



ANTIGUA AND BARBUDA
INVESTMENT CLIMATE STATEMENT
2015

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Executive Summary

Antigua and Barbuda is one of the more developed countries in the Eastern Caribbean with a Gross Domestic Product (GDP) of USD 1.03 billion (2013). Antigua and Barbuda is a member of the Organization of Eastern Caribbean States (OECS) and the Eastern Caribbean Currency Union (ECCU). According to the Eastern Caribbean Central Bank (ECCB), Antigua and Barbuda's economy is expected to grow by 4.18 percent in 2015. Since successfully completing a three year Standby Agreement with the International Monetary Fund in 2013, Antigua and Barbuda's economy remains buoyant due to falling oil prices and the increase of tourist arrivals. However, some fiscal challenges remain particularly in the area of debt servicing. The current government is committed to create an enhanced business climate to attract more foreign investment to the country. Antigua and Barbuda is currently ranked 89 out of 189 countries in the World Bank's Ease of Doing Business report 2015, representing a fall of six places when compared to its 2014 ranking.

The government is pursuing investment in niche markets, particularly tourism, international financial services, offshore education, agro-processing, light manufacturing, real estate, construction, and information and communication technology (ICT). These sectors present the more immediate opportunities for U.S. investment in Antigua and Barbuda.

The United States and Antigua and Barbuda 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 United States and Antigua and Barbuda brought a case before the WTO, and the WTO ruled in favor of Antigua and Barbuda.

Antigua and Barbuda has initiated a Citizenship by Investment program as the current government seeks new revenue and investment streams.

Antigua and Barbuda bases its legal system on the British common law system. There is an ongoing dispute regarding expropriation of an American-owned property. A 2014 Privy Council ruling has settled the amount that the Government is obliged to pay the property owners. However, no payments have been distributed to date.

Antigua and Barbuda has bilateral investment treaties with Germany and the United Kingdom. Antigua and Barbuda has also signed free trade agreements with Costa Rica and the Dominican Republic but the agreements have not entered into force. Antigua and Barbuda has double taxation agreements with Denmark, Norway, Sweden, and the United Kingdom.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

The Government of Antigua and Barbuda strongly encourages foreign direct investment, particularly in industries that create jobs and earn foreign currency. Antigua and Barbuda is one of the more prosperous states in the Eastern Caribbean. The government is pursuing investment

in niche markets, particularly tourism, international financial services, offshore education, agro-processing, light manufacturing, real estate, construction and ICT.

Through the Antigua and Barbuda Investment Authority, the Government of Antigua and Barbuda has a number of incentive programs in place to attract foreign investment. Currently, these packages are based on the size of capital investment and the economic impact that it will have on the country. Tourism, real estate & construction, agro-processing, ICT and international financial services are the largest sectors in the Antigua and Barbuda economy.

Other Investment Policy Reviews

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

Laws/Regulations of Foreign Direct Investment

All potential investors applying for government incentives must submit their proposals for review by the Antigua and Barbuda Investment Authority (ABIA) 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. The ABIA foreign direct investment policy is to attract foreign direct investment into priority sectors, and advise the government on the formation and implementation of policies and programs to attract investment within Antigua and Barbuda. The main laws concerning foreign investment include the Investment Authority Act (2006), the Fiscal Incentive Acts, The Tourism and Business Special Incentives Act (2014) and the Free Trade Zone Act.

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 fairly efficient and unbiased in commercial matters. The government operates in a generally transparent manner.

Deregulation in the telecommunications industry has facilitated access to the market of new competitors, whereas historically the industry was monopolized. There are currently three service providers: Cable and Wireless (Lime), Digicel, and the Antigua Public Utilities Authority (APUA).

The ABIA has a website that is useful to navigate the laws, rules, procedures and registration requirements for foreign investors. This can be found at <http://investantiguabarbuda.org>.

Industrial Promotion

ABIA is the investment promotion arm of the government with identified key industries to attract investment into the country.

Limits on Foreign Control

There are no limits on foreign control in Antigua and Barbuda.

Privatization Program

Antigua and Barbuda currently does not have a targeted program of privatization.

Screening of FDI

Through the Government of Antigua and Barbuda, the ABIA has the authority to screen, review and approve 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.

To attain small business status as a foreign investor, the applicant must submit:

- Completed application form for Approved Small Business Status (available at ABIA)
- Business Registration Certificate
- Proof of citizenship
- Business Plan that includes: Projected or existing capital investment within the threshold outlined in the Small Business Development Act; Projected or existing number of employees within the threshold outlined in the Small Business Development Act; Projected or existing level of export within the threshold outlined in the Small Business Development Act; Outline of production process within the threshold outlined in the Small Business Development Act;
- Financial statements: Businesses less than one year old should provide three years' financial projections. Businesses one year and older should provide financials for the most recent financial year and three years' financial projections.

Citizenship through Investment

Under the Citizenship by Investment Program, foreign individuals can obtain citizenship in accordance with the Citizenship by Investment Act 2013, which grants the right of citizenship (without voting rights) by investment. Applicants through the program are required to go through a due diligence process before citizenship can be granted. The minimum that would entitle an investor to qualify is a USD 250,000 contribution to the National Development Fund for a family application of four persons or a real estate purchase valued at USD 400,000 or above. Applicants must also provide a full medical certificate, a police certificate and evidence of the source of funds. Further information is available at: <http://www.cip.gov.ag/>.

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 has been 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 Antigua and Barbuda. 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

Antigua and Barbuda's economy remains buoyant with a firm commitment to attracting foreign direct investments in critical niche areas. The country comes in at first place in the Eastern Caribbean according to the World Bank's ease of Doing Business Report for 2015 (89th in the total rankings). However, there are some concerns regarding the process of starting a business and resolving insolvency.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	Not ranked	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	89 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 13,050	data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

Foreign Exchange

Antigua and Barbuda is a member of the ECCU and the ECCB. The currency of exchange is the Eastern Caribbean dollar (XCD). As a member of the OECS, Antigua and Barbuda has a foreign exchange system that is fully liberalized. The XCD 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 a stable currency environment for trade and investment in Antigua and Barbuda.

Remittance Policies

Companies registered in Antigua and Barbuda have the right to repatriate all capital, royalties, dividends and profits free of all taxes or any other charges on foreign exchange transactions. Withholding taxes are also levied on non-resident corporations and individuals where they are receiving income in the form of dividends, preferred share dividends, interest and rentals, management fees, and royalties, as well as on interest on bank deposits to non-resident

corporations. One must be on the island for 180 days to be considered a resident. Antigua and Barbuda is a member of the Caribbean Financial Action Task Force (CFATF) and according to the 2015 International Narcotics Control Strategy Report (INCSR); Antigua and Barbuda is categorized as a jurisdiction of primary concern.

3. Expropriation and Compensation

According to the Investment Authority Act of 2006, investments in Antigua and Barbuda will not be nationalized, expropriated or subject to indirect measures having an equivalent effect, except where any such measures are adopted for the public good and in accordance with due process of law, on a non-discriminatory basis and accompanied by prompt, adequate and effective compensation. Compensation in such cases will amount to the fair market value of the expropriated investment immediately before the expropriation or the impending expropriation became public knowledge, whichever is earlier. It shall include interest from the date of dispossession of the expropriated property until the date of payment. Compensation is required to be paid without delay, in convertible currency, and be effectively realizable and freely transferable.

There is an ongoing dispute regarding expropriation of an American-owned property. A 2014 Privy Council ruling has settled the amount that the Government is obliged to pay the property owners. However, no payments have been distributed to date. For this reason, the U.S. Embassy in Bridgetown recommends caution when investing in real estate in Antigua and Barbuda.

4. Dispute Settlement

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

Antigua and Barbuda bases its legal system on the British common law system. The Attorney General, the Chief Justice, Puisne Judges, and Magistrates administer justice in the country. An appeal may be taken to the Eastern Caribbean Supreme Court's Court of Appeal, and the final court of appeal for Antigua and Barbuda is the Judicial Committee of the Privy Council in the United Kingdom.

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. Antigua and Barbuda is subject to the original jurisdiction of the CCJ.

The United States and Antigua and Barbuda 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 United States and Antigua and Barbuda brought a case before the WTO. The WTO ruled in favor of Antigua and Barbuda.

Bankruptcy

Antigua and Barbuda 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 Antigua and Barbuda. Antigua and Barbuda is ranked at 114th based of the particular area.

Investment Disputes

U.S. Embassy Bridgetown is not aware of any current investment disputes in Antigua and Barbuda.

International Arbitration

The Eastern Caribbean Supreme Court is the domestic arbitration body within Antigua and Barbuda and the local courts do recognize and enforce foreign arbitral awards. The Arbitration Act (1975) provides general and specific provisions on arbitration rules and procedures in Antigua and Barbuda.

ICSID Convention and New York Convention

Antigua and Barbuda is not a member of the International Center for Settlement of Investment Disputes, however it is a member of 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 351 days however this may vary. The slow court system and bureaucracy are widely seen as main hindrances to timely resolutions to commercial disputes. Antigua and Barbuda is ranked at number 76 in resolving contracts.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

While there are no formal performance requirements, government encourages investments that will create jobs, increase exports and foreign exchange earnings. There are no requirements for participation either by nationals or by the Government in foreign investment projects. There is no requirement that enterprises must purchase a fixed percentage of goods from local sources, but the government encourages local sourcing. Foreign investors receive national treatment.

Investment Incentives

Antigua and Barbuda has many incentives for investors. These are legally codified in the Investment Authority Act 2006. The list of incentives include exemption from or reduction of payment of duty on the importation or purchase of raw materials, building materials, furniture, fixtures, fittings, appliances, machinery, plant and equipment for use in the construction and

operation of the business; exemption from or reduction of duty on the importation or purchase of vehicles for use in the operation of the business and reduction of property tax under the Property Tax Act (2000) of up to 10 percent in respect of land and buildings used in the operation of the business and tax holidays. The definition of local value added is the amount realized from the sales of the product over a continuous 12 months with the exception of a number of items which include but are not limited to, wages and salaries paid to foreign nationals, profits and dividends distributed to foreign nationals, interest, management charges and other income payments to non-residents. Corporation taxes are levied at the rate of 25 percent.

Research and Development

Antigua and Barbuda does not currently have a government financed or subsidized research and development program.

Performance Requirements

The Government of Antigua and Barbuda does not mandate local employment. The provisions of the Labor Code outline the requirements for acquiring a work permit and prohibit anyone who is not a citizen of Antigua and Barbuda (and the OECS) to engage in employment unless they have obtained a work permit. There is a practice, where work permits are granted to senior management because no qualified nationals are available for the post, to recommend from among citizens of the country, a counterparty trainee. There are no excessively onerous visa, residency or work permit requirements.

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

Foreign investors may hold up to 100 percent of an investment; transfers of titles require 26 days from start to finish. In June 1995, the government introduced permanent residency guidelines to encourage a limited number of high net worth individuals to establish tax residency in Antigua and Barbuda. As residents, all their income would be free of local tax.

To obtain a permanent residence certificate an applicant must: maintain a permanent residence in Antigua and Barbuda; obtain an alien landholding license costing five percent of the property value; pay a purchaser's stamp duty of 2.5 percent; pay an annual levy of USD 20,000 per year; and reside in Antigua and Barbuda for not less than 30 days a year.

7. Protection of Property Rights

Real Property

The government of Antigua and Barbuda owns 55 percent of the land in Antigua. The remaining 45 percent is privately owned. Currently, land ownership is prohibited on the island of Barbuda.

The Lands Division in the Ministry of Agriculture, Lands and Fisheries is the custodian of Crown lands on behalf of the Government.

Both citizens and non-citizens can lease or buy land from the government or the private sector. Land sold to non-citizens is subject to the Non-Citizen Land Holding Regulation Act that makes provisions for the buyer to obtain a license to purchase land. It is advised that the buyer consults with a local attorney. Antigua and Barbuda is currently ranked 141st in the World Bank's Doing Business Report for ease of registering property.

The Town and Country Planning Office of the Development Control Authority (DCA) designates land usage areas, including for commercial, agricultural, industrial, or tourism use. The Government's Free Trade and Processing Zone manages lands and facilities which are geared towards attracting foreign direct investment in export sectors.

Intellectual Property Rights

Antigua and Barbuda has a wide 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.

Antigua and Barbuda is signatory to the Paris Convention for the Protection of Industrial Property (1883) [17 March 2003]; the Patent Cooperation Treaty (PCT) (1970) [17 March 2003]; the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (1989) [17 March 2003]; and the Berne Convention for the Protection of Literary and Artistic Works (1886) [17 March 2003]. Antigua and Barbuda is also 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 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 Antigua and Barbuda 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)."

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. Antigua and Barbuda is in the process of reviewing the existing laws in relation to the importation of counterfeit goods into the country.

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/>.

Resources for Rights Holders

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

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

8. Transparency of the Regulatory System

Antigua and Barbuda 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 laws, regulations, administrative practices and procedures of general application, and judicial decisions that affect or pertain to investments or investors in Antigua and Barbuda are published. Where the government establishes policies that affect or pertain to investments or investors which are not expressed in laws and regulations or by other means, the government will make them publicly available.

The ABIA has the main responsibility for investment monitoring, whereas the Ministry of Finance and Economy monitors investments to collect information for national statistics and reporting purposes.

Antigua and Barbuda's international financial services sector began with the enactment of the International Business Corporations (IBC) Act CAP 222 in 1982. Initially, the IBC Act was administered by the Ministry of Finance. By 1990, the country's financial services industry had grown significantly and the government, encouraged by this growth, sought to position the country as a premier international financial center. The Financial Services Regulatory Commission has oversight over the sector. Part of the repositioning strategy was the enactment of anti-money laundering legislation enshrined in the Money Laundering Prevention Act 1996. Antigua and Barbuda's Financial Services industry is generally regarded as transparent.

The Antigua and Barbuda Bureau of Standards is a statutory body established under the Standards Act of 1987 to prepare and promulgate standards in relation to goods, services, processes and practices. The Bureau is currently preparing standards which are relevant to the

economy of Antigua and Barbuda. In so doing, it will provide a broad base of technical, advisory and monitoring services for retailers, manufactures and service providers.

9. Efficient Capital Markets and Portfolio Investment

Antigua and Barbuda is a member of the OECS, and as such, it is also a member of the Eastern Caribbean Securities Exchange (ECSE). 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. Antigua and Barbuda is a member of this stock exchange, and is open to portfolio investment.

Money and Banking System, Hostile Takeovers

The Eastern Caribbean Central Bank (ECCB) controls the currencies of several island states including Antigua and Barbuda. The ECCB regulates domestic banks in Antigua and Barbuda. According to the most recent data available from the government, assets of commercial banks totaled USD 2.03 billion 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

The state-owned enterprises in Antigua and Barbuda include the Social Security and the Medical Benefits Schemes. These companies do not generally pose a threat to investors, as they are not designed for competition. They collect special payroll taxes to provide short and long-term benefits such as healthcare and pension benefits. The Antigua Public Utilities and State Insurance Corporation, however, openly compete in sectors where the government encourages investment.

OECD Guidelines on Corporate Governance of SOEs

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

Sovereign Wealth Funds

As a member of the OECS, Antigua and Barbuda is a member of the Eastern Caribbean Securities Exchange (ECSE) and the Regional Government Securities Market. The ECSE is a regional securities market established by the ECCB and it facilitates the buying and selling of financial products for the eight member territories.

11. Corporate Social Responsibility

In Antigua and Barbuda, 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.

OECD Guidelines for Multinational Enterprises

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

12. Political Violence

Antigua and Barbuda does not have a history of political violence.

13. Corruption

Allegations of corruption against government officials in Antigua and Barbuda are fairly common; however, none of the investigations of these allegations has resulted in confirmed findings. Antigua and Barbuda passed three sets of legislation related to corruption in the last ten years. This legislation was designed to reduce corruption and encourage good governance, as well as provide for criminal penalties for official corruption. In October 2014, the Government of Antigua and Barbuda announced plans to set up an anti-corruption unit to ensure the government improves compliance on anti-corruption strategies. The unit is headed by a local attorney and comes under the aegis of the Ministry of Legal Affairs.

The Integrity in Public Life Act requires public officials to disclose all income, assets (including those of spouses and children), and personal gifts while in public office. The law established an Integrity Commission, appointed by the governor general, to receive and investigate complaints regarding noncompliance with or contravention of any provisions of this law or the Prevention of Corruption Act. The Freedom of Information Act gives citizens the statutory right to access official documents from public authorities and agencies, and it created a commissioner to oversee the process. In practice citizens have found it difficult to obtain documents, possibly due to government funding constraints rather than obstruction.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Antigua and Barbuda is party to the Inter-American Convention against Corruption. In 2006, it acceded to the United Nations Anti-Corruption Convention.

Resources to Report Corruption

Information not available.

14. Bilateral Investment Agreements

Antigua and Barbuda has bilateral investment treaties with Germany and the United Kingdom. It does not have a bilateral investment treaty with the United States. Antigua and Barbuda has also

signed free trade agreements with Costa Rica and the Dominican Republic but the agreements have not entered into force. Antigua and Barbuda has double taxation agreements with Denmark, Norway, Sweden, and the United Kingdom. Antigua and Barbuda 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 Antigua and Barbuda 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.

Organization of Eastern Caribbean States (OECS)

The Treaty of Basseterre establishes the Organization of Eastern Caribbean States (OECS). The OECS consists of seven full Member States: Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts & Nevis, St. Lucia and St. Vincent & the Grenadines, and three associate members: 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 Antigua and Barbuda 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

Antigua and Barbuda 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

Antigua and Barbuda has a labor force of about 35,000 persons with a literacy rate of approximately 90 percent. The law stipulates a minimum working age of 16 years, which corresponds with the provisions of the Education Act. In addition persons under 18 years of age must have a medical clearance to work and may not work later than 10 p.m. The Ministry of Labor, which is required by law to conduct periodic inspections of workplaces, effectively enforces this law. The labor commissioner's office also has an inspectorate that investigates exploitive child labor matters.

Workers have the right to associate freely and to form labor unions. Approximately 60 percent of workers in the formal sector belong to a union. Unions are free to conduct their activities without government interference. Labor unions form an important part of the base of both political parties. The law provides for the right of public and private sector workers to organize and bargain collectively without interference.

The labor code provides for the right to strike, but the Industrial Relations Court may limit this right in a given dispute. Workers who provide essential services (including bus, telephone, port, petroleum, health, and safety workers) must give 21 days' notice of intent to strike. Once either party to a dispute requests that the court mediate, strikes are prohibited under penalty of imprisonment. Because of the delays associated with this process, unions often resolve labor disputes before a strike is called. In addition an injunction may be issued against a legal strike when the national interest is threatened or affected. Labor law prohibits retaliation against strikers, and the government effectively enforces those laws. The labor code provides that the minister of labor may issue orders, which have the force of law, to establish a minimum wage. Tripartite consultations were held when the minimum wage was set. The minimum wage was USD 3.04 per hour for all categories of labor, which provided a barely adequate standard of living for a worker and family. In practice the great majority of workers earned substantially more than the minimum wage.

The law provides that workers are not required to work more than a 48-hour, six-day work week, but in practice the standard work week was 40 hours in five days. Laws provide for overtime

work in excess of the standard work week; excessive or compulsory overtime is not specifically prohibited.

Investors in Antigua and Barbuda are required to maintain workers' rights and safeguard the environment. While there are no specific health and safety regulations, the Labor Code provides general health and safety guidance to Labor Ministry inspectors. The Labor Commission settles disputes over labor abuses, health, and 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

The Antigua and Barbuda Free Trade and Processing Zone was established by an Act of Parliament in 1994 and is based on the legal foundation enacted twelve years earlier which set guidelines for the establishment of International Business Corporations in Antigua and Barbuda. The Free Zone is administered by a Commission, empowered by the Free Trade and Processing Zone Act No. 12 of 1994, to function as a private enterprise.

The Free Trade and Processing Zone is part of an initiative undertaken by the Government of Antigua and Barbuda to diversify the economy of the State. The organization is mandated to attract investment in the areas deemed to be of priority by the Government for the economic development of Antigua and Barbuda.

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	1,003	2013	1,200	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	2	
Host country's FDI in the United States (\$M USD, stock positions)	N/A	N/A	2013	4	http://bea.gov/international/factsheet/factsheet.cfm?Area=273
Total inbound stock of FDI as % host GDP	N/A	N/A	N/A	N/A	

*Eastern Caribbean Central Bank Statistics: <http://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

Contact Point at Post for Public Inquiries

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