

Trade Policy Review Body

TRADE POLICY REVIEW

Report by the Secretariat

BARBADOS

Revision

This report, prepared for the second Trade Policy Review of Barbados, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Barbados on its trade policies and practices.

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Document WT/TPR/G/203 contains the policy statement submitted by Barbados.

CONTENTS

	<i>Page</i>
SUMMARY OBSERVATIONS	vii
(1) ECONOMIC DEVELOPMENTS	vii
(2) TRADE POLICY AND INVESTMENT REGIME	vii
(3) MARKET ACCESS IN GOODS	viii
(4) EXPORT MEASURES	viii
(5) OTHER MEASURES AFFECTING TRADE	ix
(6) TRADE POLICY BY SECTOR	ix
I. ECONOMIC ENVIRONMENT	1
(1) OVERVIEW	1
(2) MACROECONOMIC DEVELOPMENTS	1
(i) Economic structure, production, and employment	1
(ii) Fiscal policy	3
(iii) Monetary and exchange rate policy	5
(iv) Balance of payments	7
(3) TRADE FLOWS	8
(i) Developments in merchandise trade	8
(ii) Trade in services	8
(4) OUTLOOK	9
II. TRADE POLICY REGIME: FRAMEWORK AND OBJECTIVES	11
(1) OVERVIEW	11
(2) GENERAL CONSTITUTIONAL AND LEGAL FRAMEWORK	11
(3) TRADE POLICY FORMULATION AND IMPLEMENTATION	12
(4) FOREIGN INVESTMENT REGIME	13
(5) INTERNATIONAL RELATIONS	15
(i) Participation in the WTO	15
(ii) Participation in regional and bilateral agreements	16
(iii) Other preferential agreements	17
(iv) Unilateral preference programmes	18
(v) Technical assistance and Aid for Trade	20
III. TRADE POLICIES AND PRACTICES BY MEASURE	22
(1) OVERVIEW	22
(2) MEASURES DIRECTLY AFFECTING IMPORTS	23
(i) Procedures	23
(ii) Customs valuation	24
(iii) Rules of origin	24
(iv) Tariffs	25
(v) Other charges affecting imports	28
(vi) Quantitative restrictions and controls, including licensing	29
(vii) Contingency measures	33
(viii) Technical regulations and standards	33
(ix) Sanitary and phytosanitary measures	36

	<i>Page</i>
(3) MEASURES DIRECTLY AFFECTING EXPORTS	38
(i) Procedures and documentation	38
(ii) Taxes, charges, and levies	39
(iii) Prohibitions, restrictions, and licensing	39
(iv) Duty and tax concessions, including subsidies	40
(v) Finance, insurance, and promotion	42
(4) MEASURES AFFECTING PRODUCTION AND TRADE	43
(i) Legal framework for business	43
(ii) Incentives and other government assistance	44
(iii) Competition policy and price controls	47
(iv) State trading enterprises, state-owned enterprises, and privatization	49
(v) Government procurement	50
(vi) Intellectual property rights	52
IV. TRADE POLICIES BY SECTOR	56
(1) OVERVIEW	56
(2) AGRICULTURE	57
(i) Features	57
(ii) Policy objectives and measures	58
(iii) Key sectors	60
(3) MANUFACTURING	62
(4) SERVICES	64
(i) WTO and regional commitments	64
(ii) Banking and insurance	66
(iii) Telecommunications	70
(iv) Transport	72
(v) Tourism	75
(vi) Professional services	76
(vii) Other offshore services	79
REFERENCES	81
APPENDIX TABLES	85

TABLES

	<i>Page</i>
I. ECONOMIC ENVIRONMENT	
I.1 Basic macroeconomic indicators, 2001-07	2
I.2 Sectoral data on GDP and employment, 2001-07	3
I.3 Central government operations, FY2001/02 to 2006/07	4
I.4 Main monetary indicators, 2001-07	6
I.5 Balance of payments, 2001-07	7
I.6 Trade in services, 2001-06	9
III. TRADE POLICIES AND PRACTICES BY MEASURE	
III.1 Rules of origin applying to CARICOM countries	25
III.2 Structure of the tariff, 2007	25
III.3 Summary analysis of the MFN tariff, 2007	26
III.4 VAT rates, 2007	29
III.5 Imports requiring a licence under the Miscellaneous Controls (General Open Import Licence) Regulations, 2004	30
III.6 Benefits under the Export Allowance Programme, 2002-06	41
III.7 Overview of IPR protection, 2008	53
IV. TRADE POLICIES BY SECTOR	
IV.1 Agricultural incentive schemes	59
IV.2 GDP breakdown of manufacturing sectors (current prices)	63
IV.3 Summary of Barbados's specific commitments under the GATS	65
IV.4 Offshore companies registered in Barbados, 2002-07	80

APPENDIX TABLES

I. ECONOMIC ENVIRONMENT	
AI.1 Merchandise exports and re-exports by group of products, 2001-06	87
AI.2 Merchandise imports by group of products, 2001-06	88
AI.3 Merchandise exports and re-exports by trading partner, 2001-06	89
AI.4 Merchandise imports by trading partner, 2001-06	90
II. TRADE POLICY REGIME: FRAMEWORK AND OBJECTIVES	
AII.1 Notifications to the WTO, 2002 to end 2007	91
IV. TRADE POLICIES BY SECTOR	
AIV.1 Bilateral and plurilateral air services agreements signed in Barbados	93

SUMMARY OBSERVATIONS

1. International trade has played a critical role in the development of the Barbados economy, with total trade in goods and services representing some 133% of GDP. Its close integration into the global economy has helped Barbados maintain some of the highest per capita incomes and human development indicators among developing countries. Barbados' generally open trade regime, a stable policy environment and strong human capital have helped it reap the benefits of international specialization and adjust to changing circumstances since its previous Trade Policy Review in 2002.

2. Barbados' applied MFN tariff stands at a relatively high average of 16.2%. This creates an anti-export bias, which Barbados has tried to offset through a wide array of fiscal and other incentive programmes targeting the production of both goods and services. Rationalizing those programmes, and continuing to take steps to enhance competition in the domestic market, would shore up the position of Barbados' mainstay sectors like tourism and financial services. They would also improve resource allocation and consumer welfare and, by strengthening the fiscal situation, provide greater flexibility for the use of counter-cyclical policies to smooth out economic cycles.

(1) ECONOMIC DEVELOPMENTS

3. The services sector is the backbone of Barbados' economy; the main service activities are finance and business, wholesale and retail trade, and tourism. In contrast, the economic importance of agriculture and manufacturing is relatively low, with agriculture in long-term decline but manufacturing growing.

4. The Barbados economy underwent a recession in 2001-02 but subsequently performed well. Real GDP grew at an annual average rate of 3.9% between 2002 and 2007. Unemployment has fallen, although it remains relatively high, at 7.4% in 2007. Inflation

appears to have been curbed (to 4.1% in 2007), after increasing from 0.2% in 2002 to 7.3% in 2006, mainly as a result of higher oil and food prices, domestic demand pressures and higher import taxes. The fixed exchange rate means that counter-cyclical policies must rely largely on fiscal instruments, but the use of these is limited by persistent fiscal deficits and high public debt.

5. The external current account has shown a persistent large deficit, 9.7% of GDP on average during 2002-07, as the surplus of the services account has not offset the merchandise trade deficit. The current account deficit has generally been financed by public and private capital inflows. Merchandise trade has expanded, amounting to some 65% of GDP. Merchandise exports are just under one fourth of exports of goods and services; in contrast, merchandise imports account for 80% of total imports. Exports of services consist mostly of tourism and financial services.

(2) TRADE POLICY AND INVESTMENT REGIME

6. Support for the multilateral trading system and participation in the Caribbean Community and Common Market (CARICOM) are at the core of Barbados' trade policy. Barbados is an original Member of the WTO, within which it has advocated binding and enhancing special and differential treatment for developing countries, and recognition of the special status and needs of small, vulnerable, developing economies. Barbados made commitments in the extended GATS negotiations on telecommunications, and has ratified the Fourth Protocol, but did not participate in the extended negotiations on financial services. It has never been involved in multilateral dispute settlement procedures, either as a defendant or complainant.

7. Barbados formulates and implements its trade policy within the context of its participation in CARICOM, which is in the process of consolidating a single market and economy. Through its CARICOM

membership, Barbados maintains preferential trade agreements with Colombia, Costa Rica, Cuba, the Dominican Republic, and Venezuela. Barbados's exports have benefited from preferential market access under non-reciprocal preferential trade arrangements offered by a number of developed countries.

8. Barbados' investment regime is generally open to foreign investors; CARICOM citizens and companies are guaranteed the same treatment as domestic investors. Restrictions to foreign investment are in place in areas such as tour operators, travel agents, certain ground transport, and food retail services. Restrictions may also be applied to share transfers in the case of non-CARICOM foreign investors. Barbados has eight bilateral investment treaties.

(3) MARKET ACCESS IN GOODS

9. Barbados applies the CARICOM Common External Tariff (CET) with exceptions. Barbados' average applied MFN tariff was 16.2% in 2007, slightly lower than its level in 2002 but the highest within CARICOM. Effective tariff protection is further increased by a range of tariff exemptions granted to local producers.

10. Barbados' average applied tariff on agricultural products (33.7%, WTO definition) is much higher than on other goods (12.8%). During the period under review, tariffs were raised to 60% on a number of domestically produced manufactures, and lowered on certain agricultural products as a result of Uruguay Round commitments to reduce out-of-quota tariffs. An environmental levy is maintained solely on imports; a cess tax, levied between 2005 and 2007, increased import duties by close to six percentage points.

11. Barbados has bound all of its tariffs except on fish and fish products. Agricultural products (WTO definition) are bound at rates of at least 100%, and other products at rates of at least 70%. Barbados also bound other duties and charges, at 70% or higher.

12. Barbados's import procedures are relatively simple; all importers must be registered. Barbados uses the transaction value as the basis for customs valuation; under-invoicing continues to be a concern for the authorities. Barbados requires import licences for a range of products, with different licensing regimes applying to imports from CARICOM and other countries.

13. Barbados has not implemented anti-dumping measures but maintains a countervailing measure against milk imports from Trinidad and Tobago. It is delaying updating its related legislation to ensure that it is compliant with CARICOM's Single Market and Economy. Barbados has no safeguards legislation nor has it adopted safeguard measures.

14. A joint government-private-sector agency is responsible for the adoption of technical regulations and standards. Enforcement of the few technical regulations that exist in Barbados remains a challenge, and the Government is seeking to strengthen its monitoring and enforcement capacity. Barbados has made only one SPS notification to the WTO, which was in 2002; still to be notified is the new Plant Protection Act, which entered into force in 2007. It is not clear to what extent SPS measures are established on the basis of an evaluation of the actual risks.

(4) EXPORT MEASURES

15. Barbados continues to promote exports through a wide array of fiscal and other incentives programmes. Five of these programmes have been notified by Barbados to the WTO as containing export subsidies. Barbados has requested and obtained the extension provided for under Article 27.4 of the SCM Agreement for these programmes. Benefits take mostly the form of tax holidays.

16. A levy is imposed on cotton exports, the proceeds of which are distributed among producers. No other export restrictions, including taxes, are applied for economic reasons.

**(5) OTHER MEASURES AFFECTING
TRADE**

17. In addition to export-support programmes, producers of goods and services may benefit from tax breaks or other forms of assistance. Although the direct fiscal cost of such assistance does not appear to be high, reassessment of the many incentive programmes, with a view to their possible rationalization, could contribute to greater transparency and efficiency in their use, reduce the distortion of incentives, and help address Barbados' fiscal situation.

18. Since its previous review, Barbados has introduced comprehensive competition policy legislation, a potentially important step given the small size and high concentration of its domestic market. The Government maintains shareholdings in a number of commercial entities in sectors such as agriculture, utilities, transport, financial services, and tourism. State trading is limited to imports of chicken and turkey wings. Certain state companies are *de facto* sole traders: one company is the only exporter of crude petroleum and the sole importer of diesel, gasoline, and fuel oil.

19. Barbados is not a party to the Plurilateral Agreement on Government Procurement. Government procurement, which represents some 8% of GDP, relies mostly on foreign goods and services due to the small size of the economy. Contracts above BDS\$100,000 (US\$50,000) are generally filled by open tender. The adjudicating criterion is the "lowest evaluated tender". Procurement for smaller amounts is mostly from registered suppliers, who must be domiciled in Barbados.

20. Barbados has enacted legislation that covers all major areas referred to in the TRIPS Agreement. Barbados' IPR-related legislation was reviewed by the WTO TRIPS Council in 2001. The legislation was amended in 2006 with the aim of making it more compatible with the provisions of the TRIPS Agreement.

(6) TRADE POLICY BY SECTOR

21. Compared with most other developing countries, Barbados is a high-cost location for the production of goods, except for some niche products. Without protection from import competition, several of the few existing activities in agriculture and manufacturing would likely contract significantly. On the other hand, the protection granted to the production of goods may have weighed on the international competitiveness of service activities, for example tourist catering, by restricting access to the most competitively priced inputs.

22. Barbados' few agricultural activities are heavily protected. Barbados no longer administers a tariff quota regime for agricultural products, instead it applies the in-quota bound rates to the respective imports. In 2002, Barbados invoked price-based special safeguard actions for 23 agricultural products including certain poultry parts, fruits and vegetables. Two state entities have monopolies on the importation of chicken and turkey wings, and raw sugar respectively. The sugar industry, traditionally Barbados main agricultural export activity, suffers from high costs and has shrunk considerably due to the reduction in the preferential price offered in export markets.

23. The services sector is Barbados' main source of foreign exchange. Despite the importance of services to its economy and the general *de facto* openness of its foreign investment regime, Barbados has scheduled only a limited number of GATS commitments (21 of the 160 subsectors). Barbados submitted an initial services offer in the negotiations on services under the Doha Development Agenda.

24. Barbados operates separate regimes for onshore and international (offshore) banking and insurance. All commercial banks operating domestically are predominantly foreign owned. In view of the oligopolistic nature of the market, the Central Bank sets a minimum deposit rate for onshore banks, and,

between 2001 and 2003, maintained temporary indicative rates of interest on loans. Since 2002, the spread between deposit and lending rates has decreased. Offshore financial services companies benefit from minimal taxes and are not subject to exchange controls. They may generally conduct business only with non-residents and in foreign currency or assets.

25. During the period under review, Barbados has liberalized its telecommunications sector, ending, earlier than initially intended, the monopoly held by the private-sector incumbent. New legislation has entered into force and institutions have been created to foster competition.

26. The Government owns Barbados' basic air and maritime infrastructure, and during the review period has taken steps to operate it on a more commercial basis. Private providers are present in ground handling at the airport, and in certain port services. Barbados administers an international ship registry.

27. Professional services are governed by an overarching law and profession-specific legislation. For foreign persons to practice law and architecture in Barbados, legislation requires that reciprocity must be provided to Barbadian citizens in third countries. Efforts are under way at the CARICOM level to develop and harmonize requirements for the licensing and regulation of certain professions.

I. ECONOMIC ENVIRONMENT**(1) OVERVIEW**

1. Barbados' economy is dominated by the services sector; the main activities are finance and business, wholesale and retail trade, and tourism. In contrast, the economic importance of agriculture is small and has continued to fall. International trade has played a critical role in the development of the Barbados economy, with total trade in goods and services representing some 133% of GDP (2006). This has contributed to Barbados maintaining some of the highest per capita incomes and human development indicators among developing countries.

2. The Barbados economy experienced a recession in 2001-02 but subsequently performed well on a number of counts. Real GDP expanded at an annual average rate of 3.9% between 2002 and 2007. Unemployment has fallen, although it remains relatively high, at 7.4% in 2007. Inflation appears to have been curbed (to 4.1% in 2007), after increasing from 0.2% in 2002 to 7.3% in 2006. The increase in inflation in 2006/07 was mainly as a result of higher oil and food prices, domestic demand pressures and higher import taxes. Inflationary pressures, combined with Barbados' fixed exchange rate regime, have led to a slight appreciation of the real effective exchange rate. The fixed exchange rate means that counter-cyclical policies must largely rely on fiscal instruments, but the use of these is limited by persistent fiscal deficits and high public debt.

3. The current account of the balance of payments has shown a persistent large deficit, 9.7% of GDP on average during 2002-07, as the surplus of the services account has not offset the merchandise trade deficit. The current account deficit has generally been compensated by public and private capital inflows. Merchandise trade has expanded rapidly amounting to some 65% of GDP. Merchandise exports are just under one fourth of exports of goods and services; in contrast, merchandise imports account for 80% of total imports (2006). Exports of services consist mostly of tourism and financial services.

(2) MACROECONOMIC DEVELOPMENTS**(i) Economic structure, production, and employment**

4. In 2007 Barbados' GDP was BDS\$6.8 billion (US\$3.4 billion) at current market prices. Following a recession in 2001-02 the economy experienced solid growth, with GDP growing at an average real rate of 3.9% over 2002-07. The pace of growth has increased in recent years, reaching 4.3% over 2004-06. Growth has largely been driven by personal consumption and, since 2005, a surge in private building activity (Table I.1).

5. In 2007, Barbados' GDP per capita (current market prices) was estimated at just over US\$12,400, up from US\$9,125 in 2002 (Table I.1). In terms of purchasing power, GDP per capita was estimated by the IMF at US\$12,523 in 2006, up from US\$9,700 in 2000, as reported in Barbados' previous review.¹ Barbados has succeeded in bringing down unemployment to an estimated average of 7.4% in 2007.² This compares to an average rate of 11.1% over the period 1997-2002.³ The UNDP has classified Barbados as having a high level of human development, ranking it in 31st place

¹ IMF (2007). Viewed at: <http://www.imf.org/external/pubs/ft/scr/2007/cr07315.pdf>, and WTO document WT/TPR/S/101, 10 June 2002.

² Government of Barbados (2008).

³ Government of Barbados (2006), Appendix 20.

out of 177 countries, based on a range of indicators. Barbados has high levels of education, life expectancy, and GDP per capita.⁴

Table I.1
Basic macroeconomic indicators, 2001-07

	2001	2002	2003	2004	2005	2006	2007 ^a
Gross domestic product							
GDP at market prices (current) (BD\$ million)	5,108.4	4,952.2	5,389.3	5,634.3	6,011.1	6,501.1	6,818.4
GDP (constant market prices) (BD\$ million)	948.0	954.4	973.9	1,021.4	1,063.7	1,104.9	1,154.3
GDP growth (real) (%)	-2.6	0.7	2.0	4.9	4.1	3.9	4.5
Per capita GDP (current market prices) US\$ per person	..	9,125	9,898	10,341	11,009	11,888	12,411
Breakdown by expenditure (% of GDP)							
Consumption expenditure	84.4	85.1	85.6	87.3	83.8	77.9	69.9
of which private	62.0	60.5	62.4	66.0	62.3	57.0	49.4
of which public	22.4	24.6	23.2	21.3	21.5	20.9	20.5
Gross fixed capital formation	19.6	20.8	20.7	23.7	24.8	26.4	28.3
of which public building activity	2.3	3.4	2.2	1.1	0.9	0.9	1.0
of which private building activity	7.8	7.2	7.8	9.6	11.9	12.0	11.3
of which other	9.5	10.2	10.7	12.9	12.1	13.5	16.0
Exports of goods and services	51.2	50.9	51.1	52.4	58.1	63.7	65.6
Imports of goods and services	-55.2	-56.8	-57.4	-63.4	-66.8	-68.3	-63.9

.. Not available.

a Provisional.

Source: Government of Barbados (2006), *Barbados Economic and Social Report 2006* (Table 5.3-2, Appendices 1, 3, and 4); and Government of Barbados (2008), *Barbados Socio-Economic Data, 2008 Pocket Statistics*.

6. As noted in the previous Review of Barbados, changes in the country's GDP growth tend to be closely associated with fluctuations in tourist arrivals. This trend has continued over the period under review. Historically the economy has been vulnerable to external shocks, as witnessed by the depth and duration of recessions in Barbados during periods of slow global economic growth. Barbados' capacity to adopt counter-cyclical policies during such periods remains constrained by a fixed exchange rate regime and the need to manage the fiscal deficit.

7. The most economically important commercial sectors have been finance and business, followed by wholesale and retail trade, then tourism. All sectors, except mining and quarrying and sugar, grew on average, over the period 2002-07. Particularly strong overall growth was posted for construction, transport, storage and communications, as well as wholesale and retail trade.

8. The major sources of employment in Barbados are general services and government services. Over the review period, there has been steady growth of employment in general services, with a slight tail-off estimated in 2007, while other sources of employment have fluctuated (Table I.2).

⁴ UNDP (2007).

Table I.2
Sectoral data on GDP and employment, 2001-07

	2001	2002	2003	2004	2005	2006	2007 ^a
GDP sectoral breakdown							
(% of GDP at current market prices)							
Agriculture – sugar	1.0	0.5	0.7	0.8	0.9	0.7	0.5
Agriculture (excluding sugar) and fisheries	2.8	2.6	2.9	2.1	2.1	2.0	1.8
Mining and quarrying	0.5	0.6	0.6	0.6	0.7	0.8	0.7
Manufacturing	5.0	5.3	5.4	5.6	5.3	5.5	5.1
Electricity, gas and water	2.7	2.8	2.7	2.6	2.8	3.0	3.0
Construction	4.3	4.6	4.3	4.6	5.5	5.6	5.2
Wholesale and retail trade	13.7	14.3	13.7	14.3	14.8	13.7	13.3
Tourism	9.2	9.0	9.5	9.3	9.5	9.4	11.2
Transport, storage and communications	8.7	6.0	5.4	5.7	5.5	5.1	5.0
Finance and business	15.6	16.0	15.7	16.5	16.7	17.9	15.8
General services	4.1	4.3	5.1	5.5	5.4	5.9	6.0
Government services	15.2	16.2	14.5	14.0	13.7	13.1	14.2
Net taxes	17.1	17.9	19.6	18.3	17.2	17.2	18.3
Sectoral breakdown: real growth rates							
Agriculture – sugar	-14.7	-9.8	-19.2	-5.1	10.8	-11.6	0.0
Agriculture (excluding sugar) and fisheries	-5.8	-0.6	4.7	-8.2	6.8	-2.9	4.5
Mining and quarrying	-10.5	6.4	-16.0	9.5	8.7	-3.0	-7.2
Manufacturing	-9.8	1.0	-1.6	2.1	2.1	1.1	0.0
Electricity, gas and water	4.3	3.6	2.9	1.8	2.0	6.8	7.5
Construction	6.8	7.7	0.6	2.8	13.4	6.9	5.1
Wholesale and retail trade	-3.2	1.2	4.1	6.1	5.3	5.3	5.9
Tourism	-5.9	-2.8	7.0	9.4	-2.3	1.6	3.3
Transport, storage and communications	0.4	-3.3	4.2	6.2	5.6	5.7	5.6
Business and general services	-0.7	-2.3	4.4	4.3	4.5	5.3	5.1
Government services	-1.6	6.4	-3.7	5.6	3.5	3.0	2.9
Employment: sectoral breakdown							
(% of total employment)							
Agriculture (including sugar) and fishing	4.2	4.1	4.6	3.3	3.4	3.6	3.1
Construction and quarrying	11.0	10.3	9.5	10.2	10.0	11.1	11.6
Manufacturing	7.1	7.0	6.1	5.8	5.3	4.2	4.7
Electricity, gas and water	1.5	1.5	2.0	1.4	1.6	1.8	1.5
Wholesale and retail trade	14.8	15.3	15.2	14.9	14.0	12.8	13.6
Tourism	10.6	11.1	10.8	9.3	9.7	10.3	10.5
Transportation and communication	4.4	3.7	3.7	4.0	4.3	3.4	3.9
Financial services	8.1	8.5	7.0	8.2	8.2	7.5	7.2
General services	17.8	17.0	19.5	22.0	22.3	24.5	23.8
Government services	20.4	21.6	21.6	20.9	21.3	20.8	19.8

a Provisional.

Source: Government of Barbados (2006), *Barbados Economic and Social Report 2006* (Table 3.5-1 Appendices 1 and 4); and Government of Barbados (2008), *Barbados Socio-Economic Data, 2008 Pocket Statistics*.

(ii) Fiscal policy

9. As reported in Barbados' previous review, fiscal deficits have, in the past, constituted a source of financial instability for Barbados. Government policy over the review period was to try to keep the fiscal deficit under -2.5% of GDP (a policy target set in the early 1990s). As noted by the authorities, a new policy is to target a fiscal deficit below 1.5% of GDP.

10. The Government of Barbados has continued to run fiscal deficits during the period under review. In FY2001/02, the Government had substantially increased capital expenditure and subsequently also faced a drop in current revenue as a result of the economic slowdown. The largest deficit posted was in 2002/03, when it reached 5.4% of GDP. Following this the Government succeeded in keeping the deficit under 2.5% of GDP for most of the period between 2003/04 and

2006/07. Since 2002/03 government revenue has grown year-on-year. Current expenditure grew year-on-year from 2001/02 to 2006/07, while capital expenditure decreased between 2001/02 and 2004/05 and increased slightly thereafter (Table I.3).

11. In 2006/07, the Government recorded a fiscal deficit of BDS\$131.3 million, significantly higher than in 2005/06 (BDS\$78.5 million). The authorities have attributed this to slower growth in tax revenue and a faster increase in current expenditure.⁵ ECLAC has noted that among the contributing factors to expenditure growth are increases in: the public sector wage bill; current transfers and pensions; and spending associated with the Cricket World Cup and payments related to the Harrison's Cave Redevelopment project.⁶

12. Central government revenue relies mostly on tax receipts, which accounted for 97% of total revenue in 2006/07. The Government's main sources of tax revenue are taxes on income and profits and on goods and services. With respect to the latter, the VAT accounted for 73% of taxes on goods and services in 2006/07 and excise taxes accounted for 16%. The VAT is the main source of government revenue. Taxes on international trade (tariffs only) amounted to 7.8% of total government revenue in 2006/07. The environmental levy, applied only on imports, is estimated to have contributed BDS\$16 million to government revenue in 2006/07 (0.7% of government revenue).

13. The Government's main expenses are on wages (BDS\$637.1 million in 2006/07), and on subsidies and transfers (BDS\$821.4 million in 2006/07)⁷ (Table I.3). As noted by the authorities these subsidies and transfers corresponded to: transfers to public corporations; the University of the West Indies; pensions; transport subsidies for senior citizens, persons with disabilities and students; transfers for persons with disabilities and students; welfare grants; and grants to non-profit organizations).

Table I.3
Central government operations, FY2001/02 to 2006/07
(BDS\$ million)

	FY2001/02	FY2002/03	FY2003/04	FY2004/05	FY2005/06	FY2006/07
General government finance						
Current revenue	1,722.2	1,716.3	1,865.7	1,897.4	2,143.0	2,223.4
Tax revenue	1,644.2	1,636.9	1,793.5	1,836.2	2,075.1	2,155.3
of which						
taxes on income and profits	571.4	604.7	596.5	621.3	706.2	804.7
taxes on property	102.6	95.7	106.0	112.9	137.4	151.2
taxes on goods and services	749.5	718.7	835.1	837.9	959.9	939.3
taxes on international trade	146.3	160.1	194.1	193.0	180.5	173.8
environmental levy	11.3	12.1	13.5	14.2	16.0	16.0
Current expenditure	1,791.7	1,914.4	2,059.8	2,154.8	2,272.2	2,517.1
of which						
wages and salaries	591.3	625.3	562.6	584.1	620.9	637.1
subsidies and transfers	490.6	521.0	672.1	716.8	782.1	821.4
Current surplus/deficit	-69.5	-198.1	-194.1	-257.4	-129.2	-293.7
Capital expenditure	348.0	325.6	254.3	226.1	253.1	257.0
Overall fiscal balance	-192.7	-282.0	-128.4	-145.0	-87.2	-131.3
Surplus/deficit (% of GDP)	-3.7	-5.4	-2.4	-2.6	-1.4	-1.9

Table I.3 (cont'd)

⁵ Central Bank of Barbados (2007b).

⁶ ECLAC (2007).

⁷ Government of Barbados (2006b), Appendix 13.

	2001	2002	2003	2004	2005	2006
Central Administration public debt (BDS\$ million)	3,694.6	3,954.0	4,065.7	4,227.5	4,900.3	4,907.3
Central Administration public debt (% of GDP)	72.3	79.8	75.4	74.9	79.2	71.5
Government Guaranteed Debt (BDS\$ million)	404.9	478.4	561.8	630.0	892.7	1,216.2
Government Guaranteed Debt (% of GDP)	7.9	9.7	10.5	11.2	14.4	17.7
Total debt (both central administration and government guaranteed debt) (% of GDP)	80.2	89.5	85.9	86.1	93.6	89.2

Source: Financial data provided by the authorities; and debt data provided by the Central Bank of Barbados (2006) *Annual Report*, (pp. 20 & 21).

14. Government debt has fluctuated during the period under review, but remains high at BDS\$4.9 billion or 71.1% of GDP at end 2006. This figure increases to 89.2% of GDP if the government guaranteed debt of public entities is also included. Most of government debt (68% in 2006), is domestic (Table I.3). According to the IMF, the Government is committed to fiscal consolidation, and has set a target to reduce government debt to less than 60% of GDP by 2012. In this regard the IMF has recommended that the Government adopt a package of measures as a matter of urgency while good economic conditions prevail. The former Government, however, had been in favour of a more gradual approach, and was, *inter alia*, looking to reduce capital expenditures by developing private-public partnerships for the provision of infrastructure and services.

(iii) Monetary and exchange rate policy

15. Monetary policy is carried out by the Central Bank of Barbados (CBB). The main objective of monetary policy is maintaining the exchange rate's fixed parity with the U.S. dollar, and thus a sufficient level of foreign exchange reserves. Other objectives include promoting monetary stability and a sound financial structure, developing money and capital markets, and maintaining credit and exchange conditions that foster development.

16. For the implementation of monetary policy the Central Bank relies mainly on the modification of short-term interest rates, the setting of reserve requirements, and the bank rate on short-term liquidity loans to commercial banks: commercial banks must hold 6% of foreign deposits and 5% of domestic deposits in cash reserves, and 10% of deposits in government securities (reduced from 12% in 2007).

17. Higher oil prices, domestic demand pressures, higher applied tariffs (of 60%) on imports of certain manufactured goods, and the imposition of a cess tax (see Chapter III(2)(v)), contributed to pushing up inflation significantly from 0.2 % in 2002 to 7.3% in 2006 (Table I.4).⁸ Price rises were recorded for all categories of goods and services, except for clothing and footwear, but were particularly steep for food, housing, medical and personal costs, fuel, lighting and transportation. The Government had indicated its intention to keep the inflation rate within reasonable limits and in this regard it reported in March 2007 that it had removed the cess tax at end February 2007 and reduced applied tariffs (from the 60% rate) on products not produced locally. In 2007, the average rate of inflation was 4.1% attributable in part to a slowing growth in oil prices.⁹

⁸ Government of Barbados (2007) and information provided by the authorities.

⁹ Central Bank of Barbados (2007b).

Table I.4
Main monetary indicators, 2001-07

Monetary aggregates	2001	2002	2003	2004	2005	2006	2007 ^a
M1 (% annual variation)	4.3	44.4	5.6	18.5	11.3	-3.5	20.5
M2 (% annual variation)	5.3	12.8	7.0	15.5	9.7	8.1	15.3
Interest rate (% per annum)							
Treasury bills	1.97	1.51	0.64	2.76	5.84	6.49	4.9
Prime lending ^b	7.25	6.75	6.75	6.50	9.15	9.65	9.8
Savings rate	..	2.50	2.50	2.25	4.75	4.75	4.8
Inflation rate	2.8	0.2	1.6	1.4	6.1	7.3	4.1
Exchange rates							
Exchange rate (domestic currency/U.S. dollar)	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Real effective exchange rate (average) ^c	..	-2.4	-4.6	-5.2	1.3	3.8	..

.. Not available.

a Provisional.

b Minimum rate.

c (-) Reflects a depreciation.

Source: Government of Barbados (2006), *Barbados Economic and Social Report* (Appendices 15, 19 and 21); IMF (2007), Article IV Consultation; IMF (2006), Article IV Consultation; and Government of Barbados (2008), *Barbados Socio-Economic Data, 2008 Pocket Statistics*.

18. Monetary policy is carried out under the framework of a fixed exchange rate system with the U.S. dollar. The Barbados dollar is pegged to the U.S. dollar at BDS\$2 per US\$1. In 2007, the IMF noted that Barbados' real effective exchange rate has been broadly in line with fundamentals but that a slight overvaluation in recent years could be of concern if inflation remained above that of partner countries without a corresponding improvement in fundamentals.¹⁰

19. Barbados' exchange system is free of restrictions on the making of payments and transfers for current international transactions.¹¹ However, capital account restrictions remain in place. As noted in Barbados' previous Review, purchases of all securities abroad by residents require exchange control approval. Earnings on these securities must be repatriated and surrendered to an authorized dealer. All credit operations, as well as direct investments, also require exchange control approval. Liquidation of proceeds of direct investments is permitted, provided that evidence is submitted documenting the validity of the remittance, all liabilities related to the investment have been discharged, and the original investment was registered with the CBB. Barbados is obliged, as a result of its participation in the CARICOM Single Market and Economy to liberalize the capital account *vis-à-vis* other CARICOM countries, and the authorities confirm that the purchase and sale of equities have been liberalized. As noted by the IMF, the immediate impact of capital account liberalization is not expected to be large, however, there are medium-term risks to external stability and the dollar peg. In this regard three areas were identified as critical for successful capital account liberalization: fiscal consolidation in order to reduce external current account imbalances and high public debt; the development of market-based monetary policy instruments; and effective financial sector regulation and supervision.¹² Barbados has no further plans to liberalize capital controls *vis-à-vis* non-CARICOM countries.

¹⁰ IMF (2007).

¹¹ IMF(2007).

¹² IMF (2007).

20. Commission rates are set at 0.125% and 1.75%, respectively, for buying and selling the U.S. dollar, and 0.1875 and 1.8125%, respectively, for buying and selling the Canadian dollar, euro, and pound sterling.¹³

(iv) **Balance of payments**

21. Exports and imports of goods and services amounted to 133% of GDP in 2006. Barbados has sustained a significant current account deficit over the period under review (Table I.5), with major increases since 2004. A surge in imports over this period was the result of a rapid increase in private sector credit as well as an expansion in economic activity.¹⁴

Table I.5
Balance of payments, 2001-07
(US\$ million)

	2001	2002	2003	2004	2005	2006	2007 ^a
Current account balance							
Visible trade (exports-imports)	-691.6	-711.8	-803.4	-962.0	-1,014.9	-1,179.6	-1,259.4
Exports	273.2	255.3	275.7	315.6	432.2	464.8	434.6
Imports	964.8	967.0	1,079.1	1,277.6	1,447.0	1,644.3	1,694.0
Services (net)	559.2	536.8	632.5	647.5	761.5	848.9	913.1
Income (net)	-82.0	-88.0	-92.2	-107.3	-151.7	-108.0	-190.8
Current transfers (net)	93.9	86.3	92.9	86.2	96.6	106.4	107.1
Current balance (trade + services + income + current transfers)	-120.5	-176.8	-170.3	-335.7	-308.5	-332.2	-430
Capital and financial account							
Balance	290.0	231.0	322.2	175.3	314.8	366.3	..
Direct investment	17.5	17.0	57.8	-16.0	52.9	77.7	..
Portfolio investment	-21.9	-23.8	-23.1	-32.2	-87.5	20.6	..
Other investment	293.1	237.8	287.5	223.5	349.4	268.1	..
- Public sector	147.7	-17.5	85.0	-49.5	124.6	51.5	..
- Trade credits	9.0	62.8	79.1	197.2	198.1	-120.0	..
- Deposits in overseas banks	-9.8	-2.5	-5.4	-3.8	-20.0	-6.0	..
- Other	146.3	195.0	128.8	79.6	46.8	342.7	..
Errors and omissions	57.2	34.3	36.1	-9.9	-75.4	7.3	..
Balance for official financing	226.6	88.6	187.9	-170.3	-69.1	41.4	..
Official financing transactions	0	0	0	0	0	0	..
Change in reserves (CBB basis)	-226.6	-88.6	-187.9	170.3	69.1	-41.4	..

.. Not available.

a Provisional.

Sources: Central Bank of Barbados (2007), *Balance of Payments of Barbados*; and Government of Barbados (2008), *Barbados Socio-Economic Data, 2008 Pocket Statistics*.

22. The capital and financial account balance has been continuously in surplus, although fluctuating, during the period under review, with a significant drop in 2004. This reduced surplus resulted from the cessation of privatization receipts from abroad.¹⁵

¹³ IMF (2006).

¹⁴ IMF (2005).

¹⁵ IMF (2005).

(3) TRADE FLOWS

(i) Developments in merchandise trade

23. During 2002-06, total merchandise trade grew on average at 14.3% per year, with strong growth of both exports and imports. In 2006, Barbados' main exports of manufactured goods (excluding processed food and beverages) were: medicaments; radio/TV transmission apparatus; electrical resistors; cement; jewellery; and insecticides. Notable trends on the export side have included a marked decline in 2005 and 2006 in the value of exports of sugar, and, over the same period, an increase in the value of mining products and fuels.¹⁶ Over the review period, exports of manufactures have fluctuated only slightly, showing no clear trend, with the exception of a gradual increase in exports of radio and TV transmission apparatus (Table AI.1). Over the same period, significant shifts in import patterns have included: a significant increase in the value of imports in 2005 and 2006, compared with the preceding four years; a reduction in the share of food imports in total imports for 2005 and 2006, and an increase in the share of fuels (Table AI.2).

24. Other CARICOM countries (in particular Trinidad and Tobago and to a lesser extent St. Lucia and Jamaica) were the main destinations for just under 40% of Barbados' exports. The United States remains an important export destination, and has absorbed between 13% and 20% of Barbados' annual exports since 2002. The share of Barbados' exports to the United Kingdom has tended to decrease: the United Kingdom was the destination for 7.5% of Barbados' exports in 2006 (Table AI.3).

25. The United States continues to be the main source of imports into Barbados, accounting for a 38% share in 2006, followed by Trinidad and Tobago (22.5%), and the United Kingdom (5.8%). Whilst the share of imports from the United States and Trinidad and Tobago in total imports has tended to fluctuate since 2002, imports from the United Kingdom have shown a gradual decline (Table AI.4).

(ii) Trade in services

26. Tourism, as reflected in travel receipts, continues to be the mainstay of Barbados' economy and its most important services export. Travel receipts increased steadily over the period under review, from nearly US\$700 million in 2001 to US\$967 million in 2006. The only year that did not see year-on-year growth was 2002 (Table I.6). Financial services remains the second largest source of services export revenue, and experienced particularly high export growth in 2005 and 2006. Barbados is a significant importer and exporter of insurance services.

27. Transportation is the only services sector where Barbados' imports exceed exports; for the most part accounted for by imports of passengers by air, and freight by sea.

¹⁶ Barbados' mineral resources include petroleum, natural gas, and the industrial minerals limestone, sand, and clays. Oil and gas reserves at end 2006 were, respectively: 2.5 billion barrels of crude, and 5.3 million cubic feet of gas.

Table I.6
Trade in services, 2001-06^a
(US\$ million)

	2001	2002	2003	2004	2005	2006
Transportation						
Credits	22.4	21	23.2	26	25.4	27.5
Sea transport	4.3	3.5	3.6	8.1	7.2	7.3
Air transport	3.9	3.5	3.8	3.6	3.9	3.9
Other transport	14.2	14	15.8	14.3	14.3	16.3
Debits	156	155.3	169.9	197.5	218.4	225.4
Sea transport	85.7	85.7	95.7	113.1	128.4	130.3
Air transport	70.3	69.6	73.6	83.8	89.3	94.4
Other transport	0.0	0.0	0.6	0.6	0.7	0.7
Balance	-133.6	-134.3	-146.7	-171.5	-193	-197.9
Tourism (travel receipts)						
Credits	697.2	657.9	757.85	775.5	896.75	967
Business	2.5	2.3	2.9	3.3	3	6.1
Personal	694.7	655.6	755	772.3	893.8	961
Debits	100.9	99.0	104.5	107.8	95.7	104.5
Business	33.7	32	32.6	32.6	27.4	30.8
Personal	67.2	67	71.9	75.2	68.3	73.7
Balance	596.4	58.9	653.4	667.8	801.1	862.5
Insurance						
Credits	84.9	87.3	90.1	91.0	143.2	153.5
Debits	117.4	119.1	123.1	121.1	194.1	196.2
Communication						
Credits	29.4	30.9	32.2	32.3	32.5	30.6
Debits	9.4	9.7	11.2	12.5	11.8	11.3
Management fees						
Credits	17.9	18.5	19.9	21.4	17.3	27.1
Debits	13.0	13.3	10.1	10.1	20.5	33.5
Financial services						
Credits	71.0	70.0	73.6	79.7	117.1	135.2
Debits	5.2	5.8	5.3	5.5	5.8	5.6
Computer and information services						
Credits	17.5	17.6	18.1	19.9	22.7	20.6
Debits	5.7	5.7	6.9	7.3	8.2	5.7
Merchandising and other trade related services						
Credits	34.8	36.4	39.9	41.9	50	20.1
Debits	13.1	13.4	11.7	11.7	15.3	17.4
Other services						
Credits	57.5	63.8	69.1	84.1	105.7	127.9
Debits	50.5	44.45	49.7	45.4	66.1	36.8

a Data not available for 2007.

Source: Central Bank of Barbados (2007), *Balance of Payments of Barbados*, Tables 6, 7 and 9.

(4) OUTLOOK

28. The IMF projects slowing GDP growth in 2008, a further curbing of inflation, as well as a decline in both exports and imports of goods and services, thereby entailing no significant change to the current account balance, projected to be -8.5% of GDP in 2008. An improvement in the fiscal balance, (-1.0% in 2008) is forecast. This is based upon projected slight decreases in current expenditure and capital expenditure and net lending. Public sector debt is projected to remain high at 89% of GDP.¹⁷

29. Since Barbados is highly dependent on tourism, particularly from the United States and the United Kingdom, its economic prospects are likely to be affected by developments in these countries, which as at end April 2008 were uncertain in the wake of economic turbulence generated by the sub-prime crisis.

¹⁷ IMF (2007).

30. The Central Bank of Barbados expects GDP to grow between 2.5% and 3.0% in 2008. The external current account will probably worsen slightly during 2008 with retained imports forecast to grow moderately given the rise in prices of food and fuel as well as the anticipated rise in demand for capital equipment. On the other hand, domestic exports are expected to expand marginally. The central government fiscal balance is expected to remain at levels similar to 2007 as higher revenue is likely to be outweighed by rising capital expenditure. The authorities note that the biggest challenge during 2008 is likely to be containing the rate of inflation, which is expected to increase, dictated by trends in the international prices of oil and other commodities, including food. They note that inflation could be contained if oil prices and other commodity prices on the international market are moderate. However, inflation could worsen if wage increases are not held within reasonable limits.

II. TRADE POLICY REGIME: FRAMEWORK AND OBJECTIVES

(1) OVERVIEW

1. Barbados considers that a generally open trade policy is vital to overcome the adverse effects of the small size of its economy, its restricted capacity to diversify risk, and limited institutional capacity. Barbados is an original Member of the WTO, within which it has advocated binding and enhancing special and differential treatment for developing countries and for the recognition of the special status and needs of small, vulnerable, developing economies. Barbados made commitments in the extended GATS negotiations on telecommunications, and has ratified the Fourth Protocol, but did not participate in the extended negotiations on financial services. It has never been involved in multilateral dispute settlement procedures, either as a defendant or complainant. Barbados has been the Caribbean representative in the WTO Aid for Trade Task Force.

2. Barbados formulates and implements its trade policy within the context of its participation in the Caribbean Community and Common Market (CARICOM). CARICOM is in the process of consolidating a single market and economy. Through its CARICOM membership, Barbados maintains preferential trade agreements with Colombia, Costa Rica, Cuba, the Dominican Republic, and Venezuela. Barbados's exports have also benefited from preferential market access under non-reciprocal preferential trade arrangements offered by a number of developed countries.

3. Barbados' investment regime is generally open to foreign investors; CARICOM citizens and companies are guaranteed the same treatment as domestic investors. Barbados maintains in force eight bilateral investment treaties offering national treatment to foreign investors. However, investment in activities such as certain ground transport and food retail services is reserved for locally domiciled enterprises, as are tour operators services. In addition, although Barbados allows 100% foreign ownership, restrictions may be applied to share transfers in the case of foreign investors.

(2) GENERAL CONSTITUTIONAL AND LEGAL FRAMEWORK

4. Barbados is a constitutional monarchy with a parliamentary system based on the Westminster model, and a member of the British Commonwealth of Nations. The Head of State is the British monarch who is represented in Barbados by the Governor General. In accordance with the Constitution, executive authority may be exercised on behalf of the Monarch by the Governor General either directly or through officers subordinate to him. This authority is in practice exercised by the Cabinet, which is the principal instrument of policy, is charged with the general direction and control for the Government of Barbados, and must collectively respond to Parliament. The Cabinet is headed by the Prime Minister, appointed by the Governor General among elected Members of Parliament. Other Ministers are appointed from either House of Parliament by the Governor-General as advised by the Prime Minister.

5. Barbados has a bicameral Parliament. The Senate has 21 members, all appointed by the Governor-General, 12 on the advice of the Prime Minister, two on the advice of the Leader of the Opposition, and seven at the Governor-General's discretion.¹ The House of Assembly has 30 members, all elected. Both Houses debate all legislation, but the House of Assembly may ultimately override Senate's rejection of money bills and other bills except bills amending the Constitution. In accordance with the Constitution, elections must be held every five years but may be called at any time by the Prime Minister. At the end of a legislature, both Houses of Parliament are

¹ Constitution of Barbados. Viewed at: http://www.parliament.go.th/parcy/sapa_db/cons_doc/constitutions/data/Barbados/Barbados.htm.

dissolved by the Governor-General acting on the advice of the Prime Minister. The last elections took place in January 2008.

6. The Constitution is Barbados' supreme law. Any law that is not consistent with the Constitution is void to the extent of its inconsistency. International agreements must be incorporated into domestic law to have effect and to be invoked before the courts. WTO provisions may not, therefore, be invoked directly before national courts, but only to the extent that they have been incorporated in domestic legislation.

7. Most bills are prepared by the office of the Attorney General at the request of a Ministry, and may be introduced in either the House or the Senate. A bill commenced in the Senate must be passed, at its third reading, with or without amendments, before moving onto the House, and vice versa. However, most bills usually begin in the House. Bills become law only after receiving the assent of the Governor General.

8. The judicial system is based on English common law. Magistrates courts deal with civil and criminal cases. The Supreme Court of Judicature consists of the High Court and Court of Appeal, each with four judges, and deals with the more serious criminal and civil cases and with issues related to interpretation of the Constitution. The court of last resort is the Caribbean Court of Justice (CCJ) in Port of Spain, Trinidad and Tobago, whose decisions are binding on all parties. The CCJ started operating in 2005; it is established by treaty among CARICOM states with an exclusive and original jurisdiction to deal with interpretation of the revised Treaty of Chaguaramas, and an appellate jurisdiction for dealing with domestic legal matters. In the case of Barbados, the CCJ has replaced the Privy Council in London as the final Court of Appeal.

(3) TRADE POLICY FORMULATION AND IMPLEMENTATION

9. Barbados' trade policy has not undergone any major changes since its first Trade Policy Review in 2002. The stated aims of Barbados' trade policy are: (i) to secure market access for Barbadian exports of goods and services; (ii) to encourage the growth and development of the country's productive sector; (iii) to allow imports of goods and services in a way that would not undermine the quality of life or increase the cost of living; and (iv) to support other government initiatives for economic growth and development and services.² Barbados considers trade agreements as vehicles to obtain increased market access for its goods and services, at the multilateral, regional and bilateral levels. To this end, it deems of utmost importance its participation in the WTO and the CARICOM, complementing this with bilateral trade agreements.

10. The authorities indicate that Barbados sees the WTO as providing a multilateral rules-based framework for the conduct of all trade, including all trade agreements. Barbados' approach to regional trade arrangements, including the CARICOM Single Market and Economy (CSME) requires that all such arrangements be WTO-compatible, as this provides a platform for Barbados' fuller integration into the global trading system.

11. In international fora, including the WTO, Barbados has actively highlighted the particular vulnerability of small economies to price and supply fluctuations, higher fixed costs of production and marketing, and susceptibility to natural disasters. In particular, in trade negotiations, Barbados has stressed its small size, limited natural resources, and heavy reliance on a wide range of imported goods.

² Ministry of Foreign Affairs and Foreign Trade (2006).

12. A number of agencies participate in the formulation and implementation of trade policy in Barbados; there have not been any significant changes in their responsibilities in recent years. The Ministry of Foreign Affairs, Foreign Trade and International Business advises the Government on all trade policy matters and has responsibility for negotiating trade agreements and coordinating their implementation; it represents Barbados in the WTO. In particular, the Ministry's Foreign Trade Division formulates and oversees Barbados' foreign trade policy. The Division develops foreign trade policy in consultation with other Ministries, the private sector, and trade unions.

13. The Government continues to consult extensively with the private sector and other social and economic partners for the formulation of trade policy. The authorities note that consultations take place as the need arises. Some of the main private bodies that participate in the process include the Barbados Manufacturers' Association, the Barbados Chamber of Commerce and Industry, the Barbados Private Sector Agency, the Congress of Trade Unions and Staff Associations of Barbados, the Barbados Hotel and Tourism Association, the Barbados Agricultural Society, the Barbados Private Sector Trade Team (BPSTT), and the Barbados International Insurance Association.

(4) FOREIGN INVESTMENT REGIME

14. There is no specific legislation in Barbados with respect to foreign investment. The responsibility for foreign investment policy in Barbados is shared between the Ministry of Foreign Affairs, Foreign Trade and International Business. The Barbados Government created Invest Barbados in 2007 to assist the country to become more responsive in a competitive international environment. Invest Barbados is now responsible for attracting and sustaining international investment for Barbados; developing the export potential of the indigenous services sector; and helping to develop and manage the Barbados Brand.³ Prior to the creation of Invest Barbados, the Barbados Investment Development Corporation (BIDC) was responsible for handling all investment issues. The Barbados Tourism Investment Incorporated (BTI) also participates in policy formulation. The BIDC and Invest Barbados also provide advisory services and other assistance to companies looking to establish businesses in Barbados.

15. The Government's general policy with respect to attracting foreign investment is to offer a favourable environment and incentives schemes; in general, foreign investors receive the same treatment as domestic investors. Barbados' legislation does not contain specific references to foreign investment restrictions, nor does it explicitly guarantee market access or national treatment to foreign investors, except for CARICOM nationals and companies. The authorities have noted that MFN and national treatment are specified in the different bilateral investment treaties signed by Barbados (see below).

16. Some general restrictions to foreign investment are in place. For example, tour operators and travel agents must be Barbadian owned as part of Government policy to reserve some services for locals; as part of the CARICOM Single Market and Economy (CSME) the concept of Barbadian ownership is now expanded to include CARICOM nationals. Although foreign investment is generally not subject to restrictions, according to one report, investment in activities such as certain ground transport and food retail services is reserved for locally domiciled firms, as are services from tour operators.⁴ Supply of water and of postal services are Government monopolies. Also, although Barbados allows 100% foreign ownership, restrictions may be applied to share transfers in the case of foreign investors. Private investment in broadcasting, banking, international business, and insurance is subject to prior government approval in the form of licences.

³ Invest Barbados online information. Viewed at: <http://www.investbarbados.org/>.

⁴ U.S. Department of Commerce, U.S. & Foreign Commercial Service (2006).

17. According to Barbadian law, no property of any description may be compulsorily taken possession of, and no interest in or right over property of any description may be compulsorily acquired, except by or under the authority of a written law, and where provision applying to that acquisition or taking of possession is made by a written law. The Land Acquisition Act, Cap. 228 provided for land to be compulsorily acquired for a public purpose, and provides the rules for the determination of compensation.

18. Transfers of investment and remittances of capital are regulated by the Central Bank under the Exchange Control Act; exchange control permission is required before a non-resident may hold shares in a company incorporated in Barbados, except in the case of offshore companies. The exchange control regime will be further liberalized gradually (Chapter I(2)(iii)). Foreign or non-resident investors must register with the Central Bank funds brought into Barbados in order to facilitate repatriation of these funds. Foreign currency funds may generally be freely repatriated for current transactions. However, if substantial capital gains have been realized, repatriation must generally be phased over a period determined by the Central Bank, which can be up to five years. Exemption from exchange control restrictions is provided for offshore business. Acquisition of real estate by foreigners requires permission from the Central Bank.

19. Investors (including foreign) may benefit from a number of incentives administered by the Ministry of Finance, Economic Affairs and Energy and the Ministry of Tourism, in coordination with Invest Barbados (the B IDC, prior to 2008) (Chapter III(4)(ii)).⁵

20. Barbados has double taxation avoidance agreements with other CARICOM countries by virtue of the Revised Treaty of Chaguaramas. It has agreements for the avoidance of double income tax taxation with the United Kingdom (subscribed in 1970), Canada (1980), United States (1984, second Protocol signed in 2004), Finland (1989), Norway (1990 and 2004), Sweden (1991), Venezuela (1998), China (1999), Cuba (1999), Malta (2001), Mauritius (2004), Botswana (2005), the Netherlands (2005), Austria (2007), Ghana (2008), and Mexico (2008)⁶. A tax agreement with Switzerland, which pre-dates independence (1954), is an extension of a U.K. agreement. The main differences among the treaties relate to the rates of withholding tax on dividends, royalties, and interest.

21. Bilateral investment promotion and protection treaties (BITs) are in place with the United Kingdom (1993), Germany (1994), Venezuela (1994), Italy (1995), Switzerland (1995), Canada (1996), Cuba (1996), China (1998), Mauritius (2005), and Ghana (2008).⁷

22. The Barbados Arbitration Act (1976) and the Foreign Arbitral Awards Act (1980) contain provisions for arbitration of investment disputes. Foreign national investors receive the same protection as local investors and, in case of dispute related to an investment, they can resort to the same procedures as national investors. Barbados is a member of the International Center for the Settlement of Investment Disputes (ICSID), and of most of the conventions and model laws emanating from the work of the United Nations Commission on International Trade Law.⁸ Barbados is also a member of the Multilateral Investment Guarantee Agency.

⁵ Ministry of Finance, Economic Affairs and Energy online information. Viewed at: http://www.bidc.com/barbados_link.cfm?WebLink=27.

⁶ Ministry of Finance, Economic Affairs and Energy online information. Viewed at: http://www.bidc.com/barbados_link.cfm?WebLink=27.

⁷ Ministry of Finance, Economic Affairs and Energy online information. Viewed at: http://www.bidc.com/barbados_link.cfm?WebLink=27.

⁸ UNCITRAL online information. Viewed at: <http://www.un.or.at/uncitral>.

(5) INTERNATIONAL RELATIONS**(i) Participation in the WTO**

23. Barbados became a GATT contracting party in 1967 and is an original Member of the WTO.⁹ Barbados grants at least MFN treatment to all its trading partners. It made specific commitments under the General Agreement on Trade in Services (GATS) in 4 of the 12 sectors, and 21 of the 160 subsectors of the services classification list (Chapter IV(4)).¹⁰ In 1997, Barbados undertook specific commitments in the negotiations on basic telecommunications and ratified the Fourth Protocol to the GATS.¹¹ However, it did not submit an offer in the financial services negotiations concluded in 1998. Barbados is not a party or observer in any WTO plurilateral agreements, or the ITA.

24. Barbados has submitted an initial conditional services offer within the context of the Doha Development Agenda (DDA) negotiations.¹² However, as at May 2008, it had not submitted a revised offer.¹³

25. Barbados has never invoked the dispute settlement provisions of the GATT or WTO, nor have any complaints been brought against it in these fora. However, Barbados reserved its rights to participate as third party in four cases: a dispute relating to U.S. provisions on foreign sales corporations; and three cases relating to EC export subsidies on sugar.¹⁴

26. Barbados supported a request by a number of developing members of the WTO for an extension period for providing export subsidies until 2018.¹⁵ Barbados regards these subsidies as important to help it integrate more fully into the multilateral system, given what it sees as weaknesses associated with its status as a "small and vulnerable economy".

27. Barbados has also been active in the WTO in the context of the DDA negotiations. At the Sixth Ministerial Conference in Hong Kong, China, in December 2005, Barbados reaffirmed its full commitment to trade liberalization and its support of fair international trade rules.¹⁶ Barbados also strongly advanced the argument that special and differential (S&D) is integral to the negotiating process. In the DDA, Barbados has submitted joint proposals covering the main areas under negotiation.¹⁷ In those submissions, among other things, Barbados has stated that the characteristics of small vulnerable economies required special recognition, and should be addressed within international trade rules. Barbados also made statements on behalf of a number of other delegations, particularly calling for the negotiating bodies to address the specific needs of SVEs.¹⁸

28. Since its last Review, Barbados has submitted numerous notifications to the WTO but some are yet to be made (Table AII.1): the last notification under the Agreement on Agriculture was made

⁹ WT/LET/1/Rev.2, 22 May 1995.

¹⁰ Contained in WTO document MTN.GNS/W/120, 10 July 1991.

¹¹ WTO document GATS/SC/9/Suppl.1, 24 February 1998.

¹² WTO online information. Viewed at: http://www.wto.org/english/tratop_e/serv_e/s_negs_e.htm.

¹³ For further information see WTO online information: http://www.wto.org/english/tratop_e/serv_e/s_negs_e.htm.

¹⁴ For more information on these cases see WTO online information at: http://www.wto.org/english/thewto_e/countries_e/barbados_e.htm, or in WTO documents series DS108, DS265, DS266, and DS283.

¹⁵ WTO document G/SCM/W/535, 12 April 2006.

¹⁶ WTO document WT/MIN(05)/ST/29, 14 December 2005.

¹⁷ WTO documents TN/S/W/7, 28 October 2002; TN/MA/W/66, 11 November 2005; TN/AG/GEN/11, 11 November 2005; TN/TF/W/129, 7 July 2006; TN/TF/W/129/Rev.1, 21 July 2006; TN/RL/W/210, 6 June 2007; TN/RL/W/210/Rev.1, 18 June 2007; and TN/RL/W/210/Rev.2, 22 June 2007.

¹⁸ WTO document TN/C/W/36, 2 December 2005.

in March 2004, and just one SPS measure had been notified. In the area of TBTs, a number of notifications were made between 2002 and 2005 but no new notifications have been made since early 2006. While recognizing that there had been a general falloff in the notifications to the WTO, the authorities noted that this was not a reflection of their lack of commitment to the process, but was due to capacity constraints within Ministries as well as a heavy negotiating schedule over the last seven years, including the FTAA and EPA negotiations and work to implement the CSME.

(ii) Participation in regional and bilateral agreements

(a) CARICOM

29. Barbados is a founding member of the Caribbean Community and Common Market (CARICOM) Treaty signed in 1973 (Treaty of Chaguaramas). CARICOM comprises 15 member states.¹⁹ Barbados is one of the five "more developed countries" (MDCs) of CARICOM, with Guyana, Jamaica, Suriname, and Trinidad and Tobago. In 1989 the CARICOM Heads of Government decided to revise the treaty of Chaguaramas to create the CARICOM Single Market and Economy (CSME), within which there would be free movement of goods, services, capital, and CARICOM nationals. The CSME project was launched on 1 January 1991, and a phased programme to revise the Common External Tariff (CET) approved (Chapter III(2)(iv)).²⁰ The revision of the Treaty of Chaguaramas was completed in 2000, and Barbados has enacted domestic legislation giving effect to the CSME; the Single Market became operational in 2006. The Single Economy is expected to be fully implemented by 2015.

30. The Conference of Heads of Government is the highest decision-making body and final authority of CARICOM. A number of ministerial councils deal with policy in different areas. The Council for Trade and Economic Development (COTED), representing membership of trade and development ministers from all member states, is responsible for the promotion of trade and economic development in CARICOM, and is among the organization's most influential institutions. The Council for Foreign and Community Relations (COFCOR) is responsible for relations between CARICOM, international organizations, and third countries, while the Council for Finance and Planning (COFAP) is responsible for monetary policy coordination. Since 1997, CARICOM has worked through the Caribbean Regional Negotiating Machinery (CRNM) to coordinate information and strategy in external trade negotiations, including in the WTO.

31. During the period under review, a number a developments in trade and trade policy in Barbados have been driven by its CARICOM membership. In April 2005, CARICOM governments inaugurated the Caribbean Court of Justice (CCJ) in Trinidad and Tobago, a *sui generis* court with an original and exclusive jurisdiction for interpreting provisions of the Revised Treaty of CARICOM, as well as an appellate jurisdiction for municipal appeals from CARICOM states that choose to substitute the jurisdiction of the London-based Privy Council with that of the CCJ. In its original jurisdiction, all Member States are obligated by Treaty to recognize and give effect to the jurisdiction of the Court.²¹ Barbados adopted the CCJ as its court of last appeal on 8 April 2005 (Statutory

¹⁹ The founding members were: Barbados, Guyana, Jamaica, and Trinidad and Tobago. Bahamas, Belize, Dominica, Grenada, Montserrat, St. Lucia, and St. Vincent and the Grenadines acceded in May 1974; Antigua and Barbuda and St. Kitts and Nevis in July 1974; Suriname in July 1995, and Haiti ratified the Treaty in 2004.

²⁰ For information on the development of the CSME see CARICOM online information. Viewed at: <http://www.caricom.org>.

²¹ For the status of accession to the Court see CARICOM online information. Viewed at: http://www.caricom.org/jsp/single_market/csme_summary_key_elements_may_07.pdf.

Instrument 2005 No. 44). CCJ rules have been developed and the first session took place in August 2005.²²

32. CARICOM has also deepened trade-related cooperation at a technical level with the establishment of the CARICOM Regional Organization for Standards and Quality (CROSQ). Barbados has enacted the agreement establishing CROSQ into domestic law. CARICOM members also decided in 2004 to establish a Community Competition Commission (Chapter III(4)(iii)).

(iii) Other preferential agreements

33. Through its membership of CARICOM, Barbados has signed preferential free-trade agreements with Colombia, Cuba, the Dominican Republic, Costa Rica, and Venezuela; the agreement with Costa Rica was signed during the review period. None of these agreements had, as at January 2008, been notified to the WTO. Merchandise trade between Barbados and these CARICOM FTA partners accounts for less than 2% of total Barbadian trade.

34. The CARICOM-Venezuela Trade and Investment Agreement, which entered into force on 1 January 1993, is a one-way preferential agreement granting most CARICOM exports to Venezuela preferential or duty-free access. Tariffs have been eliminated on 22% of products, while 67% of products enjoy tariff reductions.²³

35. The CARICOM/Colombia Agreement on Trade, Economic and Technical Cooperation was signed on 24 July 1994 and entered into force on 1 January 1995; it provides for trade liberalization and facilitation (including the exchange of preferences), as well as promotion and protection of investment. The agreement was revised in mid 1999 to become reciprocal in relation to the four CARICOM MDCs. The agreement phased tariff reductions on a list of selected products: Annex II of the agreement contains a list of products on which tariffs were eliminated in mid 1999, and Annex III a list for possible phased reduction of duties, which are already in effect. The agreement also provides for the phasing out of any non-tariff barriers. It contains its own dispute settlement provisions; disputes regarding subsidies and anti-dumping are to be taken to the WTO.

36. CARICOM signed an FTA with the Dominican Republic (DR) in 1998, which provides for the mutual granting of tariff concessions between CARICOM MDCs and the DR.²⁴ The agreement entered into force for Barbados on 1 December 2001. In the case of Barbados, as an MDC, the agreement calls for provision of duty-free access for all goods originating in the DR other than those set out in appendices II and III to the agreement; the phased reduction of the rate of duty on goods in Appendix II; and no duty reduction on goods in Appendix III.²⁵ The phased duty reduction for goods in Appendix II was scheduled to start in 2000 and be completed by 1 January 2004 in the DR and in the MDCs; however, the schedule was subsequently reviewed.²⁶ As at May 2008, Barbados had already completed all the necessary phased reductions as required by the Agreement. In addition to

²² The CCJ rules were viewed at: <http://www.caribbean.courtsofjustice.org/rules/FINAL%20ORIG%20INAL%20RULES%20AS%20SIGNED%20MARCH%2024%2006.pdf>.

²³ Details of CARICOM bilateral agreements may be viewed at: <http://www.crnmm.org/bilateral.htm>.

²⁴ CRNM online information. Viewed at: <http://www.crnmm.org/bilateral.htm#CARICOM-Dominican%20Republic>.

²⁵ Goods in appendix II include: coffee, sausages, bacon, pasta, biscuits, jams and marmalades, soups and broths, rum, perfumes, boxes, plastic sacks and bags, plastic tableware, crates and boxes of paper or paperboard, footwear with rubber soles, and mattresses. Goods in Appendix III of the agreement are mostly agricultural products.

²⁶ CRNM (2006).

trade in goods, the agreement deals with services, investment, and government procurement.²⁷ In August 2005, negotiating groups on IPRs and services were established: negotiations are expected to be concluded one year after the signature of the CARIFORUM-EC Economic Partnership Agreement (see section (iv) below).

37. A trade and economic agreement between CARICOM and Cuba was signed in July 2000, providing for duty-free treatment on specified goods agreed by both sides. The agreement outlines specific treatment for a seasonal list of agricultural products. It also provides for the elimination of tariffs on a list of products, through four annual reductions.²⁸ The agreement also deals with taxation, trade promotion and facilitation, services, tourism, investment, intellectual property rights, and other topics. A Protocol for the Provisional Application of the Agreement was signed by Barbados and other CARICOM members in December 2002. The CARICOM/Cuba Trade and Economic Cooperation Agreement was incorporated into domestic law in Barbados in April 2006 and has entered into force.

38. The CARICOM-Costa Rica Free Trade Agreement was signed on 9 March 2004.²⁹ The agreement, reciprocal in so far as CARICOM MDCs are concerned, provides for free trade or preferential access for a wide range of products, exclusive of sensitive products. As a consequence of the agreement, some 90% of imports from Costa Rica enter duty free (April 2006), some 4% are subject to a four-year phased reduction and 3.9% of lines are excluded from any reduction; it entered into force in Barbados on 1 August 2006.

39. The CARICOM-Costa Rica Free Trade Agreement contains a list of CARICOM-wide excluded products for which no concessions will be made; these include a range of agricultural products, and a few manufactured goods. CARICOM products covered by the Oils and Fats Agreement are exempt from the FTA's scope. Some products exclusions are country-specific. In the case of Barbados, this includes some meats, ham, aerated beverages, cigars, and biscuits. For Barbados, the products subject to phased reduction include: fish, cut flowers, wheat, pasta, ice cream, beauty preparations, bleach, insecticides, organic solvents, some types of footwear, lead-acid accumulators, stoves, and mattresses and supports.³⁰ A list of agricultural products is also subject to seasonal duties, being duty free the rest of the year. The agreement contains anti-dumping, SPS, and dispute settlement provisions.³¹

(iv) Unilateral preference programmes

40. Barbados is a beneficiary of the Generalized System of Preferences (GSP) of: Australia, Canada, the European Union, Japan, New Zealand, Norway, Russia, and Switzerland. Barbados was removed from the U.S. GSP list of beneficiaries in 2006, as its per capita income was considered too high. Barbados does not take part in the Global System of Trade Preferences.

²⁷ CARICOM online information. Viewed at: <http://www.caricom.org/archives/agreement-caricom-domrep-protocol.htm>.

²⁸ The Briefing Room online information. Viewed at: <http://www.thebriefingroom.net/tb20.html>.

²⁹ CARICOM Press Release 32/2004, 10 March 2004, "CARICOM and Costa Rica Sign Free Trade Agreement". Viewed at: http://www.caricom.org/pressreleases/pres32_04.htm.

³⁰ The complete list is contained in ANNEX III.04.2 to the Agreement. Viewed at: http://www.sice.oas.org/trade/crcrcom_e/textagreement.pdf.

³¹ OAS online information. Viewed at: http://www.sice.oas.org/TPD/CAR_CRI/Negotiations/CRI_BRB_s.pdf.

41. Barbados enjoys preferential access to the U.S. market under the Caribbean Basin Initiative (CBI); this was revised in 1990 and became a permanent part of U.S. law.³² The United States upgraded the CBI through the Caribbean Basin Trade Partnership Act (CBTPA) of 2000, which provided additional preferential access; CBTPA benefits are available until September 2008. The CBTPA provides NAFTA-equivalent tariff treatment for certain items previously excluded from duty-free treatment under the CBI programme (footwear, canned tuna, petroleum products, watches and watch parts).³³ To benefit at least 35% of the product's value must have originated in Barbados or another CBTPA beneficiary; or this percentage can be reduced to at least 20%, if not less than 15% of the product originated in the United States or Puerto Rico. Barbados has enjoyed CBI benefits since June 2001.³⁴ According to the authorities, some 98% of Barbados' exports to the United States take place under the CBI. The possibility of an FTA between CARICOM and the United States has been explored.³⁵

42. Barbados' exports enjoy preferential access to the EC market under the African, Caribbean, and Pacific European Union Partnership Agreement (Cotonou Agreement), signed in June 2000 and with a duration of 20 years. The Cotonou Agreement is based on five pillars: an enhanced political dimension; increased participation; a strategic approach to cooperation, focusing on poverty reduction; economic and trade partnerships; and improved financial cooperation. Under the agreement, ACP countries (except for South Africa), benefited, during an interim period (2001-07), from non-reciprocal trade preferences on industrial, certain agricultural, and fishery products, subject to a safeguard clause. For certain products (bananas, beef and veal, and sugar), the EC provided special market access under "commodity protocols."³⁶

43. The Cotonou Agreement called for negotiations for economic partnership agreements (EPAs) aimed at establishing the timetable for the substantial liberalization of trade between the parties, compatible with WTO rules.³⁷ To this end, the CARIFORUM-EC negotiations for an EPA were officially launched in Kingston in April 2004.³⁸ The negotiations concluded in December 2007 when the EPA Agreement was initialled in Barbados on 16 December 2007. The Agreement is expected to be signed at the Ministerial level in July 2008. As at early 2008, the CARIFORUM/EC Economic Partnership Agreement was expected to be signed at the Ministerial Level in Barbados in July 2008 and to receive provisional application from 1 April 2008. The EPA is of indefinite duration, and will enter fully into force when a sufficient number of parties have ratified it. The EPA is legally binding and has its own institutional structure of governance.³⁹

44. The EPA requires CARIFORUM to eliminate duties on 82.7% of its imports from the EC in the first 15 years of the agreement, and 86.9% after 25 years. CARIFORUM countries have a ten year moratorium on certain sensitive products before tariff reductions. A general moratorium of three years is in place for other products subject to duty elimination. Other duties and charges may also be kept during the first three years and then phased out in the following seven years. A standstill clause applies for tariffs and other duties and charges. CARICOM states will also grant the DR the same

³² WTO document G/L/25, 15 September 1995.

³³ USTR online information. Viewed at: <http://www.ustr.gov/regions/whemisphere/camerica/actsheet.html>.

³⁴ For further information on the CBI, see WTO (2008), Chapter II(4)(iii).

³⁵ Caribbean Regional Negotiating Machinery online information. Viewed at: <http://www.crnmm.org/acp.htm>.

³⁶ WTO (2007).

³⁷ Cotonou Agreement, Chapter II. Viewed at: http://europa.eu.int/comm/development/body/cotonou/agreement/agr18_en.htm.

³⁸ The CARIFORUM comprises CARICOM countries and the Dominican Republic (DR).

³⁹ Girvan (2008).

treatment they give the EC, and vice versa. CARIFORUM MDCs, such as Barbados, are expected to liberalize access to EC firms and service providers in some 75% of their service sectors. The EPA guarantees CARIFORUM countries permanent duty-free, quota-free access to the EC market for its exports, with special transition periods for sugar and rice. CARIFORUM sugar exporters will benefit from an expanded annual quota of 60,000 tons in 2008 and 2009; and an export quota for rice of 187,000 tonnes and 250,000 tonnes in 2008 and 2009, respectively, before quota-free access for milled rice to the EC market takes effect on 1 January 2010. The EPA also contains provisions on a number of other areas, including intellectual property protection, safeguards and other contingency measures, TBTs, services, competition policy, dispute settlement, government procurement and investment.

45. Under the Canada Caribbean Technical Cooperation Agreement (CARIBCAN), in force since 1986, Canada grants exports from Barbados and other CARICOM countries duty-free treatment on eligible products (most products except textiles, clothing, footwear, luggage and other leather goods, lubricating oils, and methanol). CARICOM has also been exploring the possibility of concluding an FTA with Canada since January 2001.⁴⁰ Following a visit by the Canadian Prime Minister in July 2007, negotiations for a new trade and economic cooperation agreement with Canada were expected to be undertaken in the near future.

(v) Technical assistance and Aid for Trade

46. Barbados has benefited from technical assistance from various sources during the period under review, including the Caribbean Regional Technical Assistance Centre (CARTAC), Canadian International Development Agency, Caribbean Development Bank, Commonwealth Secretariat, European Commission, Organization of American States, Pan American Health Organization, United Nations Development Programme, United Nations Environment Programme, United Nations Food and Agriculture Organization, United Nations Population Fund, United Nations Volunteers Programme, United States Agency for International Development, Inter American Development Bank, World Bank, World Intellectual Property Organization, and the WTO. Barbados has also been the beneficiary of technical assistance funds or programmes from a number of governments.

47. WTO technical assistance has focused on increasing government officials' understanding of WTO-related issues. Between 1 January 2002 and 1 March 2008, Barbados participated in 47 technical assistance activities, including mostly regional seminars and workshops and Geneva-based trade policy courses, as well as five national training activities. These have covered a broad range of WTO subjects, including trade facilitation, technical barriers to trade, sanitary and phytosanitary measures, intellectual property, services, dispute settlement, market access. Barbados hosted some 16 regional activities between 2002 and early 2008.

48. Barbados participated in the WTO Task Force on Aid For Trade (AFT), acting as the leading country for the Caribbean region. The AFT submitted its report and recommendations in July 2006.⁴¹

⁴⁰ Caribbean Regional Negotiating Machinery online information. Viewed at: <http://www.crn.org/bilateral.htm>.

⁴¹ WTO document WT/AFT/1, 27 July 2006.

49. Based on OECD data, aid for trade contributions to Barbados during the period under review have been relatively small, reflecting in part its status of middle-income country. Inflows in the form of grants increased steadily over 2002-06⁴²; they totalled US\$29.62 million. Some US\$12.5 million of aid for trade came from multilateral donors, the rest came from bilateral donors in particular the G-7 countries, which contributed some US\$16.4 million over the period. Inflows in the form of loans totalled US\$52.87 million over 2002-06.

⁴² Inflows were US\$4.11 million in 2002, US\$4.06 million in 2003, US\$5.63 million in 2004, US\$7.54 million in 2005, and US\$8.28 million in 2006. OECD Creditor Reporting System. Viewed at: <http://stats.oecd.org/WBOS/Default.aspx?Dataset Code=CRSNEW>.

III. TRADE POLICIES AND PRACTICES BY MEASURE

(1) OVERVIEW

1. Tariffs are the main instrument of border protection in Barbados. It applies the CARICOM Common External Tariff (CET) with exceptions. Barbados' average applied MFN tariff was 16.2% in 2007, slightly lower than its level in 2002, but it is among the highest within CARICOM. Effective tariff protection is further increased by a range of tariff exemptions granted to local producers. Barbados' average applied tariff on agricultural products (33.7%, WTO definition) is much higher than on other goods (12.8%). During the period under review, tariffs were raised to 60% on a number of domestically produced manufactures, and lowered on certain agricultural products as a result of Uruguay Round commitments to reduce out-of-quota tariffs. Additional charges were maintained solely on imports: an environmental levy and, (between 2005 and 2007), a cess tax; the latter increased import duties by close to six percentage points on a temporary basis.

2. Barbados has bound all of its tariffs except on fish and fish products. Agricultural products (WTO definition) are bound at rates of at least 100%, with other products bound at rates of at least 70%. Barbados also bound other duties and charges, at 70% or higher.

3. As a result of past reforms, Barbados's import procedures are relatively simple; all importers must be registered and the average time for imports to clear customs is two days when agencies other than customs are involved. Barbados uses the transaction value as the basis for customs valuation; under-invoicing continues to be a concern for the authorities. Barbados requires import licences for a range of products, with different licensing regimes applying to imports from CARICOM and other countries.

4. Barbados has not implemented anti-dumping measures, but maintains a countervailing measure against milk imports from Trinidad and Tobago. It is delaying updating its related legislation to ensure that it is compliant with CARICOM's Single Market and Economy. Barbados has no safeguards legislation nor has it adopted safeguard measures.

5. A joint government-private-sector agency is responsible for the adoption of technical regulations and standards. Enforcement of the few technical regulations that exist in Barbados remains a challenge, and the Government is seeking to strengthen its monitoring and enforcement capacity. Barbados has made only one SPS notification to the WTO, which was in 2002; still to be notified is the new Plant Protection Act, which entered into force in 2007. It is not clear to what extent SPS measures are established on the basis of an evaluation of the actual risks.

6. The proceeds of a levy on cotton exports is distributed among producers; no other export taxes are applied. No other export restrictions are applied for economic reasons. As in 2002, exports are still promoted via a wide array of fiscal and other incentives programmes. For five of these programmes Barbados has requested and obtained the extension provided for under Article 27.4 of the SCM Agreement. Benefits take mostly the form of tax holidays. In addition to export-support programmes, producers of goods and services may benefit from tax breaks or other forms of assistance. Although the direct fiscal cost of such assistance does not appear to be high, reassessing the many incentive programmes in place with a view to their possible rationalization could contribute to greater transparency and efficiency in their use, reduce the distortion of incentives, and help address Barbados' fiscal situation.

7. Since its previous review, Barbados has introduced comprehensive competition policy legislation, which is an important step given the small size and high concentration of its domestic market.

8. The Government has shareholdings in a number of commercial entities in sectors such as agriculture, utilities, transport, financial services, and tourism. State trading is limited to imports of poultry wings. Certain state companies are *de facto* sole traders: one company is the only exporter of crude petroleum and the sole importer of diesel, gasoline, and fuel oil.

9. Barbados is not a party to the Plurilateral Agreement on Government Procurement. Government procurement, which represents some 8% of GDP, relies mostly on foreign goods and services given the small size of the economy. Contracts above BDS\$100,000 (US\$50,000) are filled by open tender. The adjudicating criterion is the "lowest evaluated tender", considering, apart from the price, such factors as the guarantee of supply, completion time, and transportation costs. Procurement for smaller amounts is mostly from registered suppliers, who must be domiciled in Barbados. The legislation does not grant preferential margins to local suppliers.

10. Barbados has enacted legislation that covers all major areas referred to in the TRIPS Agreement. Barbados' IPR-related legislation was reviewed by the WTO TRIPS Council in 2001. The legislation was amended in 2006 to make it more compatible with the provisions of the TRIPS Agreement.

(2) MEASURES DIRECTLY AFFECTING IMPORTS

(i) Procedures

11. There have been no changes since 2002 to the main legislation governing customs procedures, which remains the Customs Act (Cap. 66) of 1962¹ and the Customs Regulations of 1963, as amended. The Barbados Customs and Excise Department is responsible for customs procedures.² Barbados is a member of the World Customs Organization.

12. Imports can be cleared by the importer or by a licensed broker. Importers must be registered with the Customs Department. No registration fees are charged. Import declarations (Barbados Customs Goods Declaration Form C63) must be accompanied by up to seven documents: a commercial invoice; a carriers bill of lading or airway bill; a declaration of value form (C60) for goods valued over BDS\$2,500; a certificate of origin for CARICOM goods; an import licence if required; and a health and sanitary certificate if required. A packing list may be required by customs when goods are physically examined.

13. Barbados migrated to the ASYCUDA++ system in 2005. The authorities have reported speedier processing of documentation as well as improved statistical data, and clearer depiction of revenue figures and document tracing. Import documentation may be sent electronically in advance. The time taken for imports to clear customs varies: There is a three-lane system for imports: a green lane, where imports may pass through rapidly without inspection; a yellow lane, where imports are subject to documentary inspection; and a red lane where they are also subject to physical inspection. The authorities report that around 30% to 40% of imports are subject to documentary and/or physical inspection; and when other agencies are involved, the average time for goods to clear customs is around two days. The authorities confirm that Barbados has no PSI requirements. In 2008 Barbados set up a Post Clearance Audit Unit for audits on companies and brokers identified by Customs.

¹ The Customs Act. Viewed at: http://www.barbadosbusiness.gov.bb/miib/Legislation/documents/customs_act_cap66.pdf. Customs Regulations (1963).

² The Barbados Customs and Excise Department online information. Viewed at: <http://customs.gov.bb>.

14. As reported in Barbados's previous Review, permission may be granted to take delivery of goods pending payment of duties and/or other taxes once a bond, guaranteed by a commercial bank or insurance company, is executed. Duties and taxes must be paid within ten days after the granting of the permission.

15. Any person aggrieved by a Customs decision, including on the value of imports, may request the Comptroller of Customs to undertake a review. Further avenues of appeal include the Administration Appeal Tribunal and the High Court. Decisions of the High Court may be appealed to the Court of Appeal. The authorities note that valuation is the main source of disputes in the customs area: during the review period one case was before the High Court (in 2006) regarding the undervaluation of motor vehicles; this was won by Customs.

(ii) Customs valuation

16. Legislation governing customs valuation is contained in the Customs Act, Cap. 66.³ The Second Schedule to the Act contains the rules for determining customs value. These follow the sequence laid out in the WTO rules on customs valuation. The use of minimum values is prohibited. The authorities note that, in practice, the transaction value is used on average for 90% of imports.

17. At end 2007, Barbados had not submitted replies to the checklist of issues on the implementation and administration of the customs valuation agreement.⁴

18. The Customs Department remains concerned about the practice of under-invoicing, and the value of certain products is routinely verified before importation is allowed. These products include: all used motor vehicles, as well as locally produced CDs, records, and tapes (sent overseas for pressing), motor vehicle parts, and marine and sea craft. Pre-clearance valuation involves documentary checks, interviews, requests for additional information, and physical examination of goods. The Customs Department is responsible for levying fines: no fines have yet been levied for under-invoicing, instead individuals are requested to pay the additional duty when under-invoicing has been found.

(iii) Rules of origin

19. Barbados does not have non-preferential rules of origin. It maintains preferential rules of origin for CARICOM origin imports; and rules of origin provisions are also contained in CARICOM's preferential schemes with third countries (Table III.1). These have not been notified by Barbados to the WTO.⁵ In most of these agreements, while goods must generally be shipped directly between parties, transit through third countries is permitted under certain conditions.

³ Customs Act, Cap. 66. Viewed at: http://barbadosbusiness.gov.bb/miib/Legislation/documents/customs_act_cap66.pdf.

⁴ WTO document G/VAL/W/161/Rev.1, 16 October 2007.

⁵ WTO document G/RO/65, 30 November 2007.

Table III.1
Rules of origin applying to CARICOM countries

Agreement/country	Rules
CARICOM	Goods must have been wholly obtained or produced within CARICOM (intra-CARICOM accumulation applies). Goods produced within CARICOM wholly or partly from materials imported from third countries must have been substantially transformed. Generally substantial transformation may be achieved by a change of tariff heading, or may be defined specifically for each tariff heading as set out in Part A of the List in Schedule II of the CARICOM Treaty. Barbados is expecting to implement the rules of origin contained in the Amended Schedule 1 of the revised Treaty of Chaguaramas, based on HS 2007 in August 2008.
CARICOM–Colombia	Rules of origin on imports into Barbados (as a CARICOM MDC) from Colombia only apply to a limited number of goods listed in the Agreement. Rules of origin on imports are set out in Article 9 of the Agreement, and in Annex III to the Protocol Amending the Agreement, effective since June 1998. Substantial transformation is generally determined by a change in tariff classification. Accumulation among parties applies.
CARICOM–Cuba	Rules of origin on imports into Barbados (as a CARICOM MDC) from Cuba only apply to the specific goods listed in Annex II-IV to the Agreement. Rules of origin are set out in Annex VI to the Agreement. Goods must be wholly obtained or produced in the territories of the parties (accumulation among parties applies). Otherwise, products which incorporate parts from third countries must undergo a change in tariff classification and value of materials used from third countries must not exceed 50% of the f.o.b. price of the goods.
CARICOM–Dominican Republic	Rules of Origin are set out in Appendix I to Annex I of the Agreement. Goods must be wholly obtained or produced in the territories of the parties (accumulation among parties applies). Otherwise, products which incorporate parts from third countries (which account for over 7% of the transaction value) must in most cases undergo a change in tariff classification. For chemicals, plastics and some fertilisers, the criteria for substantial transformation is that a chemical reaction or purification must have taken place. Origin is determined in some specific cases by a regional value content as specified in an attachment to Appendix I. There are also some instances where rules of origin criteria have yet to be developed.

Source: Caribbean Regional Negotiating Machinery online information. Viewed at: <http://www.cnm.org/bilateral.htm#CARICOM-Canada>; and OAS online information. Viewed at: http://www.sice.oas.org/agreements_e.asp.

(iv) Tariffs

(a) MFN applied tariffs

20. Barbados' average applied tariff was 16.2% in 2007, essentially unchanged since its last Review (16.5% in 2001). Import duties accounted for 7.8% of Government revenue in 2006/07.

21. Barbados' tariff schedule is based on the Harmonized Commodity Description and Coding System. The tariff, as applied in December 2007, comprised 6,890 tariff lines at the eleven-digit level (Table III.2 and Table III.3). Barbados levies customs duties on the c.i.f. value of imports.

Table III.2
Structure of the tariff, 2007
(Per cent)

1.	Total number of tariff lines	6,890
2.	Non- <i>ad valorem</i> tariffs (% of all lines)	0.7
3.	Non- <i>ad valorem</i> tariffs with no AVEs (% of all lines)	0.7
4.	Tariff quotas (% of all lines)	0.0
5.	Duty-free lines (% of all lines)	4.9
6.	Average rate of dutiable tariff lines (%)	17.0
7.	Domestic tariff "peaks" (% of all lines) ^a	6.2
8.	International tariff "peaks" (% of all lines) ^b	30.6
9.	Bound tariff lines (% of all lines)	97.3

a Domestic tariff peaks are defined as those exceeding three times the overall average applied rate.

b International tariff peaks are defined as those exceeding 15%.

Source: WTO Secretariat calculations, based on data provided by the authorities of Barbados.

22. The simple average MFN tariff in 2007 was 16.2%. The average MFN tariff for agricultural products (WTO definition) was 33.7% (down from 36.7% in 2001) and 12.8% for non-agricultural products (12.6% in 2001). Tariff rates range from zero to 216% for agricultural products, and from zero to 145% for non-agricultural products. The 145% tariff rate for non-agricultural products is applied on certain fish⁶, other manufactured products attract tariffs of 117% and below.

Table III.3
Summary analysis of the MFN tariff, 2007

Description	MFN				Final bound average (%)
	No. of lines	Average (%)	Range (%)	Coefficient of variation (CV)	
Total	6,890^a	16.2	0 - 216	1.5	87.3
HS 01-24	1,249	36.3	0 - 216	1.2	111.5
HS 25-97	5,641	11.8	0 - 117	1.2	82.8
By WTO category					
WTO Agriculture	1,149	33.7	0 - 216	1.3	110.9
- Animals and products thereof	164	66.5	0 - 184	1.1	134.8
- Dairy products	24	48.2	5 - 141	1.3	115.4
- Coffee and tea, cocoa, sugar etc.	184	22.1	0 - 135	1.0	100.8
- Cut flowers, plants	56	10.6	0 - 40	1.3	100.0
- Fruit and vegetables	300	42.2	0 - 216	1.0	109.1
- Grains	29	15.0	0 - 40	0.8	100.0
- Oil seeds, fats and oils and their products	101	20.5	0 - 158	1.3	131.6
- Beverages and spirits	136	44.8	5 - 141	0.9	102.6
- Tobacco	10	5.0	5 - 5	0.0	100.0
- Other agricultural products n.e.s.	145	6.1	0 - 40	1.1	100.4
WTO Non-agriculture (incl. petroleum)	5,741	12.8	0 - 145	1.3	82.4
- WTO Non-agriculture (excl. petroleum)	5,714	12.8	0 - 145	1.3	82.1
- Fish and fishery products	186	39.5	0 - 145	1.1	100.0
- Mineral products, precious stones and precious metals	399	12.6	0 - 60	1.2	78.2
- Metals	730	7.5	0 - 60	0.9	70.3
- Chemicals and photographic supplies	1,043	7.9	0 - 60	0.9	70.7
- Leather, rubber, footwear and travel goods	188	11.0	0 - 60	0.9	73.0
- Wood, pulp, paper and furniture	335	12.6	0 - 60	1.1	70.0
- Textile and clothing	996	17.6	0 - 117	1.1	70.1
- Transport equipment	447	18.6	0 - 45	1.0	191.8
- Non-electric machinery	593	6.6	0 - 60	0.9	73.3
- Electric machinery	270	10.4	0 - 60	0.8	76.5
- Non-agriculture articles n.e.s.	527	15.9	0 - 70	0.9	77.3
- Petroleum	27	7.5	0 - 40	1.3	151.5
By ISIC sector^b					
Agriculture and fisheries	472	31.3	0 - 216	1.2	104.9
Mining	110	7.7	0 - 50	1.4	73.4
Manufacturing	6,307	15.2	0 - 184	1.5	86.4
By HS section					
01 Live animals & products	352	45.1	0 - 184	1.1	120.6
02 Vegetable products	441	29.5	0 - 216	1.3	105.3
03 Fats & oils	53	33.6	5 - 158	0.9	158.0
04 Prepared food etc.	403	37.2	0 - 184	1.3	108.0
05 Minerals	193	8.3	0 - 60	1.2	85.5
06 Chemical & products	978	7.3	0 - 60	0.9	72.4
07 Plastics & rubber	250	9.2	0 - 60	0.8	72.5
08 Hides & skins	89	14.5	5 - 60	1.1	75.4
09 Wood & articles	124	9.7	0 - 20	0.6	70.0
10 Pulp, paper, etc.	181	11.0	0 - 60	1.3	70.0
11 Textile & articles	980	17.2	0 - 117	1.1	71.0
12 Footwear, headgear	66	16.2	0 - 20	0.4	70.0
13 Articles of stone	182	10.6	0 - 60	0.8	71.0
14 Precious stones, etc.	62	29.9	0 - 60	0.8	105.9

Table III.3 (cont'd)

⁶ Yellow fin tuna, dolphin, flying fish, kingfish, swordfish, blue marlin, marlin, sailfish, and spearfish.

Description	MFN				Final bound average (%)
	No. of lines	Average (%)	Range (%)	Coefficient of variation (CV)	
15 Base metals & products	722	7.9	0 - 60	0.9	70.3
16 Machinery	896	8.1	0 - 60	0.9	74.9
17 Transport equipment	458	18.4	0 - 45	1.0	188.9
18 Precision equipment	249	13.5	0 - 60	1.1	78.0
19 Arms and ammunition	24	38.1	0 - 70	0.7	116.0
20 Miscellaneous manufacturing	179	19.9	0 - 60	0.8	70.4
21 Works of art, etc.	8	20.0	20 - 20	0.0	70.0
By stage of processing					
First stage of processing	906	25.7	0 - 216	1.4	95.1
Semi-processed products	1,902	6.1	0 - 60	0.8	71.7
Fully-processed products	4,082	18.8	0 - 184	1.4	93.1

a Includes 47 lines for which no AVE's were available and 5 missing tariff lines.

b ISIC (Rev.2) classification, excluding electricity (1 line).

Source: WTO Secretariat estimates, based on data provided by the authorities of Barbados.

23. The vast majority of tariff rates are *ad valorem*; specific rates apply on 47 lines, which correspond mostly to alcoholic beverages. These rates have not changed since Barbados' previous review. *Ad valorem* equivalents of non-*ad valorem* rates were not provided by the authorities; as noted in Barbados' previous review, specific rates appear to offer high tariff protection in the case of alcoholic beverages.⁷

24. Tariff escalation is negative between raw and semi-processed products, but positive between semi-processed and processed products (Table III.3).

25. As reported in Barbados' previous Review, Barbados has implemented the CARICOM Common External Tariff (CET) on imports from non-CARICOM members. There is a tariff ceiling of 20% for non-exempt industrial goods and 40% for non-exempt agricultural goods.⁸ Barbados has scheduled a number of minimum duty rates in List C of the CET, which contains products whose MFN (extra-CARICOM) duties are higher than CET rates and which may be modified at the national level.

26. In May 2001, Barbados applied to COTED to increase its applied tariffs on extra-CARICOM imports on a number of mainly manufactured products to 60% (according to the authorities some of these rates have since been lowered). A list of these products was not available, however, in Barbados' 2007 MFN tariff there were 224 tariff lines with applied rates of 60%, which related mainly to HS Sections 10, 11, 14, and 20.

(b) Bound tariffs

27. In the Uruguay Round, Barbados bound all its tariffs except on fish and fish products. Most agricultural products (WTO definition) are bound at final rates of at least 100%, with other duties and charges bound at 70%; for some 40 items, final bound tariff rates range from 110% to 233%, with other duties and charges bound at rates of over 170%. Tariffs on most non-agricultural products are bound at rates of at least 70%, with other duties and charges bound at 200%; certain items are bound at higher rates, including petroleum products, soap and detergents, fireworks, film, tyres, precious

⁷ WTO document WT/TPR/S/101, 10 June 2002, Table AIII.1. The 57 tariff lines subject to specific duty rates in this table are in HS96; under HS2002, 47 lines are subject to specific rates.

⁸ WTO document WT/TPR/S/101, 10 June 2002.

stones, and motor vehicles. Tariffs on motor vehicles are bound at 247% (final rate in 2000), with other duties and charges bound at 346%.

(v) **Other charges affecting imports**

28. Barbados continues to charge an environmental levy on the c.i.f. value of imported goods (but not on domestic products).⁹ The levy is raised at a general rate of 1.5%. A rate of 2% is levied on the value of goods imported in containers made of plastic, glass or metal; on goods imported in containers made of paperboard; and on empty containers made of plastic, glass, metal or paperboard. Some items are subject to specific rates: motor vehicles (BDS\$150 per vehicle); tyres (other than motor cycle or bicycle tyres) (BDS\$10 per tyre); motor cycle and bicycle tyres (BDS\$1 per tyre); refrigerators, freezers, certain stoves, washing machines, and dishwashing machines (BDS\$15 per item); television sets, mattresses, and electric accumulators (BDS\$10 per item). This tax does not apply to domestically produced goods. The stated purpose of this levy is to defray the costs of the disposal of refuse generated by the use of goods imported into Barbados, and to preserve and enhance the environment. Refunds are available for imported goods that are re-exported.

29. A wide range of waivers from the environmental levy are available to importers under the Duties, Taxes and Other Payments (Exemption) (No.22) Order (1997)¹⁰ and the Special Development Areas Act (see Chapter IV(4)(v)).

30. In September 2005, Barbados introduced a Cess tax on imports originating in non-CARICOM members. This was imposed at a rate of 3% (with a wide range of exemptions), and initial intention was that it should be terminated after 18 months. The rate was raised to 6% in 2006. Revenues from this tax were directed to the Export Promotion and Marketing Fund. The Cess tax was withdrawn at end-February 2007. As noted by the authorities, the Cess had partly contributed to a decrease in retained imports to Barbados, as well as to the steep increase in food prices.¹¹

31. The standard VAT rate applied to most goods and services is 15%; this remains unchanged since Barbados's Review in 2002. It is applied on the c.i.f. customs value plus the sum of import duties and taxes. Some items are subject to concessional rates and others are zero-rated; exemptions and waivers also apply (Table III.4).

⁹ The Environmental Levy Act, CAP. 70 of the Laws of Barbados.

¹⁰ Exemptions apply to: diplomats and returning nationals; the Caribbean Development Bank; international business companies; foreign sales corporations; approved enterprises under the Fiscal Incentives Act; companies involved in the recycling of waste; hotels within the meaning of the Hotels Aids Act; government departments and educational institutions; statutory corporations; the Barbados Light and Power Company Ltd; manufacturers registered with the Customs and Excise Department; individuals or companies exempt under the Duties, Taxes and Other Payments Act; goods specified in section B of Part II of the Customs Tariff; articles imported by approved enterprises for the purposes of the Fiscal Incentives Act; commodities certified by the Chief Agricultural Officer for use in agriculture and fisheries, including duty-free vehicles for use in the agricultural industry; goods purchased under the Hotel Refurbishment Scheme; equipment and appliances for use by disabled persons; certain goods returned to Barbados; and vehicles imported by the Barbadian members of the West Indies Cricket Team.

¹¹ Government of Barbados (2007). Retained imports refers to imports which are retained in Barbados, rather than being imported for processing and re-exportation.

Table III.4
VAT rates, 2007

	Rate applied	Applied to
Standard rate	15%	Most goods and services
Concessional rate	7.5%	Holiday or vacation accommodation
Zero rate ^a	0%	Exported goods and services; international freight transport services; supplies to international commercial ships and aircraft; international telecommunications services to telecom carriers outside Barbados; livestock, poultry, bees, and fish used to produce food; prescribed goods for exclusive use by the fisheries enterprise in commercial fisheries; drugs and related items under the Drugs Service Act; prescribed medical devices; crude oil; components of an international package tour except the component that relates to the international travel; sugar cane from sugar cane farmers to the Barbados Agricultural Management Company Ltd.; international cruises; electricity, telecommunications services, accounting services, legal services, rental of office space and the supply of tickets to the international business community and to the diplomatic community; service charge payable to hotels; and others.
Exempt supplies ^b	n.a.	Financial services; various property-related services; bus and taxi passenger transportation; water and sewerage services by the Barbados Water Authority; various medical and educational services; supplies between trade unions; various betting services; and others.
Waivers	n.a.	Imports of building materials and equipment and supplies for the refurbishment of various tourism establishments. Available under the Special Development Areas Act (see Chapter IV(4)(v)).

n.a. Not applicable.

a For full list of zero-rated supplies, see First Schedule of the VAT Act.

b For full list of exempt supplies, see the Second Schedule of the VAT Act, section 10.

Source: The Barbados Customs and Excise Department. Viewed at: <http://customs.gov.bb>.

32. At the time of Barbados's previous Review difficulties were noted in the processing of VAT refunds. This remains the case. To alleviate the negative impact on manufacturers, qualifying registered exporters are not required to pay VAT at the time of importation of inputs of raw materials, packaging, and equipment.¹²

33. An excise tax applies to four categories of goods (domestically produced and imported): motor vehicles, tobacco products, alcoholic beverages, and petroleum products. The goods and their respective rates appear in the First Schedule to the Excise Tax Act¹³, and can be modified only by an Act of Parliament. Excise taxes apply to the customs value plus the customs duty and any other taxes payable on importation (currently the environmental levy (see above)). Permission may be granted for non-payment of the tax for imports that are re-exported within three months. Certain alcoholic beverages and imports of motor vehicles are exempt.

(vi) Quantitative restrictions and controls, including licensing

34. Barbados does not prohibit imports from any specific country. The authorities indicate that import prohibitions apply under a variety of laws, however, no list of prohibited imports and their respective legislative basis was available.

¹² Government of Barbados (2007).

¹³ Excise Tax Act, CAP. 69 of the Laws of Barbados.

35. At the time of Barbados' previous review, various measures had been taken to restrict imports of sensitive goods, including non-automatic licensing schemes.¹⁴ A number of Members sought clarification on Barbados's import licensing regime at that time.¹⁵

36. Barbados still maintains a licensing system to regulate the import of certain goods. This is governed by the Miscellaneous Controls Act Cap. 329 of the Laws of Barbados¹⁶, and managed by the Ministry of Trade, Industry and Commerce.

37. Barbados has provided replies to the WTO questionnaire on import licensing procedures. Imports requiring a licence are listed in the Miscellaneous Controls (General Open Import Licence) Regulations, 2004.¹⁷ The authorities note that the import licensing system is applied for monitoring, security, health, and environmental purposes as well as protection of public morals, and that there are no quantitative restrictions. Licences are non-automatic for imports for which concerns relate to health and safety; public morals and security, namely: fireworks; chemshield; mace; handcuffs (of plastic or metal); ratchet and spring-loaded knives; and jet skis and wave runners (Table III.5). The authorities confirm that all other products listed in Table III.5 are automatic.

38. Under the Miscellaneous Controls (General Open Import Licence) Regulations, 2004, there are two schedules listing goods for which licences must be obtained: the First Schedule applies to imports originating outside CARICOM countries, and the Third Schedule applies to goods originating within CARICOM (Table III.5). According to the authorities, the different application of automatic licensing to CARICOM and non-CARICOM countries reflects different monitoring requirements. Legislative approval is required in order to remove products from or to add products to these schedules.

Table III.5
Imports requiring a licence under the Miscellaneous Controls (General Open Import Licence) Regulations, 2004

Tariff heading No.	Description of goods	1 st schedule (non-CARICOM imports) or 3rd schedule (CARICOM imports)
01.05	Live poultry	1st
02.01	Meat of bovine animals, fresh or chilled	1st
02.02	Meat of bovine animals, frozen	1st
02.03	Meat of swine, fresh, chilled or frozen	1st
02.04	Meat of sheep or goats, fresh, chilled or frozen	1st
Ex.02.07	Meat of poultry of Heading No. 01.05 fresh, chilled or frozen	1st
0210.101	Ham	1st
0210.102	Bacon	1st
03.02	Fish, fresh or chilled, excluding fish fillets and other fish meat of heading No. 03.04	1st
03.03	Fish, frozen, excluding fish fillets and other fish meat of heading No. 03.04	1st
0303.75	Dog fish and other sharks	3rd
0303.793	Flying fish	3rd
0303.799	Other fish frozen	3rd
03.04	Fish fillets and other fish meat, fresh, chilled or frozen	1st; 3rd
04.01	Milk and cream, not concentrated or containing added sugar or other sweetening matter	1st; 3rd

Table III.5 (cont'd)

¹⁴ WTO document WT/TPR/S/101, 10 June 2002.

¹⁵ WTO document WT/TPR/M/101/Add.1, 13 August 2002.

¹⁶ The Miscellaneous Controls Act Cap. 329. Viewed at: <http://www.commerce.gov.bb/Legislation/Documents/CAP329.PDF>. This Act has not been amended over the review period.

¹⁷ WTO document G/LIC/N/3/BRB/4, 27 September 2007.

Tariff heading No.	Description of goods	1 st schedule (non-CARICOM imports) or 3rd schedule (CARICOM imports)
04.02	Milk and cream concentrated or containing added sugar or other sweetening matter	1st; 3rd
Ex. 04.07	Birds' eggs in shell, fresh, excluding hatching eggs	1st
0702.00	Tomatoes, fresh or chilled	1st; 3rd
0703.101	Onions, fresh or chilled	1st
0703.102	Shallots (eschallots) fresh or chilled	1st
07.04	Cabbages, cauliflowers, kohlrabi, kale and similar edible brassieas, fresh or chilled	1st
0704.901	Cabbages fresh or chilled	3rd
07.05	Lettuce and chicory, fresh or chilled	1st
07.06	Carrots and turnips, beetroots, salsify, celeriac, radishes and similar edible roots, fresh or chilled	1st
07.07	Cucumbers and gherkins, fresh or chilled	1st
0707.001	Cucumbers fresh or chilled	3rd
07.08	Leguminous vegetable, shelled or unshelled, fresh or chilled	1st
07.09	Other vegetables, fresh or chilled	1st
0709.903	Pumpkins fresh or chilled	3rd
07.10	Vegetables, uncooked or cooked, frozen	1st
0714.20	Sweet potatoes	1st
Ex. 08.07	Melons (including watermelons) and paw paws (papayas) fresh	1st; 3rd
1501.101	Lard	1st
15.07	Soya bean oil and its fractions, whether or not refined but not chemically modified	1st; 3rd
15.08	Ground nut oil and its fractions, whether or not refined but not chemically modified	1st; 3rd
15.09	Olive oil and its fractions, whether or not refined but not chemically modified	1st; 3rd
15.10	Other oils and their fractions, obtained solely from olives, whether or not refined but not chemically modified, including blends of these oils or fractions with oils or fractions of heading No. 15.09	1st; 3rd
15.11	Palm oil and its fractions, whether or not refined, not chemically modified	1st; 3rd
15.12	Sunflower seed, safflower or cotton-seed oil and fractions thereof, whether or not refined but not chemically modified	1st; 3rd
15.13	Coconut (copra), palm kernel or babassu oil and fractions thereof, whether or not refined, but not chemically modified	1st; 3rd
15.14	Rape, colza or mustard oils and fractions thereof, whether or not refined, but not chemically modified	1st; 3rd
15.15	Other fixed vegetable fats and oils and their fractions, whether or not purified, but not chemically modified	1st; 3rd
16.01	Sausages and similar products of meat, meat offal or blood, food preparations based on these products	1st
16.02	Other prepared or preserved meats, meat offal or blood (excluding corned beef)	1st
Ex. 17.01	Beet sugar and cane sugar in solid form	1st
19.02	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni and couscous whether or not prepared	1st; 3rd
1905.301	Sweet biscuits	1st; 3rd
1905.309	Other waffles and wafers	1st; 3rd
1905.901	Biscuits unsweetened	1st; 3rd
20.07	Jams, jellies, marmalades, fruit puree and fruit paste	1st
2008.199	Other nuts including mixtures prepared or preserved	1st; 3rd
Ex.20.09	Orange juice, grapefruit juice, pineapple juice and apple juice	1st
2009.11	Orange juice frozen	3rd
2103.201	Tomato ketchup	1st
2105.001	Ice cream	1st; 3rd
22.02	Water, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured and other non-alcoholic beverages	1st

Table III.5 (cont'd)

Tariff heading No.	Description of goods	1 st schedule (non-CARICOM imports) or 3rd schedule (CARICOM imports)
2202.101	Aerated beverages	3rd
2202.109	Other flavour water	3rd
2202.909	Other beverages	3rd
22.03	Beer made from malt	1st
2203.001	Beer	3rd
2203.002	Stout	3rd
Ex.22.06	Shandy	1st
Ex.22.08	Shandy	1st
Ex.34.02	Powdered laundry detergent	1st
3402.201	Dishwashing liquids	3rd
3402.204	Liquid bleaches	3rd
Ex.36.04	Fireworks ^a	1st; 3rd
Ex.38.23	"Chemshield" (the defence method of our times) ^a	1st; 3rd
Ex.38.23	"Mace" and similar products ^a	1st; 3rd
Ex.39.26	Handcuffs of plastic ^a	1st; 3rd
4418.20	Doors and their frames and thresholds	1st; 3rd
4819.306	Other sacks/bags of paper with base at least 40 cm wide	1st; 3rd
4821.10	Paper or paper board labels printed	1st; 3rd
Ex.61.09	T-shirts	1st; 3rd
7213.109	Bars and rods of non-alloy steel with deformations from rolling processes	1st; 3rd
Ex.73.26	Handcuffs of iron or steel ^a	1st; 3rd
Ex.82.11	Ratchet knives, spring-loaded knives including flick knives ^a	1st; 3rd
8507.20	Other lead-acid accumulators	1st; 3rd
87.02	Public transport type passenger motor vehicles	1st
87.03	Motor cars and other vehicles principally designed for the transport of persons (other than those of heading No. 87.02), including station wagons and cars	1st
Ex.89.01	Hovercraft	1st; 3rd
Ex.89.03	Yachts and other vessels for pleasure or sports	1st
9803.99	Jet skis; wave runners and similar vessels ^a	3rd
9403.201	Other metal furniture use in schools, churches and laboratories	1st; 3rd
Ex.95.04	Coin-operated amusement machines	1st; 3rd
Ex.95.04	Equipment and accessories for gambling or parlour games (excluding gaming machines) for example blackjack tables, table counters, hand counters, roulette wheels, dice, dice boxes, croupier's rakes etc.	1st; 3rd

a Non-automatic licensing.

Source: Miscellaneous Controls (General Open Import Licence) Regulations, 2004, CAP. 329 of the Laws of Barbados.

39. Applications for import licences must be made in advance of importation, and are granted within ten days. There are no administrative charges levied, and it appears that documentary requirements are minimal. Licences are valid for up to three months, and are renewable. If licences are refused, applicants will be informed of the reasons for refusal, and could appeal to the Director, Permanent Secretary or Minister within the Ministry of Trade, Industry and Commerce, or to seek redress in a Civil Court.¹⁸ The authorities indicate that since no licences have been refused, no appeals have been made.

40. A licence is also required under the Miscellaneous Controls (Importation and Exportation of Goods)(Prohibition)(Radioactive Materials) Regulations, 2004 (LRO 2005 C12) to import radioactive chemical elements and radioactive isotopes (including the fissile or fertile chemical elements and isotopes) and their compounds, and mixtures and residues containing these products. Import licences are also imposed under SPS-related legislation (see section (ix) below).

¹⁸ WTO document G/LIC/N/3/BRB/4, 27 September 2007.

(vii) Contingency measures

41. Barbados notified the WTO of its legislation on anti-dumping (AD) and countervailing (CV) duties in 1995.¹⁹ There have been no changes to this legislation over the review period. Questions were asked by several countries regarding Barbados's AD and CV legislation²⁰, however as at early 2008 Barbados had not responded to these questions. The authorities indicated that the process of updating legislation has been delayed since Barbados is also seeking to ensure that it is CSME compliant. Barbados does not have any national safeguards legislation.²¹

42. Barbados has not initiated any anti-dumping (AD) investigations nor imposed any such measures. In 1996 countervailing measures were introduced against imports of milk from Trinidad and Tobago. These were not notified to the WTO, and were still in force at end-May 2008.

43. The Ministry of Foreign, Affairs, Foreign Trade and International Business is responsible for conducting AD and CV investigations. Under Chapter 67 of the Laws of Barbados – Customs Duties (Dumping and Subsidies), where it appears that goods have been dumped or that an outside government or other authority has been subsidising goods that are being or have been imported, and that it would be in the interest of the Island. The Minister may impose and vary customs duties as he thinks necessary to meet the dumping or the subsidy. He must not exercise that power "if it appears to him that to do so would conflict with the provisions for the time being in force of the General Agreement on Tariffs and Trade".²²

44. The Revised CARICOM Treaty provides the basis for adopting anti-dumping and countervailing measures but only against imports from other CARICOM members.²³ A first draft of a model CARICOM anti-dumping law has been prepared.²⁴

45. Barbados reserved the right to invoke the agricultural special safeguards mechanism in the Uruguay Round. In 2002 it invoked these measures for a number of products (Chapter IV(2)).

(viii) Technical regulations and standards

46. The Barbados National Standards Institution (BNSI), which is responsible for establishing standards and technical regulations in Barbados, is a joint venture between the Government and the private sector. The president of the BNSI is the Minister of Trade, Industry and Commerce; its governing General Council is responsible for making policy decisions. The General Council comprises representatives from government ministries as well as NGOs and national trade, industrial, and professional associations.²⁵ Membership of the BNSI is open to any person interested in furthering the objectives of the institution, in the public, non-governmental or private sector (an

¹⁹ WTO document G/ADP/N/1/BRB/1, 30 October 1995.

²⁰ WTO document G/ADP/M/8/Suppl.1; and G/SCM/M/10/Suppl.1, 17 January 1997. Argentina; the EC; Hong Kong, China; Korea; Venezuela; and the United States submitted questions.

²¹ WTO document G/SG/N/1/BRB/1, 26 October 2004.

²² WTO documents G/ADP/N/1/BRB/1, 30 October 1995; WTO document G/SCM/N/1/BRB/1, 30 October 1995, and WTO (2002).

²³ Revised Treaty of Chaguramas Establishing the Caribbean Community Including the Caricom Single Market and Economy. Viewed at: <http://www.sice.oas.org/trade/caricom/caricind.asp>. Protocol Amending the Treaty Establishing the Caribbean Community. Viewed at: <http://www.sice.oas.org/trade/ccme/protoc8d.asp#cont>.

²⁴ WTO (2008).

²⁵ IADB online information: Viewed at: <http://www.iadb.org/projects/Project.cfm?project=BA-L1006&Language=ENGLISH>.

application form must be submitted). Foreign governments, in principle, may also become Members, however, none has yet applied.

47. The Government of Barbados has notified to the WTO that the BNSI is its enquiry point for all TBT-related matters.²⁶ It notified the WTO of its acceptance of the Code of Good Practice for the preparation, adoption, and application of standards, in 1997²⁷; and the implementation and administration of the TBT Agreement under Article 15.2, in 1999.²⁸ The Ministry of Foreign Affairs, Foreign Trade and International Business is the notifying authority.

48. Barbados has not notified any mutual recognition agreements with third countries.

49. The governing legislation for standards and technical regulations is the Standards Act 2006-5. This replaces the Control of Standards Act, Cap. 326A and the Barbados National Standards Institution (Certification Marks) Act, Cap 325A. The Control of Standards Regulations, 1982, and the Barbados National Standards Institution (Certification Marks) Regulations remain in force until replaced by new regulations made under the Standards Act.

50. Any member of the BNSI or an authoritative body may request BNSI in writing to establish a (voluntary) standard for a specific subject or to revise an existing standard.²⁹ National Standards may include standards: prepared by the BNSI; established by the CARICOM Regional Organisation for Standards and Quality; or established by any other standards body recognized by the BNSI (all have to be adopted by the BNSI as national standards). Once formulated, the title of the national standard must be published in the *Official Gazette*, and a daily newspaper. The BNSI is obliged to give due consideration to any resulting representations from the public. A list of Barbados National Standards are published in the *Standards Catalogue*.

51. The Standards Act (Part V) allows the Minister of Commerce to declare a BNSI standard as a (compulsory) technical regulation if it is intended to: protect the consumer against danger to health or safety; protect plant and animal health and life; ensure quality in commodities and services produced for use in Barbados or for export; protect the economy of Barbados; prevent fraud or deception arising from misleading advertising or labelling; require adequate information to be given to the consumer; safeguard the interest of the public; and safeguard the national security of Barbados. As specified in the Act, the Minister must give at least 60 days notice by publication in the *Official Gazette* and in a daily newspaper published in Barbados of his intention to make the order, and give the intended date of effect for the technical regulation. The title of the regulation, but not the full text, is published in a daily newspaper (either the *Barbados Advocate* or *Nation*). A list of the titles of the technical regulations is also published in the *Standards Catalogue*.

52. At March 2006, a total of 45 technical regulations were in force in Barbados. These are listed in the Second Schedule to the Standards Act. Of these, nine new draft technical regulations (one is a revision of an earlier notification) have been notified to the WTO Secretariat since 2002.³⁰ Barbados'

²⁶ WTO document G/TBT/ENQ/30, 22 June 2007.

²⁷ WTO document G/TBT/CS/N/77, 2 September 1997.

²⁸ WTO document G/TBT/2/Add.48, 24 September 1999.

²⁹ An authoritative body may be a government ministry or department, statutory corporation or any body that has legal powers and rights.

³⁰ The technical regulations notified concerned: (i) requirements for brewery products to be sold in Barbados and CARICOM; (ii) requirements for grade of certain types of rice, and general conditions for sampling and methodologies for assessing various factors in determining the quality of rice; (iii) grading criteria and grades, weight clarification, labelling requirements, and sampling protocols and test methods for prepackaged eggs; (iv) requirements for performance, sampling, packaging, and labelling of safety matches;

more recent notifications have allowed a 60-day deadline for comments after notification to the WTO Secretariat; previously, shorter deadlines for comments were allowed. No technical regulations were notified to the WTO as urgent measures. Most of the technical regulations in force relate to food. (See below).

53. The authorities note no technical regulations from trading partners have been recognized as equivalent.

54. BNSI is responsible for conformity assessment procedures in Barbados, namely: testing, verification, inspection, and certification. Under the Standards Act 2006-5, the BNSI is, *inter alia*, responsible for: certifying that products, commodities, processes, services, and quality systems conform to national standards; publishing certification marks; maintaining testing laboratories; and the granting and cancelling of licences to use a standard mark. The fees charged for conformity assessment are applied equally to imported and domestically produced products. Inspections are undertaken either at the border or within Barbados by trading standards inspectors appointed by the Ministry of Trade, Industry and Commerce.

55. According to the authorities, relevant guides and recommendations issued by international standards setting bodies are adopted and used as the basis for national conformity assessment procedures. No mutual recognition agreements for conformity assessment have been signed. Certification is based upon type-testing. In practice, third-party assessments are used, and third-party certifications from all other jurisdictions are recognized, although the Barbados authorities may still check for conformity if they believe it is necessary.

56. At end 2007, the Inter-American Development Bank was involved in a project to modernize Barbados's national standards system. This project has been approved by the Cabinet of Barbados and the contract was expected to be signed before July 2008. According to the IADB, there had been little enforcement of the few technical regulations that exist in Barbados, and the Government was concerned that sub-standard products were being imported with little control, and were competing unfairly with domestic products of higher quality. It noted that the Government was seeking to increase the number of technical regulations and enforce them vigorously, to protect consumers and to promote fair competition between domestic and imported products. The IADB reported that Barbados was also seeking to ensure the BNSI laboratory would be internationally accredited, thereby enhancing the possibility of Barbados' exports being granted market access based on conformity assessment done in Barbados. The project envisaged, *inter alia*: strengthening BNSI's institutional capacity to develop monitor and enforce national standards inspections; strengthening BNSI's internal administrative capacity; and updating its physical and technological infrastructure.³¹ In the context of this Review, the authorities drew attention to its limited resources in the area of standard setting and enforcement.

57. In 2002 CARICOM governments signed an Agreement Establishing the CARICOM Regional Organization for Standards and Quality (CROSQ)³², and in 2003 this body became operational. The

(v) requirements for purchase of match splinters from suppliers; (vi) general requirements, packaging, labelling, methods of sampling, and analysis for rum; (vii) labelling requirements for prepackaged meat and poultry parts/cuts, and fish and fishery products for consumer consumption; (viii) requirements for carbonated beverages including additives and methods of test; and (ix) labelling requirements (see WTO document series G/TBT/N/BRB/).

³¹ IADB online information. Viewed at: <http://www.iadb.org/projects/Project.cfm?project=BA-L1006&Language=ENGLISH>.

³² Agreement Establishing the Caricom Regional Organisation for Standards and Quality. Viewed at: <http://www.sice.oas.org/trade/ccme/crosq.asp>.

CROSQ succeeds the Caribbean Common Market Standards Council. It is, *inter alia*, mandated to establish and harmonize standards and technical regulations within CARICOM, and to promote the mutual recognition of conformity assessment procedures covering goods and services produced or provided in CARICOM as well as the accreditation and certification system based on internationally accepted criteria. Standards and technical regulations are drafted by special committees within the CROSQ, and forwarded to the Council of the CROSQ for adoption. Participation in committee work is open to all interested parties. The Council comprises the executive heads of the respective national standards bodies. Standards and technical regulations adopted by the CROSQ are then recommended to COTED for approval; thereafter CARICOM governments may adopt the necessary legal and administrative arrangements to give effect to COTED decisions within their jurisdictions.³³ Of the 48 technical regulations in force in Barbados, 12 have been adopted to implement regulations developed at the CARICOM level.

(ix) Sanitary and phytosanitary measures

58. The main institutions involved in the establishment of SPS measures in Barbados are the Plant Protection Section and Veterinary Services within the Ministry of Agriculture and Rural Development, and the BNSI within the Ministry of Trade, Industry and Commerce.

59. SPS-relevant legislation comprises the Animals (Diseases and Importation) Act, Cap. 253 and the Plant Protection Act (No. 53, 2007)³⁴; the latter entered into force in 2007 but as at May 2008 had yet to be notified to WTO.

60. Barbados notified a new SPS Enquiry Point to the WTO in 2005.³⁵ The authority charged with meeting notification requirements under the SPS Agreement remains the Foreign Trade Division within the Ministry of Foreign Affairs and Foreign Trade and International Business.³⁶

61. In 2006, Barbados provided answers to the Questionnaire on the Operation of SPS Enquiry Points and National Notification Authorities.³⁷ It confirmed that: the submission of notifications was part of a regular procedure for developing national SPS regulations; Barbados notifies to the WTO all new or changed regulations, whether or not they are based on an international standard; and that an inventory of all Barbados' proposed and adopted SPS regulations is available at its Enquiry Point.

62. Barbados has not notified any SPS measures to the WTO since 2002. The authorities indicate that they have not adopted any notifiable measure since that year. Prior to 2002, it had made one emergency notification, relating to a ban on imports from Uruguay of certain livestock products, due to foot and mouth disease.³⁸

63. Barbados is a member of the three standard-setting bodies explicitly referred to in the SPS Agreement: the Codex Alimentarius, the World Organisation for Animal Health (OIE) and the International Plant Protection Convention (IPPC).

³³ CROSQ online information. Viewed at: <http://www.crosq.org>.

³⁴ The Plant Protection Act (2007) replaces the Plant Pest and Disease (Import Control) Act, Cap. 253, which has been repealed.

³⁵ WTO document G/SPS/ENQ/22, 9 October 2007.

³⁶ WTO document G/SPS/NNA/12, 9 October 2007.

³⁷ WTO document G/SPS/W/103/Rev.2, 8 December 2006.

³⁸ WTO document G/SPS/W/103/Rev.2, 8 December 2006.

64. During the review period, Venezuela expressed concerns in the SPS Committee, regarding restrictions applied by Barbados to imports of Venezuelan citrus. Barbados maintains that its actions were consistent with the Plant Pest and Disease Import Control Act.³⁹

65. Barbados has bilateral agreements with Trinidad and Tobago, St. Lucia, St. Vincent and the Grenadines, Dominica, and Guyana to certify fruit and vegetables, plantations and farms, as well as methods for fruit and vegetables to be packaged, labelled and transported.⁴⁰ Barbados has no other agreements with any other countries on SPS measures.

66. Both the Animals (Diseases and Importation) Act and the Plant Protection Act, impose import restrictions in the form of licensing or registration requirements to protect human, plant and animal health.

67. Under the Animals (Diseases and Importation) Act⁴¹, importers of birds, reptiles, and insects must apply to the Senior Veterinary Officer for an import permit. The Act also sets terms and conditions for the importation of animal products. Animal products are defined to include: meat and poultry and their products and by-products; dairy products and any other products of animal origin. Importers must have an Annual Import Permit, which is issued by the Veterinary Services Department of the Ministry of Agriculture at a cost of BDS\$500; the permit is valid for 12 months and is renewable. Importers must apply in writing for permission to import each individual shipment before placing orders.

68. Meat and meat products may be imported only from approved countries. The authorities indicate that the list of approved countries is incorporated in a Schedule to the Animals (Diseases and Importation) Act; however, the list was not available for this Review. The authorities note that for a new country to be added to this list, various procedures, including a questionnaire and visit by Barbadian officials to the country, must be followed in order for the authorities to determine whether importation may take place. To remove countries from the list, Barbados follows the advice of the OIE. Shipments must be direct from the country of origin to Barbados, unless approval is granted for imports that have been transshipped. Approved transshipments are allowed only through a country where there has not been an outbreak of Foot and Mouth Disease or other specified OIE listed diseases in the previous 12 months.⁴² The importer must notify the authorities of incoming shipments, and provide to Customs the original health certificate of origin stamped as approved by the Animal Health Quarantine Officer.

69. Import permits are also required under the Plant Protection Act (2007) for imports of plants, plant products, and other regulated articles. Permits are for one shipment within a specified period. Applications for permits are made to the National Plant Protection Organization, and a fee is charged. Imports of plant products must be accompanied by an original phytosanitary certificate issued by the country of export dated not more than 30 days before the entry of the import. Under this Act, the Minister has the authority to prohibit the importation of plants, plant products or other regulated articles. The authorities note that no such prohibitions are in place but that particularly stringent

³⁹ WTO documents G/SPS/R/35, 13 January, 2005; G/SPS/GEN/204/Rev.5/Add.1, 25 February 2005; G/SPS/GEN/204/Rev.6/Add.2, 19 May 2006; G/SPS/GEN/204/Rev.7/Add.2, 7 February 2007; G/SPS/GEN/204/Rev.8/Add.2, 27 March 2008.

⁴⁰ WTO (2002).

⁴¹ Animal (Diseases and Importation) Act, Cap. 253. Viewed at: [http://www.caricomlaw.org/docs/Animals%20\(Diseases%20and%20Importation\).pdf](http://www.caricomlaw.org/docs/Animals%20(Diseases%20and%20Importation).pdf).

⁴² Terms and Conditions for the Importation of Animal Products. Viewed at: http://agriculture.gov.bb/files/veterinary_services/applications/commercialapplicati/Terms%20and%20Conditions%20for%20importing%20Animal%20Products.pdf.

conditions are attached to importation of sugar cane and other grasses, anthuriums (unless by tissue culture), and banana planting material.

70. The authorities indicate that all SPS measures in force are based on international standards, guidelines or recommendations. Entities may write to the Chief Agricultural Officer asking for a review of SPS measures, and stating the reasons for such an undertaking.

71. According to the authorities, the Ministry of Agriculture and Rural Development has produced a standard that is used in undertaking pest-risk analysis. Risk analysis is undertaken by officials from a number of agencies who meet informally in the absence of a dedicated pest-risk analysis unit; costs are borne by the Ministry of Agriculture and Rural Development. The length of time taken to complete a risk analysis varies with the complexity of the case. At the CARICOM level, efforts are being made in the context of the annual meetings of CARICOM Chief Veterinary Officers, to establish an expert team to assist in undertaking risk analysis. Barbados has not engaged international bodies to undertake risk analysis.

72. A draft framework for the import and use of genetically modified organisms has been completed and approved by the Barbados Cabinet.⁴³ The authorities indicate that it will be implemented as a harmonized law adopted by all CARICOM countries. Barbados has no regulations on the import of animals fed on hormones, or their products.

73. Testing and inspection is undertaken by the veterinary diagnostic laboratory, Government Analytical Services, BNSI, and the Ministry of Health. Random testing is employed.

74. With respect to the administrative processes for recognition of pest-free or disease-free areas or areas of low pest or disease prevalence in foreign countries, the authorities note that the exporting country is asked to provide evidence of the pest-free or areas of low pest prevalence, which is recognized if backed up by the OIE or IPPC, otherwise a team from the Ministry of Agriculture and Rural Development is sent to evaluate the evidence on the ground. The authorities confirm that, as at May 2008, Barbados recognized pest-free areas in St. Vincent and the Grenadines and Brazil.

75. According to the authorities, Legislation has been drafted to create a Caribbean Agricultural Food Safety Agency whose responsibilities would include harmonization of legislation and SPS measures.

(3) MEASURES DIRECTLY AFFECTING EXPORTS

(i) Procedures and documentation

76. Typical export documentation consists of: a customs declaration form, commercial invoice, a certificate of origin for exports under trade preferences, a central bank form, a bill of lading, a shipping instruction form, and an export declaration form. In all cases, the Central Bank Exchange Control Form must be taken for verification by the Entry Processing office of the port at which the goods are being shipped. Customs uses a three-lane system (green, yellow and red lanes). A fourth lane, the blue lane, is used for verification. Processing of other declarations is carried out online and does not require submission of any documents to Customs unless the export has been designated "yellow" or "red lane" by Customs. In the case of yellow-lane or red-lane designated exports, all the relevant documents must be presented at the Entry Processing office of the port at which the goods are

⁴³ WTO document G/SPS/GEN/554, 30 March 2005.

being shipped.⁴⁴ The authorities indicate that yellow lane procedures require document inspection only, while red lane procedures require document and physical inspection; only a small percentage of exports falls into one of these categories. Other exported goods are subject to physical examination only where there are revenue implications (for example, VAT refund).

77. Exporters are not required to register, unless they wish to export under trade preferences. The Certification Service at the Barbados Investment and Development Corporation (BIDC) delivers certificates of origin that allow exporters to benefit from preferences under CARICOM, CBI, CARIBCAN, and for exports to Colombia, Cuba, Dominican Republic, and Venezuela under CARICOM trade arrangements. The Customs and Excise Department provides certification under the ACP-EC Cotonou Agreement.

78. For export goods benefiting from regimes such as ex-warehouse, transshipment, drawbacks and temporary admission, a bond must be deposited with the Customs and Excise Department, which may also examine the goods to be exported to verify quantities, descriptions, and values.

79. The Veterinary Office of the Ministry of Agriculture and Rural Development issues health certificates for the export of live animals. The Veterinary Office, if required by the recipient country, also issues certificates for the export of fresh and processed foods of animal origin. For these foods, the exporter must first obtain a certificate of wholesomeness from the Ministry of Health in order to secure the Veterinary Export Health Certificate.

(ii) Taxes, charges, and levies

80. Barbados applies no taxes, charges or levies on exports, other than a levy on cotton exports of BDS\$0.17 per pound. The proceeds of this levy go to the Barbados Cotton Growers Association (Chapter IV(2)).

(iii) Prohibitions, restrictions, and licensing

81. A List of Prohibited and Restricted Exports, contained in the third schedule of the Customs Act, 1962, sets out items that may be subject to export licences.⁴⁵ However, the number of products subject to export restrictions is more limited.⁴⁶

82. At end 2007, an export licence was required for: black coral; live sheep and goats; tortoiseshell; and radioactive chemical elements. The legislation for these restrictions is contained in Statutory Instruments 2004 No. 2 and 2004 No. 158. Several of these restrictions are maintained under international agreements/conventions. Export licences are obtained from the Director of

⁴⁴ The Barbados Customs & Excise Department online information. Viewed at: <http://customs.gov.bb/General/Trade1.php>.

⁴⁵ The list includes live bovines, baby chicks, pork, poultry parts, certain fish, cheese, butter, eggs, tortoiseshell, black coral, sugar cane plants, various vegetables, rice, flour, peanuts, pasta, Portland cement, crude and other than crude petroleum oils, soap, sewing machines, certain furniture, and coin-operated betting machines.

⁴⁶ The following items are restricted for public morals and safety reasons: fireworks (HS Ex.36.04); chemshield (Ex.38.23); "mace" and similar products (Ex.38.23); handcuffs of plastic (Ex.39.26); handcuffs of iron or steel (Ex.73.26); ratchet knives, spring loaded knives; flick knives (Ex.82.11); and jet skis/wave runners (Ex.89.03).

Commerce in the Ministry of Trade, Industry and Commerce.⁴⁷ These licences are not automatic and apply irrespective of destination.

(iv) Duty and tax concessions, including subsidies

83. Barbados manages a number of incentives programmes targeted solely or partly at promoting exports. Barbados has requested the extension provided for under Article 27.4 of the SCM and the provisions of document G/SCM/39 for five of these programmes: the Fiscal Incentive Programme; Export Allowance; Research and Development Allowance; International Business Incentives; and Societies With Restricted Liability.⁴⁸ In July 2007, WTO General Council decided to extend the date for the dismantlement of export subsidies to end 2015.

84. The Fiscal Incentives Programme is aimed at stimulating greater levels of production of selected products required for domestic use and in demand extra-regionally, as well as use of raw materials or skills in Barbados. The incentives under the programme are provided under the authority of the Fiscal Incentives Act of 1974 (CAP 71A) and are administered by the BIDC. Under the Act, approved enterprises are granted an 11 to 15-year tax holiday for corporation tax and customs duties, and the 15% VAT. Relief from customs duty is on all imports of plant, equipment, machinery, spare parts, raw materials and components thereof required by the approved enterprise in the manufacture of an approved product, where such articles are not available in CARICOM.

85. Under the Fiscal Incentives Act, companies registered in Barbados may qualify for benefits provided they satisfy specific criteria and are granted approved enterprise status, producing an approved product. The tax holiday period under the Act depends on the enterprise classification, which is a direct function of the local value added generated: (a) Group I enterprises, with local value added of 50% and over of ex-factory sales of the product, receive up to 15 years; (b) Group II, 25-50%, up to 13 years; (c) Group III, 10-25%, up to 11 years; (d) enclave industries (producing only for export outside CARICOM), up to 15 years. A fifth group, the highly capital-intensive industries, defined as those in which there is investment of not less than US\$25 million, are eligible for a tax holiday of up to 15 years irrespective of their local value added. The Schedule to the Act includes (Section 2) a list of products excluded from the definition of approved products, which are generally goods produced and sold traditionally in the CARICOM region. A list of approved enterprises is contained in the Fiscal Incentives (Declaration of Approved Enterprises) Orders.

86. Revenue forgone under the Fiscal Incentives programme amounted to BDS\$18.1 million in 2005/06 (1 April-31 March) (15 companies benefited); and BDS\$7.2 million (US\$3.6 million) in 2003/04 (30 companies)⁴⁹; the figures for 2001/02 and 2002/03 were BDS\$15 million and BDS\$7.5 million, respectively. No notification has been made to the WTO for revenue forgone under this programme for 2004/05.

87. Under the Export Allowance programme, enterprises that export to a non-CARICOM country and do not obtain benefits under the Fiscal Incentives Act are entitled to a rebate of income or corporation tax on the export profits of the business. Allowances are provided under the authority of the Income Tax Act (section 14A and first schedule) and are administered by the Commissioner of Inland Revenue.

⁴⁷ Barbados Customs & Excise Department online information. Viewed at: <http://customs.gov.bb/General/Trade1.php>.

⁴⁸ WTO document G/SCM/N/71/BRB, 1 March 2002.

⁴⁹ WTO documents G/SCM/N/155/BRB, G/SCM/N/160/BRB, 5 July 2007; and G/SCM/N/123/BRB/Rev.1, G/SCM/N/128/BRB/Rev.1, 19 July 2005.

88. The rebate is based on the percentage of export profits to total profits; the reduction ranges from 35% to 93% of the tax normally payable on profits at the standard corporate tax rate (Table III.6).⁵⁰ In this respect, the lowering of corporate tax rates (see section (4)(i) below) has been reducing the scope of the export subsidies granted. In computing the tax payable for any income year an allowance is granted against the tax payable on the taxable income. Businesses entitled to this allowance may also claim a 40% investment allowance instead of the general initial 20% allowance. Similarly, companies that manufacture and refine sugar or manufacture products from clay or limestone for the domestic and export markets are also entitled to a 40% investment allowance.

Table III.6
Benefits under the Export Allowance Programme, 2002-06

Export profits as % of total profits	Rebate of income tax as % of income tax on export profits	Effective rate of tax (%)				
		2002	2003	2004	2005	2006
Up to 20	35	26.0	24.4	24.4	19.5	16.3
21 to 40	45	22.0	20.6	20.6	16.5	11.3
41 to 60	64	14.4	13.5	13.5	10.8	9.0
61 to 80	79	8.4	7.9	7.9	6.3	5.3
Over 80	93	2.8	2.6	2.6	2.1	1.8

Source: Information provided by the authorities.

89. Revenue forgone under Export Allowance programme in 2005/06 amounted to BDS\$773,714 (US\$387,000), and 12 companies benefited; accumulated revenue forgone between 2002/03 and 2005/06 was BDS\$2.7 million (US\$1.35 million).⁵¹

90. Under the Research and Development Allowance programme, allowances are provided (under the authority of the Income Tax Act) to businesses that export to a country outside the CARICOM and that pay for market R&D for the purpose of promoting export sales. A business is entitled to deduct from taxable income an amount equal to 150% of its actual expenditure on promoting the development of export sales; benefits are administered by the Commissioner of Inland Revenue.

91. Revenue forgone under Research and Development Allowance programme in 2005/06 amounted to BDS\$2.26 million, and six companies benefited; accumulated revenue forgone between 2002/03 and 2005/06 was BDS\$4.7 million.⁵²

92. The International Business Incentives (IBI) programme provides incentives in the form of tax rebates to international or "offshore" companies registered as international business companies (IBCs). IBCs must sell all their production abroad. The benefits are provided under the authority of the International Business Companies Act Cap.71. The IBI programme also provides incentives for Societies with Restricted Liability (SRLs), which must sell their production abroad. The IBI programme is administered by the International Business Division of the Ministry of Foreign Affairs, Foreign Trade and International Business and the Commissioner of Inland Revenue.

93. IBCs are subject to a 1-2.5% corporate tax rate on net profits instead of the statutory 25% rate. Taxes paid to a foreign country may be credited against tax payable in Barbados provided that this does not reduce the tax payable in Barbados to less than 1% of profits or gains in any income year. There are no withholding taxes on dividends, royalties, management fees, interest payments,

⁵⁰ See also WTO document G/SCM/N/71/BRB, 1 March 2002.

⁵¹ WTO documents G/SCM/N/155/BRB, G/SCM/N/160/BRB, 5 July 2007; G/SCM/N/146/BRB, 6 July 2006; G/SCM/N/123/BRB/Rev.1, 19 July 2005; and G/SCM/N/114/BRB, 23 July 2004.

⁵² WTO documents G/SCM/N/155/BRB, G/SCM/N/160/BRB, 5 July 2007; G/SCM/N/146/BRB, 6 July 2006; G/SCM/N/123/BRB/Rev.1, 19 July 2005; and G/SCM/N/114/BRB, 23 July 2004.

and other fees paid by IBCs to non-residents of Barbados or to another IBC. IBCs are exempt from exchange control restrictions, and may import free of customs duty, VAT, and other like duties, all equipment, machinery, raw materials, goods, components and articles necessary to carry on their international business. The IBC Act makes provision for a guaranteed period of concessions of 15 years.

94. The subsidies under the IBI programme, including revenue forgone and income tax credit, totalled BDS\$12.81 million in 2005/06, and (7 companies benefited); the accumulated benefits between 2002/03 and 2005/06 were BDS\$47.1 million.⁵³

95. The Societies with Restricted Liability programme provides similar incentives as those granted to IBCs. The programme has its legal base on the Societies with Restricted Liability (SLR) Act of 1995, which created a hybrid entity, with the features of a company as well as a partnership, to provide offshore services. There is a guaranteed concessions period of 30 years. The programme is administered by the International Business Division of the Ministry of Foreign Affairs, Foreign Trade and International Business and the Commissioner of Inland Revenue.

96. The subsidies under SRL programme, including revenue forgone and income tax credit, totalled BDS\$2.58 million in 2005/06, and (7 companies benefited); the accumulated benefits between 2002/03 and 2005/06 were BDS\$33.4 million.

97. In 2005 Barbados put in place an Export Promotion and Marketing Fund, under the Export Promotion and Marketing Fund Act, 2005-20. The Fund provides financial support in the form of grants to public and private sector entities that export or promote the sale of Barbadian goods and services in overseas markets. As at 31 December 2007, grants for a total of BDS\$12.9 million (US\$6.5 million) had been approved.

98. Tax and duty concessions are also granted in support of exports of services under the Hotel Aids Act and other legislation in favour of the tourism industry (Chapter IV(4)(v)). There are no foreign trade zones or free ports in Barbados.

99. Barbados has notified to the WTO Committee on Agriculture that it does not provide export subsidies to agricultural products. Its last notification was for 2001/02.⁵⁴

(v) Finance, insurance, and promotion

100. Barbados has three export finance/insurance/guarantee programmes: the Export Rediscount Facility (ERF); the Export Credit Insurance Scheme; and the Export Finance Guarantee Scheme. A fourth programme, the Export Grant and Incentive Scheme (EGIS), was abolished in 2004.

101. Barbados notified these programmes to the WTO under Article 27.4 of the SCM Agreement, including them among those programmes providing export subsidies for which a transition period for their elimination was requested.⁵⁵ In June, 2004, however, the Government concluded that the three schemes administered by the Central Bank of Barbados, namely the ERF, the Export Credit Insurance Scheme and the Export Finance Guarantee Scheme, did not contain export subsidies and hence would

⁵³ WTO documents G/SCM/N/155/BRB, G/SCM/N/160/BRB, 5 July 2007; G/SCM/N/146/BRB, 6 July 2006; G/SCM/N/123/BRB/Rev.1, 19 July 2005; and G/SCM/N/114/BRB, 23 July 2004.

⁵⁴ WTO document G/AG/N/BRB/12, 16 March 2004.

⁵⁵ WTO document G/SCM/N/71/BRB, 1 March 2002.

no longer require the legal protection of Article 27.4. In the case of the EGIS, Barbados concluded that further work would be undertaken to remove the export component of its provisions.⁵⁶

102. The EGIS was provided under the authority of the Fiscal Incentives Act and administered by the B IDC. It was a reimbursable grant scheme that provided assistance to manufacturers and service companies selling outside of CARICOM. The benefits granted under the fund totalled BDS\$292,094 over the period April 2001-March 2004; 101 companies benefited.

103. The ERF, provided under the authority of the Central Bank Act, allows exporters to discount their export bills with commercial banks, which in turn rediscount them with the Central Bank.⁵⁷ The authorities note that there has been no activity under the ERF since 1992.

104. The Export Credit Insurance Scheme, administered under Section 41 of the Central Bank Act, provides insurance cover directly to exporters against non-payment by overseas buyers; it is available to any person or organization who partly or wholly produces, processes or manufactures goods in Barbados for export. The cost of the insurance varies according to the level of coverage and the duration, as well the level of individual buyer and country risks. Coverage is up to 90% for political risk and 80% for commercial risk. The scheme covered exports of some BDS\$51,000 during 2002-07.

105. The Export Finance Guarantee Scheme, also administered by the Central Bank, provides pre-shipment and post-shipment export finance guarantee cover to commercial banks for loans made to exporters to finance export orders and receivables. Premiums are paid by the exporter and average 1.5% per year on the outstanding balance. The coverage of this programme and of the Export Credit Insurance Scheme, is very limited, with only one company benefiting per year. Over 2002-07, the Central Bank provided pre-shipment guarantees for BDS\$492,000 and post-shipment guarantees for BDS\$1.09 million.

106. The B IDC engaged in export promotion activities including the preparation of market studies and reports, and the organization of trade shows and outward trade missions. To help companies in their marketing efforts, the B IDC maintains offices overseas in London, Miami, New York, and Toronto, which help identify prospective distributors and partners.⁵⁸ These activities are now under the purview of Invest Barbados, which is responsible for playing the lead role in attracting, winning and sustaining international investment.

(4) MEASURES AFFECTING PRODUCTION AND TRADE

(i) Legal framework for business

107. The Companies Act 1982 governs companies in Barbados. Companies may be established as: public companies, limited liability companies, companies without share capital (for non-profit purposes) or mutual insurance companies. The Companies Act does not set any minimum level of capital. Both domestic and external companies must register; registration may be subject to certain requirements. The Companies Regulations 1984 establish registration fees for companies formed under the Companies Act; a fee of BDS\$750 is payable on incorporation. Barbadian companies need

⁵⁶ Notified to the WTO in document G/SCM/N/114/BRB, 23 July 2004.

⁵⁷ WTO document G/SCM/N/114/BRB, 23 July 2004, and Central Bank of Barbados online information. Viewed at: http://www.centralbank.org.bb/Services/services_ erf.shtml.

⁵⁸ B IDC online information. Viewed at: <http://www.bidc.com/section3.cfm?SubSection=179&Section=B IDC>

to have a registered office. Annual returns are not required; audits are required only if total assets exceed BDS\$1 million (US\$500,000).

108. The Franchise (Registration and Control) Act of 1991 provides for the licensing, registration, and control of businesses wishing to operate a franchise in Barbados. Franchises must be registered with the Ministry of Finance; special conditions may be imposed on non-nationals.

109. Under the Companies Act, all external companies (formed under the laws of another country), must also be registered to do business in Barbados. There are different categories of companies that conduct "international" business and require specific licences. International business companies (IBCs) are the most widely used vehicle for offshore operations in Barbados (see also Chapter IV(4)(vii)). In 2006, 537 new business licences were issued, 109 more than in 2005; 391 licences were granted to IBCs, up from 372 a year earlier; 133 licences were granted to societies with restricted liability, 8 to exempt companies, 4 to offshore banks and 1 to an exempt management firm. Each licence corresponds to a different business.

110. Under the Income Tax Act, Barbados imposes corporation tax on all companies incorporated or registered in Barbados, and any foreign company that carries on business or has an office or place of business in Barbados. Resident companies are taxed on their world-wide income. Non-resident companies are taxed only on income derived from Barbados. The standard rate of corporation tax was gradually reduced during the period under review, from 40% to 37.5% in 2003, 30% in 2005 and 25% in 2006. Under proposed legislation, the corporate tax rate would be 20%. As at May 2008, the proposed tax rate had yet to be legislated. Branches pay an additional 10% corporation tax if profits have been remitted, or are deemed to have been remitted, unless profits are reinvested in Barbados other than for the replacement of fixed assets.

111. Barbados-resident companies must apply withholding tax at 15% on interest, royalties, management fees, and dividend payments from taxed profits to residents and non-residents alike, except if there are specific provisions under double taxation treaties⁵⁹; the rate is set at 20% for payments under settlements, and 25% for services and the earnings of entertainers. Preference dividends and dividends paid by a Barbados-resident company out of tax-exempt profits are subject to withholding tax at 25%.

112. Barbados levies an annual land tax on all properties in the island. There are separate rates for distinct categories of properties; since 1 April 2008, the same rates apply to both locals and foreigners. A tax rebate of 0.5% is granted for lands used exclusively for agricultural purposes, with the relevant certification. Hotels are entitled to 50% rebate under specified conditions.

(ii) Incentives and other government assistance

113. The Government of Barbados administers a number of incentives schemes, particularly tax incentives and, to a lesser extent, financial assistance. Some schemes are destined mainly to exporting industries (Chapter III(3)), but others are targeted also or mainly at domestic companies supplying the domestic or regional markets. Assistance is available to companies in an array of sectors, from agri-food and manufacturing to tourism and financial services.

⁵⁹ For example, under the treaties with the United States, Finland, Norway, and Malta, a rate of 5% is applied on royalties, interest, and dividends if the receiving company owns 10% or more of the capital of the paying company. See LowTax.Net, Barbados Double-Tax Treaties. Viewed at: <http://www.lowtax.net/lowtax/html/jbs2tax.html>.

114. The Fiscal Incentives Act of 1974, as amended, provides tax incentives to "approved" enterprises, or to manufacturers of an "approved product", as determined by the Government on a case-by-case basis, for up to 15 years, depending on the type of enterprise and the value added (see Chapter III (exports)).⁶⁰

115. In 2007, only nine approved enterprises were benefiting from the Fiscal Incentives Act; the last approval was granted in 2001 for a period of 15 years.⁶¹ Between 1975 and 2001, some 229 enterprises received approved status, and over 100 products were under Approved Products Orders. Industries that already supply more than 90% of the domestic market for any given product cannot be approved.⁶² The VAT is zero-rated for goods imported by beneficiaries of the Fiscal Incentives Act, as well as for businesses registered under the International Business Companies Act, and the Exempt Insurance Act. The VAT is also zero-rated for goods imported for the purposes of a tourism product or a tourism project approved under the Tourism Development Act (Chapter IV(4)(v)).⁶³

116. Under the Small Business Development Act of 1999, companies whose business is deemed to be of significant socioeconomic benefit to Barbados are entitled to a number of benefits. These include: an exemption from withholding tax on dividends and interest earned on investment by small businesses; exemption from import duty on plant and equipment imported for use in the business; exemption from withholding tax on dividends and interest earned on investment in an approved small business or in any fund approved for investment in small businesses; exemption from stamp duty; and a deduction of corporation tax of an amount equal to 20% of actual expenditure in respect of the use of technology, market research, and any other activity that is, in the opinion of the Commissioner of Inland Revenue, directly related to the development of the business. Approved small businesses may also receive technical assistance to start, continue or expand operations. Revenue forgone under the Small Business Development Act of 1999 during 2002-06 totalled BDS\$1.32 million

117. Potential beneficiaries may be active in: agriculture, forestry, and related activities; fishing; manufacturing; construction; and a number of service activities, including entertainment, financial services, health care, hotel, restaurants, tourism, personal care services, real estate, transport, storage and communication services, wholesale and retail trade.

118. Additionally, an approved small business may apply for loan guarantee cover under the Credit Guarantee Scheme through any commercial bank or financial institution with access to the Scheme.⁶⁴

⁶⁰ These include: aerated waters, automobile mufflers, bakery products, beer, brushes and mops, cardboard boxes, cigarettes, clocks, coir products, mats and matting, concrete blocks, concrete pipes, concrete tiles, copra, corrugated cardboard containers, drinking straws, edible oils and fats from copra, handicraft items, hats and caps, hollow ware (aluminium), mattresses, nails (other than galvanized nails), paper bags, phonograph records, plastic film, popcorn, printery, rum, shirts and knitted underwear, stationery, syrups, tissue paper products, tubular furniture (aluminium), twine, umbrellas, and window frames (aluminium).

⁶¹ Barbados Government online information. Viewed at: http://www.barbadosbusiness.gov.bb/miib/Legislation/documents/fiscal_incentives_declaration_enterprise_order_cap71a.pdf.

⁶² See also WTO document G/SCM/N/71/BRB, 1 March 2002.

⁶³ For the purpose of the Act, a tourism project includes: hotel and restaurant construction, conversion, furnishing, and renovation; the provision of tourist recreational facilities and tourism related services; the construction, alteration or renovation of an attraction; the restoration, preservation, and conservation of natural sites; the establishment, restoration, preservation, and conservation of monuments, museums, and other historical structures and sites; and the construction and furnishing of villas and timeshare properties. Tourism Development Act. Viewed at: http://www.barbadosbusiness.gov.bb/miib/Legislation/documents/tourism_development_bill_2002.pdf.

⁶⁴ Beneficiaries must be incorporated under the Companies Act and approved as a small business in accordance with the Small Business Development Act, or meet some eligibility criteria, including: sales not over BD\$2 million, and paid capital not over BD\$1 million, and be majority Barbadian-owned.

The Credit Guarantee Scheme for Small Businesses is sponsored by the Central Bank of Barbados.⁶⁵ The scheme is designed to offer protection to commercial banks and other credit institutions approved by the Central Bank against insolvency and other possible losses in respect of the credit granted to small enterprises. Commercial banks and approved credit institutions may apply to the Central Bank to provide credit facilities to eligible borrowers. Eligible small businesses must demonstrate a need for financial assistance and must make an equity contribution of at least 20% of the loan facility being sought. Short-term facilities are guaranteed for a maximum of three years and medium-term facilities for a maximum of seven years. The maximum guarantee is BDS\$150,000 for short-term loans and BDS\$300,000 for medium-term loans. During 2002-07, 73 businesses were able to access guarantees totalling BDS\$4 million under this scheme.

119. In addition, the Central Bank may guarantee technical assistance loans up to BDS\$50,000 for any one borrower for the purpose of market or product research, marketing, product costing, promotion, and others. The Central Bank indemnifies the credit institutions to the extent of 80% of any eventual loss, except in the case of a new (start-up) where the guarantee is up to 90% of the loan provided there is an equity contribution of at least 10% by the borrower and the business has not been in operation for more than 18 months. The rate of interest on loans guaranteed under the scheme is determined by the credit institution.

120. The Barbados Investment Fund is an equity fund established in July 1992 by the Central Bank of Barbados and the Caribbean Financial Services Corporation.⁶⁶ It provides equity financing for small and medium-sized businesses operating in Barbados, including funds for capital cost components, i.e. equipment and real estate, as well as working capital. Enterprises must be engaged in manufacturing, agri-industry, tourism and related services, or any other area that can make a contribution to foreign exchange earnings and employment. During 2002-07, some BDS\$7 million worth was invested in 13 projects.

121. The Industrial Credit Fund (ICF), established in 1983 and administered by the Central Bank of Barbados, provides medium- and long-term credit to productive enterprises operating mainly in the private sector. The ICF's available resources for lending are in excess of BDS\$65 million. ICF resources are channelled through commercial banks and other financial institutions operating in Barbados. They can be used to finance fixed assets (excluding real estate purchases), working capital, and technical assistance. To benefit from the ICF, an individual must be a resident Barbadian national; corporate bodies must be capable of contributing to the growth of output, employment, and foreign exchange earnings. The following areas of activity are eligible for loans: agri-industry; manufacturing; fisheries; tourism; mining and quarrying; information technology; construction and engineering; R&D; and a number of services, including transportation, telecommunications, consulting, and health services. During 2002-07, cumulative disbursements totalling BDS\$56.5 million (US\$28.3 million) were made to 28 businesses via the Industrial Credit Fund.

122. The ICF may advance up to 90% of the loan made by the intermediary, provided that the ICF loan does not exceed 80% of the cost of a new project or 90% of the cost of the expansion of an existing enterprise. The amount of ICF advances outstanding to a single beneficiary at any one time is limited to BDS\$5 million. Maximum maturity is 20 years (including maximum grace period of three years) for fixed assets, and five years (including a maximum grace period of two years) for working capital and technical assistance. Interest rates are in the range of two percentage points above or below the average rate payable by commercial banks in Barbados on interest-bearing deposits, as calculated by the Central Bank of Barbados.

⁶⁵ Central Bank of Barbados (2008).

⁶⁶ Central Bank of Barbados online information. Viewed at: <http://www.centralbank.org>.

123. The Special Technical Assistance Fund provides assistance for human resource development, plant upgrading, and operational design and international standards certification. Funding takes the form of grants. Disbursements in 2002-07 totalled BDS\$16.65 million (US\$8.8 million). The Innovation Fund provides financial assistance to entrepreneurs who have an innovative business idea with commercial potential. Technical assistance is also provided to projects in the developmental stage. Funding is in the form of equity and technical assistance. Disbursements over 2002-07 totalled some BDS\$5 million. The Fund Access provides loans for small businesses at an interest rate of 6%; beneficiaries are also given technical assistance in the form of training. Some BDS\$715,232 in loans were disbursed over 2002-07. The Enterprise Growth Fund Limited provides financial assistance in the form of loans, equity, and technical assistance to small and medium-sized businesses with significant potential to earn foreign exchange and generate profit and employment. Disbursements over 2002-07 totalled BDS\$10.8 million.

124. Barbados companies may also benefit from concessionary credits funded or guaranteed by the Caribbean Development Bank (CDB).⁶⁷

(iii) Competition policy and price controls

(a) Competition policy

125. Since its last Review in 2002, Barbados has introduced comprehensive competition policy legislation. The main legislation is the Fair Competition Act of 2003 (CAP. 326C). The Fair Trading Commission (FTC) CAP. 326B, contains provisions regarding competition policy. The FTC also enforces the Utilities Regulation Act, CAP. 282, some provisions of the Telecommunications Act, CAP. 282B, and the Consumer Protection Act, CAP. 326D.

126. The Fair Competition Act entered into effect in January 2003; its objectives are to promote, maintain, and encourage competition; prevent anti-competitive conduct; and ensure that all businesses have the opportunity to compete equitably. The Act applies to all persons and businesses conducting business in Barbados. Certain practices are considered anti-competitive *per se*, independently of their effect. The Act identifies some practices as abuse of dominance, including exclusive dealing, market restriction, and predatory pricing; these practices are prohibited. Anti-competitive agreements are also prohibited including price fixing, bid rigging, and resale price maintenance.

127. The Fair Trading Commission (FTC) Act, enacted in 2001, established the FTC under the Ministry of Commerce, Consumer Affairs and Business Development as the body in charge of competition policy issues, with responsibility for the enforcement of the provisions of the above-mentioned Acts. Currently under the Ministry of Trade, Industry and Commerce, the FTC is charged with safeguarding the interests of consumers, regulating utility services, and promoting and maintaining effective competition in the economy. The FTC has jurisdiction over private, public, and statutory bodies and government agencies.

128. The FTC has wide investigative powers, including those of self-initiating an investigation, and may declare certain business activities as illegal. During 2003-07, the FTC conducted more than 60 investigations of anti-competitive conduct. Approximately 10% resulted in decisions of breaches of the Fair Competition Act, and in most cases the FTC issued a cease-and-desist order. The investigations conducted by the FTC during the period under review were primarily related to

⁶⁷ CDB online information. Viewed at: http://www.caribank.org/web_staging.nsf/pages/hp1.

telecommunications, following liberalization of the sector.⁶⁸ (See Chapter IV(4)(iii).) More recently, investigations have been launched across all major sectors, mainly in regard to abuses of dominance. The FTC's decisions may be appealed to a judge within 15 days of receipt of notice of the findings. The FTC may also present recourse. As at June 2008, there were two recourse cases before the High Court.

129. The FTC may grant an authorization to engage in an agreement or business practice that is prohibited under the Act, if it is satisfied that, though anti-competitive, it is likely to promote a public benefit.⁶⁹ The FTC has not made recourse to these provisions.

130. The Fair Competition Act also contains provisions with respect to merger control. Pre-merger notification and examination by the FTC is mandatory when the merged companies are likely to control at least 40% of the relevant market. The FTC will generally allow a merger: if there are no adverse effects on competition; even if the merger is likely to lessen competition, when the efficiencies to be generated from the merger more than offset the loss to competition; or if one of the firms involved is facing imminent financial failure and the merger represents the least anti-competitive use for the failing firms assets. During 2003-07, the FTC investigated two mergers and approved one in the telecommunications sector.

131. Under the Utilities Regulation Act of 2000, the FTC regulates the Barbados Light and Power Company; the National Petroleum Corporation; and Cable & Wireless (Barbados) Limited. The FTC also establishes the principles for setting the rates to be charged for utility services and reviews these rates.⁷⁰

132. A comprehensive competition policy framework is of utmost importance for Barbados, given the still high levels of concentration in the Barbados economy, partly caused by its small size, and their possible implications for competition. Although there are few monopolies in Barbados, outside of the utilities sector and some state trading enterprises, there is a lack of competition in certain markets, although the situation has improved since the last review due to reinforced legislation, enhanced regulatory powers and the further opening to competition of some sectors, such as telecommunications. As reported in the previous review, this lack of competition can translate into higher prices.

133. As an example of market concentration and its effects on prices in Barbados, in February 2007, the Director of the FTC noted that food prices had gone up by about 25% in 2003-06, compared with an inflation rate of 13% and that, based on an inquiry conducted by the FTC into the food distribution industry from 2003 to 2006, evidence showed there was some measure of "monopolistic pricing by manufacturers and wholesalers, controlling the supply of particular brands".⁷¹ He noted that three major wholesale suppliers accounted for about 45.4% of the overall wholesale trade market, and that a few major supermarket chains dominated the retail market.

134. Protocol VIII of the CARICOM Treaty provides the rules and standards by which enterprises must do business in the Caribbean Single Market Economy in order to ensure competition, and protect consumer welfare. It prohibits agreements and practices that prevent, restrict or distort competition, and give an unfair advantage through a dominant position in the market place. The Community Competition Commission (CCC) started operating in January 2008 in Suriname; the activities of the

⁶⁸ For decisions and orders issued by the FTC during 2002-07, see Fair Trading Commission online information. Viewed at: <http://www.ftc.gov.bb/html/DNO.htm>.

⁶⁹ FTC online information. Viewed at: <http://www.ftc.gov.bb/html/fcomp/faq.htm>.

⁷⁰ Fair Trading Commission online information. Viewed at: <http://www.ftc.gov.bb/html/DNO.htm>.

⁷¹ NationNews.com online information. Viewed at: <http://bararchive.bits.baseview.com/>.

Commission complement those of the FTC and other national agencies. The CARIFORUM/EC EPA contains provisions concerning competition policy.

(b) Price controls

135. Price controls are covered by the Control of Price (General) Regulation 1983 (S.I. 1983 No. 29) and administered by the Department of Commerce and Consumer Affairs in the Ministry of Trade, Industry and Commerce. According to information from the Ministry of Trade, Price Control Regulations were in place in late 2007 on: diesel fuel, gasoline, kerosene, liquefied petroleum gas, chicken wings, chicken backs and necks, and regular sugar.⁷² Price changes for these products must be gazetted.⁷³

(iv) State trading enterprises, state-owned enterprises, and privatization

136. Barbados notified in 1996 that it maintained two state trading enterprises as defined in GATT Article XVII.4(a) and paragraph 1 of the WTO Understanding on Article XVII: the Barbados Agricultural Development and Marketing Corporation (BADMC), and the Barbados Dairy Industries Limited (BDIL).⁷⁴ As at May 2008, Barbados had not updated this notification, nor submitted written responses to questions posed by Members regarding the operations of these entities.⁷⁵

137. In the context of its first Trade Policy Review, Barbados indicated that it maintained only one designated state trading enterprise, the BADMC (Chapter IV(2)).⁷⁶ The BADMC holds a monopoly on the importation of chicken and turkey wings. The stated purposes for introducing and maintaining a state trading enterprise for the importation of poultry products include to regulate prices in the domestic market, and to protect domestic producers by the control of imports. The BADMC also imports peanuts and apples, and is *de facto* the sole exporter of cotton.⁷⁷ The BDIL was completely privatized in 1997.⁷⁸ The Government of Barbados launched an initial public offering (IPO) of shares of the Insurance Corporation of Barbados (ICB) in December 2000, retaining 67%. In January 2006 another public offering was made and an additional 50% were sold. As at June 2008, the Government owned 20% of the assets of the ICB.

138. Certain other companies are *de facto* sole traders, although they do not have statutory rights. For example, the Barbados National Oil Company is the sole importer of gasoline and fuel oil.

139. Barbados' privatization process started in 1991 and most privatization activities took place before the period under review. Republic Bank Limited (RBL) acquired 57% of the shares of Barbados National Bank Inc. from the Government in March 2003, and a further 8% in September 2003. No other privatization has taken place since then. As a consequence, a number of commercial

⁷² The prices were (wholesale/retail price between parentheses, BDS\$): diesel fuel (1.48816/1.67 per litre); gasoline (2.23213/2.46 per litre); kerosene (1.45597/1.51 per litre); liquefied petroleum gas (25.17/31.01 per 20 lb cylinder); chicken wings (4.28/5.36 per kg); chicken backs and necks (1.76/2.29 per kg); and regular sugar (1.38/1.52 per kg) Ministry of Commerce, Consumer Affairs and Business Development (2008).

⁷³ Ministry of Trade, Industry and Commerce (2003).

⁷⁴ WTO document G/STR/N/1/BRB, 29 May 1996.

⁷⁵ WTO documents G/STR/Q1/BRB/1, 26 June 1996, G/STR/Q1/BRB/2, 7 July 1996, G/STR/Q1/BRB/3, 20 September 1996, and G/STR/Q1/BRB/4, 25 September 1996.

⁷⁶ WTO document WT/TPR/G/101, 10 June 2002.

⁷⁷ Ministry of Agriculture and Rural Development online information. Viewed at: <http://www.agriculture.gov.bb/>.

⁷⁸ BHL online information. Viewed at: <http://bhl.com.bb/showcompany.cfm?p=whoware>.

companies in Barbados remain partly or totally state owned, and the State is involved in a number of commercial activities in such sectors as utility services, hotels, and agri-food production.⁷⁹

(v) **Government procurement**

140. Barbados is neither a party nor observer to the WTO Plurilateral Agreement on Government Procurement (GPA); nor does it participate in the Working Group on Transparency in Government Procurement. The authorities indicate that Barbados is not considering acceding to the GPA at this time.

141. Central Government expenditure on goods and services totalled BD\$215 million in 2005/06 (some 3.5% of GDP), while capital expenditure totalled BD\$253.4 million (some 4.1% of GDP). The authorities indicate that statistical information on Government procurement is not readily available but that the Government is in the process of modernizing its procurement system to enhance the availability of statistical information.

142. Government procurement by central government ministries and departments in Barbados is regulated by the Financial Administration and Audit Act Cap. 5, enacted in 1964, the Financial Administration and Audit (Financial) Rules (1971), and the Financial Administration and Audit (Supplies) Rules (1971). The Financial Administration and Audit Act provides for the control and management of public finances, and stipulates that all statutory spending by government agencies in Barbados will be funded through a Consolidated Fund. These procurement disciplines do not apply to decentralized government agencies, such as statutory bodies. The purchase of drugs is regulated by the Financial Administration and Audit (Drug Service) Rules (1980).

143. Imports for government consumption are exempt from import duties, but VAT is payable unless the item is zero-rated.

144. Government procurement of goods, services, and works valued at less than BDS\$20,000 (US\$10,000) may be made through direct offers or negotiations and without the formality of a written agreement. Expenditure on goods, works or services in excess of BDS\$20,000, but less than BDS\$100,000 (US\$50,000), may be arranged without tenders being invited; written quotations must be obtained from interested suppliers before the contract is awarded.⁸⁰ For procurement contracts over BDS\$100,000, an open competitive tendering procedure must be used.

145. Procurement under BDS\$100,000 may be managed at the agency/ministry level, for example, for repairs and maintenance services, or is centralized, for example, the purchase of computers or furniture. Competitive tendering for goods, services and/or works of a value of over BDS\$100,000 is managed by the Tenders Committee, which consists of the Chief Supply Officer, the Solicitor

⁷⁹ Companies wholly owned by the State include: Barbados Agency for Micro Enterprise Development Ltd., Barbados Agricultural Credit Trust LTD. (BACT), Caribbean Broadcasting Corporation, Enterprise Growth Fund LTD, Barbados Investment & Development Corp., Barbados Agricultural Management Company, Barbados Agricultural Development and Marketing Corporation, National Petroleum Corporation (NPC), Barbados National Oil Company (BNOC), Caves of Barbados Ltd., Barbados National Terminal Company Ltd., Barbados Water Authority, Sanitation Service Authority, Queen Elizabeth Hospital Board, Transport Board, National Housing Corporation, Needham's Point Development Inc. Barbados Tourism Authority, Barbados Tourism Investment Inc. (BTI), Grantley Adams International Airport Inc., Barbados Port Inc., and Caribbean Airways International Ltd. Companies with majority state ownership include: Hotels and Resorts Ltd., Needham's Point Holdings Ltd. and LIAT Ltd. Companies with minority state ownership include: Barbados National Bank Inc. (BNB), and Southern Golf and Country Club Limited.

⁸⁰ Ministry of Finance and Economic Affairs (2000).

General, and five other public officers appointed by the Minister of Finance. If the funding comes from an international financial institution, the tenders are submitted to a Special Tenders Committee.

146. For open tenders, a notice is published in one or more newspapers in Barbados, except where the Tenders Committee is satisfied that no more than seven contractors in Barbados are capable of tendering, in which case contractors are invited by letter to submit a tender. Tenders are not advertised in the *Official Gazette* but some are advertised electronically if they are financed internationally, otherwise they are advertised in the local media. In accordance with the Financial Administration and Audit (Financial) Rules (1971), in cases of extreme urgency or of a specialized nature, Cabinet may authorize the procurement of goods or services otherwise than by invitation to tender and allow procurement through direct negotiations.

147. The time limit for submission of bids varies from 21 to 42 days, according to the complexity of the procurement contract. The criteria considered in awarding tenders include conformity with tender requirements, as well as the financial, technical, and supply capacity of the tendering firm. The goods/services offered must fit the purpose intended and meet or exceed the stated specifications. The legislation does not make any reference to the lowest price or cost being a determinant factor in the award of a contract. The authorities indicate that the contract is awarded to the "lowest evaluated tender", considering, apart from the price, such factors as the guarantee of supply, the completion time, and transportation costs. Barbados's legislation does not contemplate the grant of preferences for domestic or regional suppliers. Procurement opportunities are printed in the media and open to all suppliers. All tender documents are opened in public; unsuccessful tenderers are informed, but reasons for rejection are not given.

148. Complaints may be handled administratively by the Director of Finance and Economic Affairs or through the law courts.⁸¹ The authorities indicate that only one such court case had been lodged since the inception of tenders, and none since 2002.

149. Procurement of supplies is ruled by the Financial Administration and Audit (Supplies) Rules 1971. The rules authorize the Chief Supply Officer to issue invitations to tender, accept tenders, and issue orders and enter into contracts. For procurement under BD\$100,000, the Chief Supplier must maintain a list of approved suppliers for each item of supplies and must restrict invitations to tender, as well as contracts for the purchase of supplies, to such approved suppliers. To be approved, suppliers need to be resident in Barbados; potential suppliers are asked to complete an Application to Become an Approved Supplier. Participants in open tenders do not need to be registered. The authorities indicate that supplies may be bought internationally if they are not locally available.

150. The Financial Administration and Audit (Drug Service) Rules 1980 apply to the procurement, control, and disposal of drugs. There is a Drug Tenders Committee, which examines tenders if expenditure under the contract is likely to exceed BDS\$5,000; the procedures are similar to those for supplies. The Barbados Audit Office is responsible for surveying the use of procurement rules.

151. Under Article 239 of the Revised Treaty of Chaguaramas Establishing the Caribbean Community (the Revised Treaty) (2001), CARICOM Heads of Government undertook to elaborate a protocol on government procurement.⁸² The Council for Trade and Economic Development (COTED) has launched an action plan to create a regional information coordinating agency, and a promotional programme has been developed to increase procurement of regional goods and services,

⁸¹ IADB online information. Viewed at: <http://alca-ftaa.iadb.org/eng/gpdoc2/INTRO.htm>.

⁸² Revised Treaty of Chaguaramas Establishing the Caribbean Community (2001). Viewed at: http://www.caricom.org/jsp/community/revised_treaty-text.pdf.

within CARICOM.⁸³ As at May 2008, the action plan had not been put in place. In the bilateral FTAs between CARICOM and Costa Rica (Article XV.01), and with the Dominican Republic (Article XI), it is envisaged that the parties would consider developing an agreement on government procurement. Negotiations are ongoing.

(vi) Intellectual property rights

152. Barbados is member of the World Intellectual Property Organization (WIPO) and a signatory to a number of international agreements on intellectual property rights (IPRS).⁸⁴ It is not a member of the International Union for the Protection of Industrial Property; nor of the International Union for the Protection of New Varieties of Plants (UPOV) Convention (1978).

153. Barbados notified its IPR contact point to the WTO as the Ministry of Foreign Affairs and Foreign Trade, in 2006.⁸⁵ Under the requirements of Article 63.2 of the TRIPS Agreement, Barbados has made several notifications to WTO concerning its IPR-related legislation.⁸⁶ Barbados' IPR legislation was reviewed by the TRIPS Council in 2001.⁸⁷ Barbados responded to questions posed by WTO Members, dealing with such issues as IP legal coverage, the compliance of its laws with TRIPS provisions, the scope of patent protection, exclusion of patent rights, trade mark infringement, the procedures followed in the granting of IPRs, and the provisions for enforcement.⁸⁸ In the TRIPS Council, Barbados has expressed its view that a geographical indications system should respect the principle of primacy of national law reflected in Article 1 of the TRIPS Agreement and not unduly undermine national intellectual property systems; participation in the system should be voluntary.⁸⁹

154. The Corporate Affairs and Intellectual Property Office (CAIPO) of the Ministry of Foreign Affairs, Foreign Trade and International Business is responsible for IPRs administration.⁹⁰ CAIPO also advises the Ministry of Industry and International Business on IP-related issues and is responsible

⁸³ WTO document WT/TPR/S/190, 1 October 2007.

⁸⁴ Barbados is a party to: the Convention Establishing the World Intellectual Property Organization (1970); the Paris Convention for the Protection of Industrial Property, Stockholm Text (1883) as revised in 1967; Nairobi Treaty on the Protection of the Olympic Symbol (1981); the Patent Cooperation Treaty (PCT), (1970); the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks (1967); the Berne Convention for the Protection of Literary and Artistic Works (1986); the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (1961); the Geneva Convention for the Protection of Producers of Phonograms Against Unauthorised Duplication of their Phonograms (1971); and the Universal Copyright Convention (1952).

⁸⁵ WTO document IP/N/3/Rev.9/Add.1, 31 January 2006.

⁸⁶ WTO documents IP/N/1/BRB/P/1, 12 November 2001, IP/N/1/BRB/P/2, IP/N/1/BRB/P/3, 16 October 2001, IP/N/1/BRB/P/4, 17 October 2001 (patents); IP/N/1/BRB/P/5, IP/N/1/BRB/P/6, 1 August 2002 (new plant varieties); IP/N/1/BRB/T/1, 12 November 2001, IP/N/1/BRB/T/1, Add.1, IP/N/1/BRB/T/2, 17 October 2001 (trade marks); IP/N/1/BRB/D/1, IP/N/1/BRB/D/2, 16 October 2001 (industrial designs); IP/N/1/BRB/C/1, 16 October 2001 (copyright); IP/N/1/BRB/G/1, 16 October 2001; IP/N/1/BRB/G/2, 1 August 2002 (geographical indications); IP/N/1/BRB/L/1, IP/N/1/BRB/L/1/Add.1, 16 October 2001; IP/N/1/BRB/L/2, 1 August 2002 (integrated circuits); IP/N/1/BRB/I/1, 9 May 1996; IP/N/1/BRB/I/2, 2 August 2002 (protection against unfair competition).

⁸⁷ WTO document IP/Q/BRB/1, IP/Q2/BRB/1, IP/Q3/BRB/1, IP/Q4/BRB/1, 9 February 2004.

⁸⁸ The questions and responses are contained in WTO document IP/Q/BRB/1, IP/Q2/BRB/1, IP/Q3/BRB/1, IP/Q4/BRB/1, 9 February 2004. Questions were raised by: Australia, Canada, EC, Japan, Switzerland, and the United States.

⁸⁹ WTO document TN/IP/M/10, 27 October 2004.

⁹⁰ CAIPO online information. Viewed at: <http://www.barbadosbusiness.gov.bb/>; and <http://www.caipo.org/>.

for the grant and registration of patents, trade and service marks, industrial designs, and other IPRs, covering geographical indications, integrated circuits, and plant varieties.⁹¹

155. Barbados has enacted legislation that covers all major areas referred to in the TRIPS Agreement (Table III.7). The legislation establishes a right of priority for national, regional or international applications for patents or industrial designs in a country party to the Paris Convention or a WTO Member. During the period under review, Barbados enacted the Intellectual Property (Miscellaneous Provisions) Act, 2006-2 to amend the Patents Act, the Trade Marks Act and Regulations, and the Industrial Designs Act and Regulations to make better provision for the regulation of intellectual property and to ensure compliance with certain aspects of the TRIPS Agreement. For example, the Act extended the period of protection of industrial designs to ten years, renewable for a period of five years, and expanded the concept of "mark" to include certification marks.

Table III.7
Overview of IPR protection, 2008

Area/law	Coverage	Duration	Exclusions and limitations
Copyright			
Copyright Act, 1998-4	Original literary works (including computer programs), dramatic, musical, and artistic works; sound recordings, films, broadcasts or cable programmes; typographical arrangements of published editions; and electronic databases; neighbouring rights of producers of phonograms and performers also protected; related rights include moral rights as well as performers' and broadcasters' rights; no registration required for protection	Life of the author plus 50 years For sound recordings, films, broadcasts or cable programmes, computer generated works, 50 years from production year For cable or broadcast programming, 50 years from the end of the year in which the broadcast took place For typographical arrangements, 25 years from the year in which the edition was first published	Protection is granted provided the work is original and has been written down, recorded or otherwise expressed in some material form Copyright may be transmitted by licensing Moral right to object to derogatory treatment of protected works
Patents			
Patents Act 2001, No. 18 Patents Regulations, 1984- S.I. 1984 No. 84	An invention that is novel, involves an inventive step, and is industrially applicable Rights of plant breeders and developers of new plant varieties specifically protected	20 years from the filing date accorded to the applicant	Inventions involving, discoveries, scientific theories and mathematical methods, diagnostic methods, methods for treatment of human beings and animals by surgery or therapy, plant and animal varieties and biological processes for the production of plants other than microbiological processes, and the products of those processes and inventions, the commercial exploitation of which would be contrary to public order or morality or which is prejudicial to human or animal health or to plant life or to the environment; compulsory licences can be issued if the manner of exploitation by the patent owner is found to be anti-competitive, subject to reasonable payment

Table III.7 (cont'd)

⁹¹ Corporate Affairs and Intellectual Property Office online information. Viewed at: http://www.bidc.com/barbados_link.cfm?WebLink=6.

Area/law	Coverage	Duration	Exclusions and limitations
Industrial designs			
Industrial Designs Act of 1985, Cap. 309A Industrial Designs Regulations, 1984- S.I. 1984 No. 83	Handicraft and industrial designs may be registered if they are new prior to the date of filing or the priority date of the application for registration	Ten years, renewable for five years	Protection is granted if the design has not yet been made available to the public through use or description or in any other manner except through display in an official exhibition. An industrial design cannot be registered if it provokes a breach of peace
Layout designs of integrated circuits			
Integrated Circuits Act, 1998-21, amended by ICA Amendment Act No. 15 of 2001 Integrated Circuits Regulations, 2001	Three-dimensional disposition of elements, at least one of which is an active element of an integrated circuit Layout-designs must be original; the right to registration is transferable	Ten calendar years from the date of first commercial exploitation, anywhere in the world, of the layout-design, or on the filing date for application for registration, non-renewable	Layout designs in commercial use for more than two years The 2001 Act amends the 1998 Act to clarify the criteria for protection, and provides a right of appeal
Trade marks			
Trade Marks Act, 1981-56, amended by Acts 1984-20, 1988-6, 2001-16, and 2006-2. Trade Marks Regulations 1984-S.I. 1984 No. 85	Trade marks, service marks, and collective marks that are "distinctive". The definition of trade mark includes aspects of shape and packaging and provides for certification marks There are provisions for the right of priority of an earlier application filed by the applicant in any State party to the Paris Convention or Member of the WTO It is possible to register collective marks Registration is not compulsory for protection, but without it a trade mark owner cannot bring an action in court for infringement	Ten years from the date of filing, renewable	Legislation confers the right of assignment and transfer of a trade mark by the proprietor
Geographical indications			
Geographical Indications Act, 1998-22 (in force since 2001). Geographical Indications Regulations, 2001	Indication identifying goods as originating in a territory or region or locality, when a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin. No registration required for protection		Indications that do not correspond to the definition of geographical indication under the Act, that offend public order or morality, or that cease to be protected or fall into disuse in their county of origin
Undisclosed information			
Protection Against Unfair Competition Act, 1998-20	Protects against the disclosure, acquisition or use of secret information in the course of industrial or commercial activities, without the consent of the person lawfully in control of the information	Indefinite	
Protection Against Unfair Competition			
Protection Against Unfair Competition Act, 1998-20	Protection against unfair competition within the context of Articles 39-40 of TRIPS Agreement	Indefinite	

Table III.7 (cont'd)

Area/law	Coverage	Duration	Exclusions and limitations
Protection of New Plant Varieties			
Protection of New Plant Varieties Act, 2001-17.. Protection of New Plant Varieties Regulations, S.I. 2001, No. 133. Protection of New Plant Varieties Order, S.I. 2001, No. 134	Grants plant breeder's rights in respect of plant varieties that are new, distinct, homogeneous, stable, and given a denomination that is acceptable for registration Foreign applications from UPOV members will be accorded a one-year priority right	25 years for perennial plants (including forest and fruit trees, vines); 20 years for others	The plant breeder's right does not extend to acts by individuals, for non-commercial purposes, for experimental purposes, or for the purpose of breeding other varieties

Source: WTO Secretariat, based on WTO document IP/N/1/BRB/2, 2 August 2002 and on CAIPO online information

156. Barbados' patent legislation includes provisions allowing the exploitation by the Government within Barbados of an invention protected by patent, for national security, health, or nutrition reason; in the interests of the development of an essential sector in the economy of Barbados; or for other public interest. There are provisions for both voluntary and compulsory licensing. Compulsory licensing may be granted by the High Court where a patent has not been exploited within four years of filing an application or three years from the date the patent was granted. There are no provisions with respect to parallel imports; however, these are not permitted.

157. Barbados submitted a response to the WTO checklist on issues of enforcement in intellectual property.⁹²

158. The High Court has jurisdiction in cases of dispute relating to the application of all intellectual property rights. Appeals can be made to the Court of Appeal and to the Caribbean Court of Justice as the final appellate court.

159. IPR legislation includes provisions for criminal sanctions and detail a minimum fine and/or a minimum term of imprisonment for offences. Remedies available in civil procedures include the destruction of goods, imposition of fines, or the payment of damages and expenses. In the case of copyright, remedies also include the impounding of infringing copies of works, and the forfeiture and seizure of the instruments or equipment used to make the copies. Infringement of rights may lead to a fine of up to BD\$150,000, or to imprisonment of up for five years, or to both.

160. IPR actions must be initiated by the right holder, the exclusive licensee or an authorized agent, or by the registered owner of the right. There is no provision requiring ex officio action by Customs officials. Customs authorities are authorized, under copyright and trade mark legislation, to seize goods that infringe IPRs to prevent them from entering the country, upon application by the right holder or another authorized person to the Comptroller of Customs. The authorities indicate that no information is available with respect to the number of seizures and the value of goods seized under enforcement activities.

⁹² WTO document IP/N/6/BRB/1, 6 July 2001.

IV. TRADE POLICIES BY SECTOR

(1) OVERVIEW

1. Compared with most other developing countries, Barbados is a high-cost location for the production of goods, except for some niche products. Without protection from import competition, most of the few existing activities in agriculture and manufacturing would likely contract significantly. On the other hand, the protection granted to the production of goods arguably may have weighed on the international competitiveness of service activities, for example tourist catering, by restricting access to the most competitively priced inputs.

2. The agriculture sector contributes only a small and declining share to GDP and employment, despite the protection it receives. Barbados no longer administers a tariff quota regime for agricultural products, instead it applies the in-quota bound rates to the respective imports. In 2002, Barbados invoked price-based special safeguard actions for 23 agricultural products. Two state entities have monopolies on the importation of chicken and turkey wings, and raw sugar.

3. Most of Barbados' sugar production is exported to the European Communities under unilateral preferential arrangements. The sugar industry suffers from high costs that exceed world prices. The industry has shrunk considerably in recent years due to the reduction in the guaranteed price offered by the EC; efforts are under way to help it adapt to envisaged changes in access conditions to the EC market.

4. The manufacturing sector is also small but production and exports of manufactured goods have grown steadily since 2002. Manufacturing enterprises are actively encouraged through a number of fiscal incentives.

5. The services sector is the cornerstone of Barbados' economy, and its main source of foreign exchange. Despite the importance of services to its economy and the general *de facto* openness of its foreign investment regime, Barbados has scheduled only a limited number of GATS commitments (21 of the 160 subsectors). Barbados submitted an initial services offer in the negotiations on services under the Doha Development Agenda.

6. Barbados operates separate regimes for onshore and offshore banking and insurance. All commercial banks operating domestically are predominantly foreign owned. In view of the oligopolistic nature of the market, the Central Bank sets a minimum deposit rate for onshore banks, and, between 2001 and 2003, maintained temporary indicative rates of interest on loans. Since 2002, the spread between deposit and lending rates has decreased. International (offshore) financial services companies benefit from minimal taxes and are not subject to exchange controls. They may conduct business only with non-residents (except resident international business companies) and with foreign currency or assets.

7. During the period under review, Barbados has liberalized its telecommunications sector ending, earlier than initially intended, the monopoly held by the private-sector incumbent. New legislation has come into force and new institutions have been created *inter alia*, to foster competition.

8. The Government owns Barbados' basic air and maritime infrastructure, and during the review period has taken steps to operate it on a more commercial basis. Private providers are present in ground handling at the airport, and in certain port services. Barbados administers an international ship registry.

9. Professional services are governed by an overarching law and profession-specific legislation. For foreign persons to practice law and architecture in Barbados, legislation requires that reciprocity must be provided to Barbadian citizens in third countries. Efforts are under way at the CARICOM level to develop and harmonize requirements for the licensing and regulation of certain professions.

(2) AGRICULTURE

(i) Features

10. In 2006, agriculture contributed 2.7% to GDP.¹ In 2006, 4,700 people were employed in agriculture and fisheries, representing just over 3.6% of the total employed workforce in Barbados.² Barbados produces a variety of vegetables and root crops as well as livestock and dairy, most of which is domestically consumed.³ Barbados' main agricultural export is sugar.

11. The Minister of Agriculture and Rural Development is responsible for agricultural policy in Barbados. There is currently no general legislation governing the sector as a whole, however the authorities indicate that the first draft of a Sustainable Agricultural Development Bill is to be considered in June 2008.

12. A Rural Development Commission (RDC) has responsibilities for improving social amenities and assisting in the establishment of cottage industries in rural areas, as well as helping small farmers in training, investment, engineering and machinery, production, and marketing.⁴ Its major aim is to bring relief to the poor in rural areas. It allocates land under Government control to persons wishing to take up farming and is also involved in rural enterprise development. It manages the Rural Enterprise and Livestock Development Funds (see below).

13. The Barbados Agricultural Development and Marketing Corporation (BADMC) has been notified to the WTO as a State Trading Enterprise (see Chapter III(4)(iv)). It provides farm support services to the non-sugar agriculture sector, collects agricultural statistical data, and provides irrigation services to small farmers. The BADMC also administers the Land for the Landless Programme, which seeks to make unused arable lands, in public or private ownership, available to farmers. It provides cold storage facilities for local livestock farmers, and fabrication and meat cutting services at competitive rates.⁵ The BADMC holds a monopoly on the importation of chicken and turkey wings for wholesale and retail sale. In practice, however, its importation of chicken wings was suspended in 2006. Manufacturers may import wings directly.

14. According to the authorities, consideration is being given to institutional reform of the Central Agriculture Ministry, the BADMC and RDC, to promote enterprise development, value-added products, local foods, and forging of greater links with the tourism and manufacturing sector, and to

¹ Government of Barbados (2006), Appendix Table 4. In 2006, food crops contributed BDS\$64.2 million to GDP; livestock BDS\$49.5 million; sugar BDS\$44.4 million; other cultivation BDS\$0.6 million.

² Government of Barbados (2006), Table 3.5-1.

³ In 2006, the main agricultural commodities produced in Barbados were (tonnes between parentheses): sugar (33,700); poultry (13,571); milk (5,570); pork (2,637); sweet potatoes (2,201); eggs (1,987); cucumbers (1,324); tomatoes (1,041); yams (794); cabbage (642); okra (525); pepper, sweet (477); onions (444); lettuce (439); cassava (375); beans, string (371); carrots (318); melon (310); turkey (275); beef and veal (182); eddoe (157); pepper, hot (136); pumpkins (121); beets (92); mutton (79); peanuts (21); and cotton (15). Government of Barbados (2006).

⁴ Rural Development Commission Act, CAP. 238 of the Laws of Barbados. Viewed at: <http://www.caricomlaw.org/docs/Rural%20Development%20Commission.pdf>.

⁵ Government of Barbados (2006).

enhance competitiveness. It is anticipated that some of these institutional reforms would be incorporated into the Sustainable Agricultural Development legislation.

(ii) Policy objectives and measures

15. The Government of Barbados sees agriculture as making an important contribution to the social and environmental fabric of the country, as well as generating economic benefits. During the period under review it has sought to preserve the sector and increase its contribution to GDP within WTO rules.⁶ The Government has been focusing on three main priorities: the attainment of food security; the full use of modern technology and research within the sector; and the creation of an environment that encourages agri-processing. Efforts will be concentrated in developing greenhouse technology (see below), promotion of value-added sea island cotton garments, as opposed to exporting lint; and the value-added production of beef burgers through the BADMC.

16. The main instrument of border protection is the tariff. Barbados' average applied tariff on agricultural products was 33.7% (WTO definition) in 2007 (Table III(3)). Applied rates ranged from zero to 216%; the average bound tariff on agricultural products was significantly higher than the applied rate, at 110.9%. The products attracting tariff rates of over 100%, include meat, milk, eggs, vegetables, and some fruits. Between 2005 and 2007, a Cess Tax was levied on extra-regional imports (see Chapter III(2)(v)), which combined with higher applied tariffs on certain processed food products has contributed to rapidly rising prices for food products.

17. Barbados notified the WTO in 2004, that it did not provide export subsidies on agricultural products during 2001/02. Barbados has reserved the right to use the special safeguard mechanism for the 36 products for which it has a tariff quota regime. It has notified the WTO it invoked price-based special safeguard actions, commencing in 2002, for 23 products.⁷ The authorities indicate these actions are no longer in force.

18. With respect to attaining the objective of food security, government strategy has been to encourage output of a number of commodities: poultry; fresh pork; table eggs; hot peppers; onions; cucurbits (specifically cucumbers, pumpkins, melon, squash, and christophene); root crops (sweet potatoes, yams, cassava, and eddoes); sweet peppers; fresh herbs (including chives, parsley, marjoram, and thyme); tomatoes; beans; crucifers (specifically cabbage, Chinese cabbage, cauliflower, and broccoli); okras; and fresh milk. The Government has reported that there was a 21% decline in consumer spending on imports of these commodities between 2005 and 2006.

19. Other Government initiatives over the review period have been to encourage a closer link between agriculture and tourism, through the promotion of Barbadian foods in hotels, and the development of a "Bajan haute cuisine". The Ministry of Agriculture and Rural Development is coordinating more closely with the Barbados Hotel and Tourism Authority for this purpose.⁸ Government funding of BDS\$2 million (US\$1 million) has been earmarked for upgrading government facilities for research, production, and training in agricultural practices such as greenhouses and hydroponics. In order to assist small farmers in their cultivation requirements, the Government has committed a total of BDS\$3.7 million (US\$1.85 million) for the purchase of tractors

⁶ Government of Barbados (2003).

⁷ WTO documents G/AG/N/BRB/13, 16 March 2004 and G/AG/N/BRB/14, 16 March 2004. The products subject to safeguard actions were: turkey backs and necks; turkey wings; other meat of swine, fresh, chilled or frozen; tomatoes; onions; shallots; cauliflower; cabbages; cabbage head lettuce; other lettuce; carrots; beets; aubergines; sweet peppers; sweet corn; cantaloupes; other melons; chicken sausages (canned); other chicken sausages; ham and cuts thereof; and luncheon meat.

⁸ Government of Barbados (2007).

and other farming equipment, to be leased or bought by tractor operators and farmers themselves.⁹ In both of the above cases, at end May 2008, the money had not yet been spent.

20. In addition to non-sector-specific incentive schemes (Chapter III(4)(ii)) a number of incentive schemes have been developed to assist the agriculture sector, through loans, grants, and duty-free concessions (Table IV.1). For some of these initiatives, there has been limited take-up; for example, at end May 2008, there had been one application for the water harvesting rebate, and no applications for the tax holiday for technology-related investments. In addition, there had been no disbursements from the Scotland District Investment and Development Fund, which has been capitalized at BDS\$2.5 million.¹⁰

21. The value of up-front import duty concessions provided in 2005-06 totalled BDS\$6.5 million (US\$3.25 million). Over the same period rebates (drawback) on agricultural incentives amounted to BDS\$774,905 (US\$ 387,453).

Table IV.1
Agricultural incentive schemes

Incentive scheme	Description	Eligibility
Agricultural Incentives Programme	Duty-free concessions on: planting material; machinery and equipment; agricultural chemicals; veterinary medicaments; hand tools; irrigation machinery and equipment; organic farming; various types of vehicles (under certain conditions); as well as special inputs. Technical assistance funding (for 75% of the respective activity) and working capital funding are also available. A re-tooling rebate also provides duty free concessions	Qualifying farmers and farmers organizations
Livestock Development Fund	Loans for up to BDS\$50,000, with a minimum interest rate of 4% per year, with maximum repayment periods of up to ten years	Start-up or existing vegetable, food crop or livestock enterprises located in rural Barbados; borrowers' net worth must not exceed BDS\$400,000
Agricultural Payment Guarantee Fund	Revolving fund enabling farmers and agri-processors to acquire their monies speedily after distributing produce to local hotels or exporters for shipment to overseas buyers (this instrument has not been used)	Registered farmers
Agricultural Development Fund	Grants and loans for improved development of agriculture, including sugar, cotton, livestock, fisheries, and horticulture; grants provided for institutional strengthening, i.e. cotton research, training, competitiveness enhancement; loan fund of BDS\$27 million, with current interest rate of 6.5%	Registered farmer
Tax holiday for technology related investments	15-year tax holiday for organizations investing in high-end technology to reduce production costs	Registered farmers in business for the duration of the tax holiday
Water harvesting rebate	50% rebate on the cost of establishing water harvesting facilities	Registered farmers engaged in livestock production
Scotland District Investment and Development Fund	Grant funding; 10-year tax holiday for investments in fruit production, processing and marketing; an orchard development subsidy to promote the production of approved fruit trees and the overall afforestation of the District (BDS\$5 per tree for a maximum of 1,000 trees per farmer); land cultivation scheme	Agricultural and agri-related projects in the Scotland District
Cane Replanting Incentive Scheme	Incentive payment of BDS\$550 per acre for force-back planting and BDS\$450 per acre for conventional planting of sugar cane	Sugar cane farmers, with conditions related to plant density and cleanliness of fields

Table IV.1 (cont'd)

⁹ Government of Barbados (2006b).

¹⁰ Ministry of Commerce, Consumer Affairs & Business Development (2008).

Incentive scheme	Description	Eligibility
Dairy industry incentives	Rebate of 25% for the components of dairy housing up to a maximum of BDS\$40,000; rebate of 40% of the cost of components for a milking parlour up to a maximum of BDS\$60,000	Dairy farmers
Cotton Research and Development Fund	Grant funding for agronomic research	Research institutions

Source: Government of Barbados (2007, 2006, and 2003), Economic and Financial Policies of the Government of Barbados. Viewed at: <http://www.foreign.gov.bb/Userfiles/File/Financial%20Statement%20-%202007%20March%2014,%202007.pdf>; <http://www.barbados.gov.bb/Docs/Budget2006.pdf>; <http://www.vob929.com/html/budget/2003/part7.cfm>; and information provided by the authorities.

(iii) Key sectors

(a) Sugar

22. In 2006, sugar production contributed 1% of Barbados's GDP.¹¹ Sugar production used to be a key economic activity for Barbados but has diminished considerably; production figures have fluctuated since 2002, showing no clear trends. In 2006, 16,500 acres of sugar cane were harvested, and 348,300 tonnes of sugar produced: 62% was produced by independent plantations; 37% by the state-owned Barbados Agricultural Management Company Co. Ltd. (BAMC)¹²; and 1% by small farmers.

23. The vast majority of sugar produced in Barbados is exported: some 94% in 2007, 96% of sugar produced was exported in 2006, and 90% in 2005. In 2006, exports of sugars and sugar confectionary totalled US\$19.6 million, and the United Kingdom was the destination for 99% of these exports (some US\$19.4 million).¹³ Under the Sugar Protocol (Protocol 3 of the EC/ACP Lomé Convention), Barbados' exports of cane sugar have been guaranteed entry within a set quota of 31,097 tonnes (white sugar equivalent) at a fixed price of €23.7 per tonne, which is higher than the world price for sugar. In December 2005, the Commission implemented a programme of price cuts over a four-year period to reduce the guaranteed price to €35 per tonne. The Barbadian authorities estimated that Barbados would stand to lose more than BDS\$30 million (US\$15 million) over the four-year period.¹⁴

24. As set out in the CARIFORUM-EC Economic Partnership Agreement, reached in December 2007, the Sugar Protocol will be terminated on 30 September 2009. From 1 October 2009 all exports of beet sugar or sugar cane from CARIFORUM states will enter the EC duty free and quota free. As an interim step, for the marketing year 2008-09, the EC has committed to open an additional tariff rate quota at zero duty for 60,000 tonnes of sugar cane or beet sugar originating in the CARIFORUM states, half of which is reserved for the Dominican Republic.¹⁵

¹¹ Government of Barbados (2006).

¹² The BAMC was created in the 1990s as part of an initiative to restructure the sugar industry due to high levels of debt incurred by the sugar plantations. The BAMC's responsibility has been to manage the land and factories producing sugar until these debts have been repaid; by 2007, some independent plantations had reverted to self-management status. Under the Barbados Agricultural Management Co. Ltd (Sugar Bonds Guarantee) Act Cap. 255 of the Laws of Barbados, bonds issued by the BAMC are guaranteed by the Government.

¹³ COMTRADE data.

¹⁴ Government of Barbados (2006b).

¹⁵ CARIFORUM-EC EPA. Viewed at: <http://www.normangirvan.info/wp-content/uploads/2008/01/full-economic-partnership-agreement-text-with-hyperlinks.doc>.

25. Under the Sugar Industry Act, the Minister of Agriculture and Rural Development may determine the maximum quantities of sugar and molasses that may be exported in any year, and issue export permits for these products.¹⁶ The Barbados Agricultural Management Company (BAMC) has a monopoly on the importation of bulk raw sugar, and also imports refined sugar (not under monopoly). Imports of raw cane sugar are subject to a BDS\$0.90 per tonne levy under the Sugar Import Levy Act.¹⁷ Under the Revised Treaty of Chaguaramas, Barbados, as a producer of unrefined sugar cane, may apply quantitative restrictions on imports of unrefined sugar cane from any other part of the Community.¹⁸ At end May 2008, Barbados has not applied any such measures.

26. The Government of Barbados has introduced a Cane Industry Restructuring Project aimed at moving from the production of low-value raw sugar, to a sustainable high value multi-product industry. In this regard, there are plans to install by 2009 a multi-purpose plant capable of producing sugar, electricity, and ethanol. In addition, Barbados has started selling Barbados sugar as a branded product both on the domestic market (as Muscavado Gold) and overseas (as Plantation Reserve), at a significantly higher price (BDS\$17 per lb), than bulk sugar (BDS\$1 per lb).¹⁹

(b) Dairy products

27. Pine Hill Dairy (PHD) is the sole purchaser of fresh milk from farms in Barbados. The authorities indicate that there are no legal restrictions on who may export or import of milk and milk products, and Pine Hill Dairy does not have a *de facto* monopoly on imports or exports.

28. A quota system is in operation, whereby farmers may sell milk to the PHD in fixed ratios depending on market supply. The PHD pays the farmers a premium price for pasteurised milk sold within the quota system, and lower prices for out-of-quota milk used in other products, such as yoghurt, UHT milk, and ice cream. A shortfall in the milk supply in 2006 prompted discussions as to whether this quota system should remain, and whether it would be appropriate for fresh milk to be imported to bridge this shortfall until such time as local supply matches demand.

29. The Government requires that 60% milk-needs of the School Meals Service and all other Government institutions must be met from local milk production.²⁰ Milk is also one of the targeted areas in which the Government is seeking full self-sufficiency (see section (ii) above). In this regard, and given the production shortfall in the industry, the Government announced a package of incentives in 2006 for dairy farmers (see Table IV.1) as well as government funding: to establish a Dairy Board (BDS\$250,000)²¹; to develop a business plan for the industry (BDS\$250,000); and to provide for market research and development (BDS\$300,000).²² In addition, in 2007, the Government announced that financing would be provided through the Agricultural Development Fund to assist farmers to import more stock. According to the authorities, 75% of local demand for milk (some 4.5 million kg) was produced domestically in 2006.

¹⁶ Sugar Industry Act, CAP. 270 of the Laws of Barbados. Viewed at: <http://www.caricomlaw.org/doc.php?id=540>.

¹⁷ Sugar Import Levy Act, CAP. 271 of the Laws of Barbados. Viewed at: <http://www.caricomlaw.org/docs/Sugar%20Imports%20Levy.pdf>.

¹⁸ Revised Treaty of Chaguaramas, Schedule II, Marketing Arrangements for Unrefined Sugar Cane. Viewed at: <http://www.sice.oas.org/Trade/caricom/caric8b.asp>.

¹⁹ Government of Barbados (2007).

²⁰ Government of Barbados (2003).

²¹ The requisite legislation to establish the Dairy Board has not yet been passed.

²² Government of Barbados (2006b).

(c) Livestock and meat

30. As mentioned, the BADMC holds a monopoly on the importation of chicken and turkey wings for wholesale and retail sale. Its responsibilities are to regulate prices in the domestic market (the mark-up is determined on the difference between the c.i.f. price and the domestic price) and protect domestic producers by controlling imports. A tendering system is used whereby overseas suppliers are invited to tender. At March 2007, Barbados' poultry industry supplied 80% of the country's requirements, and the government was committed to increasing this to 100%. With this in mind the Government has proposed that a Poultry Board be established, however, no relevant legislation has been passed to date.

31. Pork production is another area in which the Government is seeking self-sufficiency, and supply at least 50% of the processing industry's requirements. Pork production increased by 87% between 2002 and 2007, and the industry was producing 60% of local demand for fresh pork. To encourage production to meet self-sufficiency targets, the Government is to provide BDS\$300,000 for the development of a pig artificial insemination programme.²³

32. Various poultry and meat products were subject to special safeguard action in 2002 (see section (ii) above).

(d) Cotton

33. Cotton production increased year-on-year between 2003 and 2006, but there was a significant decline in 2007, with production falling to 2003 levels. In 2007, 59,526 kg of seed cotton was received and 19,207 kg of lint was produced. The private sector is seeking to generate higher value added from cotton produced in Barbados, and to protect the intellectual property associated with West Indies Sea Island Cotton. The Government has committed to providing the WISICA with BDS\$400,000 to assist in its restructuring efforts.²⁴ Under the Cotton Export Levy Act²⁵, exports of cotton are subject to a levy at the rate of 17 cents per pound. The proceeds of the levy are paid to the Barbados Cotton Growers Association.

(3) MANUFACTURING

34. The manufacturing sector in Barbados accounted for 5.5% of GDP in 2006 (Chapter I(2)(i)). In the same year 9,565 people were employed in manufacturing, mainly in the food processing, beverage and tobacco subsectors. There has been steady growth in almost all subsectors over the review period (Table IV.2).

35. Applied tariffs in the manufacturing sector (ISIC classification) range from zero to 184%: the highest tariffs are on certain processed meat products. Products attracting tariff rates of 100% or above include certain processed meat products; some pasta products; various fruit purees, jams and juices; aerated beverages, as well as beer, stout and shandies. Various firearms are subject to a 70% tariff. In 2001, applied tariff rates on a number of manufactured products were raised to 60% (Chapter III(2)(iv)).

²³ Government of Barbados (2007).

²⁴ Government of Barbados (2007).

²⁵ Cotton Export Levy Act, CAP. 271 of the Laws of Barbados. Viewed at: <http://www.caricomlaw.org/docs/Sugar%20Import%20Levy.pdf>.

Table IV.2
GDP breakdown of manufacturing sectors (current prices)

Product	Production (BDS\$ million)					Employment 2006
	2002	2003	2004	2005	2006	
Food, beverages and tobacco	135.3	163.9	169.9	170.3	175.4	3,644
Textiles & wearing apparel	7.3	6.9	7.5	7.5	7.6	772
Wood and wood products	7.4	6.7	6.7	6.0	7.8	498
Paper products, printing and publishing	37.4	38.7	46.4	48.0	59.2	1,003
Chemicals, oil and non-metallic products ^a	33.6	34.3	33.9	37.0	44.3	1,930
Metal products and assembled goods ^b	31.7	31.7	37.0	37.7	46.5	1,581
Other manufacturing	10.3	10.6	14.3	14.8	16.4	137
Total	263	292.8	315.7	321.3	357.2	9,565

a Includes: chemicals and chemical products, plastic products, non-metallic mineral products.

b Includes: fabricated metal products, precision instruments, electronic components and devices, and handicrafts.

Source: Government of Barbados (2006), *Economic and Social Report*, Table 4.2-4 and Appendix 2.

36. At end 2007, there were 15 wholly foreign-owned manufacturing companies, employing 985 people, and 5 majority foreign-owned companies, employing 262 people. The authorities note that challenges facing the manufacturing sector include: inadequate and often limited access to capital for investment in the sector; the inability to build and market brands in the domestic and export markets; inappropriate plant, equipment, and technology; relatively high costs of production, particularly with increasing energy costs; a skills deficit within the sector, and limited access to training programmes.²⁶

37. Over the review period the Government had been encouraging the repositioning and diversification of the sector, greater competitiveness, and job creation; and looking to assist industry in identifying niche markets and producing higher value-added goods.²⁷ In April 2007, the BDC released an Industrial Policy for Barbados for the Manufacturing and Related Services Sectors (2007-12), which represented a component of Barbados' long-term development policy as set out in Barbados' National Strategic Plan for 2006 to 2025.

38. Manufacturing industries may benefit from a number of general incentive programmes (see Chapter III(3)(iv) and Chapter III(4)(ii)). In addition, under the Industrial Investment and Employment Fund, assistance to manufacturers is provided for industry re-tooling and plant upgrades. Assistance takes the form of loans at an interest rate of 5.5% as well as equity financing.

39. The Government has supported the implementation of a "Buy Local Campaign" which is managed by the Barbados Manufacturers' Association to encourage the purchase of locally manufactured goods. The Government has implemented the "Basic Industries Programme" which is a technical assistance support programme, targeted at the garments, furniture, food and beverages subsectors.²⁸ The Buy Local Campaign has specific initiatives and actions designed to achieve five major objectives: increased output and sales by local producers, improved technical capacity in local plants; improved quality and variety of product offerings in the domestic and export sectors; introduction of practical cost-reduction measures in terms of raw material procurement and plant upgrades; and enhancement of Barbados' reputation in international markets as a producer of high-end speciality products. In addition, the Barbados Investment and Development Corporation (BDC), assists manufacturing companies by offering technical assistance, factory space in government

²⁶ Government of Barbados (2006).

²⁷ Government of Barbados (2006).

²⁸ Government of Barbados (2006b).

industrial parks at concessionary rates, and office and production facilities in its Small Business Development Centre under an incubator programme.²⁹

(4) SERVICES

(i) WTO and regional commitments

40. As reported in Barbados's previous Review, Barbados scheduled some commitments under the General Agreement on Trade in Services (GATS), in 1994. In so doing, it specified two horizontal limitations: regarding commercial presence (mode 3) the Property Transfer Tax Act was scheduled as a limitation to national treatment.³⁰ As described in the Schedule, the Act stipulates that the purchase or sale of land or shares/stocks by a foreign investor is subject to a specific tax on the value of settlement; Barbados scheduled the Immigration Act as a limitation to market access through the presence of natural persons (mode 4).

41. Specific commitments were scheduled in a very limited number of sectors or subsectors listed (4 of the 12 sectors, and 21 of the 160 subsectors Services Sectoral Classification List³¹) (Table IV.3). Barbados committed to unlimited market access and national treatment for foreign suppliers of software implementation services, courier services, reinsurance, and many entertainment services. Despite the importance of tourism, Barbados did not include the sector in its WTO commitments.

42. In 1997, Barbados undertook specific commitments in the negotiations on basic telecommunications.³² It did not submit an offer in the negotiations on financial services that ended in 1998. Barbados has submitted an initial conditional offer within the context of the Doha Development Agenda Negotiations.³³

43. Provisions for the liberalization of services within the CARICOM are contained in Chapter 3 of the Revised Treaty of Chaguaramas.³⁴ Members undertook to notify the Council for Trade and Economic Development (COTED) of existing restrictions to services in all four modes of supply, to abolish discriminatory restrictions on the provision of services in respect of CARICOM nationals, and not to introduce any new services restrictions (Table IV.3). As noted by the authorities, Barbados removed all necessary restrictions to facilitate the CARICOM Single Market and Economy (CSME) through the passage of the CARICOM Single Market and Economy (Implementation) (Miscellaneous Provisions) Act, 2004-24.

44. Incremental steps have also been taken towards the stated goal of free movement of CARICOM nationals (Chapter 3, Article 45 of the Revised Treaty), and this may encourage intra-CARICOM trade in services through the presence of natural persons (mode 4). As at January 2008, nine groups of persons were permitted to work and reside in any of the CSME Member states without a work permit. These are university graduates, media workers, sports persons, artists, musicians,

²⁹ U.S. Department of State (2006).

³⁰ Barbados has since removed the discriminatory property tax element in the Property Transfer Tax Act.

³¹ WTO document MTN.GNS/W/120, 10 July 1991.

³² WTO document GATS/SC/9/Suppl.1, 24 February 1998.

³³ WTO online information. Viewed at: http://www.wto.org/english/tratop_e/serv_e/s_negs_e.htm.

³⁴ CARICOM online information. Viewed at: http://www.caricom.org/jsp/community/revised_treaty-text.pdf.

qualified artisans, non-graduate qualified teachers, and nurses, and holders of associate degrees and their equivalents.³⁵

Table IV.3
Summary of Barbados's specific commitments under the GATS^a

Modes of supply:	Market access				National treatment			
	1	2	3	4	1	2	3	4
Cross-border supply	1				1			
Consumption abroad		2				2		
Commercial presence			3				3	
Presence of natural persons				4				4
Commitments (■ no limitations (none); ▣ partial limitations; □ no commitments (unbound); – not appearing in Schedule)								
1. Business services								
A. Professional services								
Legal Services; medical and dental services (CPC93122)	□	□	▣	▣	□	□	–	■
Other professional services	–	–	–	–	–	–	–	–
B. Computer and related services								
Consultants installing equipment; Data processing; databases	–	–	–	–	–	–	–	–
Software implementation services (CPC842)	■	■	■	■	■	■	■	■
C-F Other business services	–	–	–	–	–	–	–	–
2. Communications services								
A. Postal services; D Audiovisual services								
	–	–	–	–	–	–	–	–
B. Courier services (CPC 7152)								
	■	■	■	■	■	■	■	■
C. Telecommunication services								
Voice telephone services; packet-switched data transmission services; circuit-switched data transmission services; telex services; telegraph services; facsimile services; private leased circuit services	▣	■	▣	□	■	■	■	□
Electronic mail; voice mail; on-line information and data base retrieval; enhanced/value-added facsimile services; code and protocol conversion; on-line information and/or data processing; internet and internet access services; telecom equipment sales, rental, maintenance, connection, repair and consulting services; certain mobile services, personal communications services and paging ^b	■	■	■	□	■	■	■	□
Fixed satellite services and non public VSAT services	▣	▣	▣	□	▣	▣	▣	□
Other telecommunication services	–	–	–	–	–	–	–	–
3. Construction services								
	–	–	–	–	–	–	–	–
4. Distribution services								
	–	–	–	–	–	–	–	–
5. Education services								
	–	–	–	–	–	–	–	–
6. Services related to the environment								
	–	–	–	–	–	–	–	–

Table IV.3 (cont'd)

³⁵ These requirements were enacted in Barbados through the Immigration (Amendment) Act, 1996, Cap. 190 for university graduates and by administrative procedure for other categories of workers. CARICOM online information. Viewed at: http://www.caricom.org/jsp/single_market/skill.jsp?menu=csme.

Modes of supply:	Market access				National treatment			
	1	2	3	4	1	2	3	4
Cross-border supply	1				1			
Consumption abroad		2				2		
Commercial presence			3				3	
Presence of natural persons				4				4
7. Financial services								
A. Insurance and related services								
Life, accident and health insurance services; non-life insurance services; Services auxiliary to insurance	-	-	-	-	-	-	-	-
Reinsurance	■	■	■	■	■	■	■	■
B. Banking and other financial services; C. Other financial services	-	-	-	-	-	-	-	-
8. Social and health services	-	-	-	-	-	-	-	-
9. Tourism and travel services	-	-	-	-	-	-	-	-
10. Recreational, cultural and sports services								
A. Entertainment services (CPC96191)	■	■	■	■	■	■	■	■
B-E All other recreational, cultural and sporting services	-	-	-	-	-	-	-	-
11. Transport services	-	-	-	-	-	-	-	-
12. Other services	-	-	-	-	-	-	-	-

a The only authentic source of information on these commitments is Barbados's Schedule of Specific Commitments contained in documents GATS/SC/9 and GATS/SC/9/Suppl.1.

b Mobile services listed include: mobile services (terrestrial and satellite based); cellular/mobile telephone services; mobile data services; personal communication services; and, paging. Full commitments scheduled for modes 1 & 3 (market access) were listed as being from 1 January 1999.

Source: WTO Secretariat.

45. Some of the bilateral agreements between CARICOM and other countries in the Western Hemisphere contain provisions for the liberalization of services (Chapter II(5)(iii)).

(ii) Banking and insurance

(a) Main market features

46. Barbados's financial services industry is well developed, providing banking services, insurance, securities services, and non-bank financial services (e.g. fund management). There are numerous foreign institutions operating in the domestic market; all the commercial banks operating domestically are predominantly foreign owned. Additionally, a number of firms operate under international financial services legislation but these do not compete in the domestic market.

47. At September 2007, there were six domestic commercial banks licensed to operate in Barbados.³⁶ There has been consolidation within the banking sector through the merger of two large players and increased competition arising from the sale of three other banks to larger foreign banks. According to the authorities, commercial banks account for the lion's share of deposits in financial institutions in Barbados: in 2006 there was nearly BDS\$6.4 billion (US\$3.2 billion) of deposits in

³⁶ The Bank of Nova Scotia; Barbados National Bank Inc.; Butterfield Bank (Barbados) Limited; FirstCaribbean International Bank (Barbados) Ltd.; RBC Royal Bank of Canada; RBTT Bank (Barbados) Limited.

commercial banks, out of total deposits of nearly BDS\$7.6 billion (US\$3.8 billion) in all financial institutions (trust companies, commercial banks, credit unions, and finance companies). The four largest banks accounted for 82.9% of assets in the sector at end FY2007.

48. Credit unions are an important feature of the financial system in Barbados, in terms of participation by Barbadian residents. There were 37 credit unions in operation in 2006, with nearly 145,000 members (72% of the population).³⁷ In 2006, credit unions accounted for domestic deposits totalling BDS\$308 million (US\$154 million). However, since most of these assets are held by a small number of unions, which offer a range of banking services, these could be considered as competition for commercial banks.³⁸

49. In 2003, the Government sold the majority of its shares in the Barbados National Bank (BNB) to Republic Bank Ltd; at end-September 2007, it held 18.17% of BNB's shares. The Government has also divested itself of most of its shares in the Insurance Corporation of Barbados Limited (ICB); at end 2007, it owned 20% of ICB's assets.

50. At end-November 2007, there were 57 offshore banks licensed to operate in Barbados³⁹; during the year the operations of four offshore banks were dissolved.

51. The Central Bank sets a minimum deposit rate, on the basis that the banking market is oligopolistic.⁴⁰ The authorities note that a decision to change the minimum deposit rate is dependent upon several factors, including liquidity levels in Barbados and the region, and prevailing international interest rates locally, regionally, and internationally. The Central Bank of Barbados intervened to lower the cost of borrowing, in July 2001, by introducing indicative weighted average rates of interest on loans from commercial banks. This was a temporary measure and was discontinued in April 2003.⁴¹ In December 2006, the Central Bank specified a minimum deposit rate of 5.25%, and at the end of the year, the weighted average deposit rate was 5.71% and the weighted average lending rate was 9.78%, a spread of 4.07%. In November 2007, the Central Bank lowered the minimum deposit rate to 4.75%.⁴² This compares with a spread of around 8% in 2002. The authorities note that there is no timetable for the phasing out of the minimum deposit rate as a monetary tool. However, alternative monetary policy tools are under consideration.

52. IMF has reported that the banking system, in mid 2007 appeared to be stable, appropriately capitalized, and resilient to plausible shocks. In anticipation of the abolition of foreign exchange controls and increased exposure to risk (see Chapter 1), the Central Bank has issued guidelines with the objective of strengthening Barbados's prudential regime.

53. There are separate regimes for domestic and exempt (offshore) companies. At end 2007 there were 30 domestic insurance companies, five of them foreign owned. At end 2007, 459 exempt (offshore) insurance companies were licensed in Barbados of which 164 were active.

³⁷ World Council of Credit Unions (2006).

³⁸ Craigwell et al. (2006).

³⁹ Central Bank of Barbados online information. Viewed at: http://www.centralbank.org.bb/Financial/Offshore_Banks_Nov_2007.pdf.

⁴⁰ Central Bank of Barbados (2004).

⁴¹ Central Bank of Barbados Press Release, 31 March 2003. Viewed at: http://www.centralbank.org.bb/Publications/press_31mar2003.shtml.

⁴² The authorities note that the increase of the minimum deposit rate from 4.57% to 5.25% in December 2006 was intended to encourage savings, slow the growth of credit in the private sector at the time and consequently increase liquidity within the banking system. As liquidity recovered, the minimum deposit rate was reduced to 4.75% (November 2007).

(b) Banking legal framework

54. The Bank Supervision Department of the Central Bank of Barbados is responsible for the regulatory and prudential oversight of both the domestic and offshore banking sectors. Under the International Financial Services Act and the Financial Institutions Act, the Minister of Finance has the sole power to impose and approve certain sanctions and provisions on licences. The Minister may delegate some of these functions.

55. Different legislation applies to providers of financial services depending on whether they supply services to residents or manage foreign funds for foreign persons ("offshore" services). This duality was maintained during the period under review.

56. Barbados' offshore regime has been under scrutiny by the OECD. However, it was not blacklisted as non-cooperative by the OECD Financial Action Task Force (FATF) whose mandate was to examine money-laundering trends, and set out measures to combat money laundering.⁴³ Anti-money laundering supervision is carried out by the Financial Intelligence Unit, a division within the Anti Money Laundering Authority (AMLA).

57. The Financial Institutions Act, No. 16 1996 (as amended in August 2007) is the main law governing the onshore banking sector.⁴⁴ It requires banks to be licensed by the Minister responsible for finance. Banks may be incorporated domestically or be established branches of foreign banks. Minimum capital and reserve requirements apply equally to domestic and foreign banks, and all licensed banks may provide the same services. A foreign bank must notify the Minister of any substantial changes in areas such as its structure, the organization of its business, and changes in its assigned capital. There are no specific taxes on financial transactions. There are no citizenship or residency requirements for bank directors.

58. In 2006, the Central Bank of Barbados introduced a requirement for commercial banks to deposit 6% of their foreign currency deposits with the Bank, and undertook to pay interest on these deposits. The objective is to ensure that a larger proportion of the excess foreign currency within the banking system is made available to the general pool of foreign reserves held by the Central Bank.⁴⁵

59. The legal framework governing the operation of credit unions includes the Cooperative Societies Act 1990; and the Cooperative Societies Regulations (1993).

60. The main law governing the operations of offshore banks is the International Financial Services Act of 2002, which replaced the Off-shore Banking Act (1985).⁴⁶ This Act requires all banks to be licensed. Banks may be branches or subsidiaries of foreign banks, or locally incorporated. At least one director must be a citizen of a member state of CARICOM who is residing in Barbados. Minimum capital requirements and capital adequacy ratios apply equally regardless of the origin of capital. Offshore banks must have a place of business in Barbados.

⁴³ WTO (2002).

⁴⁴ Amendments to the Financial Institutions Act in 2007 included: definitions to support the Deposit Insurance; expanded definition of the word "group"; definition of "significant interest"; amended definition of "auditor"; provisions for the charging for the supervisory services by the Central Bank; and amendments to Part V of the Act – Winding up, Reorganization and Seizure of Licences. Further amendments are being considered.

⁴⁵ Central Bank of Barbados (2007).

⁴⁶ International Financial Services Act (2002). Viewed at: http://www.barbadosbusiness.gov.bb/miib/Legislation/documents/international_financial_services_act.pdf.

61. All business must be conducted with foreign currency or assets, and with non-residents (although offshore banks may accept foreign assets in trust from offshore entities resident in Barbados). Offshore banking (international financial services according to the Act) encompasses not only receiving and using foreign funds, but also accepting foreign assets (foreign currency, securities or property) in trust.

62. Offshore banks are exempt from various taxes, including: capital gains taxes and other direct taxes on profits and gains; withholding tax; taxes on dividends, increases on the value of property, and other assets; and transfer of securities. The Act states that income tax may be payable on profits ranging on a sliding scale from 2.5% to 1% with higher profits attracting lower tax rates. Offshore banks are not exempt from payment of service or utility charges, which include charges relating to incorporation, registration or licensing. At the Minister's discretion, offshore banks are eligible for customs duty exemptions on equipment or fixtures essential for doing business in Barbados. Exchange controls do not apply to offshore banks.

(c) Insurance legal framework

63. As with banking, separate regimes apply to domestic insurance companies and exempt (offshore) insurance companies, with the exception of "qualifying insurance companies" (see below).

64. The Insurance Act Cap. 310 (as amended in 2001 and 2004) sets out the criteria for registration and supervision of domestic insurance companies, by the Supervisor of Insurance. Companies must maintain deposits proportional to the level of premium income generated. Risks located in Barbados must be insured by local insurance companies registered with the Supervisor of Insurance. Risks for which coverage is not available locally may be insured by foreign insurance companies (cross-border trade), subject to the approval of the Supervisor of Insurance; however, if the insurance is approved, a remittance tax amounting to 20% or 15% of the premium (for property insurance or life and health insurance, respectively) may be levied.⁴⁷ The authorities note that measures to strengthen supervision of the insurance sector are under consideration.

65. Insurance companies that have a minimum of 90% of their risks and premiums coming from outside CARICOM may be registered as "qualifying insurance companies" (QICs) under the Insurance Act. Such companies are eligible for tax advantages enjoyed by companies registered under the Exempt Insurance Act (see below), with the exception of corporate income tax which remains payable at the same rate as domestic general insurance companies.

66. Exempt (offshore) insurance companies may be established either as a branch of a foreign company or a company incorporated under the Companies Act, and in both cases must be registered under the Companies Act. A licence must be obtained from the Office of the Supervisor of Insurance and Pensions and nominal application and incorporation fees apply as well as an annual licence fee of US\$2,500.

67. Companies licensed under the Exempt Insurance Act are exempt from income tax, withholding taxes, corporate taxes on capital gains, taxes on the transfer of assets or securities, and stamp duty on capital. They are not subject to exchange controls. Companies may underwrite both general and long-term risks under the same licence.⁴⁸ All risks and premiums must originate outside Barbados. Minimum capital requirements apply. Exempt insurance companies must have a registered office and a resident representative in Barbados, the registered office may be that of the

⁴⁷ WTO document WT/TPR/S/101, 10 June 2002.

⁴⁸ BIDC (2005).

representative. The requirement for a director of the company to be a resident citizen of Barbados has been repealed.⁴⁹

(iii) Telecommunications

(a) Main market features

68. During the period under review, Barbados has continued to liberalize its telecommunications sector.

69. Responsibility for policy formulation rests with the Minister of Finance, Economic Affairs and Energy. A Telecoms Unit within the Ministry is responsible for regulation of the local telecommunications system⁵⁰; the Fair Trading Commission has authority to regulate tariff rates and address consumer protection and unfair trading.

70. Until 2001, Cable and Wireless, was the monopoly provider of national and international telecommunications services in Barbados under exclusive licences, expiring in 2011. The Government had been planning reform of the telecommunications sector since 1997⁵¹; its proposed liberalization strategy was set out in the Green Paper on Telecommunications issued in December 2000.⁵² The first main step was the renegotiation of the exclusive licences given to Cable and Wireless; the agreements reached were set out in a Memorandum of Understanding signed in October 2001.⁵³ New legislation, the Telecommunications Act CAP. 282B of 2001, was enacted to govern the sector.

71. Liberalization was introduced in a phased approach. This should have been completed by August 2003, but full liberalization was achieved in February 2005.

72. Carrier licences are granted for the ownership and operation of telecommunications networks, and service provider licences are granted for the provision of telecommunications services. In mid 2007, 21 carrier licences had been granted to 8 licencees (companies); 15 licences were in service. In addition, 22 service provider licences had been granted to 8 licensees (companies); 16 licences were in service.

73. As at end May 2008, Cable and Wireless was the only company providing domestic fixed line services. In 2007, residential local fixed line rates ranged between BDS\$39.44 and BDS\$84.87 per month (compared to BDS\$32.20 to BDS\$97.75 per month in 2003), business rates range from BDS\$23.00 to BDS\$163.30 per month.

74. Two companies, Cable and Wireless and Digicel are active in the cellular market. The incumbent has reduced its post-paid cellular rates: in 2003, these ranged from BDS\$0.40 to BDS\$0.77 and in 2007, they ranged from BDS\$0.19 to BDS\$0.27. Digicel's post-paid cellular rates have not changed since it started operations, these ranged from BDS\$0.30 to BDS\$0.70 per minute.

⁴⁹ The requirement was repealed by the International Business (Miscellaneous Provisions) Act, 2004-07.

⁵⁰ Telecoms Unit online information. Viewed at: <http://www.telecoms.gov.bb>.

⁵¹ WTO (2002). In 1996 a Technical Committee was appointed by the Prime Minister to assist in the formulation of a National Telecommunication Policy. It presented its report in July 1997.

⁵² Ministry of Industry and International Business Green Paper on Telecommunications Sector Policy, 20 December 2000. Viewed at: <http://www.barbados.gov.bb/Docs/GreenPaperTelecomSecPol1.pdf>.

⁵³ Memorandum of Understanding Between Government of Barbados and Cable and Wireless (16 October, 2001). Viewed at: http://www.barbados.gov.bb/Docs/MOU_CW.pdf.

No information was available on line rental rates for either company. Both companies also offer prepaid and international cellular services. Sunbeach has been granted a licence to provide cellular mobile telephony, but has not commenced operations.

75. Five companies are licensed to provide international telephony: Cable and Wireless, Digicel, TeleBarbados, Sunbeach and Blue Communications. Information was not available on which companies had commenced operations and the rates charged.

76. Three companies, Cable and Wireless, Sunbeach and TeleBarbados offer both dial-up and ADSL internet services.

77. Barbados undertook specific commitments in the extended WTO negotiations on telecommunications, and accepted the reference paper.⁵⁴ Its WTO Schedule reflects the regulatory framework as at 1997, and commits to liberalize voice telephony, data transmission, and private leased circuit services offered to the general public in 2012, as planned under the initial monopoly arrangement with Cable and Wireless. In addition, Barbados undertook to allow the unrestricted supply of terrestrial- and satellite-based mobile services (cellular, data, and paging) as of 1999. Barbados also committed to liberalize market access on a variety of value-added services, including Internet access and V-SAT services.⁵⁵

(b) Legal framework

78. In order to own or operate telecommunications networks and provide telecommunications services, a licence must be obtained from the Minister of Economic Affairs. Licences are renewable. The granting of licences is at the discretion of the Minister, on the advice of the Chief Telecommunications Officer.

79. Obligations attached to licences may include: interconnection; universal service; licence limitations; and network build-out requirements. Application fees and annual fees for licensees differ significantly depending on the type of licence granted.⁵⁶ The Minister has the authority to modify licences without the consent of the licensee, where he is of the view that the modification is necessary for reasons of public interest. The Minister has not exercised this right.

80. Universal service obligations apply to the following services: fixed-line private residential; fixed line public payphone; emergency and directory services; and special services for the disabled or elderly. Contributions to a universal service fund are collected from all carriers and service providers through the Access Deficit Charge, which is paid to the designated universal service carrier for initiating and terminating calls.

81. A price cap plan introduced on 1 April 2005, which runs to 31 July 2008 applies to domestic and international fixed line services provided by Cable and Wireless.⁵⁷ A flat rate in place for fixed line local calls allows residential and business consumers unlimited local calls for any duration.

⁵⁴ WTO document GATS/SC/9/Suppl.1, 24 February 1998.

⁵⁵ WTO online information. Viewed at: http://www.wto.org/english/tratop_e/serv_e/telecom_e/telecom_highlights_commit_exempt_e.htm.

⁵⁶ Telecoms Unit online information, *Schedule of Licence Fees Payable for Various Types of Telecommunications Network Operators and Services in Barbados*. Viewed at: <http://www.telecoms.gov.bb/Fees/tabid/63/Default.aspx>.

⁵⁷ FTC Price Cap Mechanism Decision. Viewed at: http://www.ftc.gov.bb/library/2005-04-19_commission_decision_price_cap.pdf.

82. As required by Part VI of the Telecommunications Act (2001) and the Interconnection Policy issued in July 2003⁵⁸, interconnection must be provided when requested by other carriers, *inter alia*, on transparent and non-discriminatory terms and in a timely fashion. Interconnection rates must be cost-based⁵⁹; and network components must be sufficiently unbundled so that the interconnecting operator does not pay for facilities it does not need. Interconnection agreements can be reached either on the basis of a commercial negotiation between carriers or under the terms of a Reference Interconnection Offer (RIO), which must have been filed by the dominant carrier with the Commission, and approved by the latter. All interconnection agreements must be approved by the Commission. In April 2003, Cable and Wireless (Barbados) Ltd. was declared the dominant carrier for fixed line services. RIOs have been concluded for mobile and domestic fixed wireless services.

83. In the event of a pre-contract interconnection dispute between the parties, the Commission may determine interconnection terms and conditions. In its determination the Commission is obliged to take into account the interconnection principles as well as other specific issues laid out in the Interconnection Policy. The Commission is also responsible for resolving disputes referred to it under the terms of an interconnection agreement. Interconnection dispute resolution procedures were issued by the FTC in 2003.⁶⁰

84. The authorities note that two policies have been operationalized to promote competition with respect to international calls: the Two-Stage Dialling Policy and the Equal/Indirect Access Policy. The latter gives consumers the ability to pre-select their international service provider or to select any international service provider on a call-by-call basis.

85. No telecommunications-specific taxes are levied by the Government. Telecommunications providers (Cable and Wireless, TeleBarbados, Sunbeach and Digicel) are entitled to import all telecommunications equipment duty free, as long as it is for their exclusive use.

(iv) Transport

(a) Air transport

86. In 2006, there were 1,048,253 passenger arrivals by air. No data are available on the volume and value of merchandise trade transported by air.

87. Barbados' only international airport, the Grantley Adams International Airport serves as one of the main regional hubs. Over the review period, there has been a major expansion and renovation of the terminal building, runway, and parking facilities.

88. The airport is owned by the Government. Grantley Adams International Airport Inc. (GAIA Inc.) has responsibility for managing and maintaining the airport⁶¹; this body, established in 2003, is a government-owned limited liability company with a board of directors. The lands of the

⁵⁸ Telecoms Unit online information, *Interconnection policy*. Viewed at: <http://www.telecoms.gov.bb/Documents/Policies/pdf/Interconnection%20Policy.pdf>.

⁵⁹ In June 2003, the FTC issued "Interconnection Guidelines – Accounting, Costing and Pricing Principles", which sets out the methodology by which interconnection charges (through an agreement or through an RIO) must be determined. FTC online information. Viewed at: http://www.ftc.gov.bb/library/2003-07-01_interconnection_guidelines.pdf.

⁶⁰ FTC online information. Viewed at: http://www.ftc.gov.bb/library/2003-07-01_decision_on_dispute_resolution_v4.pdf.

⁶¹ Grantley Adams International Airport (Transfer of Management and Vesting of Assets), L.R.O. 2003, CAP. 286 of the Laws of Barbados. Viewed at: [http://www.caricomlaw.org/docs/Grantley%20Adams%20International%20Airport%20\(Transfer%20of%20Management%20and%20Vesting%20of%20Assets\).pdf](http://www.caricomlaw.org/docs/Grantley%20Adams%20International%20Airport%20(Transfer%20of%20Management%20and%20Vesting%20of%20Assets).pdf).

airport are leased by the Government to GAIA Inc. The management structure of the airport was changed in 2003 to, *inter alia* run, the airport on a commercial basis. According to the authorities, partial privatization of the airport is envisaged for the future, however, the Government is likely to maintain a controlling interest.⁶² Companies may apply to provide ground handling services; and some bilateral air services agreements contain provisions for self-handling by airlines of the other party, subject to physical constraints. At end-May 2008, there were five private companies providing ground handling services.⁶³ Air traffic control services remain with the Ministry of International Transport. Within the Ministry, the Civil Aviation Department has a regulatory role.

89. Air transport activity in Barbados is primarily governed by the Civil Aviation Act 2004-18 as amended by the Civil Aviation (Amendment) Act 2007-38; and the Airport Act Cap. 285A and regulations made thereunder.

90. Barbados has signed and ratified the CARICOM multilateral air services agreement (CARICOM MASA), which entered into force in November 1998.⁶⁴ CARICOM MASA has also been ratified by Antigua and Barbuda, Belize, Dominica, Grenada, Guyana, St. Kitts and Nevis, St. Lucia, and Trinidad and Tobago. This agreement confers third and fourth freedom route rights to airlines owned and operated by Caribbean nationals. Fifth freedoms are exchanged on a bilateral basis, and day tour regimes may also be negotiated. Article 9, allows for bilateral discussions to take place among Members with regard to air taxi operations, while Article 8 stipulates that a Member State shall not be required to grant cabotage rights to a CARICOM air carrier of another Member State. The authorities note that CARICOM MASA is being reviewed with a view to replacing it with an agreement that conforms to the provisions of the Revised Treaty of Chaguaramas.

91. The Air Transport Agreement among the member states and associate members of the Association of Caribbean States has been signed and ratified by Barbados. The agreement, has not entered into force. Based on a policy decision at CARICOM level, a first round of negotiations towards a plurilateral air service agreement was held with the United States in August 2004 at which a draft air services agreement text was initiated. There has not been a second round of negotiations.

92. Barbados has bilateral air services agreements with Belgium, Canada, Cuba, Denmark, Luxembourg, the Netherlands, Nigeria, Norway, Sweden, the United Kingdom, the United States, and Suriname, and has an interim agreement with Germany. New agreements with Switzerland and Brazil and revised agreements with the United Kingdom and Canada have been initialled and applied provisionally. Memoranda of understanding (MOUs) govern air services between Barbados and Aruba, and with Venezuela. Barbados has also concluded MOUs with St. Lucia and St. Vincent and the Grenadines on air taxi services. Some of the main features of Barbados' bilateral and plurilateral air services agreements are contained in Table AIV.1.

93. Barbados does not have a national airline, but the Government has a 49.04% share in the only regional scheduled airline LIAT: LIAT (1974) Ltd completed an asset purchase of Caribbean Star in October 2007. Barbados-registered airlines must be majority owned by Barbadian nationals and/or CARICOM nationals. Scheduled airlines operating into Barbados must obtain a license (Civil Aviation (Licensing of Air Services) Regulations 2007) from the Air Transport Licensing Authority, a statutory body established under the Civil Aviation Act. Airlines wishing to operate charter services, must obtain a permit from the Minister responsible pursuant to the same regulations.

⁶² GAIA Inc. online information. Viewed at: <http://www.gaiainc.bb/html/about-us.html>.

⁶³ These are: Caribbean Aircraft Handling Services; Fields Air Services; International Aircraft Management; Private Aircraft Services; Seawell Air Services.

⁶⁴ CARICOM online information. Viewed at: http://www.caricom.org/jsp/secretariat/legal_instruments/agreement_multilateralairservices.jsp?menu=secretariat.

94. Barbados has not scheduled any GATS specific commitments on air transport activities listed in the GATS Air Transport Annex: computer reservation systems (CRS), selling and marketing of transport services, and aircraft repair and maintenance services. The authorities indicate that in practice, there are no restrictions on the provision of these services in Barbados.

(b) Maritime transport

95. In 2003, the latest year for which data are available, the total volume of trade transported by sea was 958,874 tonnes (imports: 844,172 tonnes, and exports 114,702 tonnes). This represented a slight increase over the previous year (910,165 tonnes).⁶⁵ In volume terms, most of Barbados's exports are shipped to other Caribbean countries and to America (47% and 42% respectively in 2003)⁶⁶

96. Maritime activities are governed by the Shipping Act, Cap. 296 (as amended); the Shipping Regulations, 1994; the Shipping (oil pollution) Act, Cap. 296A; the Shipping Corporations Act; and the Shipping Corporations Regulations, 1997.

97. Barbados did not take any GATS commitments on maritime transport. The authorities indicate that, in practice, there are no restrictions on the international transport of freight and passengers.

98. Under the Shipping Incentives Act Cap. 90A (as amended by the Shipping (Incentives)(Amendment) Act 2005-5), approved shipping companies are entitled to a number of tax benefits, when involved in the operation or leasing of ships for carriage of passengers or cargo, commercial shipping and boating in the tourist industry, the leasing of ships or in shipbuilding, including the reconstruction, alteration, refitting, equipping, maintenance or repair of ships. These benefits include: duty-free imports of ships or any articles to be used in reconstruction, etc. of ships and exemption from tax on dividends and interest. An approved shipping company is any company that is engaged in shipping activities, or that is wholly owned by the Crown or in which the Government has a majority interest. According to the authorities, the purpose of the Act was to encourage the development of a shipping industry in Barbados, and an indigenous industry for ship repairs.

99. The Barbados Ships' Registry deals with all foreign-going ships and all coastal and Caribbean ships over 150 tonnes. There are no restrictions on the ownership of vessels. Vessels over 20 years of age on initial registration may be accepted by the Principal Registrar, providing they meet the requirements of Conventions to which Barbados is party. At end-May 2008, 160 vessels were registered under the Barbados flag. The Director of Maritime Affairs deals with all other ships.

100. The Bridgetown Harbour, Barbados' only port, is owned by the Government of Barbados; sole responsibility for providing port services rests with Barbados Port Inc.⁶⁷ Barbados Port Inc. was established in 2003 as company incorporated under the Companies Act, but is owned by the Government of Barbados. This change in management was undertaken with a view to enabling the

⁶⁵ Barbados Port Authority online information. Viewed at: <http://www.barbadosport.com/statisticaldigest2003.pdf>.

⁶⁶ Barbados Port Authority online information. Viewed at: <http://www.barbadosport.com/statisticaldigest2003.pdf>.

⁶⁷ Barbados Port Authority Inc. online information. Viewed at: <http://www.barbadosport.com>.

Port to operate as a commercial entity.⁶⁸ Some services are provided by the private sector on behalf of BPI: depot services, maritime agency services, maritime freight forwarding services, stevedoring, and maintenance and repair of vessels. The authorities indicate that approximately 22 containers are unloaded per hour at Bridgetown Harbour.

(v) Tourism

101. In 2007, Barbados received 581,515 long stay tourist arrivals, mostly from Europe (mainly the United Kingdom), and the United States, and 616,354 cruise passengers.⁶⁹ The number of long stay arrivals has grown steadily over the review period, with the exception of a slight dip in 2005.⁷⁰ The authorities have attributed recent growth to the strong exchange rates of sterling and other currencies against the U.S. dollar. Barbados has also signed a multi-year contract with major cruise lines to guarantee minimum numbers of cruise passenger arrivals. Visitor expenditure in 2007 totalled BDS\$2.4 billion (US\$1.2 billion).

102. The Ministry of Tourism has responsibility for policy formulation in the sector.⁷¹ Barbados Tourism Investment Inc. (BTI) is a development agency charged with facilitating investment in tourism.⁷² The Barbados Tourism Authority is responsible for: tourism promotion and marketing; carrying out market intelligence; registering and licensing and classifying tourist accommodation and restaurants; licensing hotels; and regulating other tourist services as determined by the Minister.⁷³ It also is charged with maintaining existing air and sea passenger transport services to and from Barbados, and cultivating new routes. The Government of Barbados is the major shareholder of the Gems group of hotels of Barbados (with a 94.4% share) as well as the largest shareholder in the regional carrier LIAT (49.04% share).

103. The Government of Barbados offers a number of tax incentives to the tourism industry. These fall mainly under the legislative framework of the Tourism Development Act Cap. 341 which replaces the Hotels Aid Act (1956), but also under the Special Development Areas Act (see below). Total revenue forgone as a result of these programmes amounted to BDS\$16.7 million in 2007 (around US\$8.4 million); and BDS\$17.3 million in 2006 (US\$8.7 million).

104. The Tourism Development Act Cap 341 (2002) widened the application of tax incentives to include not only tourist accommodation, but also restaurants, recreational facilities, tourism-related services, cultural and natural sites, and any other tourism project. These tax incentives include customs duty exemptions for the import of building materials and a range of furniture and fixtures.⁷⁴ Owners or operators of tourism products are eligible for various income tax concessions and are exempted from import duties, VAT and the environmental levy. Investors (persons providing loans, other than commercial banks) are eligible for an investment tax credit to be offset against tax payable. Investors also enjoy exemption from income tax. The Minister retains the right to approve or refuse

⁶⁸ Barbados Port Inc. (Transfer of Management and Vesting of Assets) L.R.O. 2003, CAP.285B. Viewed at: [http://www.caricomlaw.org/docs/%20\(Transfer%20of%20Management%20and%20Vesting%20of%20Assets\).pdf](http://www.caricomlaw.org/docs/%20(Transfer%20of%20Management%20and%20Vesting%20of%20Assets).pdf).

⁶⁹ In 2006, there were 240,923 arrivals from Europe; 130,767 from the United States; 49,198 from Canada; and 141,670 from other destinations.

⁷⁰ Government of Barbados (2006), Appendix table 26.

⁷¹ The Barbados Ministry of Tourism online information. Viewed at: <http://www.barmot.gov.bb>.

⁷² Barbados Tourism Investment Inc. online information. Viewed at: <http://barbadostourisminvestment.com>.

⁷³ The Barbados Tourism Authority Act, Cap. 342 of the Laws of Barbados. Viewed at: http://www.barbadosbusiness.gov.bb/miib/Legislation/documents/barbados_tourism_authority_act_cap342.pdf.

⁷⁴ The list of furniture and fixtures that may be imported duty free is listed in the Second Schedule to the Act.

applications for tax concessions, and accordingly applications are vetted on the basis of a determination as to whether the tourism project is practical and would assist with the development of tourism in Barbados.⁷⁵ The authorities note that terms and conditions attached to tax concessions do not include requirements to employ Barbadian nationals.

105. Under the Special Development Areas Act, developers involved in constructing, renovating or refurbishing buildings related to certain tourism activities in specific areas of the country are eligible to be exempt from certain taxes. Tax exemptions relate to the payment of import duties, the environmental levy and VAT on inputs for building works. Investors making loans for such projects are also exempt from income tax on the interest received.

106. The Enterprise Growth Fund Limited provides funding for certain small-scale tourism projects through the Small Hotels Investment Fund (SHIF), and the Tourism Loan Fund. Through the SHIF, the Small Hotels of Barbados Inc. and its members may apply for loans to assist with marketing, management, procurement of joint services and refurbishment. The repayment period is ten years at a 5% interest rate. One-quarter of the initial funding for the SHIF was provided by the Government (BDS\$5 million), and the rest was raised by the private sector. Through the Tourism Loan Fund, loans are provided for refurbishing and upgrading hotels of 75 rooms or less and facilities for historical, cultural, and natural heritage attractions. The interest rate is 5.5%. The Government set up this fund with an initial contribution of BDS\$30million (US\$15 million).⁷⁶ The authorities confirm that funding is available equally to citizens, residents, and foreigners.

(vi) Professional services

107. Barbados has undertaken GATS commitments on legal services (legal documentation and certification services) and medical services (specialized medical services). Professional services are governed by the Profession, Trade and Business Registration Act, Cap. 373, a general law under which professional and other services providers are required to register with the Registrar or Chief Labour Officer and pay an annual fee.⁷⁷ A number of professions are also regulated by sector-specific legislation.

108. Model guidelines for the licensing and regulation of architects, nurses, accountants, and engineers are in the final stages of development at the CARICOM level. The authorities note that these are expected to be completed by the third quarter of 2008.

109. The Barbados Accreditation Council, established by Act of Parliament in 2004, is charged, with *inter alia*, responsibility for recognizing the equivalency of foreign-based qualifications.⁷⁸ According to the authorities, on average, professional qualifications of regional and foreign professional are verified in eight weeks. The Accreditation Council is not responsible for signing mutual recognition agreements relating to professional services; this rests with the respective professional bodies.

110. A programme coordinated by Invest Barbados, to promote export-ready business services, including legal and accounting services, is in an early stage.

⁷⁵ BTI online information. Viewed at: http://barbadostourisminvestment.com/legislation_and_incentives.cfm.

⁷⁶ Enterprise Growth Fund Limited online information. Viewed at: <http://egfl.bb>.

⁷⁷ Profession, Trade and Business Registration Act, L.R.O. 1991, CAP.373 of the Laws of Barbados. Viewed at: <http://www.caricomlaw.org/docs/Profession%20Trade%20and%20Business%20Registration.pdf>.

⁷⁸ Barbados Government Information Service online information. Viewed at: http://www.barbados.gov.bb/site_search.asp?id=200611154562.txt.

(a) Accounting services

111. Barbados responded to the 1996 Working Party on Professional Services questionnaire on the accountancy sector.⁷⁹ The industry is self-regulating: regulatory and disciplinary responsibility is exercised by the Institute of Chartered Accountants of Barbados (ICAB).⁸⁰ Under the Companies Act Cap. 308, and the Charities Act, company audits must be performed by ICAB members. Public sector audits (including audits of statutory corporations) need not be performed for ICAB members. The authorities note that the growth of the international business sector has had a spill-over effect on demand for accountancy services.

112. Accountants may practice as sole practitioners; in a partnership with an unlimited liability structure; or within a company. (Amendments to the Companies Act have enabled persons, both natural and juridical, to qualify as an auditor and therefore provide audit services through the vehicle of a company.) According to the authorities, Barbadian practitioners work closely with foreign service providers, and there has been some concern in the industry that in the event of professional negligence or misconduct, the Barbadian accountants, rather than their incorporated colleagues, are likely to bear the burden of professional liability. The ICAB is therefore proposing that the Government permits some degree of limitation on their professional liability.⁸¹

113. Foreign accountants require a work permit, must have at least three years approved practical experience under the supervision of one or more members of a body recognized by the Council, and must qualify for membership of, and obtain a practicing certificate from, the ICAB. Persons who are members of certain institutes and associations in the United Kingdom, Ireland, Canada, the United States, Australia, and New Zealand are entitled to ICAB membership.⁸² The Council has not approved any other bodies.

114. ICAB is a member of the Institute of Chartered Accountants of the Caribbean (ICAC). As noted by the authorities, discussions on a common accountancy qualification for ICAC members has been put on the shelf.

(b) Architectural services

115. In 2003, new legislation was enacted to create a framework for the regulation of the architecture profession. The Architects Registration Act⁸³, sets up an Architects Registration Board. The Board comprises government officials and registered architects. All architects providing architectural services (as defined in the Act) within Barbados must be registered under this Act.

116. In order to be registered as an architect, certain qualification requirements apply and architects must have accumulated at least three years of approved practical experience. Architects must have been awarded a qualification from an institution that in the Board's opinion, is evidence of satisfactory training. Educational institutions recognized by the Commonwealth Association of

⁷⁹ WTO document S/WPPS/W/7/Add.12, 9 August 1996.

⁸⁰ ICAB online information. Viewed at: <http://www.icab.bb>. See also Institute of Chartered Accountants of Barbados (Incorporation) Act L.R.O. 1987, CAP.369A of the Laws of Barbados. Viewed at [http://www.caricomlaw.org/docs/Institute%20of%20Chartered%20Accountants%20of%20Barbados%20\(Incorporation\).pdf](http://www.caricomlaw.org/docs/Institute%20of%20Chartered%20Accountants%20of%20Barbados%20(Incorporation).pdf).

⁸¹ Ministry of Foreign Affairs and Foreign Trade and the Commonwealth Secretariat (2007).

⁸² ICAB online information. Viewed at: http://www.icab.bb/UserFiles/File/about_the_institute.pdf.

⁸³ Architects Registration Act, L.R.O. 2003, C.A.P. 366 of the Laws of Barbados. Viewed at: <http://www.caricomlaw.org/docs/Architects%20Registration.pdf>, as amended by the CARICOM Single Market and Economy (Implementation) (Miscellaneous Provisions) Act, 2004-24.

Architects (CAA) and the American Institute of Architects (AIA) who provide a minimum of five years of training leading to a professional degree, have been recognized by the Architects Registration Board. Otherwise they must be registered by an overseas body that, in the Board's view, upholds satisfactory standards of architecture. The Royal Institute of British Architects (RIBA), the Royal Architectural Institute of Canada (RAIC) and the American Institute of Architects (AIA) are the overseas bodies that have been recognized by the Board.

117. Foreign (non-CARICOM) architects must be registered under the Barbados Architects Registration Act. They must also be registered in a country other than Barbados or any other CARICOM Member State whose requirements are no less exacting than the registration requirements in Barbados; reciprocal arrangements must exist between the Barbados Architects Registration Board and the respective overseas body; architects must have sufficient practical knowledge of local conditions in Barbados; and they must have obtained the necessary work permit. The authorities note that there are no reciprocal arrangements in place between the Barbados Architects Registration Board and any overseas body, which in principle preclude foreign architects from practicing in Barbados. However, the authorities have indicated that in practice reciprocal arrangements are not a condition for foreign participation.

118. The Architects Registration Act permits partnerships, associations, and corporations to practice architecture under their own name and in such cases architectural work must be undertaken under the responsibility of a full time employee who is a registered architect. According to the authorities, there are no restrictions on a foreign architectural company establishing a commercial presence in Barbados other than that the foreign architects must be registered under the Barbados Architects Registration Act.

(c) Engineering services

119. In order to practice engineering, engineers (both resident and foreign) must be registered by the Engineers Registration Board. This Board was established by Act of Parliament in 1978 and comprises a number government officials as well as registered engineers.⁸⁴ Engineering activities are defined in the First Schedule to the Act.

120. For engineers to be registered, certain qualification requirements apply. Engineers must have a degree in engineering from the University of West Indies or from an institution that is approved equivalent. All universities accredited under the Washington Accord have been recognized by the Board. In addition, engineers must have four years experience. As confirmed by the authorities, there are no restrictions or special criteria applicable to foreign engineers who wish to be registered and to practice in Barbados. Foreign engineering companies are recommended, but not required to join the Barbados Association of Professional Engineers in order that they may conform to a Code of Ethics while practicing.

121. The Engineers (Registration) Act permits partnerships, associations, and corporations to practice engineering under their own name; in such cases, engineering work must be undertaken under the responsibility of a full time employee who is a registered engineer. The authorities note that there are no engineering-related restrictions on a foreign engineering company establishing a commercial presence in Barbados other than registration by the Board.

⁸⁴ The Engineers (Registration) Act, L.R.O. 1978, CAP. 368B of the Laws of Barbados. Viewed at: [http://www.caricomlaw.org/docs/Engineers%20\(Registration\).pdf](http://www.caricomlaw.org/docs/Engineers%20(Registration).pdf).

(d) Legal services

122. Barbados's GATS specific commitments restrict market access for the provision of legal documentation and certification services to natural persons. Attorneys must be admitted to the local bar and registered as required under the Legal Profession Act.⁸⁵

123. The Barbados Bar Association (BBA) supports and protects the status and interests of the legal profession generally, and particularly attorneys-at-law practising in Barbados.⁸⁶

124. Foreign licensed professionals wishing to practice law in Barbados must be registered under the Legal Profession Act.⁸⁷ An attorney who does not have a degree from the University of the West Indies, must undergo six months of training at either the Hugh Wooding Law School (Trinidad and Tobago); the Norman Manley Law School (Jamaica); or the Eugene Dupuche (Bahamas). Only Barbados and CARICOM nationals may practice law in Barbados.⁸⁸ Citizens of other countries may be permitted to practice on the basis of reciprocity, in which case the Minister (Attorney General), after consultation with the Chief Justice, may make an Order to allow a foreigner to practise to the extent that a Barbadian is allowed to practice in the courts of the foreigner's country.⁸⁹ No information was available on orders made. Nor was there information on whether, in practice, there are restrictions on the commercial presence of law firms, and on the cross-border supply of legal services.

125. Barbados is a contracting party to the CARICOM Agreement Establishing the Council for Legal Education, implemented into domestic law by the Council for Legal Education Act, Cap. 366A. In signing onto the agreement, Barbados has undertaken to recognize that any person holding a legal education fulfils the training requirements for practice in its territory.

(vii) Other offshore services

126. As at end 2007, a total of 3,334 international (offshore) companies were licensed to conduct business from Barbados. New registrations of offshore companies have increased every year since 2002. The number of International business companies and societies with restricted liability licensed in 2007 indicates the highest number of registrations in any single year. As noted by the authorities, these increased numbers can be partly attributed to increased interest in investments into China from U.S. and Canadian investors (see Table IV.4).

127. Specific legislation applies to each of the various types of offshore company set out in Table IV.4. International Business Companies are governed by the International Business Companies Act, Cap. 77. Exempt (offshore) insurance companies and offshore banks are governed by the Exempt Insurance Act 308A and the International Financial Services Act of 2002, respectively (see section (iii) above). Societies with restricted liability are governed by the Societies with restricted liability Act.⁹⁰ All these acts were amended by the International Business (Miscellaneous

⁸⁵ WTO document GATS/SC/9, 15 April 1994.

⁸⁶ Barbados Bar Association online information. Viewed at: <http://www.barbadosbarassociation.com>.

⁸⁷ Legal Profession Act, L.R.O. 1978, CAP.370A of the Laws of Barbados. Viewed at: <http://www.barbadosbarassociation.com/documents.cfm?SelectedCategory=1&ActionSearch=true>.

⁸⁸ See amendments to the Legal Profession Act contained in the CARICOM Single Market and Economy (Implementation)(Miscellaneous Provisions) Act 2004-24.

⁸⁹ Legal Profession Act, Cap. 370A. Viewed at: <http://www.barbadosbarassociation.com/documents.cfm?SelectedCategory=1&ActionSearch=true>.

⁹⁰ Societies with Restricted Liability Act. Viewed at: http://www.barbadosbusiness.gov.bb/miib/Legislation/documents/srl_act_cap318b.pdf.

Provisions) Act 2004-7. The Foreign Sales Corporation Act, Cap.59C is still in force, however, as noted by the authorities, while no new licences have been issued since 2001, some registrations have been renewed.

Table IV.4
Offshore companies registered in Barbados, 2002-07

	Total number of International Business Entities (of which new international registrations/licenses)					
	2002	2003	2004	2005	2006	2007
International business companies	1,994 (296)	1,726 (274)	2,137 (297)	2,323 (372)	2,714 (391)	2,488 (506)
Exempt insurance companies	187 (11)	184 (15)	183 (13)	194 (9)	202 (8)	164 (9)
Exempt insurance management companies	31 (3)	27 (1)	24 (1)	30 (3)	31 (1)	24 (1)
Societies with restricted liability	165 (40)	104 (31)	240 (64)	258 (42)	391 (133)	417 (151)
Offshore banks	56 (3)	53 (2)	55 (4)	55 (0)	59 (4)	57 (5)
Foreign sales corporations ^a	829	400	182	170	91	54
International Trusts (registered)	84 (84)	119 (51)	112 (14)	117 (13)	127 (10)	130 (3)
Total entities	3,346	2,613	2,933	3,147	3,615	3,334

a No new licences since 2001, the figures relate to renewed registrations. The authorities expect that the FSC regime will be phased out over time.

Source: Information provided by The Ministry of Foreign Affairs, Foreign Trade and International Business.

128. International business companies carrying on the business of international manufacturing or international trade and commerce from within Barbados are governed by the International Business Companies Act, Cap. 77. IBCs benefit from a number of tax benefits, including a lower rate of corporate income tax, of 2.5% to 1%, with lower rates applying to higher levels of profit; tax concessions for employment of non-resident specially qualified individuals; tax exemption for dividends and other payments, as well as withholding tax; and tax exemptions for the specified transfer of assets. IBCs are not subject to exchange controls. Imports of machinery and equipment are also exempt from certain taxes and duties. In 2007 total revenue from offshore companies was BDS\$492.4 (around US\$246.2), of this amount BDS\$281.3 was from international business companies. This represents a significant increase since 2002 when total revenue from offshore companies was BDS\$241.8 million (US\$121 million).

129. Barbados was a third party to the dispute between the United States (respondent) and the European Communities (complainant) on Tax Treatment for Foreign Sales Corporations (Dispute DS108). The authorities note that revenue derived from FSC licensing and renewal fees was BDS\$3.6 million (US\$1.8 million) at end 1997, and the regime had generated economic benefits for private sector companies providing services to these entities.

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APPENDIX TABLES

Table A1.1
Merchandise exports and re-exports by group of products, 2001-06
 (US\$ million and per cent)

Description	2001	2002	2003	2004	2005	2006
Total	259	215	(US\$ million)		250	195
			(% of total)		361	441
Total primary products	50.5	47.4	53.7	47.3	56.1	50.7
Agriculture	30.5	34.9	27.3	38.5	23.9	18.6
Food	30.3	34.5	26.9	38.2	23.7	18.0
1124 Spirits	7.5	9.7	8.0	12.4	8.8	6.2
0611 Sugars, beet/cane, raw, solid, no added flavour	8.5	8.7	8.2	11.8	6.1	4.4
0910 Margarine, etc.	1.8	2.2	1.8	2.6	1.5	1.6
0484 Bread, baked goods	1.3	1.6	1.3	1.6	0.8	1.0
4211 Soya bean oil, fractions	0.3	0.4	0.5	1.4	0.7	0.8
0172 Sausages and similar preparations of meat/blood	0.6	0.7	0.7	1.0	0.8	0.5
1110 Non-alcoholic beverages, n.e.s.	0.7	0.7	0.9	1.3	1.1	0.5
Agricultural raw material	0.2	0.4	0.5	0.3	0.1	0.6
Mining	20.1	12.5	26.4	8.8	32.3	32.0
Ores and other minerals	0.1	0.2	0.2	0.9	0.6	0.8
Non-ferrous metals	0.0	0.0	0.0	0.1	0.0	0.0
Fuels	19.9	12.2	26.2	7.8	31.6	31.2
3330 Crude oils of petroleum and bituminous mineral	0.0	2.8	4.9	7.8	4.6	5.2
Manufactures	48.4	50.6	45.2	51.6	43.1	48.8
Iron and steel	0.1	0.1	0.1	0.3	0.1	0.1
Chemicals	13.8	14.5	12.8	13.5	11.7	10.2
5429 Medicaments, n.e.s.	5.4	4.7	5.0	4.4	4.5	4.2
5911 Insecticides for retail sale or as preparation	3.8	4.3	3.6	4.6	3.5	2.7
Other semi-manufactures	11.3	14.1	12.9	15.0	10.2	9.9
6612 Portland cement and similar hydraulic cements	3.2	4.8	4.7	6.5	4.5	3.5
6924 Reservoirs, tanks, vats of iron, steel or aluminium	2.1	2.5	2.3	2.6	1.9	1.2
6912 Aluminium structures and parts	0.7	0.9	0.8	1.0	0.7	0.7
Machinery and transport equipment	13.6	12.5	11.5	14.3	11.0	12.7
Power generating machines	0.0	0.1	0.9	0.0	0.1	0.3
Other non-electrical machinery	1.9	2.1	1.8	2.3	1.0	1.2
Agricultural machinery and tractors	0.0	0.0	0.1	0.1	0.0	0.0
Office machines & telecommunication equipment	2.6	0.9	1.1	1.9	4.8	5.1
7643 Radio or television transmission apparatus	0.2	0.1	0.5	0.8	3.9	4.0
Other electrical machines	6.0	6.6	5.6	7.6	4.0	4.7
7723 Electric resistors, excl. heating resistors	4.7	6.0	5.2	6.8	3.8	3.6
7731 Insulated wire, cable etc.; optical fibre cable	0.1	0.0	0.0	0.1	0.0	0.5
Automotive products	1.4	1.2	0.7	1.8	0.8	0.9
7812 Motor vehicles for the transport of persons	1.0	0.7	0.3	0.4	0.5	0.4
7821 Goods vehicles	0.1	0.1	0.1	0.4	0.1	0.2
Other transport equipment	1.6	1.6	1.4	0.6	0.3	0.5
Textiles	0.6	0.6	0.7	1.0	0.5	0.6
Clothing	0.7	0.4	0.4	0.4	0.7	1.1
Other consumer goods	8.2	8.2	6.7	7.3	8.9	14.2
8973 Jewellery of gold, silver or platinum metals	0.9	1.0	0.4	0.0	2.2	3.5
8928 Printed matter, n.e.s.	2.3	2.0	2.1	2.8	1.9	1.8
8996 Orthopaedic appliances; artificial parts	0.0	0.2	0.4	0.5	0.8	1.4
Other	1.1	2.0	1.1	1.0	0.8	0.5

Source: UNSD, Comtrade database (SITC Rev.3).

Table A1.2
Merchandise imports by group of products, 2001-06
(US\$ million and per cent)

Description	2001	2002	2003	2004	2005	2006
Total	1,068	997	1,195	1,094	1,672	1,629
			(US\$ million)			
			(% of total)			
Total primary products	32.0	28.7	35.2	24.9	35.1	36.9
Agriculture	19.4	21.5	19.0	22.4	17.0	17.4
Food	17.2	18.9	17.0	20.1	15.1	15.3
0989 Food preparations, n.e.s.	1.1	1.2	1.2	1.4	1.1	1.2
1110 Non-alcoholic beverages, n.e.s.	1.0	1.2	1.1	1.3	1.0	1.1
1121 Wine of fresh grapes (including fortified wine)	0.6	0.6	0.6	0.6	0.8	0.6
1124 Spirits	0.4	0.7	0.6	0.4	0.6	0.5
0249 Other cheese; curd	0.6	0.6	0.5	0.7	0.4	0.5
0484 Bread, baked goods	0.5	0.5	0.5	0.6	0.4	0.5
Agricultural raw material	2.3	2.6	1.9	2.3	1.9	2.0
Mining	12.6	7.2	16.2	2.5	18.1	19.5
Ores and other minerals	0.4	0.4	0.4	0.6	0.4	0.4
Non-ferrous metals	0.6	0.5	0.4	0.6	0.6	0.6
Fuels	11.6	6.3	15.4	1.3	17.1	18.4
Manufactures	67.7	71.0	64.5	74.7	64.4	62.6
Iron and steel	1.4	1.7	1.7	2.3	1.9	1.9
Chemicals	10.8	12.3	10.5	11.4	9.2	9.5
5429 Medicaments, n.e.s.	2.5	2.7	2.5	2.8	2.5	2.5
5542 Surface-active agents (excl. soap)	0.7	0.8	0.7	0.8	0.6	0.6
Other semi-manufactures	11.7	12.3	10.8	12.2	9.5	10.4
6911 Iron or steel structures, tubes and the like, for use in structures	0.4	0.5	0.8	0.7	0.6	0.8
6343 Plywood of sheets <6 mm thickness	0.5	0.7	0.5	0.8	0.9	0.6
6429 Articles of paper pulp, paper, etc., n.e.s.	0.7	0.7	0.6	0.7	0.5	0.5
6624 Non-refractory brick, tiles, pipes, etc.	0.6	0.7	0.6	0.6	0.5	0.5
6991 Locksmiths' wares, etc. and hardware, n.e.s., of base metal	0.5	0.6	0.5	0.5	0.4	0.5
Machinery and transport equipment	26.3	27.2	25.6	34.2	27.8	26.4
Power generating machines	1.3	1.2	0.5	1.6	0.5	0.7
Other non-electrical machinery	5.6	5.9	5.0	6.2	5.1	7.1
Office machines & telecommunication equipment	7.5	7.7	8.9	10.7	7.6	7.6
7643 Radio or television transmission apparatus	0.5	0.6	2.4	4.0	2.7	2.3
7523 Digital processing units	1.1	1.0	0.9	1.0	0.9	0.9
7641 Electrical apparatus for line telephony/telegraphy	1.8	1.5	1.5	1.0	0.7	0.9
Other electrical machines	4.4	4.5	4.1	4.9	2.9	3.9
7731 Insulated wire, cable etc.; optical fibre cables	0.8	0.8	0.7	0.9	0.5	1.1
Automotive products	6.3	6.0	5.8	7.9	10.8	6.1
7812 Motor vehicles for the transport of persons, n.e.s.	3.5	3.4	3.4	4.5	7.2	2.9
7821 Goods vehicles	1.0	0.9	0.9	1.4	1.7	1.4
7843 Other motor vehicle parts and accessories of 722, 781 to 783	0.8	1.0	0.9	1.0	0.7	0.8
Other transport equipment	1.2	1.9	1.2	2.8	0.9	1.0
7931 Yachts and other pleasure/sports vessels	0.4	0.1	0.1	0.3	0.3	0.3
Textiles	1.9	1.8	1.7	2.0	1.4	1.3
Clothing	2.1	1.9	1.7	1.3	1.5	1.4
Other consumer goods	13.5	13.7	12.6	11.4	13.1	11.7
8973 Jewellery of gold, silver or platinum metals (except watches)	2.1	1.6	1.8	0.0	2.4	1.3
8931 Plastics containers, stoppers, lids, etc.	1.0	1.1	1.1	1.2	1.1	1.0
Other	0.3	0.3	0.4	0.4	0.5	0.5

Source: UNSD, Comtrade database (SITC Rev.3).

Table AI.3
Merchandise exports and re-exports by trading partner, 2001-06
 (US\$ million and per cent)

Description	2001	2002	2003	2004	2005	2006
	(US\$ million)					
Total	259	215	250	195	361	441
	(% of total)					
America	64.5	70.8	61.4	78.2	59.9	60.8
United States	15.0	16.5	14.5	20.0	13.4	20.1
Other America	49.6	54.3	46.9	58.2	46.5	40.7
Canada	2.8	2.1	1.6	2.7	1.8	1.8
CARICOM	42.7	47.1	40.9	51.0	39.7	34.9
Trinidad and Tobago	11.0	11.0	11.4	14.3	10.8	11.0
St Lucia	5.3	5.3	4.7	6.7	6.1	5.1
Jamaica	7.8	7.0	6.2	6.3	5.8	4.8
St Vincent and the Grenadines	3.5	4.2	3.7	5.0	3.3	3.2
Antigua and Barbuda	2.4	3.3	2.5	2.8	2.6	2.6
Grenada	2.8	3.1	3.0	3.7	3.4	2.0
St Kitts and Nevis	1.8	2.5	2.1	2.9	2.1	1.8
Guyana	2.4	4.0	2.5	3.6	1.7	1.5
Dominica	1.4	1.9	2.1	2.0	1.5	1.2
Europe	16.8	18.2	15.7	20.5	12.7	11.8
EC(25)	15.9	17.5	14.9	20.0	12.4	10.6
United Kingdom	11.7	11.9	11.0	15.3	8.8	7.5
France	1.0	1.5	1.0	1.8	1.4	0.6
Netherlands	0.9	0.5	0.4	1.1	0.4	0.3
EFTA	0.5	0.6	0.4	0.1	0.3	0.9
Other Europe	0.4	0.1	0.4	0.4	0.1	0.3
Commonwealth of Independent States (CIS)	0.4	0.0	0.0	0.0	0.0	0.0
Africa	0.3	0.5	0.2	0.2	0.1	0.1
Middle East	0.1	0.0	0.6	0.1	0.1	0.1
Asia	1.1	1.0	0.8	1.1	0.9	1.4
Other	16.8	9.3	21.2	0.0	26.2	25.8
Bunkers	16.8	0.0	21.2	0.0	26.2	25.8
Memorandum:						
EC(15)	15.7	17.5	14.9	19.9	12.3	10.4
APEC	19.0	19.7	17.1	23.8	16.2	23.2

Source: UNSD, Comtrade database (SITC Rev.3).

Table AI.4
Merchandise imports by trading partner, 2001-06
(US\$ million and per cent)

Description	2001	2002	2003	2004	2005	2006
Total	1,068	997	1,195	1,094	1,672	1,629
			(US\$ million)			
			(% of total)			
America	70.9	69.4	70.4	66.2	69.6	73.2
United States	42.1	44.1	37.9	43.6	35.9	37.6
Other America	28.9	25.3	32.4	22.5	33.7	35.7
Canada	3.7	3.7	3.5	4.8	3.4	3.7
CARICOM	20.4	15.9	23.9	11.4	24.2	26.3
Trinidad and Tobago	16.3	11.7	19.8	7.6	21.2	22.5
Guyana	1.0	1.1	1.0	1.4	0.9	1.1
Suriname	0.8	0.7	1.0	0.1	0.4	1.0
Jamaica	0.9	0.9	0.8	1.0	0.7	0.7
Brazil	1.2	1.7	1.5	1.9	1.9	1.9
Mexico	1.1	1.0	1.0	1.6	0.8	0.8
Europe	18.0	18.8	18.1	17.2	15.2	15.3
EC(25)	16.8	17.5	16.9	16.2	13.3	13.7
United Kingdom	8.0	7.9	6.2	7.1	5.4	5.8
France	1.4	1.9	2.3	1.5	1.8	1.8
Germany	1.7	1.8	1.7	1.8	1.8	1.4
Sweden	1.2	0.6	2.3	0.6	0.5	1.2
Italy	1.2	1.0	1.0	0.9	0.9	0.9
EFTA	1.0	1.0	1.0	0.8	1.8	1.3
Switzerland	0.7	0.7	0.8	0.4	1.7	1.2
Other Europe	0.2	0.2	0.2	0.2	0.1	0.2
Commonwealth of Independent States (CIS)	0.0	0.0	0.0	0.0	0.0	0.0
Africa	0.2	0.2	0.2	0.3	0.2	0.2
Middle East	0.6	0.1	0.3	0.2	0.1	0.2
Asia	10.2	11.4	11.0	16.0	14.9	11.1
China	2.0	2.7	2.6	3.0	2.9	3.0
Japan	4.2	4.5	4.5	5.5	7.6	3.7
Korea, Rep. of	0.6	0.6	0.5	3.3	1.1	0.7
New Zealand	1.0	1.2	1.1	1.5	0.8	0.8
Memorandum:						
EC(15)	16.7	17.4	16.7	16.0	13.1	13.6
APEC	56.9	60.3	53.3	66.0	54.9	52.8

Source: UNSD, Comtrade database (SITC Rev.3).

Table AII.1
Notifications to the WTO, 2002 to end 2007

Legal basis	Periodicity	WTO documents	Comment
Agreement on Agriculture			
Article 10 & 18.2	Annual	16 March 2004	No export subsidies
Article 5.7 & 18.2	Annual	G/AG/N/BRB/13, 16 March 2004 G/AG/N/BRB/14, 16 March 2004	No special safeguard measures taken in 2001 The special safeguard provisions were invoked during the year 2002 (price-based measures)
Article 18.2	Annual	G/AG/N/BRB/15, 11 May 2004	Volume of imports under tariff quotas
Article 18.2	Annual	G/AG/N/BRB/16, 3 August 2004 G/AG/N/BRB/17, 3 September 2004	Domestic support measures
Agreement on the Application of Sanitary and Phytosanitary Measures			
Article 7, Annex B	Ad hoc	G/SPS/N/BRB/1, 14 November 2001	Restrictions of trade of fresh meat and edible offal from Uruguay
Agreement on Technical Barriers to Trade			
Article 2.9	Ad hoc	G/TBT/BRB/5-9, 2 March 2006 G/TBT/BRB/2-4, 15 November 2005 G/TBT/BRB/2-4, 4 March 2003	TBT measures on brewery products, rice, table eggs, and safety matches TBT measures on pre-packaged food, carbonated beverages, meat and poultry parts/fish and fish products TBT measures on meat and poultry parts/fish and fish products
Agreement on Implementation of Article VI of the GATT 1994 (Anti-Dumping)			
Article 16.4	Bi-annual	G/ADP/N/158/Add.1, 11 October 2007 (latest)	No anti-dumping actions taken over the past six months, no action over 2002-07
Agreement on Implementation of Article VII of the GATT 1994 (Agreement on Customs Valuation)			
Decision of the Committee on Customs Valuation (12.5.95)	Once	No notification made	Responses to the checklist of issues
Article 22.2 and Decision of the Committee on Customs Valuation	Once and, subsequently notification of changes	No notification made	Legislation
Agreement on Import Licensing Procedures			
Article 7.3	Annual	G/LIC/N/3/BRB/2, 31 July 2002 G/LIC/N/3/BRB/3, 6 January 2006 G/LIC/N/3/BRB/3/Add.1, 14 September 2006 G/LIC/N/3/BRB/4, 27 September 2007	Import licensing procedures; answers to annual questionnaire
Agreement on Preshipment Inspection			
Article 5	Once		No laws or regulations notified
Agreement on Subsidies and Countervailing Measures			
Article 25.1	Annual	G/SCM/N/155/BRB, G/SCM/N/160/BRB, 5 July 2007 (latest)	New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures
Article 25.11	Bi-annual	G/SCM/N/162/Add.1, 11 October 2007 (latest)	No countervailing duties applied over the past six months, no action over 2002-07
Paragraph 1(a) of WT/L/691	Ad-hoc	G/SCM/N/163/BRB, 27 August 2007 /SCM/N/163/BRB/Corr.1, 29 August 2007	Request of Continuation of Extension under SCM Article 27.4 of the Transition Period for the Elimination of Export Subsidies Pursuant to the Procedures Concluded in the General Council Decision Contained in Document WT/L/691

Table AII.1 (cont'd)

Legal basis	Periodicity	WTO documents	Comment
Agreement on Safeguards			
Article 12.6	Once		No legislation communicated; no action notified
Agreement on Trade-Related Aspects of Intellectual Property Rights			
Article 63.2	Once, then changes	IP/N/1/BRB/2, 2 August 2002 IP/N/1/BRB/G/2, 1 August 2002 IP/N/1/BRB/L/2, 1 August 2002 IP/N/1/BRB/P/5, 1 August 2002 IP/N/1/BRB/P/6, 1 August 2002	Notification of legislation
General Agreement on Trade in Services			
Article III.4	Once only	S/ENQ/78/Rev.9, 1 December 2006	Enquiry points
Article V.7(a)	Once only	S/C/N/229, 19 February 2003	Economic integration agreements
General Agreement on Trade in Goods 1994			
Article XVII	Annual	None	No notification received since 1996
Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)			
Article 69	Once, then changes	IP/N/3/Rev.10, 16 May 2008	Contact points

Source: WTO Central Registry of Notifications.

Table AIV.1
Bilateral and plurilateral air services agreements signed by Barbados

Country	Traffic rights (freedoms)	Tariff regulation	Capacity	Designation
South and Central America and the Caribbean				
CARICOM MASA ^a	1, 2, 3, 4	Dual disapproval	Free	Multiple
Brazil
Cuba	1, 2, 3, 4, 5	Dual approval	Pre-determination	Multiple
St. Vincent and the Grenadines ^b	1, 2, 3, 4, 5	Dual approval	Free	Multiple
Suriname	1, 2, 3, 4, 5	Dual approval	Pre-determination	Single
Venezuela	1, 2, 3, 4, 5	Dual approval	Pre-determination	Multiple
North America				
Canada	1, 2, 3, 4, 5	Dual approval	Pre-determination	Multiple
United States	1, 2, 3, 4, 5	Dual disapproval and zone pricing	Free	Multiple
Europe				
Belgium	1, 2, 3, 4, 5	Dual approval	Pre-determination	Single
Denmark	1, 2, 3, 4, 5	Dual approval	Pre-determination	Multiple
Germany	1, 2, 3, 4, 5	Dual approval	Pre-determination	Multiple
Luxembourg	1, 2, 5	Dual approval	No provisions	Multiple
Netherlands	1, 2, 3, 4, 5	Dual approval	Pre-determination	Multiple
Norway	1, 2, 3, 4, 5	Dual approval	Pre-determination	Multiple
Sweden	1, 2, 3, 4, 5	Dual approval	Pre-determination	Multiple
Switzerland ^c	1, 2, 3, 4, 5	Not specified	Pre-determination	Single
United Kingdom	1, 2, 3, 4, 5	Dual approval	Free	Multiple
Africa				
Nigeria	1, 2, 3, 4, 5	Dual approval	Pre-determination	Single

.. Not available.

a CARICOM MASA signatories are: St. Lucia, Trinidad and Tobago, Antigua and Barbuda, Belize, Dominica, Grenada, Guyana and St. Kitts and Nevis. A bilateral agreement covering fifth freedom rights has been signed between Trinidad and Tobago and Barbados, and an MOU on fifth freedom rights has been signed between St. Lucia and Barbados.

b The agreement between Barbados and St. Vincent and the Grenadines is an MOU rather than a bilateral air services agreement.

c The agreement between Switzerland and Barbados is an interim air services agreement.

Source: Information provided by the authorities of Barbados.