connected mediation to all Member States of the Organization of Eastern Caribbean States (OECS). It makes provision for the referral to mediation of civil actions filed in the Court.

Through this system parties are able to utilize any form of dispute resolution including mediation, upon the consideration of the Court that this is an appropriate mechanism to be employed.

Court connected mediation cannot be used in family proceedings, insolvency (including winding up of companies), non-contentious probate proceedings, proceedings when the High Court is

acting as a prize court and any other proceeding in the Supreme Court instituted under any enactment, in so far as rules made under that enactment regulate those proceedings.

#### *ICSID Convention and New York Convention*

Grenada is a signatory and contracting member of the International Center for Settlement of Investment Disputes (ICSID) since May 1991, and has engaged this platform to resolve past disputes.

While the domestic laws of Grenada have adapted the provisions outlined in The New York Convention, the country has not ratified the convention to date.

#### **Duration of Dispute Resolution**

A common problem in Grenada's judicial system is lengthy and/or incomplete trials. Often the non-appearance of required witnesses or attorneys results in multiple continuances. It is exceedingly rare that a judge holds anyone in contempt for ignoring a summons and many trials are eventually dropped because of "no-shows."

### **5. Performance Requirements and Investment Incentives**

#### **WTO/TRIMS**

Grenada has been a member of the World Trade Organisation since February 1996 and is a party to various Agreements established under the organisation. In pursuit of WTO-compliance, the Government of Grenada has recently signed and is in the process of negotiating trade and investment agreements that contain provisions that are better aligned with the provisions of the WTO.

This represents a departure from preferential trade that Grenada previously benefited from, including the Cotonou Agreement, prior to the implementation of the CARIFORUM-EU EPA.

#### **Investment Incentives**

The legislation of Grenada provides a package of benefits and concessions for specific investment activities. As noted above, efforts are underway to standardize such incentives. Incentives available include tax waiver, import duty exemptions, repatriation of profits and withholding tax exemptions. Foreign investors have not been disadvantaged vis-a-vis local investors in the distribution of investment incentives.

Incentives that are trade-related are notified under Article 25 and Article 27 of the Agreement on Subsidies and Countervailing Measures. Concessions are available under the Income Tax Act, the Common External Tariff (SRO 42/09), the Property Transfer Act, the Petrol Tax Act and the Customer Service Charge Act.

Incentives include accelerated depreciation (10 percent on plant and machinery; 2 percent on industrial building); investment allowance (100 percent write-off on total investment); carry

forward of losses for 3 years, reductions in the property transfer tax, 100 percent relief from customs duties on plant, equipment & raw materials; and deductible expenditure incurred for training, research and development.

Certain incentives may be linked to the site of investment, the number of persons employed, or other factors. There has been no instance in which the Government of Grenada has had to review an approved investor for non-compliance with incentive requirements.

### *Research and Development*

Grenada does not have an established research and development sector. However a number of research and development activities are undertaken in conjunction with private entities, like St. George's University, through the Windward Islands Research and Education Foundation (WINDREF), as well as through other programs and projects. Research is typically conducted in the areas of Medicine, Veterinary Medicine, Public Health, etc. and the participation of U.S. entities in such efforts has been actively sought.

### **Performance Requirements**

Post is not aware of any performance requirements in Grenadian law.

Caricom investors are accorded Rights of Establishment, while non-national investors require alien landholding licenses to invest in property and work permits to gain employment.

Persons wishing to apply for a work permit must pay XCD 100 to acquire an application form from the Work Permit Division of the Ministry of Labor. Along with the completed application form, they must also submit four passport sized photos, a police certificate of character from their country, certificates of qualification, a letter of intention, character reference from a reputable person/former employer, copy of passport page indicating the last date of arrival to Grenada, business registration certificate, company stamp, NIS compliance certificate, and recent tax compliance and VAT receipt.

The approval process takes two to three weeks, longer if there are queries, and is valid for one year. US foreign investors and workers are required to pay XCD 3,000 per year for renewal. The cost varies based on the country.

There are no restrictions with regard to the number of permits that can be granted. For more information persons can visit the following website:

<http://www.grenadaworld.com/InvestorsGuide/PermitsLicenses/tabid/107/Default.aspx>

### **Data Storage**

There is no policy of "forced localization" of data storage at present, nor pressure on international ICT providers to provide source code or encryption keys. The Organization of Eastern Caribbean States and other stakeholders have begun to address matters relating to electronic regimes. Draft Model Laws were developed under the Harmonization of ICT Policies,

Legislation and Regulatory Procedures (HIPCAR) Project in this regard, but laws specific to data storage and protection have not yet made it to the national legislative agenda.

## **6. Right to Private Ownership and Establishment**

The Constitution and Investment Code Incentives Act protect personal property including investments and the property of investors. Grenada recognizes and enforces secured interests in moveable and real property.

## **7. Protection of Property Rights**

### **Real Property**

The legal system protects the acquisition and disposition of all property rights. The Alien Landholding Regulation Act No. 29 of 1968 (last amended in 2009) is the primary legislative instrument governing the right to private ownership of property and establishment by licensed aliens, including investors. Provisions are therefore made for investors to purchase or lease privately owned land and dispose of, or transfer their interests in the land under the Act. Investors may hold State lands by grant or lease from the State.

Grenada is ranked 128th in the World Bank's Doing Business Report for ease of registering property. As of 2011, the appointment of a registrar which focuses specifically on property has helped cut the time needed to transfer property by almost half.

### **Intellectual Property Rights**

The intellectual property rights of investors and investment enterprises, such as, but not limited to, patents, trademarks, brand names, and copyrighted materials in printed, recorded, or electronic format are guaranteed by the Patents Act (Cap 227 of the Consolidated Laws of Grenada) or the Trade Marks Act (Cap 284 of the Consolidated Laws of Grenada), or the Copyright Act Cap No 32 of 1988 (Cap 67 of the Consolidated Laws of Grenada). Grenada is a member of the World Intellectual Property Organization (WIPO), the Paris Convention, the Berne Convention and the Patent Cooperation Treaty.

Domestic legislation regarding intellectual property protection has not yet been amended to bring it in line with the Trade-Related Aspects of Intellectual Property Rights (TRIPs) Agreement.

Administration of intellectual property laws in Grenada is under the responsibility of the Ministry of Legal Affairs.

The registration of patents, trademarks and copyright is done at the Corporate and Intellectual Property Office. Grenada operates a re-registration system based on registration in the United Kingdom.

Grenada's system for registering patents is witnessing a change, through the implementation of the Patent Act No. 16 of 2011. Regulations however have not yet been developed and implemented. The Registration of the United Kingdom Patents Act, Cap. 283 govern this regime

at present. In accordance with the legislation, based on Section 91 of the U.K.'s Patents and Design Act of 1907, any patent holder in the United Kingdom may apply within three years from the date of issue of the patent to have it registered in Grenada.

Under the Registration of the United Kingdom Trade Marks Act, Cap 284, any person being registered as the proprietor of a trademark in the United Kingdom may apply at any time during the existence of the registration to have it registered in Grenada.

Draft Bills in relation to Industrial Design and Geographical Indications have been placed on the legislative Agenda. It is hoped that these primary and legislative instruments will soon enter into force.

#### *Resources for Rights Holders*

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/>.

#### Contact at Mission:

U.S. Embassy Grenada

Name: Racher Croney

Title: Economic/Commercial Assistant

Telephone Number: (202) 536-5354

Email address: CroneyRR@state.gov

#### Country/Economy:

American Chamber of Commerce for Barbados and the Eastern Caribbean

Dustin Delaney, President

AmCham BEC

The Bungalow

Savannah Drive

The Garrison

St. Michael

Barbados

T: 246-228-2271

F: 246-228-2264

E: [info@amchambec.com](mailto:info@amchambec.com)

## **8. Transparency of the Regulatory System**

The Government of Grenada recognizes the importance of transparency, and often conducts public consultation with NGOs, labor unions, churches and citizens on legislative measures of national import.

The Investment Act, though not in force, is administratively applied in an effort to promote transparency by authorizing key sectors for which the government may offer investment incentives, streamlining processes, standardizing treatment of investors, defining investment

rights, providing procedural guarantees and reducing the scope for political influence in business negotiation.

The Government also promotes investment by consulting with interested parties; simplifying and codifying legislation; using plain language drafting; developing registers of existing and proposed regulation; expanding the use of electronic dissemination of regulatory material; and by publishing and reviewing administrative decisions. While these steps help deliver clarity to investors, there are occasions where consultations are not broad enough to generate public awareness of particular proposals or where draft legislation does not receive a public hearing.

The Grenada Industrial Development Corporation works in close conjunction with the Ministry of Finance and Ministry of Trade and Economic Development in this regard.

Tax, labor, environment, health and safety, and other laws and policies do not distort nor impede investment, though the laws are not always applied in a consistent manner. In theory, bureaucratic procedures, including those for licenses and permits are sufficiently streamlined and transparent. In practice, local authorities recognize that the implementation of procedures is inconsistent.

Legal, regulatory and accounting systems are generally transparent and consistent with international norms. In addition, there are clear institutional arrangements established to support the implementation of transparent regimes governing investment.

## **9. Efficient Capital Markets and Portfolio Investment**

Grenada possesses robust legislative and policy frameworks that facilitate free flow of financial resources. Its currency, the Eastern Caribbean dollar, has a fixed exchange rate established by the regional Eastern Caribbean Central Bank. Foreign personnel of investment enterprises and their families may repatriate their earnings, after paying of Grenadian personal income tax and all other taxes due. The Government of Grenada encourages foreign investors to seek investment capital from financial institutions chartered outside Grenada due to the short supply of capital within the country. Foreign investors are more likely, however, to tap local financial markets for working capital.

The private sector has access to the limited number of credit instruments available. Grenadian stocks are traded on the Eastern Caribbean Securities Exchange (ECSE), whose limited liquidity may pose difficulties in conducting transactions.

### **Money and Banking System, Hostile Takeovers**

The Financial Industry in Grenada is co-regulated by two entities; the Eastern Caribbean Central Bank and the Grenada Authority for Regulation of the Financial Industry (GARFIN). The former possesses regulatory authority over the banking system, while the latter oversees non-banking financial institutions. GARFIN establishes a regulatory system for encouraging and facilitating portfolio investment. While the estimated total assets of the largest banks are in excess US 1.03 billion, information is not available on the percentage of the asset base deemed to be non-performing. Grenada has not experienced cross-shareholding or hostile takeovers.

This industry features the application of modern and innovative mechanisms to its daily operation and products offered to its customers. This modernity eases the burden of financial transactions and creates an attractive investment environment. It should be noted however that there are some insufficiencies especially in relation to the legal framework that hamper the development of the industry.

## **10. Competition from State-Owned Enterprises**

Grenadian state-owned enterprises are legislatively established by Acts of Parliament. These enterprises all have Boards of Directors appointed by the Government and answerable to particular ministries. Twenty five of 28 authorized SOEs are operational. They secure credit on commercial terms from commercial banks. SOEs submit annual reports to the Government Audit Department and are subject to audits shared with their parent ministries. SOEs manage transportation infrastructure (ports and airports), housing, education, hospitals, and cement production, investment promotion and small business development among other functions. Generally, where they compete with the private sector, they do so on the basis of equality.

### **OECD Guidelines on Corporate Governance of SOEs**

While Grenada, like its neighbors, acknowledges the guidelines of the Organization of Economic Corporation and Development, in the main, corporate governance of SOEs in Grenada is established and regulated by founding statutes. Local courts show no favoritism toward SOEs in adjudication of investment disputes.

### **Sovereign Wealth Funds**

Grenada does not have a Sovereign Wealth Fund.

## **11. Corporate Social Responsibility**

Corporate Social Responsibility is a concept that has been introduced to Corporate Grenada relatively recently. Since then, many businesses have slowly incorporated this principle into their corporate culture.

### **OECD Guidelines for Multinational Enterprises**

CSR initiatives are undertaken by the corporate community. These take the form of education programs, fitness, sporting and cultural activities and support for the less fortunate. The Government recognizes the importance of these contributions to society, and frequently participate in ceremonies to mark donations to such causes.

While firms that practice CSR are more favorably viewed by the community, there is little familiarity with international CSR standards and guidelines.

## 12. Political Violence

Grenada is a politically stable country, devoid of political antagonism that is manifested through violence.

## 13. Corruption

Grenada is party to the Inter-American Convention against Corruption. According to the World Bank's worldwide governance indicators government corruption is a problem. In 2012, the last year for which statistics are currently available, the Ombudsman's office, established in 2009, received 121 complaints, 37 of which were closed, forty remained ongoing, 25 resulted in advice or referrals, and the remaining were either discontinued or determined to be beyond the jurisdiction of the office.

Bribery is illegal in Grenada. Grenadian officials take allegations seriously. With regard to financial disclosure, the new anticorruption legislation, which is contained in the Integrity in Public Life Bill, 2013, requires all public servants to report their income and assets, beginning with members of the Integrity in Public Life Commission. The commission monitors and verifies disclosures, although disclosures are not made public except in the case of disclosure in court proceedings. According to the provisions of the bill, failure to file a disclosure should be noted in the Official Gazette. If the office holder in question fails to file in response to this notification, the commission can seek a court order to enforce compliance.

### *UN Anticorruption Convention, OECD Convention on Combatting Bribery*

Grenada is not party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Although the country has accepted and acknowledged the UN Convention against corruption it has not yet signed or ratified it.

### *Resources to Report Corruption*

Corruption allegations may be handled by a variety of institutions, including the Ombudsman, the Financial Intelligence Unit (FIU) of the Ministry of National Security, the Attorney General and the Department of the Public Prosecutor. The Financial Intelligence Unit housed within the Ministry of National Security investigated anonymous allegations of corruption against a previous Minister of Finance, concluding that they were based on forged documents.

Corruption was also alleged in the 2010 RMS trade complaint against Grenada made before, and rejected by, ICSID. Allegations of corruption were aired in the course of the 2008 and 2013 election campaigns. Grassroots organizations are vocal in serving as whistle-blowers for possible instances of corruption. However, the law has no provision for the protection of whistleblowers.

#### **14. Bilateral Investment Agreements**

Bilateral Investment Agreements established between Grenada and several countries are designed to encourage and protect international investments and to ensure that investors receive fair, equitable, and nondiscriminatory treatment.

Grenada is a member of CARICOM, established by the Treaty of Chagaramus in 1973 to promote economic integration and development among its 15 member states. The Revised Treaty of Chagaramus later established the Caricom Single Market and Economy (CSME), to provide for the free movement of goods, services capital and labor within member states.

Grenada is also a member of CARIFORUM (Caribbean Forum), and party to the Economic Partnership Agreement (EPA) between the European Community and Caricom Member States. This agreement serves to alleviate poverty, foster regional integration, promote economic cooperation, and propel CARIFORUM states' entry into the world economy by creating an attractive investment climate and ensuring trade viability on the world market.

Grenada is also a member of The Caribbean-Canada Trade Agreement (CARIBCAN) - an agreement between the Canadian Government and the Commonwealth Caribbean to promote trade, investment, and industrial cooperation.

Grenada is also a party to the Caribbean Basin Initiative (CBI) - an initiative created by the United States Government with the Caribbean and Central America to provide trade and tariff benefits, among others.

#### **Bilateral Taxation Treaties**

Grenada does not have a bilateral taxation treaty with the United States.

#### **15. OPIC and Other Investment Insurance Programs**

Grenada's accession to the Overseas Private Investment Corporation (OPIC) entered into force on June 27, 1968. A current OPIC project provided insurance in 1994 to a USD 7.5 million transaction between the Grenada Electricity Services Ltd (GRENLEC) and WRB Enterprises. Grenada is a member of the Multilateral Investment Guarantee Agency (MIGA).

#### **16. Labor**

Grenada has signed and ratified all of the International Labor Organization's core conventions and has enshrined these rights into its labor laws, including the Labor Relations Act No.1 of 1999 and the Employment Act No. 1 of 1999. Grenadian law upholds the right of workers to be represented by a trade union of their choice.

There are practically no restrictions on the activities of trade unions, save that they operate within the parameters of local law. The majority of the workforce is unionized and the labor relations atmosphere on the island is generally stable. The increase in prices of food and other basic items as a result of higher oil prices coupled with the global economic downturn and

increases in taxes will impact wage and salary negotiations, increasing the potential for industrial action.

In accordance with the Trade Union Recognition Act No 29 of 1979 (Cap 325 of the Consolidated Laws of Grenada), investors shall grant union representation at any site of employment if the majority of their employees indicate the desire for union representation and investment enterprises shall contribute to the social insurance and welfare programs for their workers in accordance with the National Insurance Act.

Grenada's Labor Force was approximately 55,336 persons at the end of 2013, with an unemployment rate of 33.5 percent. The minimum wage in Grenada varies based on the industry in question.

### **17. Foreign Trade Zones/Free Ports/Trade Facilitation**

There are no foreign trade zones or free ports in Grenada.

## 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: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
<b>Host Country Gross Domestic Product (GDP) (\$M USD)</b>	2013	848.5	2013	835.6	<a href="http://www.worldbank.org/en/country">www.worldbank.org/en/country</a>
<b>Foreign Direct Investment</b>	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
<b>U.S. FDI in partner country (\$M USD, stock positions)</b>	N/A	N/A	2013	7	BEA
<b>Host country's FDI in the United States (\$M USD, stock positions)</b>	N/A	N/A	2013	8	BEA
<b>Total inbound stock of FDI as % host GDP</b>	2013	7.5%	2013	8.9%	<a href="http://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD">http://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD</a>

\*Grenada Budget Report

*Table 3: Sources and Destination of FDI*

Data not available for Grenada

*Table 4: Sources of Portfolio Investment*

Data not available for Grenada

## **19. Contact for More Information**

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