



CIPRIANI COLLEGE
OF LABOUR AND CO-OPERATIVE STUDIES

**IS THE REGION READY TO CONSIDER THE
ESTABLISHMENT OF PETROCARICOM?**

WORK MATTERS

FEBRUARY 2026

COLUMN

Is the region ready to consider the establishment of PetroCaricom?

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For member states of the Caribbean Community (CARICOM), the issue of energy security has featured frequently in the regional discourse, with only minimal identifiable outcomes. Member states have, over the years, discussed policy frameworks which aim to develop secure, reliable and affordable energy supplies and in the medium and long term, enhancing energy security through renewable energy integration. Regrettably, calls for bold, forward-thinking approaches to energy security in the region through strengthened partnerships, advocated by the Caricom Secretariat itself, have not resonated significantly across regional borders.

Since PetroCaribe was launched by President Chavez of Venezuela in 2005, some Caricom states accessed petroleum products with concessional financial terms and with low interest rates, which enabled the small Caribbean states, especially those of the Eastern Caribbean, to reduce, in the short term, some of the economic constraints associated with small open economies. While Venezuela's economic, governance and political crises in the second decade of the twenty-first century negatively impacted PetroCaribe's sustainability, it was the recent changes in Venezuela, which have brought into focus, issues related to the sustainability of supply, especially to Eastern Caribbean states, in the current context of the United States control and distribution of all Venezuela's of petroleum resources. An urgent need therefore arises for an assessment of the region's energy security, and the potential for the establishment of a regional mechanism – PetroCaricom.

It has been observed that in the early phase of PetroCaribe, a structured, flexible petroleum supply arrangement was initiated which brought with it a level of reliability and supply stability which impacted positively the PetroCaribe beneficiaries. While in 2026,

this no longer obtains, the issues related to energy stability and resilience remain. When considering options for Caricom's energy security, it is important to highlight some of the potential benefits which can accrue if the mechanism is effectively structured and operationalized. The broadening of the issue related to the enhancement of region integration through energy cooperation is a major consideration. A convergence of interests around critical regional issues-energy security and strategic autonomy-can rekindle mutual trust and reduce the levels of fragmentation now visible among the regional grouping. At the same time, there can be reduced dependence on international suppliers, the emergence of a self-sufficient and integrated energy market, as well as new levels of technical cooperation, while moving towards collective energy resilience. The assessment of the viability of a regional payment mechanism, with operational authority vested in the Caribbean Development Bank, and with states utilizing local currencies can also be considered as it can add another dimension to the regional integration process.

The issue of the location of the facility must also be considered as access to the participating states is of critical importance. I have posited that with Guyana as the leading regional oil producer and Suriname soon to come on stream as a producer in the near future, coupled with the existing refinery at PetroTrin in Trinidad and Tobago, this combination can provide the synergies necessary not only to produce the necessary petroleum products to supply the region, but to return the region to the level of integration and cooperation envisaged by the founding leaders of Caricom in 1973.

An option of equal importance which may be considered is to establish a large refinery in Guyana, especially with its proximity and easy access to the oil fields of Suriname. Additionally, with its current status as a major player in the global energy arena, Guyana is

well positioned to lead a new and sustainable energy network and become a hub for the region, using some of its oil in association with that of its sister Caricom State, Suriname in a collective engagement for regional benefit. Of equal importance is that a large refinery in Guyana can provide the opportunity to establish a strategic regional energy reserve facility, which can be used as a stockpile of oil to mitigate the impact of supply disruptions to the region in emergency situations and natural disasters such as volcanic eruptions, hurricanes or other climate-related events, as well as of price volatility and economic crises.

There is the recent view from a regional political commentator, Professor Justin Robinson, that “no one is coming to save us” and that the region is “facing the compound failure of a development model built on cushions that no longer exist”. Perhaps, the consideration of a move to regional energy security through a collective effort to establish PetroCaricom can serve as a catalyst and support the realization of “strategic autonomy” in Caricom.