



SAINT VINCENT AND THE GRENADINES
INVESTMENT CLIMATE STATEMENT
2015

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Executive Summary

Saint Vincent and the Grenadines remains an emerging market in the Eastern Caribbean with a Gross Domestic Product (GDP) of USD 619 million. Saint Vincent and the Grenadines is a member of the Organization of Eastern Caribbean States (OECS), the Eastern Caribbean Currency Union (ECCU) and the Eastern Caribbean Central Bank (ECCB). According to the ECCB, Saint Vincent and the Grenadines' economy is projected to grow by 1.7 percent in 2015. Saint Vincent and the Grenadines is still feeling the effects of the estimated USD 127 million of damage caused by torrential rain in December 2013. Saint Vincent and the Grenadines is continuing its economic diversification program through investment in niche markets, particularly tourism, international financial services, agro-processing, light manufacturing, creative industries and information and communication technology (ICT). The government continues to place high hopes on the long-awaited opening of the international airport to boost tourism arrivals in Saint Vincent, but business owners have expressed skepticism about its ability to provide immediate dividends. Saint Vincent and the Grenadines is currently ranked at 103rd in the World Bank's Doing Business report for 2015.

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 Saint 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.

Saint 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 Saint Vincent and the Grenadines. These rights also pertain to the acquisition and disposition of interests in private enterprises.

Saint 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

Attitude toward Foreign Direct Investment

The Government of Saint Vincent and the Grenadines, through Invest Saint Vincent and the Grenadines (Invest SVG), strongly encourages foreign direct investment in Saint Vincent and the

Grenadines, particularly in industries that create jobs and earn foreign currency. Saint 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. Saint Vincent and the Grenadines benefits from a low inflation rate and growing opportunities in the trade and export sectors.

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 (Flow formerly KaribCable). In November 2014, Cable and Wireless announced plans to acquire Columbus Communications. The USD 3.025 billion merger is seeking the necessary regulatory approvals through the Eastern Caribbean Telecommunications Regulatory Commission (ECTEL) before it can be finalized. Saint Vincent and the Grenadines is a member of ECTEL.

Other Investment Policy Reviews

In 2014, the Organization of the Eastern Caribbean States, of which Saint Vincent and the Grenadines is a member, conducted an investment policy review through the World Trade Organization. This report which speaks to the general investment climate in Saint Vincent and the Grenadines can be found: https://www.wto.org/english/tratop_e/tpr_e/s299-00_e.pdf.

Investors must go through a series of steps to obtain a business license and can contact Invest SVG for guidance and requirements.

Laws/Regulations of Foreign Direct Investment

All potential investors who desire an incentive package must submit their proposals for review to 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 Saint 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 that upholds the sanctity of contracts and prevents unwarranted discrimination towards foreign investors.

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. Local enterprises generally welcome joint ventures with foreign investors in order to access

technology, expertise, markets, and capital. Invest SVG has a website that is useful to navigate the laws, rules, procedures and registration requirements for foreign investors. This can be found at: [http:// www.investsvg.com](http://www.investsvg.com).

Industrial Promotion

Invest SVG is the investment promotion arm of the government. It has identified key industries such as tourism, international finance services and ICTs to attract investment into the country.

Limits on Foreign Control

There are no limits on foreign control in Saint Vincent and the Grenadines. There are no requirements for local involvement or ownership in locally-registered companies.

Privatization Program

Saint Vincent and the Grenadines has not targeted specific areas for privatization or embarked on an active privatization program.

Screening of FDI

Through the Government of Saint Vincent and the Grenadines, Invest SVG has the authority to screen, and review foreign direct investments. The review process is transparent and is contingent on the size of capital investment and the economic impact that it will have on the country.

Competition Law

Chapter 8 of the Revised Treaty of Chaguaramas provides the competition policy applicable to Caribbean Community (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 Caribbean 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 Saint Vincent and the Grenadines. The 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.

Investment Trends

The Government of Saint Vincent and the Grenadines remains committed to its economic diversification program particularly to attracting foreign direct investments in identified critical niche areas. Saint Vincent and the Grenadines ranked at 103rd in the World Bank's Ease of

Doing Business report. The Government is seeking to address some of the concerns as outlined in the report.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	67 of 175	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	103 of 189	doingbusiness.org/rankings
Global Innovation Index	2014	N/A	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	USD 6,460	data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

Foreign Exchange

Saint Vincent and the Grenadines is a member of the ECCU and the ECCB. The currency of exchange is the Eastern Caribbean dollar (XCD). As a member of the Organization of Eastern Caribbean States, Saint Vincent and the Grenadines has a foreign exchange system that is fully liberalized. The Eastern Caribbean Dollar has been pegged to the United States dollar at a rate of XCD 2.70: USD 1.00. As a result, the Eastern Caribbean Dollar does not fluctuate; creating stable currency environment for trade and investment in Saint Vincent and the Grenadines.

Remittance Policies

Companies registered in the Saint 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 International Business Companies operating in Saint Vincent and the Grenadines. International Business Companies are also exempt from competitive tax for 25 years. Only banks can do currency conversion. Saint Vincent and the Grenadines is a member of the Caribbean Financial Action Task Force (CFATF).

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 United States Embassy Bridgetown is not aware of any outstanding expropriation claims or nationalization of foreign enterprises in St. Vincent and the Grenadines.

4. Dispute Settlement

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

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 OECS members. Final appeal is to the Judicial Committee of the Privy Council.

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.

Bankruptcy

Saint Vincent and the Grenadines has a bankruptcy framework which allows for certain actions by both the debtor and the creditor. The World Bank's Doing Business Report addressed some limitations in resolving insolvency in Saint Vincent and the Grenadines. Saint Vincent and the Grenadines is ranked at 189th out of 189 countries in this particular area.

Investment Disputes

U.S. Embassy Bridgetown is not aware of any current investment disputes in Saint Vincent and the Grenadines.

International Arbitration

The Eastern Caribbean Supreme Court is the domestic arbitration body within Saint Vincent and the Grenadines and the local courts do recognize and enforce foreign arbitral awards. 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 arbitration panel may permit interested persons to be represented by legal counsel. These bodies may conduct proceedings in public or private.

ICSID Convention and New York Convention

Saint Vincent and the Grenadines is a member of the International Center for Settlement of Investment Disputes and the Convention on the Recognition and Enforcement of Foreign Arbitral Awards; also known as the New York Arbitration Convention.

Duration of Dispute Resolution

According to the Doing Business Report 2015, dispute resolution generally took 394 days. However, this may vary. The slow court system and bureaucracy are widely seen as main hindrances to timely resolutions to commercial disputes. Also in the Doing Business Report, Saint Vincent and the Grenadines was ranked 101 of 189 in resolving contracts.

5. Performance Requirements and Investment Incentives

WTO/TRIMSAs a member of the World Trade Organization, Saint Vincent and the Grenadines is also party to the Agreement on Trade Related Investment Measures. While there are no formal performance requirements, government officials strongly encourage investments they believe will create jobs and increase exports and foreign exchange earnings. In an effort to increase investment in the country, the Government of Saint Vincent and the Grenadines has implemented a series of investment incentives which have been codified in the Fiscal Incentives Act. These include tax holidays, import duty exemption, duty free concessions on the purchase of machinery and equipment and various tax exemptions. 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. While there is no requirement that enterprises must purchase a fixed percentage of goods from local sources, government encourages local sourcing.

Investment Incentives

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.

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 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.

Tax holidays are also given as an investment incentive. Group I enterprises (50 percent or more local value added) have a 15 year tax holiday period, Group II enterprises (25-49 percent local value added) enjoy 12 years, Group III enterprises (10-24 percent 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 percent is deductible for expenditures incurred on the construction or purchase of any building used solely for carrying on business. An annual allowance of 4 percent 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 percent is deductible for expenditure incurred in purchasing plant and machinery. An annual allowance ranging from 15-50 percent of the written down value of plant and machinery is deductible. Saint Vincent and the Grenadines does not have export duties.

Regarding taxation, Saint Vincent and the Grenadines has entered into double taxation treaties with Canada, United States, UK, Denmark, Norway, Sweden, Switzerland and the nations of CARICOM.

The corporate tax rate ranges from 15 percent - 32.5 percent, 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 of Inland Revenue have access to reduced tax rates ranging from 15 percent to 30 percent.

Offshore businesses are also subject to VAT (15 percent) on taxable imports at the time when goods are imported for home use, or in any other case, when the goods are brought into Saint Vincent and the Grenadines.

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

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 Saint 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.

Research and Development

Saint Vincent and the Grenadines does not currently have a government financed or subsidized research and development program.

Performance Requirements

The Employment of Foreign Nationals and Commonwealth Citizens Act requires foreign nationals or Commonwealth citizens to obtain a valid work permit in order to be employed in Saint 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 the conditions under which the permit is granted.

Data Storage

There are no requirements for foreign IT providers to turn over source code and/or provide access to surveillance (backdoors into hardware and software turn over keys for encryption, etc.).

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 Saint Vincent and the Grenadines. These rights also pertain to the acquisition and disposition of interests in private enterprises.

Non-nationals must obtain a license to acquire more than 50 percent of a company. Companies holding at least five acres of land may restrict or prohibit the issue or transfer of its shares or debentures to non-nationals.

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

Real Property

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.

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. If approved, the license must be filed at the Registry of the High Court. All applicable registration fees and stamp duties must be paid to the Registry. Saint Vincent and the Grenadines is currently ranked 155th in the area of registering property.

Intellectual Property Rights

Saint Vincent and the Grenadines has a legislative framework regarding their commitment to the protection of intellectual property rights. While these legal structures governing intellectual property could be considered as strong, enforcement has been viewed as generally weak. The administration of intellectual property laws in Saint Vincent and the Grenadines are under the responsibility of the Attorney General. The registration of patents, trademarks, and service marks is administered by the Companies and Intellectual Property Office.

The St. Vincent and the Grenadines Government is a signatory to the Paris Convention on Intellectual Property Rights (IPR), the Berne Convention and is a member of the United Nations World Intellectual Property Organization (WIPO).

Article 66 of the Revised Treaty of Chaguaramas (2001) establishing the Caribbean Single Market and Economy commits all fifteen (15) members to implement stronger Intellectual Property protection and enforcement. The Economic Partnership Agreement (EPA) which was signed between the CARIFORUM States and the European Community in 2008 contains the most detailed obligations in respect of intellectual property in any trade agreement to which Saint Vincent and the Grenadines is a party. The EPA gives recognition to the protection and enforcement of intellectual property. Article 139 of the EPA requires parties to "ensure an adequate and effective implementation of the international treaties dealing with intellectual property to which they are parties and of the Agreement on Trade Related Aspects of Intellectual

Property (TRIPS).” 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/>.

The Comptroller of Customs can seize counterfeit goods however it is a matter of the courts to make the determination on the destruction of the goods. Seized items are usually handed over to the police to be used as evidence during any court matters. Saint Vincent and the Grenadines is in the process of reviewing the existing laws in relation to the importation of counterfeit goods into the country.

Resources for Rights Holders

Contact at Mission:

U.S. Embassy Barbados, the Eastern Caribbean and the Organization of Eastern Caribbean States (OECS)

Name: Michael Carver

Title: Economic/Commercial Officer

Telephone: (246) 227-4274

Email address: Carver MJ@state.gov

Country/Economy Resources

American Chamber of Commerce for Barbados and the Eastern Caribbean

Name: Dustin Delany

Title: Chairman

Telephone: (246) 228-2260

Email: dd@amchambec.com

Local attorneys list: http://barbados.usembassy.gov/svg_attorneys.html

8. Transparency of the Regulatory System

Saint 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.

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.

9. Efficient Capital Markets and Portfolio Investment

As a member of the OECS and the ECCU, the Eastern Caribbean Central Bank (ECCB) has oversight of Saint Vincent and the Grenadines. The ECCB controls the currencies of several island states including Saint Vincent and the Grenadines.

Saint 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.

Money and Banking System, Hostile Takeovers

According to the most recent data available from the government, assets of commercial banks totaled USD 790.3 million in December 2014 and remained relatively consistent throughout the year. The reserve requirement for commercial banks was 6 percent of deposit liabilities.

10. Competition from State-Owned Enterprises

Statutory corporations or state owned enterprises (SOEs) in Saint 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.

OECD Guidelines on Corporate Governance of SOEs

While Saint Vincent and the Grenadines recognizes the Organization of Economic Cooperation and Development (OECD) guidelines, SOEs in Saint Vincent and the Grenadines are not found in the key areas earmarked for investment.

Sovereign Wealth Funds

As a member of the OECS, St. Vincent is a member of the Eastern Caribbean Securities Exchange and the Regional Government Securities Market. The ECSE is a regional securities market established by the Eastern Caribbean Central Bank and licensed under the Securities Act of 2001, a uniform regional body of legislation governing securities market activities to facilitate the buying and selling of financial products for the eight member territories. The number of equities listed is 13 while the number of debt securities listed is 90. Market capitalization stood at USD 4.3 billion. Saint Vincent and the Grenadines is a member of this stock exchange, and is open to portfolio investment.

11. Corporate Social Responsibility

In Saint 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.

OECD Guidelines for Multinational Enterprises

The government at times partners with non-governmental organizations (NGO) in activities. The government encourages philanthropy.

12. Political Violence

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

13. Corruption

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

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Saint Vincent and the Grenadines is not a signatory to the UN Anti-Corruption Convention.

Resources to Report Corruption

Information not available.

14. Bilateral Investment Agreements

Saint Vincent and the Grenadines has no bilateral investment treaty with the United States. The Republic of Germany and Saint 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. It is also party to the following:

Caribbean Community (CARICOM)

The Treaty of Chaguaramas established CARICOM in 1973. Its purpose is to promote economic integration among its fifteen (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 Saint Vincent and the Grenadines to be the recipient of several benefits by being party to bi-lateral trade agreements with Venezuela, Dominican Republic, Colombia, Costa Rica and Cuba.

Organization of Eastern Caribbean States

The Revised Treaty of Basseterre establishes the Organization of Eastern Caribbean States. The OECS consists of seven full Member States of Antigua and Barbuda, Dominica, Grenada, Montserrat, Saint Kitts & Nevis, Saint Lucia and Saint Vincent & the Grenadine, and the three associate members of Anguilla, Martinique and the British Virgin Islands. Martinique joined as an associate member in February 2015. 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 in 2008. The EPA replaced 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, 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.

Bilateral Taxation Treaties

Saint Vincent and the Grenadines does not have a bilateral taxation treaty with the United States.

15. OPIC and Other Investment Insurance Programs

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 63, 500 or 58 percent (est.) of the population. The law, including related regulations and statutory instruments, provides for the rights of workers to form and join unions of their choice, bargain collectively, and conduct legal strikes. The law prohibits anti-union discrimination and dismissal for engaging in union activities.

The law provides for establishment of an arbitration tribunal and a board of inquiry in connection with trade disputes and allows provision for the settlement of such disputes. Authorities formed arbitration panels on an ad hoc basis when labor disputes occurred. Labor unions and businesses were generally satisfied with the working of the arbitration panels, which have tripartite representation

The Wages Council Act establishes, through the Wages Council, minimum wages, hours of work, 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 on Sundays and public holidays.

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. 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. The law also 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 Saint 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. The Factories Act provides general health and safety guidance to Labor Ministry inspectors. Currently, a new Occupational Safety and Health Bill is under review by the Attorney General's Office. The Labor

Commissioner settles disputes between employer and employees 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/Trade Facilitation

There are no foreign trade zones or free trade zones in Saint 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

Economic Data	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2013	532.4	2013	709.3	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 (\$M USD, stock positions)	N/A	N/A	2013	1	http://bea.gov/international/factsheet/factsheet.cfm?Area=271
Host country's FDI in the United States (\$M USD, stock positions)	N/A	N/A	2013	<1	http://bea.gov/international/factsheet/factsheet.cfm?Area=271
Total inbound stock of FDI as % host GDP	N/A	N/A	N/A	N/A	

*Eastern Caribbean Central Bank Statistics www.eccb-centralbank.org/Statistics

Table 3: Sources and Destination of FDI

Information not available.

Table 4: Sources of Portfolio Investment

Information not available.

19. Contact for More Information

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